Work Institute

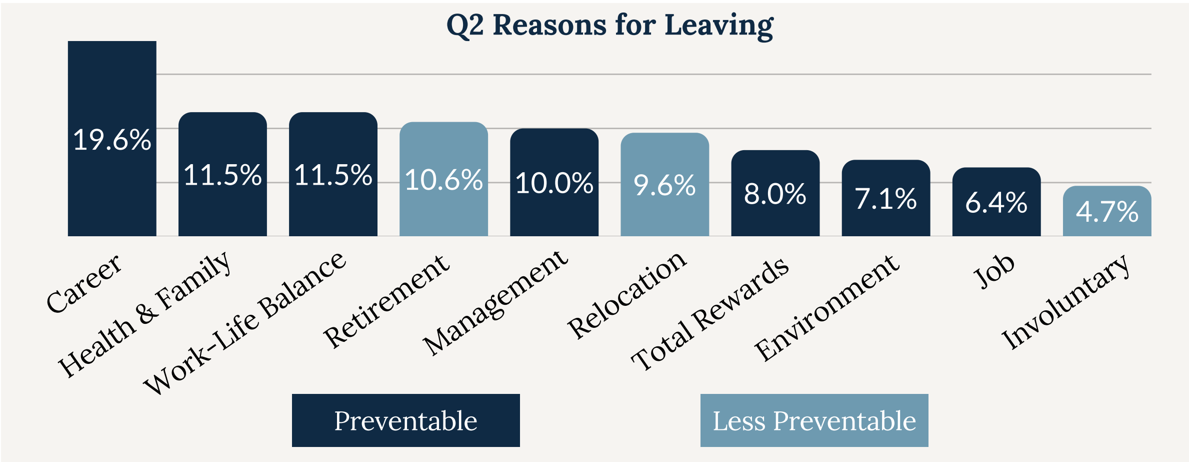
QUARTERLY WORKFORCE TRENDS REPORT

Q2 2026 Employee Exit and Retention Insights

Work Institute's Quarterly Workforce Trends Report analyzed 3,265 employee exit interviews from individuals who separated during the second quarter of 2026. These findings provide an early view of the workforce trends shaping employee turnover and retention across industries.

Key Findings for Employers

- Career-related exits remained the leading reason employees left. The primary drivers were different career paths, promotion opportunities, and school.
- Career and Management-related separations increased from Q1. Organizations that invest in career growth and leadership effectiveness will be better positioned to retain talent.
- Relocation increased 2.3 percentage points from Q1. This represented the largest quarter-over-quarter increase among the primary reasons for leaving.
- Work-Life Balance continued to influence employee turnover. Scheduling and shift concerns remained the most frequently cited challenge within the category.
- Employees with less than one year of service represented 27.0% of all separations. The finding highlights the importance of onboarding and the early employee experience.
- Net Excellence Scores increased in three of the four Core Drivers. The largest increase was in employees' ratings of their organization as a whole.



Career was the leading reason employees left their organizations, accounting for 19.6% of separations. Frequently cited Career-related drivers were different career paths (6.4%), promotion opportunities (6.1%), school (3.6%), development (2.4%), and job security (0.9%).

Health & Family and Work-Life Balance followed with 11.5% of separations each. Health & Family separations were most associated with child/elder care (4.2%), other health and family reasons (3.6%), and non-work-related health (2.8%). Work-Life Balance separations were driven by shift and schedule concerns (7.9%), commute (2.1%), and remote capability (1.2%).

Retirement represented 10.6% of separations.

Management-related separations were largely attributed to professional behavior (6.0%). Support accounted for 1.9%, while communication represented 1.4%.

Total Rewards separations were primarily driven by base pay (6.9%).

Environment-related separations were linked to organizational culture (4.7%) and coworker relationships (1.7%).

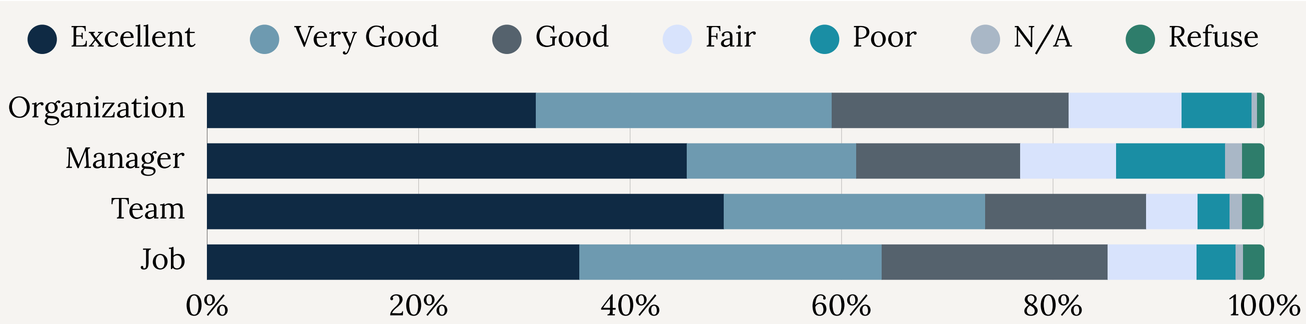
Relocation separations were primarily employee-initiated (6.7%) followed by spouse or partner relocation (2.4%).

Job-related exits were due to characteristics or type of work (2.3%) and workload or stress (2.1%).

Core Driver Ratings

Distribution of Employee Ratings (Percent of Responses)

Work Institute tracks four Core Drivers of Retention: Organization, Manager, Team, and Job. Net Excellence Scores (NES) measure employee experience by subtracting the percentage of Fair and Poor ratings from the percentage of Excellent ratings. This approach rewards excellence while accounting for negative employee experiences, providing a clearer view of retention risk than positive ratings alone.



Net Excellence Score = Excellent - (Fair + Poor)

Quarterly Workforce Trends

Reasons for Leaving Quarterly Trend

Reason	Q1	Q2	Change
Career	17.4%	19.6%	(+) 2.2 pts
Managerment	8.8%	10.0%	(+) 1.2 pts
Health & Family	13.0%	11.5%	(-) 1.5 pts
Retirement	11.9%	10.6%	(-) 1.3 pts
Relocation	7.3%	9.6%	(+) 2.3 pts
Involuntary	6.1%	4.7%	(-) 1.4 pts

Net Excellence Score Quarterly Trend

Core Driver	Q1	Q2	Change
Organization	11.4	13.8	(+) 2.4 pts
Manager	24.7	26	(+) 1.3 pts
Team	41.9	41	(-) 0.9 pts
Job	21.3	23.1	(+) 1.8 pts

Organizations that regularly measure employee feedback are better equipped to identify retention risks before they become turnover trends.

Data Scope & Methodology

- Data reflect employee-reported exit interviews conducted with respondents who separated from their organizations between April 1 and June 30, 2026.
- Interviews were conducted within a 4-to-6-week post-separation window.
- Data include responses across multiple industries and geographic regions, with primary representation in North America.
- Respondents were asked to identify up to four reasons for their separation and to select the most important reason. Reason distributions reflect the primary reason selected by each respondent.
- Sub-category detail reflects the most frequently cited drivers; categories representing less than 1 percent of separations are not shown.
- Additional data and detailed breakdowns are available upon request.
- Percentages are calculated based on total employee-reported separations unless otherwise noted.
- Percentages may not total 100 due to rounding.