

Franchising@WORK Study Reveals Franchise Brands Are Suffering from “Brain Drain”

New Study of Employee Engagement in the Franchise Sector Reveals Key Insights into Turnover, Job Satisfaction and Remote Working

PORTSMOUTH, NH, UNITED STATES, October 7, 2021 /EINPresswire.com/ -- [Franchise Business Review](#) has released the results of an independent industry-wide survey benchmarking employee engagement and compensation among franchise professionals.

Franchise Business Review (FBR), a research firm that specializes in benchmarking satisfaction within the franchising sector, conducts surveys of corporate franchise employees, franchise supplier employees, and franchise owners’ employees across North America each year to determine their levels of engagement.



2021 Franchising@WORK Employee Engagement & Compensation Benchmarking Study

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*Eric Stites, founder and CEO,
Franchise Business Review*

FBR conducted the [Franchising@WORK Employee Engagement & Compensation Benchmarking Study](#) to help franchise companies understand how their culture, compensation and engagement compare to others. All corporate franchise employees were invited to take part.

FBR surveyed over 4,000 franchise professionals representing over 200 franchise organizations and supplier companies. Participants were asked 24 core benchmark questions related to job satisfaction, engagement, management, brand leadership, and culture, as well as detailed personal questions about their position, compensation, benefits, and demographics.

Overall findings showed that [employee satisfaction and engagement](#) in the franchise sector remains high. 81% of employees state that their role is rewarding and satisfying, and 79% of employees would recommend their company to a friend. The FBR Employee Engagement Index score of 79 was down only slightly (1%) from pre-pandemic levels (compared to the 2019 benchmark of 80).

This translated to low turnover expected at the corporate level. 58% of corporate employees indicated that they are planning to remain at their current company for another 3 or more years. Just 10% of respondents indicated that they plan to leave their jobs in the next 12 months. Within that 10%, the reason cited for leaving is NOT financial. 83% are currently satisfied or very satisfied with their compensation.

“The good news is that satisfaction among franchise professionals is nearly as high as pre-pandemic levels and compensation has remained strong. Not surprisingly then, employee turnover among corporate staff is expected to stay low, contrary to what we’re hearing in the media regarding other sectors,” says Eric Stites, founder and CEO of Franchise Business Review. “However, we did see a significant drop in employees with 7+ years of tenure, and the resulting “Brain Drain” can take a real toll on organizations. Additionally, the franchise professionals we surveyed expressed a strong desire to continue working remotely post-Covid - something that many employers are grappling with. Franchise employers are going to need to double-down on aligning employee feedback and engagement metrics with corporate priorities if they want to attract and retain top talent.”

Key findings from the Franchising@WORK study:

- Many franchise brands are suffering from “Brain Drain”. Since 2019 there has been a 55% drop in employees with 7+ years of tenure. In 2019 nearly a third of employees (29%) had been in their job for more than seven years, compared to just 13% in 2021.
- Compensation in franchising has remained strong with nearly two out of three employees (60%) reporting they received a raise in the past year, while just 12% indicated that their pay had declined. 28% reported their compensation had remained unchanged.
- The sectors with the lowest employee engagement rates are: Hotels & Lodging at 18% below benchmark, and Personal Services (haircare/massage/etc.) at 15% below benchmark.
- The sectors with the highest employee engagement rates are: Cleaning & Maintenance at 6% above benchmark, Business Services at +5%, and Fitness +5%.

This year’s survey included additional questions to measure the impact of remote work during COVID-19. Key findings include:

- 82% of employees reported staying "well connected" with their manager while remote working

during the pandemic.

- 57% of employees say they were MORE productive while working remotely, and another 30% said they had NO CHANGE in productivity. Just 13% felt they were less productive while working remotely.

- Managers agreed... 49% of managers said their direct reports were MORE productive while working remotely, while another 35% said there was no change in productivity. Just 16% of managers noticed a drop in productivity from their teams.

- Two out three employees (67%) said that they would prefer to stay working fully remote post-pandemic.

The full results of the study are available at: <https://fbrinfo.franchisebusinessreview.com/2021-franchising-at-work-report>

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About Franchise Business Review

Franchise Business Review (FBR) is a leading independent market research firm that specializes in benchmarking franchisee and employee satisfaction. FBR provides franchise companies with benchmarks and best practices to improve satisfaction, employee engagement and retention. FBR has partnered with over 1,100 top-performing franchise companies to drive franchise growth and achieve greater success through data-driven insights. Learn more about FBR's research at <https://tour.franchisebusinessreview.com/services/>.

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