

# NEWS BRIEF

## Report Shows Promotions Can Increase Employee Turnover Risks

A recent ADP Research Institute report analyzing the job histories of over 1.2 million Americans found that 29% of employees left their employer within a month of their first promotion. In comparison, the report found that only 18% of employees would have left if they hadn't been promoted. After six months, both employees who had been promoted and those who had not been promoted had the same chance of leaving the company. These recent findings highlight the potential unintended consequences of promotions.

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**“Motivated and committed workers, in short, are invaluable to employers. But tracking an ethereal state of mind is difficult, to say the least, and an employee’s positive feelings about work can easily be blown off track by myriad forces large and small.” -ADP Research Institute report**

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### Report Findings

Due to the increased risk of an employee leaving a company following a promotion, the ADP Research Institute concluded that every promotion leads to a loss in effective headcount comparable to 14 days of work over a nine-month period. The data indicated that one of the primary reasons employees left their jobs following promotion was because their new responsibilities made them more valuable in the job market.

The data also appeared to confirm that employees who were given more responsibility without adequate preparation, compensation or resources were more likely to quit. For example, the report found that people promoted in jobs that required little or no training or education (e.g., jobs requiring a high school diploma or less) were nearly six times more likely to leave their jobs within the first month after a promotion. In comparison, employees who were promoted in jobs that required extensive preparation (e.g., jobs requiring a graduate or advanced technical degree) were 52% more likely to leave their positions in the first month following their promotion. However, by the fifth month after a promotion, this risk for people promoted in jobs that demand extensive preparation dropped below what it would've been if they hadn't been promoted.

### Employer Takeaways

Employers can adopt a strategic approach to promotions, understanding that although promotions are critical for employee retention, motivation and productivity, they may also increase the risk of employees quitting. Providing appropriate training, support and career development opportunities can help employees ease into new roles and reduce the risk that they will leave following a promotion. Additionally, employers can benefit from having a plan to replace critical skills and talent if an essential employee leaves.

Contact us today for further information.

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