



Cornhusker Economics

Transforming the “Great Resignation” into the “Great Attraction”

Businesses of all types are scrambling to hire people, especially those that work on the frontline with customers - from healthcare to hospitality to retail and everything in between. This is resulting in an incredibly tight labor market across the nation. Some are calling this time “The Great Resignation” which refers to the more than 19 million workers - and counting - that have quit their jobs since April 2021. Logic would say that if people are resigning in record numbers that there should be a lot of employees out there to hire, but that is not the case. It is much more complicated.

There has been a lot of speculation on what is happening and why, with research just now being published. One study, which was conducted not only in the United States but in four other countries (DeSmet, A. et al, 2021), speculated that “the pandemic has irrevocably changed what people expect from work.” It also identified these trends and insights:

- Employee resignation will continue, at least in the short term for the next few months into 2022.
- People are resigning in higher numbers than in previous economic downturns and are doing so without having a job lined up.
- Approximately 60% of the survey sample of employees said they were not likely to quit in the short term. This sounds positive but there is another issue to consider. Employees indicated that one of the reasons they are staying in their job is

because they do not want to relocate. However, with greater options for remote work, changing jobs can be viewed in an entirely different way. Satisfied workers can now be tempted to change jobs without relocating.

- There is a disconnect between the factors that employees feel are important in the workplace and what employers think are important to employees. Employees say they are leaving work because they don’t feel valued by the organization or their manager and they lack a sense of belonging. In contrast, employers believe the primary factors for leaving relate to inadequate pay, poor employee health and the desire to look for a better job. The disconnect highlights that employees are more focused on relational issues and employers are more focused on transactional.

This last bullet may be the most troubling for the business community – they can’t fix what they don’t understand. It also may offer a great opportunity. If businesses can listen to their employees and realign the work environment to better meet their current needs, they may find themselves not only retaining employees but also attracting new ones.

So what *is needed* to attract employees today, post-Covid? Based on the earlier research, the first step should be to ask your employees. You may find out that one of the major issues is a need for a package of options that link to improved work/life balance and improved

organizational culture where employees feel valued for their contribution. As an example, for some, remote work, flexibility to change the daily start and stop times, and even how one defines the workweek, may be important. Improved compensation and benefits will probably be a factor but not the only factor. It should also not be surprising to see a desire for career advancement and opportunities offered to fill new positions within the organization as well. Each organization and business will be different so having that conversation with employees is critical.

Retaining employees and attracting new ones is the lifeblood of any business. There is no “one size fits all” answer in today’s environment. It may be time for a hard look at your organization and a move from the traditional mentality of, “we have done all we can to attract and retain employees” to “what else can we do to attract and retain employees.”

Reference:

DeSmet, A., Dowling, B., Mugayar- Baldocchi, M., & Schaninger, B. (2021). ‘Great Attrition’ or ‘Great Attraction’? The choice is yours. *McKinsey Quarterly*. Available at:
<https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/great-attrition-or-great-attraction-the-choice-is-yours>

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