

EBOOK

The Great Resignation: How to win and retain world-class talent

What is the Great Resignation and how did we get here?

By now, every employer's heard about it. We're in the times of The Great Resignation.

After a traumatic year that has most everyone confronting imbalances between career and life like never before, droves of people are now emboldened to quit their jobs in search of what they've been missing.

Higher compensation. More flexibility. A greater sense of fulfillment. Or all of the above.

Continued uncertainty has many, especially Millennials, the largest generation in the U.S. labor force, feeling an unprecedented urgency to pursue passions, take risks, and find purpose.

Or, in other words, the **YOLO economy** (you-only-live-once). In questioning what work means, how they are valued, and where they spend their time, many are asking themselves, "why not be happier right now?"

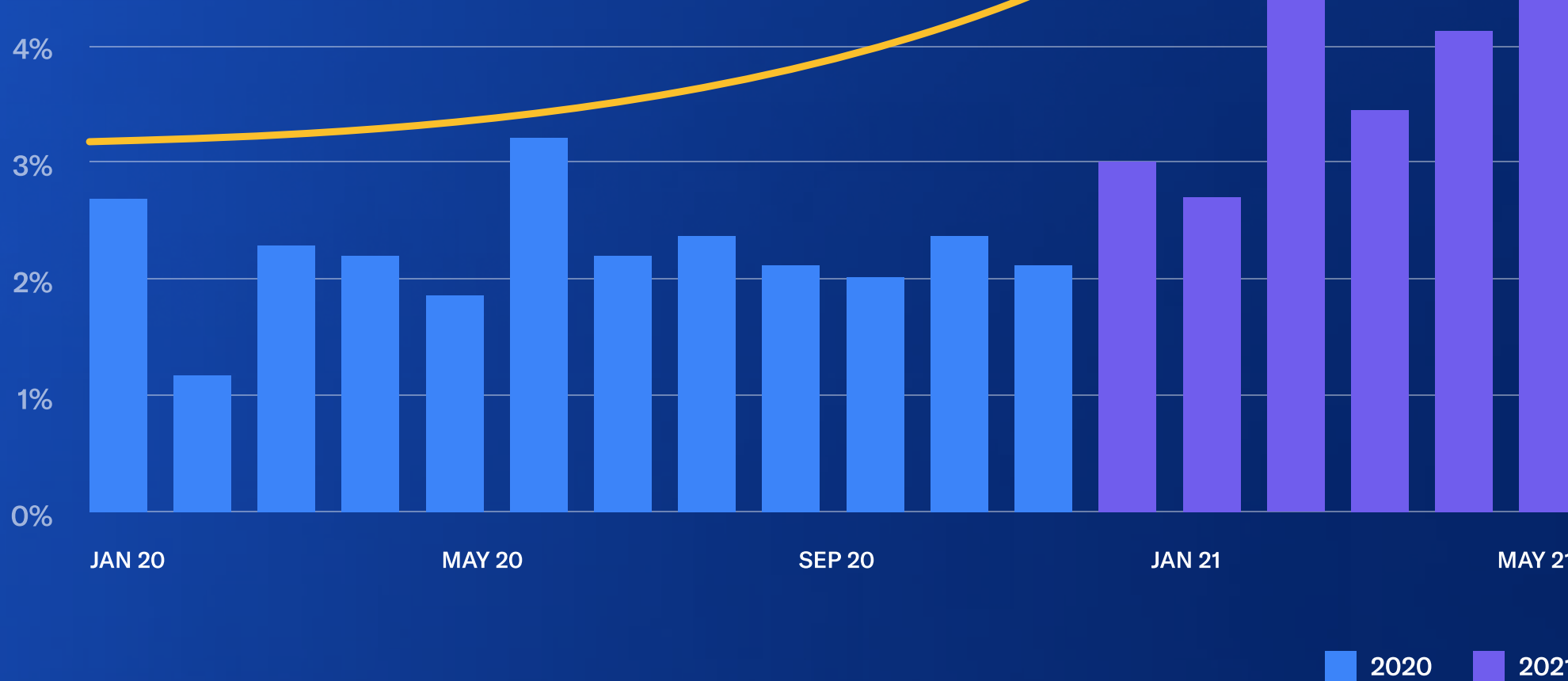
The question is: Is The Great Resignation real?

What does the data say?

While some companies may be tempted to write off the Great Resignation as nothing more than hyperbolic headlines or summer seasonality, employee attrition data [tells a different story](#).

Pave's data-driven compensation blog, Pave Data Lab, shows that The Great Resignation is in fact real:

THE GREAT RESIGNATION ISN'T JUST SUMMER SEASONALITY

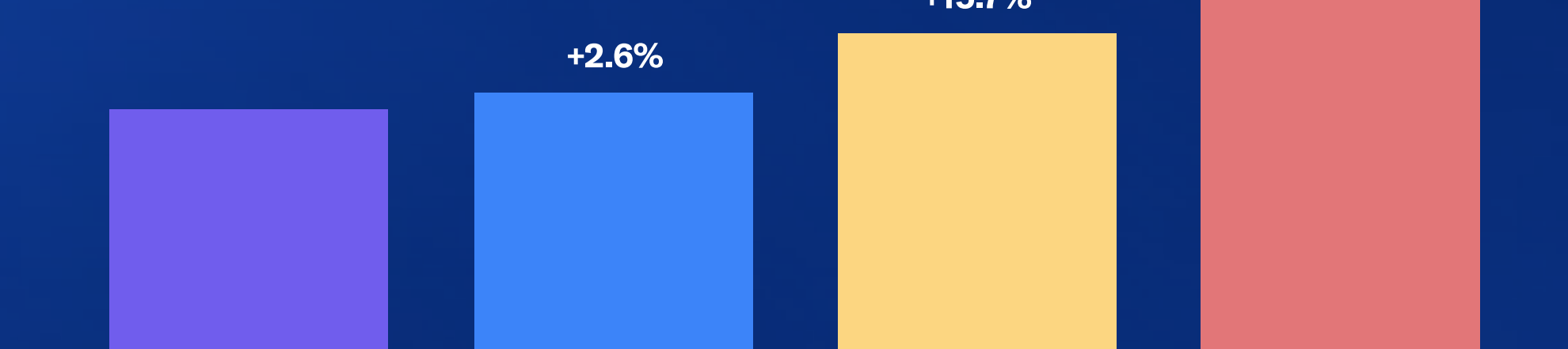


And the natural question is, where is this attrition coming from?

Namely's data shows that attrition rates are most pronounced along ethnicity and gender lines. More specifically, female employees are 2.6% more likely than average to leave a job voluntarily.

Compared to pre-pandemic levels, Asian and Hispanic/Latino employees are more likely to leave jobs voluntarily than their peers. Hispanic/Latino voluntary attrition was 19.1% higher than in 2019, which is a 8.5% higher rate than the average increase in 2021. Meanwhile, Asian employees' voluntary attrition is 15.7% higher than in 2019, which is 5% higher than the average increase for this year.

VOLUNTARY ATTRITION RATES BY ETHNIC AND GENDER GROUP



Unsurprisingly, service workers, who have borne the brunt of the pandemic's economic volatility, are the most likely to leave their jobs (43.8%).

How to attract and retain top talent, despite the Great Resignation

For employers, the Great Resignation is creating an increasingly candidate-driven job market.

Namely's data reveals that in 2021, employees voluntarily left their jobs on average 10.6 percent more than in 2019, up 20.2% from 2020.

VOLUNTARY ATTRITION FROM 2019 - 2021



This means that traditional employee perks are no longer enough to woo candidates.

Today's hyper competitive talent market is completely reshaping the benefits and compensation landscape where only the best companies will retain the top talent. Some common themes include **compensation, remote policies, and benefits**.

A compensation philosophy to retain your team

Naturally, compensation is one of the primary levers being considered in The Great Resignation. The moment a candidate accepts a job offer, companies are finding themselves immediately **back in selling mode**.

Some companies are actively considering options such as:



Delivering on compensation reviews:

Many companies are prioritizing and even accelerating year-end merit cycles to get ahead of attrition.

When conducting talent management reviews, keep in mind the **right performance management software** can help save time and track employees' feedback, goals, and results. This allows HR professionals to simplify assessment cycles with intuitive and configurable performance review templates. With a performance management solution, you can also manage and track goals from the company-level down to each individual. Having the right tools to capture performance accurately will empower you to develop a high-performing, motivated team that delivers results.



Re-examining compensation philosophy:

With an increased attrition landscape, many teams are re-evaluating their approach to merit increases, equity refreshers, and remote workers' compensation.



A focus on total rewards:

One major fear is employees leaving a company for relatively small pay increases. Many tech companies are adapting their narrative to focus on "total rewards" or "total direct compensation" to emphasize that their employees receive more than just what appears on the W-2.

While having a compensation philosophy is critical to retention, it's not the only lever—which brings us to a broader look at how companies are treating remote work.

A philosophy on remote workers

Remote work has become non-negotiable—especially for working parents and those who permanently relocated when they no longer had to commute to an office.

More than a quarter (28 percent) of Americans believe that having the flexibility to choose when and where they work is the most helpful benefit they could receive.

Companies that choose to go remote are capitalizing on the massive opportunity to win top talent by allowing them to work from anywhere and offer child care assistance benefits to those who need it.

However, only 57% of organizations actually offer this kind of flexwork as a written benefit. Companies that are choosing to preserve in-office culture will inevitably encounter a substantially smaller pool of talent.

Even for remote companies, it's still unclear how compensation will pan out for remote workers. The two prevailing philosophies are:

- 1. Pay for output:** Pay workers the same regardless of their location
- 2. Pay for cost of living:** Adjust wages based on the location of remote workers

As of right now, the market has yet to clearly vote which direction it will fall.

World class remote benefits

As anxiety and stress related to the pandemic continues to afflict 40 percent of employees, job seekers want to work for employers who will invest in their health and happiness.

Common areas include:



Mental Health

To support their employees, 25 percent of companies have expanded their mental health offerings to include such wellness benefits as 24/7 helplines, discounts on mental health apps, and Employee Assistance Programs (EAPs) that offer free and confidential services.



Telehealth

Also known as e-medicine or telemedicine, telehealth is another remote health benefit growing in popularity, enabling employees remote access to medical care.



Family Support

Given the deeper focus on the family unit caused by the pandemic, many employers have offered family benefits that subsidize child care to help parents with productivity, privacy, and uninterrupted meeting conversations.



Financial Aid

To help ease the financial burdens of the pandemic, many companies have introduced student loan repayment assistance. Other companies are opting for providing financial counseling. That way, even employees without student loans can benefit from the offering.



Volunteer Opportunities

With the social justice movements taking place and employee activism on the rise, employees want to work for a brand whose culture is supportive of giving and volunteering. Strong talent gravitates toward organizations that impact progress in their communities because these companies align with their values.

How we can help

PAVE

In the wake of the Great Resignation, Pave is helping companies in three ways:



Better comp data

Leverage real-time compensation data to know exactly where the market is moving to stay ahead of competition.



Win and retain talent

Send visual offer letters & total comp statements that display the full picture of a candidate's compensation package -- leaves no room for doubt or questioning.



Make smart comp decisions

And all of the above are powered by real-time integrations with your HRIS, ATS, and cap table platforms. Today's talent market is moving faster than ever. Compensation decisions made on spreadsheets inevitably lag, which can be the difference between retaining or losing the best talent.

About Pave

With a mission to make compensation more fair and transparent, Pave is a market leader in the CompTech space. With their Series B led by Y Combinator, Andreessen Horowitz, and Bessemer Venture Partners, Pave helps companies like Shopify, Allbirds, and RO plan, communicate, and benchmark compensation powered by real-time HRIS, ATS, and cap table integrations. Learn more at [Pave.com](#) and follow us @PaveComp on Twitter.

Namely

Job seekers today want to be part of an organization that stays relevant and uses modern technology to make their lives easier.



HR platform

Enables employees to interact and connect with each other virtually, from anywhere, at any time. For instance, Namely's social media-like news feed encourages employees to celebrate each other's birthdays, work anniversaries, and appreciate their colleagues — giving them ownership over communication and facilitating conversations that engage employees.



Managed Benefits Services

Attract and retain talent during the Great Resignation. Namely's Benefits Consultants work with you to craft innovative, competitive, and cost-effective plans that align with your unique goals as the benefits landscape continues to evolve.



People Analytics

Managing your people strategically is essential to retaining them, but HR professionals lack the insight needed to plan accordingly. Namely's People Analytics arm HR leaders with the data they need to make better decisions about the direction of their employee experience strategy during these uncertain times. Diving into data will enable you to identify and fill talent gaps, ensure **pay equity**, enhance company initiatives, and get a clear picture of where your company stands in relation to its goals.

About Namely

Distinguished by its intense commitment to diversity, equity, and inclusion, HR technology leader Namely is an employer of choice that helps mid-sized employers and their employees thrive. Delivering and streamlining the complexities of recruiting, onboarding, time & attendance, performance management, benefits administration, compliance, payroll and analytics from a single platform, Namely also offers Managed Payroll and Benefits services. The company further differentiates the client experience through personalized service and easy-to-use applications. Learn more at [Namely.com](#) and follow us @NamelyHR on Twitter.