Retaining Staff During ‘The Great Resignation’

ASJMC Call for Leadership series

February 2, 2022
‘Number of quits at all-time high’ (Bureau of Labor Statistics: 1/6/22)
The ‘Great Attrition’ is real, and appears widespread across industries.

Likelihood that employees will leave their current job in next 3–6 months, % of respondents

40% of employees stated that they are at least somewhat likely to leave their current job in the next 3–6 months

Not at all likely: 60%

Share of respondents who are at least ‘somewhat likely’ to leave their current job in next 3–6 months, by industry, %

- Education: 32%
- Goods producing: 43%
- Healthcare and social assistance: 36%
- Leisure and hospitality: 47%
- Trade, transportation, and utilities: 38%
- White collar: 41%

Note: Survey encompassed Australia, Canada, Singapore, United Kingdom, and United States (n = 4,924).

What’s behind ‘The Great Resignation’?

From Harvard Business Review:

“The last 18 months have sharply awakened our innate hunger for meaning and purpose. Forced into self-reflection during extended WFH, workers have questioned the value of their work and the sense of meaning it provides. On top of that, the isolation of the pandemic has intensified our desire for authentic belonging.

Recent research from McKinsey confirms that these two factors are playing a substantial role in the current spike in attrition. The top two reasons employees cited for leaving (or considering leaving) were that they didn’t feel their work was valued by the organization (54%) or that they lacked a sense of belonging at work (51%).”

Source: https://hbr.org/2021/10/to-retain-employees-give-them-a-sense-of-purpose-and-community
It’s not just about compensation

Top Predictors of Attrition During the Great Resignation

The authors analyzed the impact of more than 170 cultural topics on employee attrition in Culture 500 companies from April through September 2021. These five topics were the leading predictors of attrition. Each bar indicates the level of importance of each topic for attrition relative to employee compensation. A toxic culture is 10.4 times more likely to contribute to attrition than compensation.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Importance relative to compensation</th>
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<tbody>
<tr>
<td>Toxic corporate culture</td>
<td>10.4</td>
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<tr>
<td>Job insecurity and reorganization</td>
<td>3.5</td>
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<tr>
<td>High levels of innovation</td>
<td>3.2</td>
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<tr>
<td>Failure to recognize employee performance</td>
<td>2.9</td>
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<tr>
<td>Poor response to COVID-19</td>
<td>1.8</td>
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Source: https://sloanreview.mit.edu/article/toxic-culture-is-driving-the-great-resignation/
Short-term Retention Strategies

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Short-Term Steps for Companies to Increase Retention

These four topics were the leading predictors of employee retention for Culture 500 companies from April through September 2021. Each bar indicates the level of importance of a topic for employee retention relative to compensation. Offering lateral job opportunities for employees, for example, is 2.5 times more predictive of retention than compensation.

- Lateral career opportunities: 2.5
- Remote work arrangements: 1.5
- Company-sponsored social events: 1.3
- Offering predictable schedules: 1.2
Retention summarized

• Employees prioritize ‘relational factors’ yet employers focus on the ‘transactional’

• Need to ‘re-recruit’ existing employees

• Leaders need to listen more, be more inclusive in decision-making

• Provide career pathways and development opportunities

• Appreciate high-performing, mission-critical staff & faculty
Thank you!

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