Report: Strategic Remedies for the Great Resignation

Part of TCP Software's State of the U.S. Workforce Series

tcp™

»

"Employees are migrating from crummy jobs to better jobs and from companies that don't seem to care to **companies that really, really care**, and for many workers this means moving to companies **with opportunities for growth, promotion, and even a new industry.**"

JOSH BERSIN, HR ANALYST

Introduction

The world of work is experiencing a massive upheaval. The disruption is being driven by everything from product availability to inflation and the rising prices of raw materials. Companies are also reeling from the impact of labor shortages. Not only is there a shortage of STEM-skilled talent, but workers are leaving jobs in droves due to burnout. They're disengaged and struggling to balance work and home responsibilities. After working remotely during the pandemic, many employees want a more flexible schedule. As a result, companies are short-staffed and struggling to attract new talent in response to what some are calling the Great Resignation.

Others, like HR analyst Josh Bersin, are calling this exodus a migration. He says that when faced with work environments that don't suit them, employees are choosing to migrate elsewhere.

"Employees are migrating from crummy jobs to better jobs and from companies that don't seem to care to companies that really, really care," Bersin says. "And for many workers this means moving to companies with opportunities for growth, promotion, and even a new industry."

To understand more about burnout, engagement and the impact of HR technology on today's organizations, TCP Software fielded a national survey of more than 300 managers and executives of hourly and salaried employees.

In part, our survey focus was on the impact of the pandemic on workforce policies and strategies, how they affected engagement, and the role emerging technology plays in supporting today's workforce.

Using data and frontline insights gathered in our survey this report, "Strategic Remedies for the Great Resignation", explores the changing workplace and builds upon our previous report, The State of the U.S. Workforce: Bridging the Tech Gap to Manage Your People More Effectively.

A workplace in transformation

The workplace transformation that's occurring is wreaking havoc on organizations. What may have worked to engage workers three years ago no longer meets the needs of employees or of their employers.

There are a variety of changes that have influenced this transformation and migration, including a shift in where work gets done, staffing challenges and high rates of burnout. Our survey results reflect these changes.

During this era of workforce and workplace disruption and challenges, we also wanted to understand more about what's working for employers. Specifically, we asked companies how they are engaging their employees and how they are using technology to solve today's workforce issues. Three remedies were prevalent—the implementation of **new policies and programs**, a commitment to **invest in emerging technology** and the **use of reporting and analytics** to monitor areas at risk for burnout and turnover.

Respondents say they:

57%
Have remote or hybrid operations

45%
Face staffing shortages

72%
Estimate employee burnout is at least somewhat of a problem
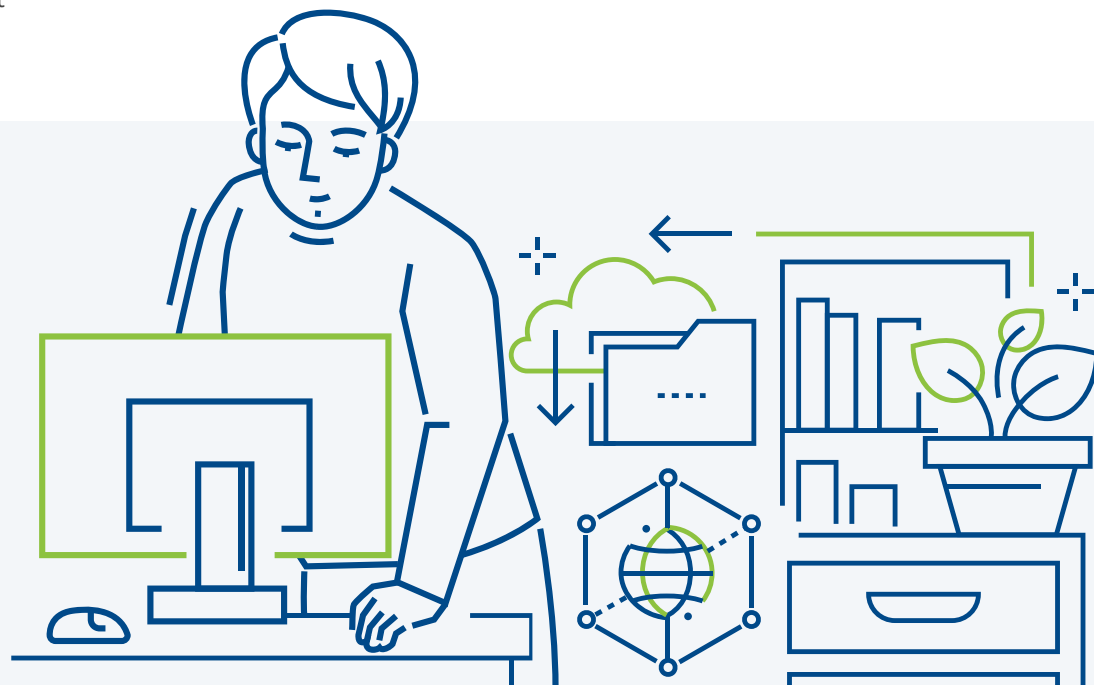
Resignation Remedy: Engagement Policies & Programs

Gallup defines employee engagement as the "involvement and enthusiasm of employees in their work and workplace."

Unfortunately for the first time in a decade, U.S. worker engagement declined in 2021. Gallup research found that only 34% of employees were engaged, and 16% said they were "actively disengaged in their work and workplace."

Interestingly, respondents to TCP Software's survey revealed a different sentiment from HBR's research.

72% of respondents rate employee engagement at their organization as high.

Why are these statistics so different? Could it be that participants in our survey were simply more engaged? Was it because Gallup's research came from a broader survey set? Most likely it shines a light on the difference in how employees rate their engagement and how managers and executives rate engagement in general at their organization.

Employee Engagement Defined:

The involvement & enthusiasm of emloyees in the their work and workplace

Rating Employee Engagement

34% employee-rated engagement

16% employee-rated disengagement

72% manager-rated employee engagement

Is toxic work culture harming employee engagement?

Let's face it, many employees probably paint a rosier picture to their manager of how they are doing and how they feel about work than they might to coworkers, friends or an anonymous survey. That's why it's important to use multiple methods to measure engagement in the workplace. Personal conversations and surveys are a good start, but it also involves taking a hard look at a team's work culture. Are employees regularly expected to answer emails outside of work hours? Are "check-ins" required when people are on vacation?

Today's digital world can be a blessing and a curse when it comes to engagement.

While it's nice to be able to work *anywhere*, employees shouldn't be expected to work *everywhere.*

To prevent burnout and disengagement, it's important to set boundaries around connectivity outside of working hours. It's also important that managers lead by example. Responding to emails at 11 PM may lead

employees to think that is expected of them as well. Joining work calls while on vacation also sets a poor example. Address these types of expectations with team leaders and, as we discuss later in this report, use HR tech to spot excessive hours and potential burnout before it's too late.

Address engagement before it becomes turnover

Whatever the true engagement rate is in today's workforce, HR professionals and business leaders know that a lack of engagement can quickly translate into turnover. **Our survey results indicate that a third of employers (33%) are experiencing high turnover.** In the face of the Great Resignation, many companies are looking to employee engagement as a remedy.

In response to our survey, we heard loud and clear that these challenging times have encouraged organizations to try new employee engagement strategies. So far, respondents believe their initiatives and strategies have made a difference.

65%
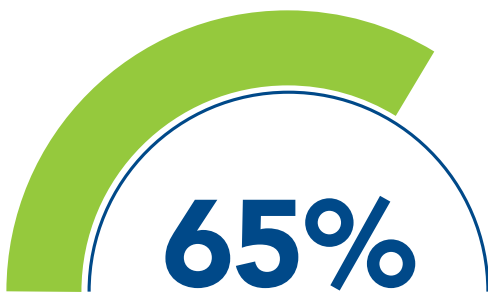
reported having implemented employee engagement initiatives or strategies over the last 18 months.
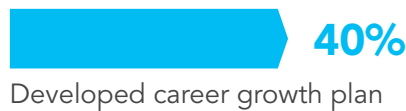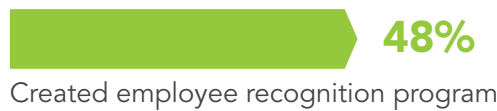
91%
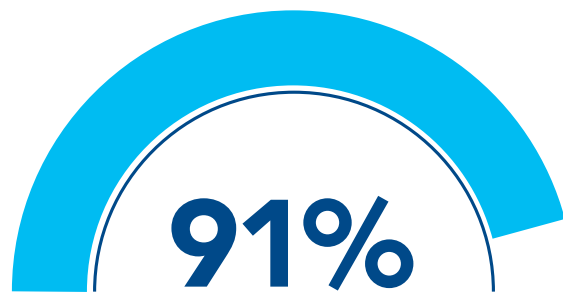
feel employee engagement initiatives or strategies have made a difference in employee morale and retention over the last 18 months.

As for the specific engagement strategies, respondents have implemented a variety of approaches. Many of them center around increased flexibility, more time off for mental wellbeing, and investing in taking care of employees and their families.

Top 3 approaches to engagement

48%
Created employee recognition program

43%
Offered increased benefits or paid time off

40%
Developed career growth plan

In addition to recognition, increased benefits and career growth, respondents also noted implementing referral bonuses and extended mental health benefits—including online wellness app subscriptions.

In some cases, these new programs and policies would have been hard to imagine happening a few years ago when the stakes weren't as high for keeping employees engaged.

"My company has added Mental Wellness Care Days," said one respondent. "These days are an additional 80 hours a year that the employee may take, with pay – and with no questions asked."
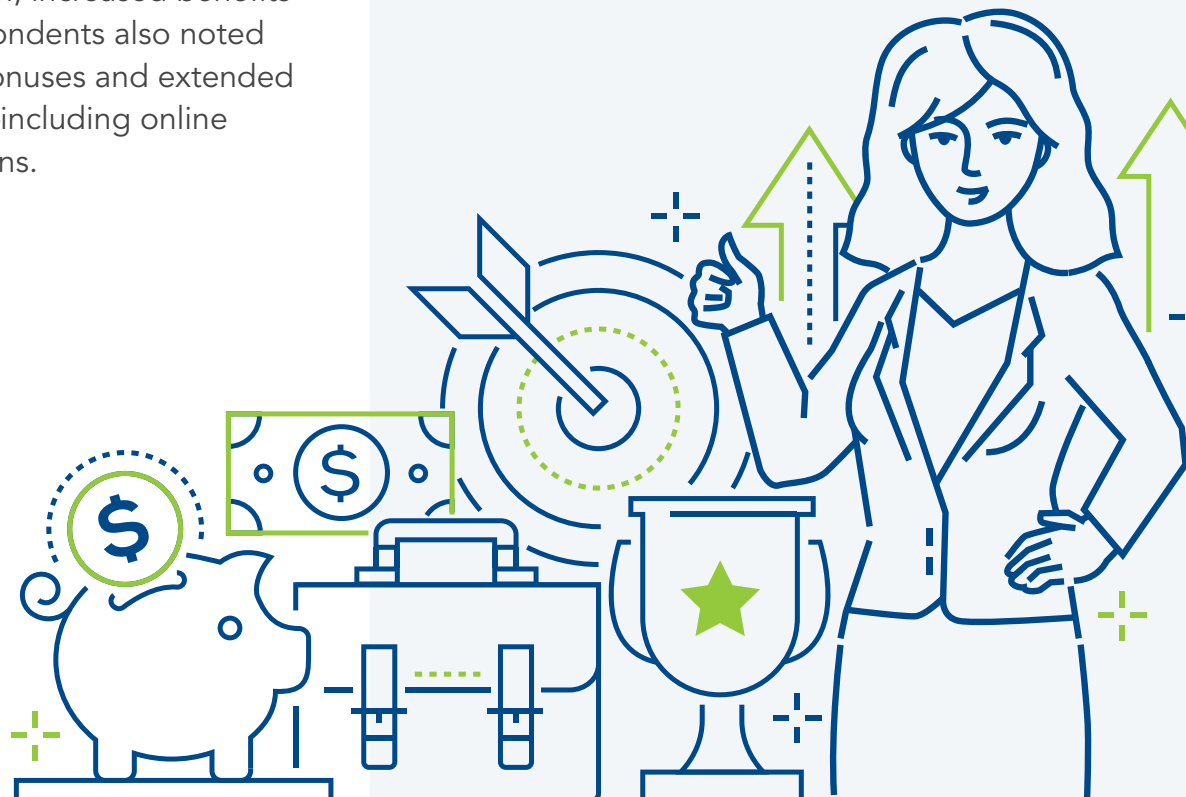
We'd be remiss if we didn't mention that engagement isn't a new issue. What's new is that all leaders have realized, thanks to COVID-19 and its after-effects, that it's a very relevant issue.

"For years companies have been debating what to do about employee engagement and retention as if it's a sideline problem for HR to worry about. Today this is a CEO-level issue, and a new breed of leaders is going to learn that taking care of employees is the number one thing executives must do," according to Josh Bersin.

Now there's an urgency around retaining talent that is hard to ignore. To remedy this crisis, organizations are asking what employees need and thinking outside the box as they provide solutions.

6 Ways to Boost Employee Retention

The experts at Harvard Business Review (HBR) confirm that engagement is one of the primary ways to address the Great Resignation. After all, employees who are involved and enthusiastic about their work and workplace are less likely to leave. HBR recommends that employers make themselves so attractive that employees won't want to leave.

Incentivize loyalty with compensation and benefits

Provide opportunities to grow

Prioritize company purpose and culture

Create opportunities to connect

Invest in taking care of your employees and their families

Embrace flexibility

Resignation Remedy: Emerging Technology

Being engaged at work isn't about the place; it's about the experience. Whether an employee is working from home, a café or the office, they want the best experience possible.

The response to remote work has been overwhelmingly positive—especially for Millennials. Today, these 26 to 41-year-olds make up the largest age group in the U.S. workforce. Historically, they have been the least engaged at work. But then the pandemic arrived and Millennials' level of engagement at work dramatically increased.

In 2021, Gallup reported that 75% of some Millennials were engaged at work. In 2019, the national average for millennial engagement at work was 35% and in 2016 it was even lower at 31%. This improvement represents a remarkable shift.

It's important to note, however, that this level of engagement only applies to Millennials who switched to remote work because of the pandemic. **Most Millennials say they don't want to go back to the office.**

Gallup data indicates that 75% of Millennials who work remotely want to keep doing so. For organizations that want to positively impact engagement for the largest age group in the workforce, remote work is an essential element.

Millennial engagement in the workplace

	2016	2019	2021
	31%	35%	75%
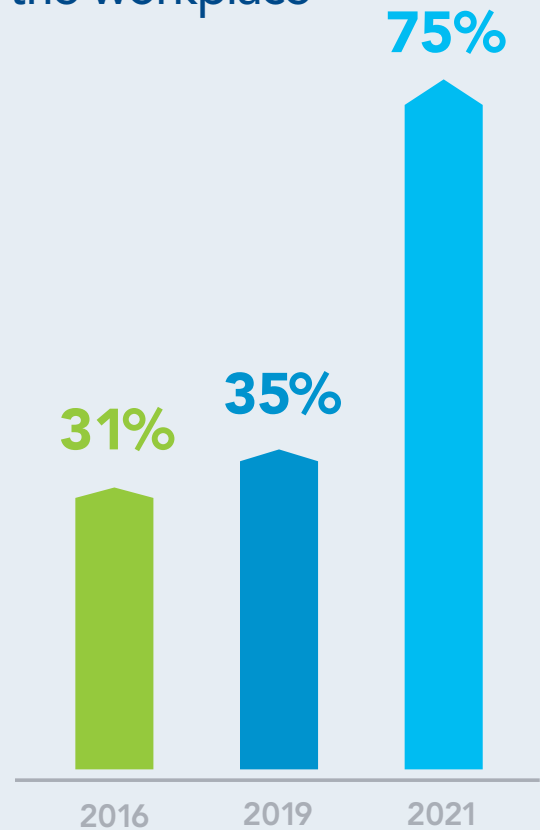
■ Only applies to remote work

Most Millennials say they **don't** want to go back to the office.

Prior to emerging technology such as cloud and mobile applications, the physical workplace was the only workplace for most employees. The pandemic elevated the need for what [Deloitte](#) calls "shared digital workplaces" that enable people to interact with their teammates and to get work done.

The majority of respondents to our survey (57%) said they are still offering remote or hybrid work options. As organizations adapt to remote and hybrid work for the long-term, emerging technology offers a way to improve organizational efficiencies that improve the work experience.

"A worker's personal digital workplace is their window into the digital world around them, both within the firm and to the public," according to Deloitte. "They use it to discover and access the information and services they need."

In response to our survey, respondents indicated that technology like cloud and mobile applications, as well as platforms that enable workplace analytics, are indeed essential to their engagement and workforce strategies. Not surprisingly, 80% of our survey respondents said they believe emerging technology can improve their workplace, specifically areas like workforce management. More than half of respondents (52%) said they consider employee engagement an element of workforce management.

Most important elements of workforce management, according to respondents:

Employee engagement

Performance reviews

Payroll and benefits

Even though respondents said employee engagement is the most important element of workforce management, only 24% of respondents were completely satisfied with how their existing HR systems supported new ways of working due to COVID-19.

ADP Research confirms this perception. Only half of the workers in North America said their employer was providing the necessary equipment for remote working.

In the post-pandemic work environment, organizations are poised to enjoy success propelled by resilience, reimagination and continued investment in technology that enables remote work. Thankfully, this isn't news to the participants of our survey: **57% say their top budget investment for 2022 is employee engagement.**

Organizations are ready to make investments to elevate their workforce strategies. With a myriad of options available, they must determine how technology solutions can help them address factors such as burnout and turnover that are fueling this massive shift.

As long the workforce remains remote and dispersed— "the new normal" if Millennials have anything to say about it—it's essential that companies are implementing technologies that create efficiencies and support engagement. Deloitte refers to this as a "digital-ready" workplace that supports and drives productivity. Through HR technology, leaders have a way to foster the environment employees need to reach their full potential and drive organizational outcomes.

"There are multiple platforms and they don't connect well, so it's not a good employee experience," said one respondent.

What to do when your tech stack doesn't talk >>

57%

Say their top budget investment for 2022 is employee engagement

Resignation Remedy: Reporting & Analytics

Enabling a digital-ready workplace is a start, but how do you measure its efficacy and impact, while also providing support to a dispersed workforce? Chances are you have that data at your fingertips: **reporting and analytics data from your HR technology.**

Participants in our survey reported using HR tech to support engagement efforts by monitoring staffing levels and preventing burnout. Responses highlighted specific ways that emerging technologies – and HR tech in particular – can provide access to important employee data.

Here are a few ways respondents shared how their companies are monitoring and analyzing data against potential engagement risk areas, such as burnout and turnover/low staffing levels.

Prevent burnout

"Managers are monitoring staff burnout closely and recommending [they] use vacation or other leave as a way to decompress."

Monitor staffing levels

"Our company hired more people to take some of the weight off over worked positions."

"We are balancing our budget among our employees and lessening their loads off of each other by splitting the hours evenly."

Use Data to Detect and Deter Burnout

With HR tech, you have access to information that will help you detect burnout before it happens. Data such as hours worked, overtime and time off balances can all provide insights about workload and the potential for employees nearing the threshold of reasonable hours.

Reporting and analytics can help companies find areas of the business that have spikes in working hours or departments that have consistently high overtime balances or low use of vacation time.

For example, you can identify which employees have accrued the most leave or have gone the longest without taking time off. Dashboards that help managers see these metrics in real time can enable more fruitful conversations with employees, including encouraging employees that haven't been using their available leave to take some time off.

In fact, your own policies around payouts for unused leave may be working against you. These policies sometimes encourage employees to avoid taking time off in order to get extra pay.

Additionally, other reporting and analytics data points will assist in identifying team members who may be at risk of burnout or who require additional support. Survey respondents mentioned benefits of current HR technology:
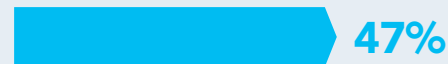
Benefits of current technology:

51%
Able to make decisions quicker
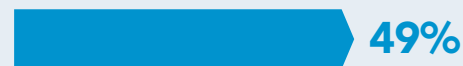
49%
Can more efficiently support employee needs

47%
Streamline everyday workforce management tasks for thier team

Whether leaders use data to assess workloads across teams to improve workload balance, encourage time off, monitor team productivity by project, or identify additional training needs, HR technology offers data that informs actionable solutions.

Conclusion

The massive employee exit moving across U.S. companies is fueled by people who report feeling uninspired and undervalued. If you aren't paying attention to burnout and engagement – and using technology to support your workforce management – you're going to risk losing talented employees to organizations that meet their needs.

Fortunately, it's possible to prevent some employees from joining the mass exodus. It's clear that many employees want to have remote and hybrid work options whenever possible. **It's equally clear that modern technology is necessary for remote operations to work.**

A time for change is upon us. Effective HR technology is an essential part of the strategy to improve the remote work experience, address staffing shortages and engage employees. To survive workforce challenges, meaningful strategies can engage employees not just during the Great Resignation, but also for years to come.