BOOMERANG EMPLOYEES MAKE A COMEBACK

A data-based approach to rehiring top talent

visier®

> " As an HR professional ... I've often encouraged leaders to stay in touch with former team members and to maintain their network and to really look for opportunities to bring people back.

— **HR leader** in High Tech

Executive Summary

Resignation rates across industries show no signs of wavering,[1] and job switchers' experiences moving from one company to the next vary widely. While some employees find the grass is greener on the other side, others find themselves worse off in the new job. They decide to return to their previous employer and become so-called 'boomerang employees'.[2]

As 55% of executives worry about hiring the right talent quickly and at the "right cost,"[3] rehiring talent seems like an attractive solution for organizations. Hiring back employees who know the organization already can bring lower hiring costs, a quicker onboarding process, and the benefit of the worker's existing institutional knowledge and networks.[4]

While relatively little is known about the magnitude of the boomerang trend, knowing if people come back after resigning can serve as an organization's thermometer for employee sentiment. Certain aspects of talent mobility in and out of the company can help HR and business leaders learn more about who is leaving, who is returning, and why? What are the conditions under which they come back, and when? And how can we improve the employee experience throughout their life cycle?

The present report is based on data science analyses of Visier's Community Data, which contains 15 million employee records and answers these questions. Five key findings emerged:

1. About **1/3 of external hires** are boomerang employees.

2. The critical time frame for rehiring is **13 months**.

3. **Managers** are more likely to be rehired.

4. More than **¼ of boomerang employees were high performers when they left**.

5. Boomerangs **earn on average 25% more** when they return.

Finally, the report offers a series of people analytics metrics organizations should track to learn more about their own workforce dynamics around hiring and retaining top talent.

---

[1] Molla, Rani. (2022). The Great Resignation is becoming a "great midlife crisis." Vox. https://www.vox.com/recode/23042785/the-great-resignation-older-tenured-higher-paid

[2] Dill, Kathryn. (2022). WSJ. These People Who Quit Jobs During the Pandemic Say They Have Regrets. https://www-wsj-com.cdn.ampproject.org/c/s/www.wsj.com/amp/articles/some-job-switchers-are-having-second-thoughts-great-resignation-11650663370

[3] (2022). Mercer. The Five Global Talent Trends for 2022. https://www.mercer.us/our-thinking/career/global-talent-hr-trends.html

[4] Schwabel, Dan. (2022). Considering the Boomerang Employee. psnews.com. https://psnews.com.au/2022/06/06/considering-the-boomerang-employee/

Boomerangs return **re-energized** and ready to renegotiate their terms.

## Boomerang employees: the next talent trend

Gone are the days when 'boomerang employees' carried the stigma of disloyalty.[5] In times of grave talent shortages, rehires are on the rise[6] and considered an untapped source of talent for organizations.[7]

Our data suggests that today's boomerang employees typically return to their previous employers after around one year away, re-energized and armed with new skills—and ready to renegotiate their terms.

1. About 1/3 of external hires are boomerang employees.

When we calculated a 'rehire rate'[8] for the period between January 2019 and April 2022, we found that boomerang employees constituted just slightly less than one third of organizations' external hires during these years.

For example, 29% of newly hired employees—both full and part-time permanent positions—were rehires in 2020, compared to 27% in 2021 and 28%[9] in the first four months of 2022 (see figure: Rehire rates between January 2019 and April 2022).

Rehire rates between January 2019 and April 2022

	2019	2020	2021	2022
	28%	29%	27%	28%
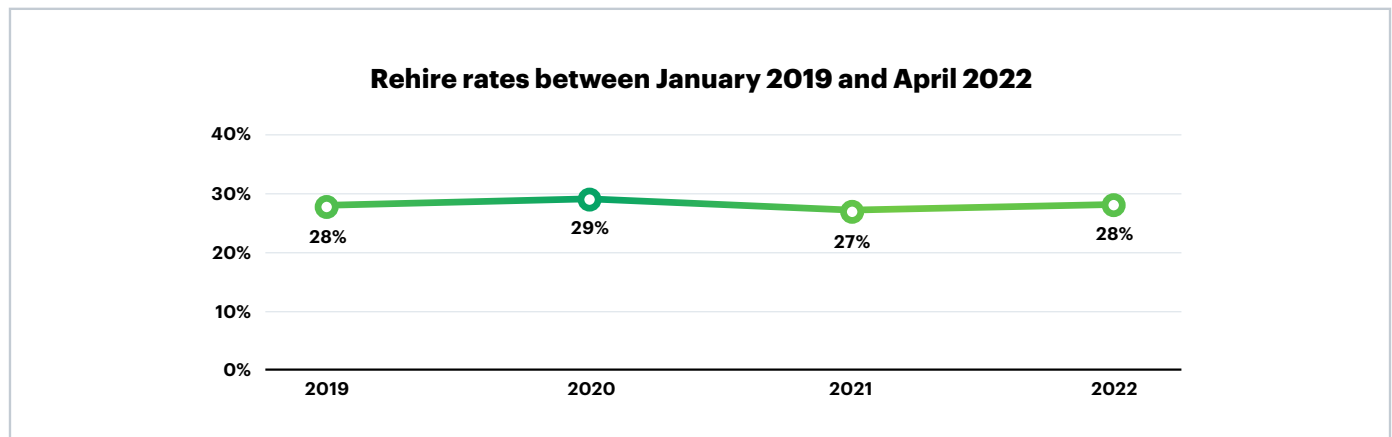
(Source: Research & Insights, Visier, 2022)

28% of new hires in the first months of 2022 were boomerang employees.

[5] Shumway, Emilie. (2021). Should employers take a chance on 'boomerang' employees?. HR Dive; https://www.hrdive.com/news/should-employers-take-a-chance-on-boomerang-employees/609785/

[6] Bernal, Natasha. (2021). They quit. Now they want their jobs back. Wired. https://www.wired.co.uk/article/era-boomerang-employees

[7] Laker, Ben. (2022). MITSloan. The Benefits and Risks of Hiring a Boomerang Employee. https://sloanreview.mit.edu/article/the-benefits-and-risks-of-rehiring-a-boomerang-employee/

[8] The rehire rate is calculated by looking at the number of monthly external hires, and checking for previous resignations of these hires (if any) up to 36 months back in time. The calculations are based only on employees working for enterprise-sized (1,000 + employees) organizations in the Visier Community Data and applied to permanent, part and full time employees, whereby seasonal workers, contractors, non-permanent workers, interns were filtered out.

[9] Annualized rate

Why boomerang employees left in the first place

Our interviews with employees who returned to a previous employer revealed the **top reasons** for their initial departure:

- Desire to explore something "new"

- Lack of career path and prospect

- Lack of growth and learning opportunities

- Interest in work in a different industry

- Perception of unfair salary

- Long commute to the office

The longer employees stay away from the organization,
the smaller are the chances of return.

2. The critical time frame for rehires is 13 months

The average time away for employees resigning from and returning to their previous employer is 13 months, but it can take up to 36 months and longer before being rehired.[10] The chances of returning, however, decrease sharply after a worker has been away for 16 months (see figure: Average time away in months).

Average time away in months
Distribution of boomerang employees' average time away for 2021

	Mean	Median
	12.99	**12.76**
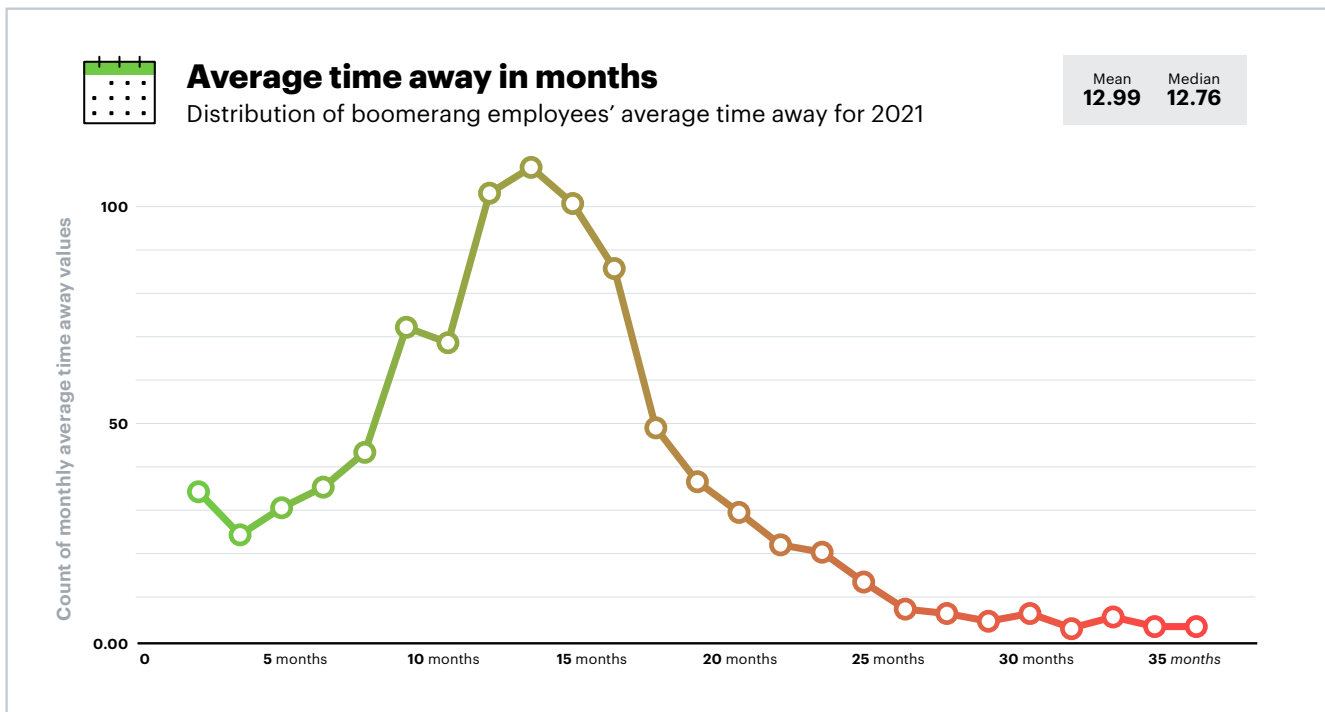
(Source: Research & Insights, Visier, 2022)

"
People remember you and the type of work and the type of person you are.

— **Boomerang employee** in financial services

What makes boomerang employees return?

There are two major influencing factors that play a role in the decision to return to a previous employer. First, some job switchers simply regret having left their employer.[11] According to the rehires we interviewed, the following reasons caused them to rethink their new working relationship:

- **No onboarding/support at the new employer**

- **New role didn't match description given during interview**

- **Disliked the company culture and new peers**

- **Lack of work-life balance**

Secondly, boomerang employees tend to maintain relationships with their previous managers, peers or mentors, and so they usually return to their social connections and a familiar culture.[12]

[11] Dill, Kathryn. (2022). WSJ. These People Who Quit Jobs During the Pandemic Say They Have Regrets.
https://www-wsj-com.cdn.ampproject.org/c/s/www.wsj.com/amp/articles/some-job-switchers-are-having-second-thoughts-great-resignation-11650663370

[12] Snyder D.G., Stewart V.R., & Shea C.T. (2021). Hello again: Managing talent with boomerang employees. Human Resource Management, 60:295–312.
https://onlinelibrary.wiley.com/doi/10.1002/hrm.22051

3. Managers are more likely to be rehired

Our data also revealed that more employees in manager positions are rehired than individual contributors.[13] As shown in the chart (figure: Manager status of boomerang employees) the gap between individual contributors and managers that were rehired began to widen at the beginning of 2020—the first year of the COVID-19 pandemic.

Manager *vs.* **non-manager** boomerang employees by year
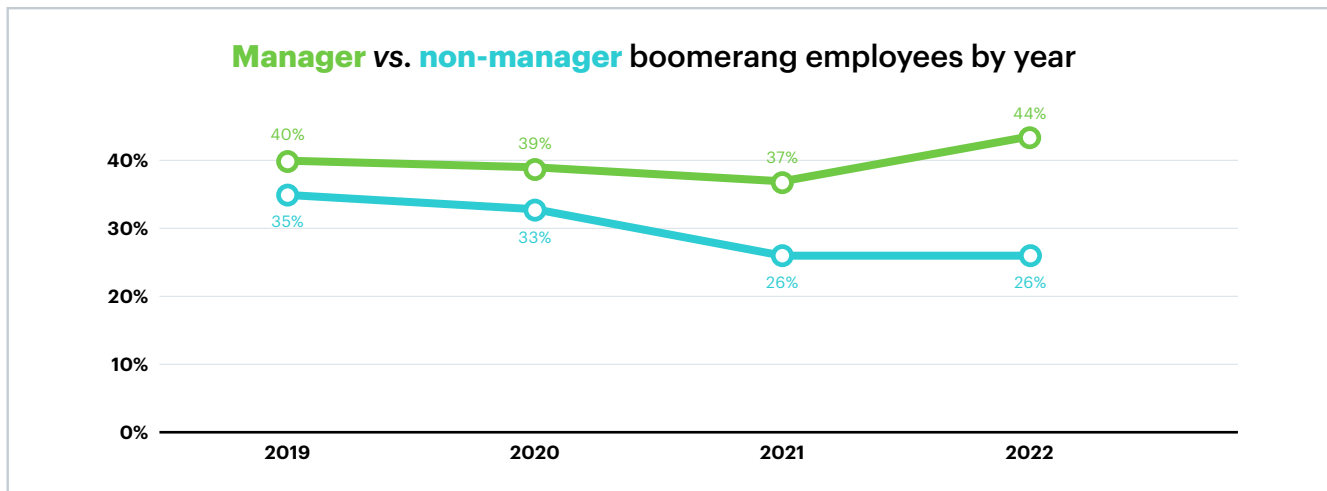
(Source: Research & Insights, Visier, 2022)

In 2021, for example, the annualized rehire rate was 37% for managers and 26% for individual contributors. Of that population of manager boomerangs, 40% of them were promoted from a previous individual contributor position (at resignation) to a managerial position. Hence, career growth and promotions seem to play a key role in rehire decisions to return.

> "
> If I was coming back into the exact same role that I had left, I probably wouldn't have come back. So because I'm coming back into a leadership role with increased scope and responsibility and opportunity to have a different type of impact and do a different type of work, that addressed that for me.
>
> — **Boomerang employee** in tech

40% of rehired managers used to be individual contributors at time of resignation, **and returned to their previous company in a managerial role**.
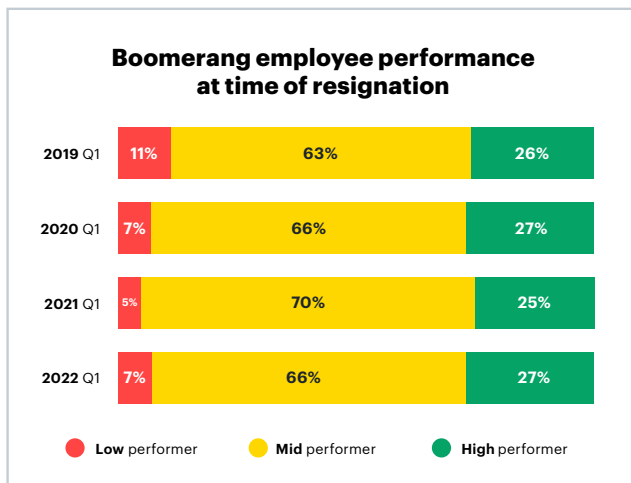
4. More than 1/4 of rehires were high performers when they left

Academic research concluded that the performance ratings of boomerang employees is typically similar to the performance of other external, or internal hires,[14] and questions around the performance of boomerang employees are indeed important for organizations considering their hiring strategies.

Our own analyses showed that the majority of rehires were performing at mid-level at the time of their resignation, and more than a quarter of boomerang employees were rated as high performers when they left the organization the first time around.[15]

Boomerang employee performance at time of resignation

	Low performer	Mid performer	High performer
2019 Q1	11%	63%	26%
2020 Q1	7%	66%	27%
2021 Q1	5%	70%	25%
2022 Q1	7%	66%	27%

● **Low** performer ● **Mid** performer ● **High** performer

(Source: Research & Insights, Visier, 2022)

5. Boomerangs earn on average 25% more when they return

Employees who return to a previous employer earn, on average, 25% more than at the time of their resignation. For example, the pay increase for rehires so far in 2022 has been 28%, compared to average companies' salary increase of 4%.[16] As shown in the chart below (Figure: Pay increase for boomerangs compared to companies overall), this pattern has been holding steady over the past three and a half years.

Boomerang *vs.* company pay increases

	2019	2020	2021	2022
Boomerang	23%	26%	24%	28%
Company	5%	5%	3%	4%
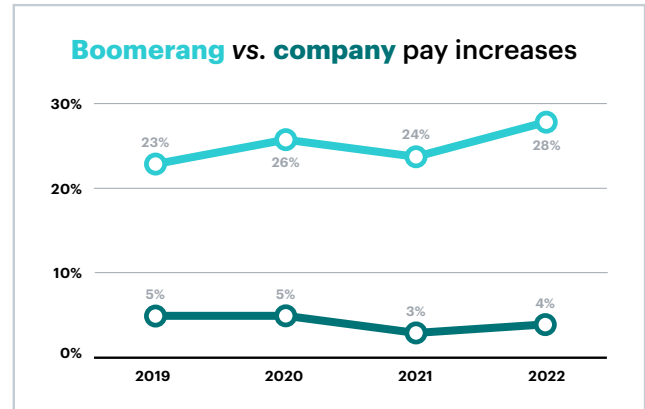
(Source: Research & Insights, Visier, 2022)

The existence of these significant pay bumps tell us that organizations may already recognize the value of boomerang employees as a potential solution to many of the limitations inherent in internal and external talent management strategies.[17]

> "
> **I wasn't going to settle for a salary less than what I was making at the other company.**
>
> — **Boomerang employee** in financial services

[14] Arnold JD, Van Iddekinge CH, Campion MC, Bauer TN, Campion MA. (2021).Welcome Back? Job Performance and Turnover of Boomerang Employees Compared to Internal and External Hires. Journal of Management. 2021;47(8):2198-2225. doi:10.1177/0149206320936335. https://journals.sagepub.com/doi/10.1177/0149206320936335

[15] The performance status of boomerang employees is based on standardized metrics across all organizations in our sample and should therefore serve as a rough indicator of similar performance rating systems.

[16] We calculated yearly averages of wage percentage increases of boomerang employees and compared them to the overall company wage increases (excluding boomerangs).

[17] Snyder D.G., Stewart V.R., & Shea C.T. (2021). Hello again: Managing talent with boomerang employees. Human Resource Management, 60:295–312. https://onlinelibrary.wiley.com/doi/10.1002/hrm.22051

Metrics to monitor

An organization's data around boomerang trends—or lack thereof—can be revealing about the intricacies of its employees' choices when it comes to the reasons for resignations and returns, and their employees' life cycle from the onboarding to the exit and alumni experience. Understanding who left and why, how many employees decided to return within which time frame, and for what reason can be helpful if the retention of top talent is a concern. The following list of metrics can be helpful to track some of the aspects of the boomerang trend:

1. Resignation rates: Who is leaving and why?

Voluntary attrition has received a lot of attention in recent years, and continues to be a metric data-minded companies watch. The ability to drill down into the details of resignation rates to learn about where, who, and why people are leaving—and perhaps returning—is now table stakes. Combined with resignation rates, a thorough understanding of the drivers of resignations— compa-ratios, promotion rates, or engagement data—is helpful to monitor both attrition and rehire rates when it comes to understanding what really drives people out and what brings them back.

2. Onboarding experience: Are we retaining newly hired talent?

First impressions matter. A lack of care for new team members, especially in the new hybrid workplace, seems to be one of the most critical mistakes hiring managers can make. Relationships are still fresh, trust is

not yet established, and making the new hires want to stay from the very start requires an active effort. Survey data about the experience for new hires—from the first contact to the first few months of employment— can reveal a lot about the way new employees feel welcomed.

> "
>
> If people do boomerang, it says something about the company they left, and boomerang back to. Because I really still did believe in the company and the vision and all those good things and the people that were there.
>
> — **Boomerang employee** in training and development

9

3. Employee listening: How are our employees really doing?

During the pandemic, organizations focused on continuous listening to take the pulse of employee experience including the level of perceived engagement, inclusion, and opportunities. Hybrid and remote work models made it challenging for managers to stay in touch with team members. Engagement, experience, pulse and "listening" data integrated with other talent and business metrics are a key metric that are basic necessities for organizations focusing on employee retention.

4. Performance status: Are we retaining our top talent?

A good portion of employees who resign and become a rehire are high performers. Losing strong contributors in critical roles always hurts. Monitoring employee performance, regardless of your organizations' performance philosophy is key. However, especially when it comes to retention, hiring and rehiring, our research suggests that it's important to know who your high performers are—ideally before losing them in the first place. And once they return as boomerang employees, ensure your talent acquisition data is linked with your performance data: About 5% of rehired employees were listed as low performers at time of resignation.

5. Compensation: Are we paying our talent fairly?

Recent talent shortages and hiring trends caused compensation budgets in some organizations to go out the window as job switchers earned higher median wage growth than those who stayed. Our data shows that boomerang employees benefited from a pay bump by 20%-25% on average in recent years—a curious fact that may be telling about the company's retention and compensation strategies. Of course, a blanket pay raise for all is neither reasonable and might not even be necessary. Knowing which area in the business is more sensitive to pay can be a better targeted compensation strategy.

6. Rehire patterns: Are employees returning to work for us?

Both employers[18] and employees[19] are open to re-enter previous working relationships again, and following an organization's rehire trend can be an indicator of an organization's talent health. Factors such as benefits, work-life balance, and company culture are important for employees when considering to return to an employer.[20] This is why both onboarding and offboarding experiences play a critical role in understanding what matters in the employee experience. Tracking worker demographics, or the performance or manager status of employees who are leaving forever versus those who are returning can be useful for HR and business leaders' talent attraction and retention efforts.

[18] Court, Andrew. (2021). 'Boomerang employees' who quit during pandemic may soon beg for them back. NYPost. https://nypost.com/2021/10/14/workers-who-quit-during-pandemic-may-be-begging-for-jobs-back/

[19] Bernal, Natasha. (2021). They quit. Now they want their jobs back. Wired. https://www.wired.co.uk/article/era-boomerang-employees

[20] Court, Andrew. (2021). 'Boomerang employees' who quit during pandemic may soon beg for them back. NYPost. https://nypost.com/2021/10/14/workers-who-quit-during-pandemic-may-be-begging-for-jobs-back/

Rehires are good hires

Rehiring previous employees who left voluntarily is not seen as a taboo anymore[21] but recognized as advantageous for both parties. The hiring process of boomerang employees can be more cost effective.[22] Companies can save in recruitment costs, shorter onboarding and training times, and at the same time, benefit from the employee's newly gained external knowledge and existing institutional knowledge. For employees, on the other hand, who spend some time away and return to a known employer on the back of a promotion and pay increase, working in a familiar work environment can be both comforting[23] and motivating. Based on our analysis of current boomerang employee trends, we derived the following recommendations for organizations planning to ride this rehire wave:

- Tap into your alumni network in the first 12 months of employee exits
- De-stigmatize re-hires[24] during recruitment and career conversations
- Provide talented stayers "boomerang-like" opportunities[25] for learning and growth
- Strengthen managers' muscle for positive on-and off-boarding experiences
- Encourage strong social networking skills in all employees

[21] Matuson, Roberta. (2022). Forbes. https://www.forbes.com/sites/robertamatuson/2022/03/11/want-to-pull-in-top-talent-rapidly-woo-back-former-employees/

[22] Laker, Ben. (2022). MITSloan. The Benefits and Risks of Hiring a Boomerang Employee. https://sloanreview.mit.edu/article/the-benefits-and-risks-of-rehiring-a-boomerang-employee/

[23] (2022). 15+ Million Pandemic-Era U.S. Job Quitters Say They Were Better off in Their Old Job. Business Wire. https://www.businesswire.com/news/home/20220420005244/en/15-Million-Pandemic-Era-U.S.-Job-Quitters-Say-They-Were-Better-off-in-Their-Old-Job

[24] Zucker, Rebecca. (2022). Viewpoint: Leave the Door Open for Employees to Return to Your Organization. SHRM. https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/viewpoint-leave-the-door-open-for-employees-to-return-to-your-organization.aspx

[25] ibid.

Contributors

Andrea Derler, PhD, Principal, Research & Value

Dr. Andrea Derler is the Principal, Research and Customer Value at Visier, an organizational researcher, and previously, a human capital analyst. She has a background in management research, human science, and human capital consulting. At Visier, Andrea leads research efforts and helps produce data-based, practice-oriented, and actionable insights for business and HR leaders.

Carlina Kim, Data Scientist

Carlina is a Data Scientist at Visier co-leading the Publications Focus Area on the Data Science & Engineering team. Her primary work involves developing findings and analyses with our data for research projects and insights reports working with researchers and data engineers. She holds a Masters in Data Science and a background in Environmental Sciences.

Manda Winlaw, PhD, Senior Data Scientist

Dr. Manda Winlaw is a Senior Data Scientist at Visier, the leader in people analytics. She has worked as a data scientist in a number of different fields and strongly believes in using data to drive better decisions for all people. She holds a PhD in Applied Mathematics and Masters in both Economics and Computational Mathematics.

Ian Cook VP, People Analytics

Ian is an advocate for the crucial role that people play in helping companies thrive. His career has focused on enabling people, teams, and companies to perform at their best. For the last 15 years, Ian has been helping leaders elevate their HR strategies and programs through the effective use of people analytics. At Visier Ian led the development of our market-leading solution. He is currently involved in helping people analytics teams everywhere improve their scale and impact. Ian holds a Masters from Edinburgh University, UK and an MBA from Lancaster University, UK.

Mike Everitt, Principal Solution Consultant

Mike has spent the last 24 years working for various HR software companies including PeopleSoft, Oracle, and now Visier. He started his career educating customers, before moving into Solution Consulting. Mike advises companies across industries on HR software purchases and deployment, focusing on People Analytics, where he helps organizations understand the benefits and impact it can have on business and talent.

About our data

Rehire rates as presented in this report are curated from Visier Community Data. Visier's database contains >15 million employee records from over 15,000 companies globally. For the analyses in this report, we used available data from a subpopulation of more than 100 enterprise sized organizations across industries and regions.

Companies represent a wide range of industries, including healthcare, technology, financial services and insurance, energy, and manufacturing, and weighted averages account for different headcounts per each organization.

For each of the included companies, Visier ensured a high degree of confidence in both data availability and quality for the topics and time period being covered by this report.

About Visier

Visier's purpose is to reveal the human truth about your workforce and contribute to a better future.

Visier was founded to focus on what matters to business people: answering the right questions, even the ones a person might not know to ask. Questions that shape business strategy, provide the impetus for taking action, and drive better business results.

Visier delivers fast, clear people insight by using all the available people data—regardless of source. With best-practice expertise built in, decision makers can confidently take action. Thanks to our amazing customers, Visier is the market leader in Workforce Analytics with more than 15,000 customers in 75 countries around the world.

For more information, visit **visier.com**

visier®

visier.com | info@visier.com | 1.888.277.9331