



# Pearl Meyer



**Virginia Bankers Association  
2022 CFO Conference & Ethics Session**

**The Great Resignation; Here for the Long Term;  
Winners and Regrets**

August 23, 2022

## Why Did People Quit During the Great Resignation?

- ▶ In 2021, according to the U.S. Bureau of Labor Statistics, over 47 million Americans voluntarily quit their jobs — an unprecedented mass exit from the workforce, spurred on by Covid-19, that is now widely being called the Great Resignation.  
*Harvard Business Review*
- ▶ Economy Magazine reported that “A record number of American workers – 4.5 million – quit their jobs in November 2021” and its not over. Another 4.5 million American workers quit their job in March 2022.
- ▶ Are the quitters happy with their decision?
- ▶ According to a survey by Joblist, approximately 26% of people who quit their job during the period we call the “Great Resignation” already regret it and 42% of people who found a new job after quitting another one now say the new job did not live up to their expectations.
- ▶ Economy Magazine calls this “The Great Regret.”
- ▶ What are these people looking for? Yes, inflation has forced a lot of people to leave the workforce and stay home because they cannot afford childcare and commuting cost, but its bigger than that.





# What keeps you up at night?



# Recruitment and Retention in Unprecedented Times

## Replace the Great Resignation with the Great Retention



- Enhance culture and invest in diversity, equity, and inclusion programs
- Be proactive about succession planning and identifying high-potential employees
- Create individualized development plans that will engage and grow leaders and high potential employees

\*Data from GoodHire proprietary survey of 4,000 full-time American workers.

## The Current Landscape – what we are hearing....

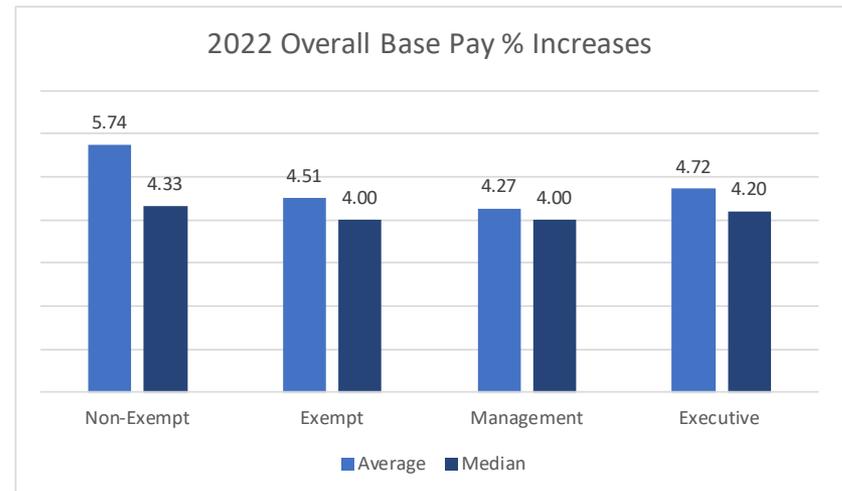
- Economic uncertainty
  - Inflation / cost of living
  - Possible recession
- Pay compression
  - Increases in starting wages for entry level employees
  - Paying above market rates to attract experience professionals
- Turnover rates
  - Customer facing positions – branches & call centers hardest hit
- Bonuses – retention and sign on
  - How to send the right message



# Base Salaries – What really happened in 2022?

## Actual 2022 Salary Increases Compared to 2021

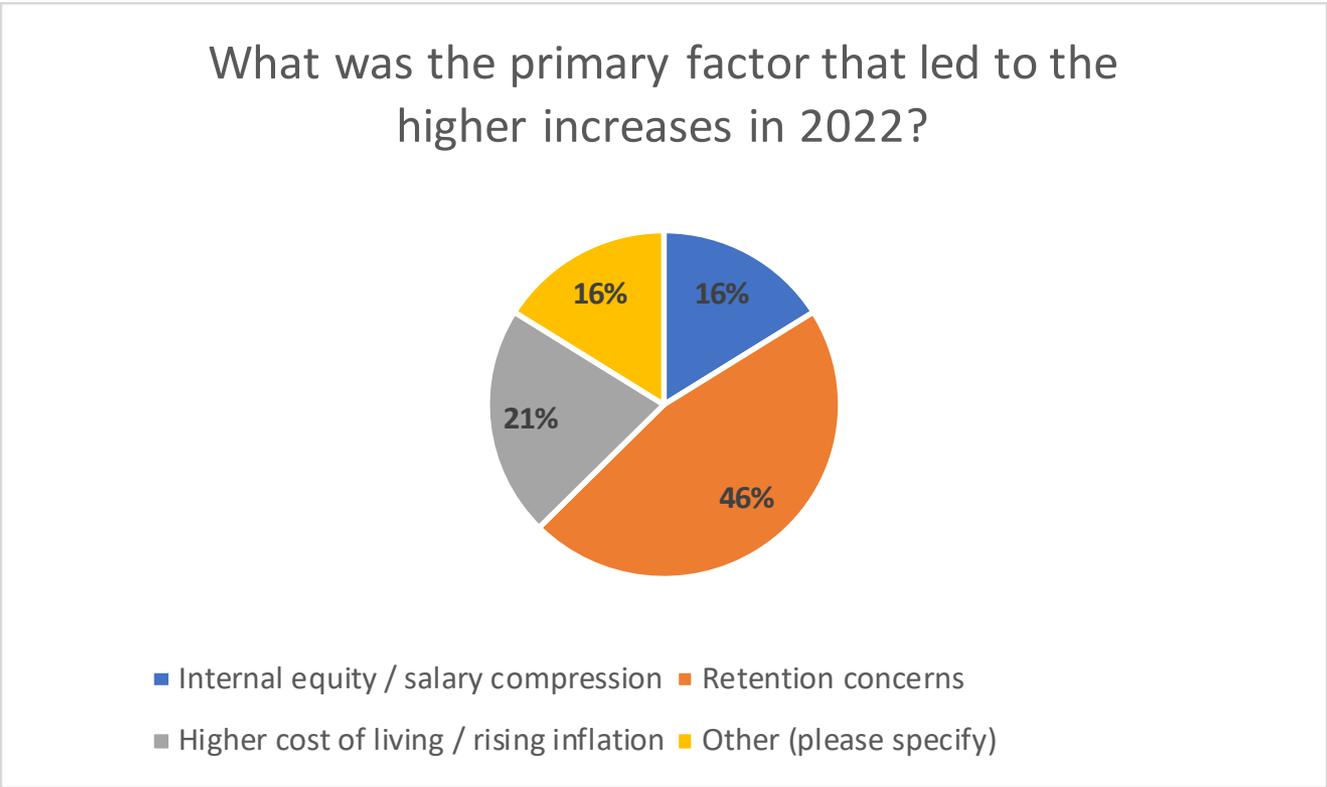
- 80% reported base salary increases were higher in 2022 than in 2021
- Non-exempts received the largest % increase (5.74%)
- No financial institutions reported lower salary increases compared to 2021



- Result from Pearl Meyers May 2022 Quick Poll – 337 respondents and 80 financial institutions

# Concerns Prompting Higher Base Salary Increases

- The most prevalent primary factor was **retention concerns** (46%), followed by the **higher cost of living and rising inflation** (21%)



## Mid-year Adjustments

- Most financial institutions (69%) are not planning a mid-year salary adjustment process
- Those who are will provide targeted increases to top performers, specific employee categories and critical staff



## Compensation is Something but it's not Everything ....

- Organizations usually lead with pay but pay is rarely the sole factor in recruitment and retention.....although it seems like pay is driving things now!
  - ✓ Inflation
  - ✓ Supply vs. demand of labor- it's a seller's market
  - ✓ Hot skills - IT, data analysts, lenders, credit professionals
  - ✓ Other drivers?
- Base pay tends not to be a motivator - it tends to be a dissatisfier
- Chasing pay in this market is problematic
  - ✓ Use total compensation and..... it is critical to consider the other levers you can pull

## What's in Your Tool Kit?

Your Tool Kit... what do you have/need?

1. Maximizing the **Employee Experience**
2. Leveraging **Loyalty**
3. Attracting and Retaining a **Diverse Workforce**
4. Driving **Development**
5. Reassessing **Remote Work**
6. Influencing with **Compensation**

Compensation is not your  
only recruitment and  
retention tool.....



# 1.) Maximizing The Employee Experience

- Employee development
- Internal equity
- Leaders
- Engagement surveys
- Work design
  - ✓ “Designing work that people love”\*
  - ✓ Innovation in banking
- Ensuring cultural fit

Gallup Engagement Hierarchy



*“I’ve learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.”*

*Maya Angelou*

## 2.) Leveraging Loyalty



Invest in your leadership - engaging managers



Leverage purpose and culture



Transparent and frequent communication



Stay interviews

### 3.) Attract and Retain a Diverse Workforce Key Questions.....

#### Talent Pipeline

- Is your talent pipeline diverse?
- Do you recruit, hire and promote diverse talent?

#### Leaders

- Are your leaders diverse?
- Do leaders create an inclusive environment?

#### Culture & Community

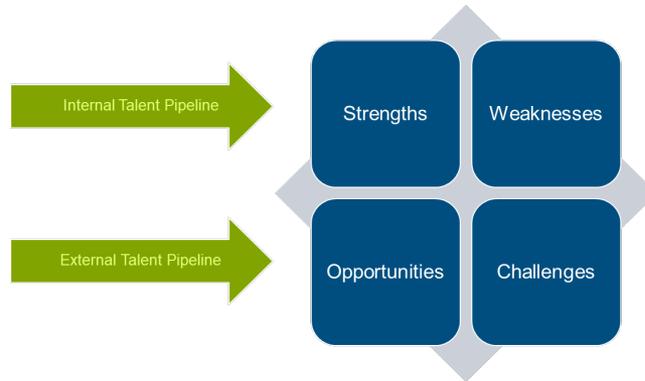
- Is your culture inclusive?
- Is your community diverse and inclusive?

### 3.) Attract and Retain a Diverse Workforce

- Hiring and promoting a diverse workforce
  - ✓ Where are you sourcing diverse candidates and do you have equitable promotion rates for diverse candidates
  - ✓ What is your “employment brand” – what do employees and former employees say about your bank?
- Ensuring equity in opportunity and compensation
  - ✓ Are diverse employees given the same opportunities for learning & development and pay?
- Creating a culture where people feel they belong
  - ✓ Are you retaining diverse employees and how do their responses to employee engagement surveys compare to non-diverse counterparts?
  - ✓ Do diverse employees quit/leave earlier in their employment than non-diverse employees?

# 3.) Attract and Retain a Diverse Workforce Maintaining a Healthy Talent & Leadership Pipeline

- Talent strategy and risk assessment



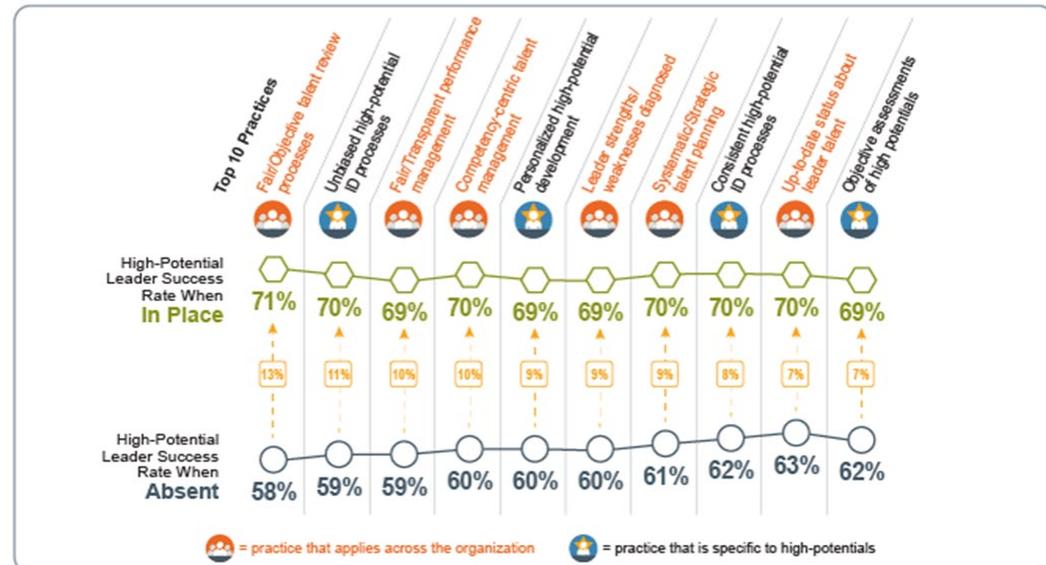
External Talent Pipeline Indicators	Current	Anticipated in next 12-18 months
# of new roles		
Market for new roles		
Compensation competitiveness: Any roles you are worried about?		
Overall job market for your organization: Specific skills/areas that you are worried about?		

Internal Talent Pipeline Indicators	Current	Anticipated in next 12-18 months
Past year # of hires By grade/role		
Past year # of promotions		
Past year lateral movement		
Roles that will require new skills		
Upskilling of workforce - # of ee's who have attended training/learning programs		
Are skills of the new roles available in-house or easily developed?		
Staff who will be impacted by layoffs/changes to role		
# & % of voluntary terms		

- Leadership succession - ensuring continuity

## Top 10 Practices for Boosting High-Potential Leader Success Rates



## 4.) Driving Development



Career Pathing



Succession Planning  
and Management



Coaching and  
Mentorship



Delivering Feedback

## 5.) Reassessing Work(er) Flexibility

### 10 top stats from the report



1. **1 in 5** workers quit in the last 6 months.
2. The **No. 1 driver of attrition** is *inflexibility*.
3. **75%** of execs say The Great Resignation impacted their financial stability.
4. **82%** of companies needed help with talent acquisition and retention over the past 12 months.
5. Only **1 in 2** companies have a business strategy. Even fewer companies (**38%**) have a talent strategy.
6. **Nearly 1 in 4** execs feel ill-prepared to lead through The Great Resignation.
7. The **No. 1 reason executives quit** is *inflexibility*.
8. The **No. 1 reason executives stay** is *job fit*.
9. **Executives' No. 1 talent priority** is *helping employees find purpose*.
10. The **No. 1 driver of retention** is *benefits*.



*Don't be afraid to  
experiment with  
options*

- Fitting remote/hybrid work with your culture and roles
- Providing flexible work options
  - flex hours
  - compressed work week
- Thinking creatively about in-person options in your brick-and-mortar space

## 6.) Influencing with Compensation

- Base salaries are no secret – ensure you are paying competitively and equitably
- Make sure your high performers are paid like high performers
  - Merit, incentives, spot bonuses
- Communicate your programs at all levels link pay to strategy and link pay to performance
- Broaden definition of compensation to include all benefits/rewards (e.g., PTO, medical benefits and 401(k))



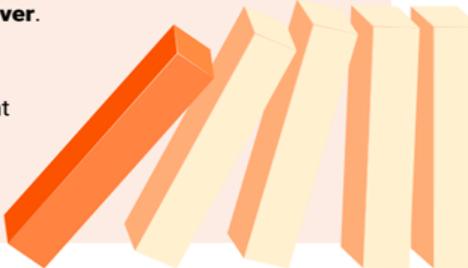
# Final Thoughts

- Compensation is something but not everything
- Leverage the purpose-driven culture of community banking
- Be flexible around work design
- Ensure that your workforce is inclusive and engaged
- Focus on the employee experience
- Ensure fit – “right people, in the right roles, at the right time”

## 5 turnover terminators



1. Companies with the right people in the right roles have **42% lower turnover**.
2. Remote-friendly companies are experiencing **33% lower turnover**.
3. Companies that prioritize health care benefits experience **27% lower turnover**.
4. Inclusive companies are experiencing **19% lower turnover**.
5. Talent optimized companies are **nearly twice more likely** to avoid the brunt of The Great Resignation than their peers.



## Final Thoughts & Questions

- Cultivate a culture of clarity, alignment and purpose that connects employees to business goals and objectives, where they feel values and trusted.

QUESTIONS

