

Research Question

What short-term and long-term measures have software companies utilized to slow attrition rates in 2021?

Introduction

Data provided by the U.S Bureau of Labor Statistics indicated that 4.4 million employees left their roles in September of 2021. ^[1] With such a vast amount of people leaving their roles and a significant number of fresh job openings on the market, employees are exploring their options and reexamining the companies they work for. To help combat the threat of employees exiting the company, organizations should build on their employees' levels of overall job embeddedness. Job embeddedness is the level of connection an employee has to their company. The more embedded an individual is, the less likely they are to leave. ^[2]

Building Embeddedness

I. Links - An employee's ties to people and teams.

In a virtual (and hybrid) landscape, it can be incredibly hard to maintain the links that compel people to stay at a company. With a seemingly abundant number of new roles hitting the job market, the absence of these critical relationships or links provides the ideal opportunity for an individual to decide to leave their organization.

Short-term measures: Incentivize employees to step out of their virtually built "silo" to connect with other employees.

Long-term measure: Create annual team goals, purpose, and roles that require collaboration and team synergy. ^[3] Working toward common targets promotes camaraderie and links between team members.

In practice (short-term): The nonprofit association, American College of Radiology (ACR), elected to send out \$5 Starbucks gift cards to incentivize employees to sign up for random pairings of coffee chats. ^[4] In a post-chat survey, it was routinely indicated that employees felt they built strong links with other employees outside of their respective teams and felt more immersed in their work due to the program.

II. Fit – An employee's compatibility with the organizational culture and work.

Employees need to feel confident that the company they work for will create opportunities to succeed and continue to grow. A study found that 70 percent of employees believe that their work heavily defines their sense of purpose. ^[5] To many professionals, stagnancy equals dissatisfaction. Individuals need to feel like their work is making an impact and closely fits their values.

Short-term measure: Encourage employee input on change initiatives and decisions (small-scale and large-scale) that directly affect them or their team.

Long-term measure: Ensure employees are engaging in work they are passionate about. Build robust programs that encourage employees to explore their purpose and what they desire from a career.

In practice (long-term): USAA built a four-day organizational culture program to reinforce employee compatibility with the company. The program challenged employees to reflect on their purpose and values in comparison to the company's values. The learnings from the program were reinforced through town hall meetings and other forums where employees could feel comfortable highlighting their findings.

USAA leaders dedicated their work to integrating and supporting employees' purpose by incorporating it into every facet of the organization. ^[6]

III. Sacrifice – The perceived value of what an employee gives up when they leave.

When deciding to leave an organization, employees think of the possible downfalls of their decision. They examine things like the relationships they will have to sever, the benefits they may lose, and the promotions they'll miss out on. Organizations must improve the level of sacrifice an employee has to make if they leave, as this will further encourage employees to stay.

Short-term measure: Increase compensation levels or offer unique financial benefits (like sabbatical). While increasing compensation or offering other financial benefits can be an excellent short-term strategy to increase sacrifice, it is essential to note that many employees see this type of retention strategy as purely transactional. It reinforces that their actual needs are still not being met. ^[7]

Long-term measure: Build robust career development plans that give employees more incentive to stay. Clear career trajectories can combat employees questioning if another organization can fulfill their career aspirations. In addition, giving employees ample resources to pursue their goals can make the sacrifice of leaving that much more difficult.

In practice (short-term): Especially at a time that around 76 percent of Americans are suffering from burnout ^[8], it's essential to think of innovative benefits that can keep employees both retained and engaged. HubSpot created a sabbatical program contingent on employees reaching five years of employment at the organization. Employees participating in the program are offered a four-week paid sabbatical and a bonus of \$5,000 ^[9]. Not only do employees have the opportunity to take a much-needed break to refresh, but the program also increases the amount of sacrifice an employee faces if they decide to leave before they get to utilize the benefit.

Measuring the Level of Embeddedness – Example Survey Questions

I. Links

I feel connected to the people on my team.
I have strong relationships with individuals outside of my team.

II. Fit

I feel that I am able to utilize my unique skills and talents in my role.
My personal values are compatible with the organization's values.

III. Sacrifice

I believe that my promotional opportunities are great at this organization.
I am compensated well for my level of performance.

Conclusion

Integrating a job embeddedness strategy when building or leading employee-related initiatives is an excellent way for companies to turn something like a 'Great Resignation' into a 'Great Attraction.' Employees who feel genuinely enmeshed in their organization are proven to be more engaged, more satisfied in their role, and less likely to look elsewhere for employment.

¹ Kelly, J. (2021, November 15). *We've Become a Nation of Quitters: 4.4 Million Americans Left Their Jobs In September*. Retrieved from Forbes.com ([link](#))

² Jonhson, L. (2008, February 29). *A New Approach to Keeping Your Best on Board*. Retrieved from HRB.org ([link](#))

³ SHRM. (n.d.). *Developing and Sustaining High-Performance Work Teams*. Retrieved from Shrm.org ([link](#))

⁴ Jones, J. (2019, May 15). *Breaking Down Silos with Coffee Chats*. Retrieved from Naylor.com ([link](#))

⁵ Dhingra, N., Samo, A., Schaninger, B., Schrimper, M. (2021, April 5). *Help Your Employees Find Purpose-Or Watch Them Leave*. Retrieved from McKinsey.com ([link](#))

⁶ Grant, A., Katzenbach, J. R., Meyer, E., Groysberg, B., Review, H. B. (n.d.). *HBR's 10 Must Reads on Building a Great Culture* (with Bonus Article "How to Build a Culture of Originality" by Adam Grant). United Kingdom: Harvard Business Review Press.

⁷ De Smet, A., Dowling, B., Mugayar-Baldocchi, M., Schaninger, B. (2021, September 8). *'Great Attrition' or 'Great Attraction'? The Choice Is Yours*. Retrieved from McKinsey.com ([link](#))

⁸ Harfoush, R. (2021, November 12). *Don't Let Returning to the Office Burn Out Your Team*. Retrieved from HBR.org ([link](#))

⁹ Lilian, T. (n.d.). *HubSpot Benefits*. Retrieved from Hubspot.com ([link](#))