The Great Renegotiation

By now, you’ve read about the Great Resignation, which is simply the observation that a record number of people are leaving their current jobs and looking for something that suits them better. Many of the resignations are coming from people who were forced to work remotely and decided they liked it so much that, when they were told to report back to the office, they decided to look for another remote opportunity instead.

A recent report by McKinsey & Company suggests that a number of factors are at work, including the demand for workers across the economy driven by the low unemployment rate and stubbornness on the part of employers, who are relying on traditional levers to attract and retain people—things like compensation, titles and advancement opportunities. With (currently) 11.3 million job openings across the economy, workers now have the opportunity to reevaluate what they want from a job, and they have the chance to negotiate to get it.

What are they looking for? A survey found that workplace flexibility, mental health support, meaningful work and career advancement topped the list. Of the people who quit without a new job in hand, only 29% returned to traditional full-time employment; they prioritized care for children and elders over a higher income. Just 35% who quit in the past two years took a new job in the same industry; that number rose to 65% of workers in finance and insurance, and reached 72% of workers in the public and social sector.

Meanwhile, the trend for employers is to hire people for their skills rather than their industry experience, and there is now less stigma attached to job hopping or gaps in the resume. There is a trend toward widening the use of parental leave and offering parents more flexibility around school holidays. Some companies, like Google, Cisco Systems and Patagonia, now offer on-site childcare, physical therapy and subsidized housecleaning services.

The article says that, in the past, it was possible to give people an attractive salary in order to keep them in the office despite having a toxic boss. Today, people are leaving their jobs merely because they sense that their leaders are uncaring or uninspiring. And a significant number of workers who participated in the Great Resignation simply felt that there were limited opportunities for personal or professional growth in their current job. The bottom line is that the workplace is changing, now that workers have the leverage to demand it. McKinsey calls it “The Great Renegotiation.”

Source:

*<https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/the-great-attrition-is-making-hiring-harder-are-you-searching-the-right-talent-pools?utm_medium=paid>*