

People & Organizational Performance Practice

To slow down attrition, pay closer attention to what workers really need

The Great Attrition continues, but if companies understand the differences among five common employee personas, they may be able to find and retain talent more effectively.



Is there any way to stop the Great Attrition? McKinsey associate partner Bonnie Dowling says yes. In this episode of *The McKinsey Podcast*, she speaks with editorial director Roberta Fusaro about McKinsey's latest research on the Great Attrition. This time, the team analyzed data from multiple countries and identified five types of worker personalities that, if catered to appropriately, could help fill all those open positions.

After, we'll hear from Catherine Price, author of *Power of Fun: How to Feel Alive Again*, a book that was featured in our *Author Talks* series, who says fun is not a treat, but a tool.

The following transcript has been edited for clarity and length.

The McKinsey Podcast is cohosted by Roberta Fusaro and Lucia Rahilly.

Quantifying the disconnect between employers and employees

Roberta Fusaro: Bonnie, thank you for joining the podcast.

Bonnie Dowling: I'm excited to be here, Roberta. Thank you for having me.

Roberta Fusaro: It seems like companies can't find enough workers, and they can't fill jobs fast enough. It also seems like we're seeing a lot of people who are still leaving companies at just as great a rate. What did McKinsey's most recent research on the Great Attrition reveal about these comings and goings?

Bonnie Dowling: This is our second or even third installment of the Great Attrition/Great Attraction research. This time, we surveyed over 13,000 individuals from six different countries. We looked at Australia, Canada, India, Singapore, the UK, and the US, across 16 industries and included people across all ages, as well as incomes.

We found that people are continuing to quit their jobs. They are going to different industries. They are leaving the workforce entirely. These things haven't necessarily changed since our original research despite the fact that the economy and the world has changed, which begs a question about what's really going on and the disconnect between employers and employees and why we haven't been able to fix that.

Roberta Fusaro: As you mentioned, we've been looking at labor trends since the onset of COVID-19. Are these numbers much different? Are things getting any better?

Bonnie Dowling: We did this research to understand what those trends were and what was happening, especially as we saw some things happen in the broader economy, like economic uncertainty overall.

However, what we've seen is, when it comes to worker mentality, it has not caused a change. In August 2021, when we ran this research and a very similar survey, 40 percent of employees said they were at least somewhat likely to leave their jobs in the next three to six months. When we ran this research again April 2022, we found that the same amount were at least somewhat likely to leave their jobs in the next three to six months.

Roberta Fusaro: Is this true across the board? Is this true across all industries? Is it true at all levels?

Bonnie Dowling: There's some variation. What's interesting about this fundamental shift that maybe is not a trend, is it is striking across all levels, from frontline employees to executives. It's also striking across all industries. Yes, you see higher churn in areas like retail or hospitality that historically have always had higher churn. But in finance or insurance organizations you're seeing high levels of churn as well.

Roberta Fusaro: In the report on the Great Attrition research, you and your coauthors mentioned that "The tried and true approaches to finding and

keeping employees aren't working anymore." Why is that?

Bonnie Dowling: Compensation is table stakes. If you're not offering a competitive wage, you're not in the game to start with. But it's not enough anymore. What we're seeing is there are different types of people who are looking for different things, especially those who've stepped out of the workforce entirely.

What's interesting right now is we can't afford to ignore those who have stepped out. Why? Because there are not enough people looking for jobs. There are not enough people in the workforce to fill the number of jobs we have openings for, at least not in the US.

Five worker personas

Roberta Fusaro: What's most fascinating about the most recent Great Attrition research is that you've identified these worker personas, breakdowns of what different types of workers might be looking for in the workplace, and therefore what employers need to do to attract them. How did you come up with these personas?

Bonnie Dowling: We started to look at those who had quit jobs without a job in hand, and thus had taken a step out. We also looked at those who quit jobs without a job in hand but returned to the workforce and those who had quit and returned to different industries.

We looked at a variety of people who had left their jobs over the course of the pandemic. And we did a cluster analysis around what they said would either bring them back into the workforce, would bring them back to a traditional job within the workforce, or what had brought them back. That's what allowed us to start to identify these different groups.

Roberta Fusaro: What are the personas?

Bonnie Dowling: There are five: the traditionalists, the do-it-yourselfers, the idealists, the caregivers, and the relaxers.

Roberta Fusaro: Let's start with the traditionalists. Who are they, and what are they looking for in the workplace?

Bonnie Dowling: These are the folks who didn't quit their jobs during the pandemic. If they did quit, they moved immediately into another very traditional job. They're the folks who are motivated by the same things that motivated us in 2017 and 2019. They're dependable for employers looking for employees. They want a clear path to advancement. They want competitive compensation. They want a workplace where they enjoy their colleagues and have inspirational leaders.

Roberta Fusaro: What's tough about attracting and retaining this type of employee, if anything?

Bonnie Dowling: What's tough about traditionalists is there's not enough of them left. If we think about how many people have quit their jobs over the course of the pandemic, in the US alone it's about a third of the workforce. That means only about two-thirds are what we would classify as traditionalists.

Given the number of job openings we have today, which is about double, even in our most recent numbers from June, even those ones point to there being almost double the number of job openings as there are people looking for jobs. That means you have to look beyond the traditionalist employee. They may be easy to attract, they may be easy to recruit, but if there are not enough of them, you can't depend on filling your gaps with only them. That's why you need to look at the other personas.

Roberta Fusaro: Let's hear more about the do-it-yourselfers. Who are they?

Bonnie Dowling: The do-it-yourselfers are a group of people who are still working, but they've gone on to start their own businesses or become contractors

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–Bonnie Dowling

or join the gig economy. They tend to be in the 25- to 45-year-old age range.

They really value flexibility, meaningful work, and compensation. To get this group back, you’re competing with them, because they’ve created something for themselves that’s paying the bills, that’s providing them a sense of purpose, and gives them all of the flexibility they could ever want, because they’re their own boss. Getting them back means you’ve got a bit of an uphill battle, but it’s also probably the largest group out there.

Roberta Fusaro: How do companies then compete with this new set of competitors?

Bonnie Dowling: Exactly. How do you prove you’re a better boss than someone is to themselves? It’s going to be a challenge for sure. Companies need to emphasize their sense of purpose and their mission.

The other thing companies can offer that is difficult for an individual upstart is thinking through your full benefit package. Not just your compensation, although having a steady, more uncertain-economy-proof compensation package is helpful.

You also have to think through what benefits you have that are different and more attractive. Beyond that, one of the key things individuals get by working for themselves is flexibility. I started

hearing executives talking about employees leaving in droves when they told me they’d announced their return-to-office policy. They thought they were being flexible by offering things like “Three days in office, two days’ work from wherever you want. It just can’t be Mondays and Fridays.”

They were shocked to see people quit. And the first thing I said was, “Well, you’re sending the inherent message that you don’t trust your employees not to take a four-day weekend when you put in that policy.” They were a bit confused by that but started to recognize that maybe that wasn’t the message they wanted to send to employees that had kept the lights on through the pandemic.

Now, as those return-to-office policies and approaches are starting to materialize, we see more people and more organizations thinking through what that’s going to look like, even if it is going to change and evolve as the virus continues to change and evolve. If you don’t take into account flexibility—and not just flexibility of location but also the time of work, how we work, all of those pieces—you will not be able to attract the do-it-yourselfers back.

Roberta Fusaro: What are caregivers looking for, and who are they?

Bonnie Dowling: It probably doesn’t come as a surprise that flexibility is going to be a

very important factor for caregivers. They're predominantly women. They're aged 18 to 44. They're folks who have children at home or maybe elderly parents. They need flexibility to live into both their role as a caregiver and as an employee.

What we see here are former employees who may want to return. They may have enjoyed that sense of purpose and the ability to advance that they got from their career. They may be traditionalists at heart, but what they found over the course of the pandemic was that it wasn't working to both be a parent or a child with aging parents. It wasn't working to be a caregiver and employee.

If you think about things like the skyrocketing cost of childcare and how it became so unreliable over the course of the pandemic, and then you think about how many employers have punitive policies in place if you're tardy or have an absence, it started to not have the right ROI.

If I'm spending the majority of my after-tax paycheck on childcare and yet I'm also getting dinged at work because I get a call from the school at 7 in the morning that says, "We've gone virtual for the day because there is an exposure," the ROI isn't there.

So people started stepping out. If we want to attract them—and many of these individuals would like to return, it seems—we need to think about how we can truly create flexibility and how we can align the benefit packages we offer to their needs. So you see the increased provision of childcare, of on-site childcare, of benefits like that.

One of the other benefits I really liked when I spoke with a company recently was thinking about how they could offer housecleaning or landscaping benefits. And their thought was, "You know what? A lot of people would enjoy these benefits."

It turns out that there's a lot of things we do outside of work that don't give us a great sense of fulfillment or pleasure or joy. And if, as employers, we can look at what some of those things are and

we can help take those off their plates, we can actually give back some work-life balance and ultimately flexibility to our employees.

Roberta Fusaro: This next persona is also of particular interest to me because my older son falls into this category of the idealist. Who are the idealists and what are they looking for? What can companies do to bring them into the fold?

Bonnie Dowling: It's probably not surprising that the idealists are our younger folks. They're aged 18 to 24. Many of them are students. They may be part-timers. They're not encumbered by the same responsibilities that those of us who may be caregivers or well into our careers and have mortgages and other responsibilities, car payments, things like that—they're not worried about those things.

As a result, they're focused on different things. Flexibility remains top of mind for them. Maybe it's to work with their school schedule. Maybe it's to pursue some of their passion areas. We know the generation entering the workforce right now, Gen Z, or the digital natives, are really thoughtful about the work-life balance piece and not wanting to work forever or work to live. They want to live and have a job. So the flexibility is really important; so is development and advancement. They want to see that there's a career path that they can grow. They also want meaningful work. Purpose is very important to this group.

Roberta Fusaro: The last persona on the list, but by no means the least, is a group we're calling the relaxers. Can you talk a little bit more about this group?

Bonnie Dowling: Many of them are the folks who have taken an early retirement. It's people who have retired or they're just not looking for work. They don't really have a reason to come back. But we also know there are things that could bring them back. We also know, given the gap that we have, that we need to figure out a way to bring them back.

They're looking for something that's purpose-driven, maybe something that relates to a legacy they would like to leave. They're maybe not as motivated by compensation the way others are, because they probably have enough money to live comfortably for a while. That's why they've retired and stepped out. They want the flexibility element. They're going to want to work with friends.

We call them the "Gronks" because of what happened with Rob Gronkowski, the American football player. He retired. His best friend, Tom Brady, called him and said, "Hey, you said you were retired. I was thinking about it too. But do you want to come back and win a Super Bowl?" And he came back to play. It was a short-term contract. He did a year-to-year approach. He got to work with his best friend, and he had the opportunity to do something big.

Those are the personas, and those are the people we have to start thinking about, and how we can broaden our employee value proposition to encompass those different types of people coming in, and how we can focus on the elements of our employee value proposition that will be most appealing to those individual groups that we want to attract.

Moving between personas

Roberta Fusaro: Is there any overlap among the personas, or do you truly fall into one category or another?

Bonnie Dowling: There's a lot of opportunity to move between them. If I think of myself as an example, I believe I'm probably a traditionalist at heart, because I haven't quit my job. I have a lower risk tolerance. I want to know where my paycheck is coming from. However, I'm also a mom. I have a lot of responsibilities at home. And I'm burned out, like 42 percent of women out there, according to our Women in the Workplace research.

Could I easily become a caregiver and step out? Yes, I could. There's a lot of opportunity to move between these. Could you be both at once? You

could probably be both at once as well. It's a matter of how you're prioritizing the different offerings of an employer and how you would think about what it would take to bring you back.

Confronting the long-term attrition problem

Roberta Fusaro: The framework of the personas is a great tool for companies to look at their employee value propositions. There are certain characteristics common across them all around flexibility, compensation, development, purpose. Apart from getting a better understanding of the talent pool through these personas, what else can companies do to address the attrition problem longer term?

Bonnie Dowling: There are four different levers they can take. There is what our article addresses, which is, how do you attract talent that is out there and looking, or on the sidelines looking, to get back in? We also ask, how do you retain the talent you currently have? You need to create a culture that's welcoming, sticky, and doesn't mean bringing people back into the office. Think about what it is you can do, how you can make a concerted effort to show employees you care about who they are and build a culture even in a virtual environment.

When executives tell me, "Aren't you saying employees want to have their cake and eat it too? They want a strong culture, and they also want to be flexible and work from wherever, isn't that oxymoronic?" I say, "No. If you're dependent on being in person for your culture, because you think people need to see the posters in the elevators or see people in the water cooler area, then it's lazy and it's marketing, not a culture."

Culture is how we interact with each other on a daily basis. It's how our managers lead. It's how our individuals and colleagues look out for one another. That's the core of culture, and you can do that virtually, or you can do that in person. You just have to make the effort and invest in it and prioritize it.

There are two longer-term plays as well. When I think about the longer-term plays, I think one of them is, how do you reduce your demand for employees? How do you change the work you're doing in a way that means you don't need as many employees as you did previously? You have to rethink how you work. You have to look at some of the gains made over the course of the pandemic in terms of automation, in terms of use of things like the virtual check-in process when you go to a doctor's appointment or the QR menus you see at restaurants that have started to be used more widely.

The fourth one is, how do you increase the supply of workers for the long term? How are you getting the next generation excited about your industry? How are you partnering with schools, vocational programs, universities, colleges to offer the scholarships, to offer the flexible work schedules to attract them?

All of those pieces are going to be really important to get people interested. It's those four pieces—the two that are immediate around attracting and retaining what is available, and the two that are longer term, which are about reducing your actual demand as well as increasing the supply.

Roberta Fusaro: Bonnie, I know I've learned a lot about where I fall into these personas and learned a lot about what companies can do to combat the

Great Attrition. Thank you for taking the time and joining us today.

Bonnie Dowling: Absolutely. It was wonderful, a real treat.

Lucia Rahilly: Maybe another way to combat the Great Attrition is to have more fun at work. Is it possible? Let's take a listen to Catherine Price, author of *Power of Fun: How to Feel Alive Again*, a book that was featured in our *Author Talks* series, who says fun should be a priority, not an afterthought.

Catherine Price: At first glance, it might seem like the absolute worst time to be talking about a book about fun, given that we're in year three of a global pandemic, and many people are feeling like fun as the last thing they could devote attention to. But what I've come to realize is that the opposite is true. Fun can boost our resilience and our spirits in a way that makes it easier for us to cope with whatever life may throw at us. We need to rethink how we think about fun: less as a treat we get to have only if everything's already going great and more as a tool we can tap into to help ourselves weather the challenges life may present us with.

'Fun is much like romance: if you try to force it too much, it's not going to happen. What you can do, though, is set the stage for it.'

—Catherine Price

One of the more interesting things I stumbled upon when I was trying to write a book about fun is that there's not a very good definition of what fun truly is. I came up with the idea that fun, or as I call it "true fun," is the confluence of three psychological states: playfulness, connection, and flow.

Playfulness means you're doing things just for the sake of doing them, and you're not caring too much about the outcome. Connection is a fundamental element of fun because in the vast majority of situations or anecdotes people have shared with me, another person or another creature is involved. There are also cases in which you can be truly connected to an activity or to your authentic self or to your body. But often there's a person involved, even for introverts. Flow is the psychological state in which you get so absorbed in your present experience you lose track of time, like an athlete in the midst of a game or a musician playing a piece of music or when you're in the middle of a really engaging conversation.

Making a point of noticing moments of playfulness, noticing moments of connection and noticing

moments of flow can go a long way in helping us benefit psychologically from the moments of fun that we are already experiencing. We are constantly on high alert, but that's very stressful and anxiety producing. One of my hopes for the book, in addition to it being a fun read, is to help us shift away from our natural tendency to focus on the negative and begin to appreciate some of the positive stuff that happens all the time, even in difficult times.

It can be a real challenge to try to fabricate fun, especially in a group workplace setting. I'm not going to claim to have the perfect answer to that, because I do think fun is much like romance: if you try to force it too much, it's not going to happen. What you can do, though, is set the stage for it.

If you're in a leadership role, one thing that's conducive to fun is to allow your humanity to show. Anyone in a leadership position who's able to make a joke at their own expense or have a more lighthearted, less professional, less jargony attitude, that's going to help.

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