These materials reflect general insight based on currently available information, which has not been independently verified. Future results may differ materially from any statements of expectation, forecasts or projections. These materials are not a guarantee of results and cannot be relied upon. These materials do not constitute legal, medical, policy or other regulated advice. References to specific products or organizations are solely for illustration and do not constitute any endorsement or recommendation. The recipient remains solely responsible for all decisions, use of these materials, and compliance with applicable laws, rules, regulations and standards.

COVID-19 is, first and foremost, a global humanitarian challenge. Thousands of health professionals are heroically battling the virus, putting their own lives at risk. Governments and industry are working together to understand and address the challenge, support victims and their families and communities, and search for treatments and a vaccine.

Companies around the world need to act promptly. This document is meant to help senior leaders understand the COVID-19 situation and how it may unfold, and take steps to protect their employees, customers, supply chains, and financial results.
Massachusetts Business Roundtable (MBR) Future of Work

Background
For the second year in a row, MBR is conducting an analysis on the Future of Work (FoW) for its member organizations to better understand how COVID-19 has impacted members’ working models and ongoing workforce dynamics.

Objectives
• The Future of Work project allows MBR to understand the challenges facing member organizations and implications for the State of Massachusetts, in order to be a better advocate for business needs in MA and ensure MA remains a competitive place for businesses to thrive.
• The project also allows member organizations to share advice on what is working well and how they are approaching shared challenges at a MBR event in May 2022.

Methodology
The MBR FoW project collected anonymized feedback from member organizations through an online survey and deep-dive interviews during the months of March and April 2022.

Survey. We surveyed MBR members and received 51 responses, representing 53% of overall membership. Responses represent members in financial services, professional services, real estate, energy, education, technology, healthcare, biotech, CPG, defense, and legal.

Interviews. Additionally, we conducted 15 deep-dive interviews with member organizations to further explore topics covered in the survey.
MBR Future of Work Study 2022: Four Key Takeaways

1. **Attrition**
   - The Great Attrition is with us for the foreseeable future
     - 50% are experiencing higher than normal voluntary turnover, most heavily felt at entry- and manager-level (77%, 64%)
     - 68% do not expect things to improve over the next 6 months
     - Organizations see compensation and workload as greatest drivers but know they may not understand the full picture
     - Offering flexible working hours, higher salaries, hybrid tools, and wellness programs have been effective

2. **Hybrid work is here to stay**
   - 68% plan to use a hybrid-virtual working model in the future steady-state
   - WFH and hybrid working models have proven highly effective, with 100% of organizations operating in these models able to sustain high performance

3. **Attracting Talent**
   - ‘Great Attrition’ can become the ‘Great Attraction’ – and how leadership shows up matters
     - Recruitment is most difficult at management level (60% with challenges) and entry-level employees (56%)
     - 89-95% of members are offering remote work across various roles, with the highest at the entry-level staff roles
     - In order to attract and retain talent, members discuss how leaders are needing to “show up” differently (e.g., empathetic leaders who create an inclusive environment for employees and care about their overall well-being)

4. **Implications for MA**
   - Massachusetts is at an inflection point as talent becomes increasingly mobile
     - 80% plan to maintain/expand presence in MA, citing access to world-class, diverse talent as reasons to be excited for MA, but cost of doing business / living as reasons to consider leaving
     - Proportion of orgs with >10% of workforce out of state is expected to triple from pre-COVID levels
     - Increasing access to affordable childcare, cultivating talent earlier (e.g., high school), creating more affordable housing, and revitalizing image of certain industries could all help employers in MA

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs
MBR FoW Survey Demographics
Survey n = 51

1. Total survey response was 51, but some responses did not answer all questions. Specific Question N is indicated throughout document.

### Global company revenue size

- **>$50B**: 11%
- **$10-50B**: 17%
- **$5-10B**: 7%
- **$1-5B**: 17%
- **<$1B**: 33%
- **NA**: 15%

### Number of employees in MA

- **>10,000**: 13%
- **5,000-10,000**: 4%
- **2,000-5,000**: 17%
- **500-2,000**: 37%
- **<500**: 28%
- **NA**: 0%

### Affiliation with MA

- **HQ in MA**: 57%
- **MA one of HQ/hubs**: 30%
- **MA not HQ or hub**: 11%
- **Others**: 2%

### Industry

- **Survey responses**
  - Financial Services: 22%
  - Professional Services: 16%
  - Healthcare: 14%
  - Education: 12%
  - Real Estate, Development & Construction: 10%
  - Technology: 8%
  - Biotech, Pharmaceuticals & Medical Products: 8%
  - Other: 12%

- **MBR membership**
  - Financial Services: 19%
  - Professional Services: 21%
  - Healthcare: 10%
  - Education: 6%
  - Real Estate, Development & Construction: 10%
  - Technology: 16%
  - Biotech, Pharmaceuticals & Medical Products: 5%
  - Other: 13%

### MA location

- **Boston**: 30%
- **Greater Boston only**: 22%
- **Central MA**: 7%
- **Merrimack Valley/ NE**: 9%
- **MetroWest**: 6%
- **South Shore**: 7%
- **South Coast**: 6%
- **Pioneer Valley & The Berkshires**: 10%
- **Other, please specify**: 2%

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs

Last updated April 27, 2022
1. Higher levels of attrition at entry-level and managerial positions are a challenge

Survey n = 47

Are you experiencing greater voluntary turnover (e.g., quit, resignation) at different levels in your organization in the past year (i.e., 2021) than in years prior (i.e., average turnover in the 3 years pre-COVID-19)?

>30% of respondents reported attrition impact at this level

<table>
<thead>
<tr>
<th>Voluntary turnover by role, % respondents¹</th>
<th>Entry-level staff (&lt;2 years exp)</th>
<th>Entry-level staff (&gt;2 years exp)</th>
<th>Manager</th>
<th>Sr. Manager/ Director</th>
<th>VP</th>
<th>SVP</th>
<th>C-suite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, &gt;25% increase in turnover</td>
<td>11%</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2%</td>
</tr>
<tr>
<td>Yes, between 10-25% increase in turnover</td>
<td>38%</td>
<td>43%</td>
<td>17%</td>
<td>15%</td>
<td>9%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Yes, between 0-10% increase in turnover</td>
<td>23%</td>
<td>28%</td>
<td>47%</td>
<td>32%</td>
<td>32%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>No</td>
<td>19%</td>
<td>15%</td>
<td>28%</td>
<td>47%</td>
<td>53%</td>
<td>70%</td>
<td>68%</td>
</tr>
<tr>
<td>N.A.</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

¹ May not add up to 100% due to rounding

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs

Key takeaways

Average of 50% of respondents have seen an increase attrition compared to normal level, and of this turnover most members are experiencing it at entry-level and managerial levels

Turnover is the highest I’ve ever seen it in my entire career. It spans across all tenures and job types at our organization. It is the greatest challenge we face today

We are losing people to industries we never had to compete with before
1. 68% of MBR members expect the rate of turnover to increase or stay same in the next 6 months

Question n = 45

How do you expect the rate of turnover to change over the next 6 months?

Change in rate of turnover, % respondents

- Increase: 24%
- No change: 44%
- Decrease: 16%
- N.A.: 16%

1. May not sum to 100% due to rounding

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs

Last updated April 27, 2022

Things are just awful—it is really hard to attract people to healthcare, and compensation is at an unsustainable high. **Staffing and compensation are our greatest worries** and it is showing no sign of slowing.

Attrition hit us really hard in 2021, but we think with the COVID **stimulus running out** soon this will **slow down the attrition rate**.

People are getting poached because they are being **offered 40-50% more money**. This isn’t sustainable, but people are thinking more short-term.
1. Employees are leaving for compensation, workload, and caregiver responsibilities

Survey n = 45

Why do you think employees are choosing to leave your organization?

<table>
<thead>
<tr>
<th>Reasons for leaving</th>
<th>% respondents who selected option among 3 most important reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate compensation</td>
<td>19</td>
</tr>
<tr>
<td>Workload</td>
<td>19</td>
</tr>
<tr>
<td>Caregiver responsibilities (e.g., childcare)</td>
<td>13</td>
</tr>
<tr>
<td>Other(^2)</td>
<td>13</td>
</tr>
<tr>
<td>Loss of community/Caregiver responsibilities (e.g., childcare)</td>
<td>13</td>
</tr>
<tr>
<td>Lack of limited development opportunities</td>
<td>9</td>
</tr>
<tr>
<td>Lack of sense of belonging</td>
<td>7</td>
</tr>
<tr>
<td>Lack of flexibility in working models</td>
<td>3</td>
</tr>
<tr>
<td>Do not feel valued by organization</td>
<td>2</td>
</tr>
<tr>
<td>Workforce safety/concerns about COVID-19</td>
<td>2</td>
</tr>
</tbody>
</table>

Top reasons that separate, non-MBR research shows employees are leaving jobs\(^2\)

Research\(^2\) shows that employers often overlook the relational elements of why employees are leaving, over-indexing on transactional elements (e.g., compensation) and under-appreciating the importance of belonging and feeling valued by the organization (see Appendix)

---

1. Sum is not equal to 100% because respondents can select multiple options | 2. Other reasons cited: Instability caused by previous layoffs; relocation; Work no longer a priority; lack of flexibility; not leaving

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs

We don’t fully understand the reason why people are leaving so it’s hard to pinpoint a solution—[attrition] seems to be expected by younger populations, but it is concerning that we are seeing it with established employees, who have high level of institutional knowledge

We provide an exit survey to capture why people leave, but I think it is inaccurate and not giving us great data on why people are really leaving
1. Flexible working hours, higher salaries, and tools for hybrid work have been most helpful to MBR employers for attracting and retaining talent

Survey n = 47

Please indicate which of the following resources and supports are currently offered to employees and how helpful have they been in attracting and retaining employees?

Support offered to employees, % respondents

<table>
<thead>
<tr>
<th>Most helpful</th>
<th>Least helpful</th>
</tr>
</thead>
<tbody>
<tr>
<td>89%</td>
<td>51%</td>
</tr>
<tr>
<td>84%</td>
<td>38%</td>
</tr>
<tr>
<td>91%</td>
<td>33%</td>
</tr>
<tr>
<td>89%</td>
<td>31%</td>
</tr>
</tbody>
</table>

Most helpful actions:
- Flexible working hours
- Higher salaries
- Tools for hybrid work
- Mental health and wellness programs

Least helpful actions:
- Home office set-up allowance
- DE&I training and community volunteering initiatives
- Social connectivity programs/events
- Rewards and recognition programs

Employees want to know that the company values them and that if something happens in their life, the company will support them—we want our culture and benefits to reflect this.

We struggle to compete with firms that can offer much higher wages and fully remote positions.

1. % offered calculated by subtracting % not offered to from 100%

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs
2. Hybrid working models will continue to dominate, but at lower rate than anticipated in 2021

Survey n = 47

<table>
<thead>
<tr>
<th>Workforce working model, % respondents</th>
<th>2021 answers</th>
<th>2022 answers</th>
</tr>
</thead>
<tbody>
<tr>
<td>All or mostly in-person²</td>
<td>6%</td>
<td>28%</td>
</tr>
<tr>
<td>Hybrid³</td>
<td>13%</td>
<td>51%</td>
</tr>
<tr>
<td>All or mostly work from home⁴</td>
<td>81%</td>
<td>21%</td>
</tr>
</tbody>
</table>

We never wanted 100% virtual because we know the productivity during COVID was due to culture we built before; When we announced we aren’t going 100% virtual many employees said, ‘thank goodness!’

We surveyed employees and found majority want to be in person 2-3 day/week. We engage and discuss the benefits of being in-person so they understand why we are asking them to come in

Our employees told us that they want the flexibility to come into the office, but just don’t want to be told what days

One of our biggest concerns in this new model of being ‘virtual first’ is creating and maintaining the culture our organization is known for.
2. 100% of respondents operating in WFH and hybrid models have been able to sustain high performance

Survey n = 47

To what extent has your organization been able to function at its highest level of performance in the current working model?

Frequency of functioning at highest level, % respondents

<table>
<thead>
<tr>
<th></th>
<th>All respondents (n = 47)</th>
<th>All or mostly in-person (n = 13)</th>
<th>Hybrid (n = 24)</th>
<th>All or mostly work from home (n = 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>36%</td>
<td>38%</td>
<td>25%</td>
<td>60%</td>
</tr>
<tr>
<td>Very Often</td>
<td>60%</td>
<td>46%</td>
<td></td>
<td>40%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>4%</td>
<td>15%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Rarely</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Never</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

For certain roles we might consider more guidance and guardrails to boost productivity, like productivity monitoring tools.

The way we operated during COVID was not sustainable. Future of work is all about flexibility and that means different things for different individuals.

We’ve found that established teams have a stronger culture and work better together, meaning we need to be thoughtful about creating opportunities for new employees to be together in person.

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs
2. Operating Model: These data underscore the trade-offs and limitations members face when selecting a future operating model

Some organizations are learning they must adapt their operating model in order to attract critical talent...

I [CEO] was dead-set on bringing all positions back in person several days a week, but I’ve learned that might hurt us when attracting talent and I’ve had to really shift my mindset. For example, we posted a job opening requiring 2x days/week in person and didn’t receive a single application. We readvertised the position as fully remote and immediately received 30 applications. – MBR Member Org in Energy

…whereas some organizations don’t have the flexibility or see in-person as critical for their culture

We are standing strong on being together in person as a company, so we have to be ok losing people who don’t share this belief - MBR Member Org in Tech

We don’t have a choice. The nature of our work requires we be in person” - MBR Member Org in Manufacturing

Ultimately, organizations have many factors to consider when selecting a future operating model and a “test and learn” approach might be a beneficial mindset moving forward

Source: Interviews conducted with MBR member organizations March – May 2022
2. MBR members shared ideas on what is working well in their hybrid operating models

- Strive to avoid virtual meetings on in-person days
  - "We try to avoid scheduling virtual meetings on days we’ve asked teams to collocate. It doesn’t feel inspiring to ask your employees to be in person and then sit in your office all day on Zoom behind a closed door."

- Empower Managers to lead in a hybrid environment
  - "To make this model work we have to equip our managers with toolkit to lead in a hybrid environment (e.g., ensuring participation and collaboration across all team members, in-person or virtual)."

- Make a compelling case for having employees in person
  - "Employees are willing to come into the office if you can make a compelling case. We strive to get in front of employees on a regular basis to communicate the ‘why’ of our ask to be in person for a day."

- Make it fun to return to the office
  - "We strive to bring people in for ‘moments that matter’ and create fun around it – serving lunch, playing games, collaborating over white board versus sitting in a cubical. This makes employees want to come back."

Other ideas to consider

- Use routine surveys to get quick “pulse” on how organization is feeling and quickly iterate as needed

- Use features in Zoom/Outlook to set time limitations on meetings to prevent meetings going over

- Hold “Zoom-free” half-days to shield employees from spending all day on the phone

- Host “employee appreciation” days with free lunches, etc. when people are in the office

Source: Interviews conducted with MBR member organizations March – May 2022
3. Recruiting has been the most challenging across management and entry-level talent
Survey n = 45

Are you experiencing greater difficulties in recruiting talent for the following roles in the past year (i.e., 2021) than in years prior (i.e., average turnover in the 3 years pre-COVID-19)?

**Difficulty in recruiting by role, % respondents¹**

<table>
<thead>
<tr>
<th>Role</th>
<th>Yes</th>
<th>No</th>
<th>N.A.²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry-level staff (&lt;2 years exp)</td>
<td>51%</td>
<td>42%</td>
<td>7%</td>
</tr>
<tr>
<td>Entry-level staff (&gt;2 years exp)</td>
<td>56%</td>
<td>38%</td>
<td>7%</td>
</tr>
<tr>
<td>Manager</td>
<td>60%</td>
<td>29%</td>
<td>11%</td>
</tr>
<tr>
<td>Sr. Manager/Director</td>
<td>33%</td>
<td>56%</td>
<td>11%</td>
</tr>
<tr>
<td>VP</td>
<td>22%</td>
<td>64%</td>
<td>13%</td>
</tr>
<tr>
<td>SVP</td>
<td>13%</td>
<td>73%</td>
<td>13%</td>
</tr>
<tr>
<td>C-suite</td>
<td>7%</td>
<td>78%</td>
<td>16%</td>
</tr>
</tbody>
</table>

>50% of respondents reported recruiting impact at this level

**Key takeaways**

Over 50% of respondents have found it harder to recruit entry-level and managerial positions, which is in line with the roles where members also cite the highest levels of attrition.

This heightened difficulty generally doesn’t translate to more senior roles.

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**People are demanding more:** higher compensation, sign-on bonuses, and more flexibility. I see this as an opportunity to reset and redefine the workplace.

**You can’t assume that people just want to be fully virtual.** We’ve run into issue recruiting when we say the position is virtual because some really want to be in-person in an office.

---

1. May not add up to 100% due to rounding | 2. Includes respondents who selected “Don’t know/I prefer not to answer” option
### Key takeaways

Between 89-95% of members are offering remote work across various roles, with the **highest at the entry-level** staff roles with less than 2 years work experience.

Between 49-55% of remote roles have constraints; however, the **greatest constraints** for remote work are placed on **Managers and entry-level staff** with less than 2 years work experience.

---

**Source:** MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs

### Remote work option offered for role, % respondents

<table>
<thead>
<tr>
<th>Role</th>
<th>Yes Without Constraints</th>
<th>Yes with constraints</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-suite</td>
<td>38%</td>
<td>51%</td>
<td>11%</td>
</tr>
<tr>
<td>SVP</td>
<td>40%</td>
<td>51%</td>
<td>9%</td>
</tr>
<tr>
<td>VP</td>
<td>43%</td>
<td>49%</td>
<td>9%</td>
</tr>
<tr>
<td>Sr. Manager / Director</td>
<td>40%</td>
<td>51%</td>
<td>9%</td>
</tr>
<tr>
<td>Manager</td>
<td>36%</td>
<td>55%</td>
<td>9%</td>
</tr>
<tr>
<td>Entry-level Staff (&gt;2 years experience)</td>
<td>40%</td>
<td>51%</td>
<td>9%</td>
</tr>
<tr>
<td>Entry-level Staff (&lt;2 years experience)</td>
<td>40%</td>
<td>55%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Survey n = 47
3. To attract and retain talent, leaders are having to “show up” differently

Over the last 36 months from the pandemic and atrocities from racial injustice, we need leaders today to be focused on COMPASSION, EMPATHY, and how an organization shows up for its people. The ‘one minute manager’ will no longer work.

This blurred line between personal and professional means leaders need to think more holistically about employees and how the organization can support them not only in their professional lives, but also their personal lives.

We need to play a bigger role and checking on the mental well-being of our employees. You create followership when you show people you care. All of these things start to reshape an employer’s responsibility.

Leaders should be asking themselves critical questions going forward: What do we stand for? Why are we here? What we do and who we do it for? And who can we attract to do it better?

Source: Interviews conducted with MBR member organizations March – May 2022
3. MBR members are deploying creative solutions to obtain critical talent

Not Exhaustive

Develop partnerships
- Establish relationships with educational feeder programs (e.g., local universities, trade schools) to interact with talent earlier in career
- Create programs to pay for tuition in exchange for post-graduation job commitment

Upskill/reskill employees
Develop in-house training program to equip existing employees with skills to advance to different positions (e.g., lab techs to RN) or to recruit lesser skilled talent with opportunity to train

Provide caregiver support
Offer childcare for employees (linked to reducing attrition by 60% and reducing absenteeism by 30%)¹

Revamp Employee Value Proposition (EVP)
Tailor an EVP to compete for highly sought-after talent and attract diverse pools of employees

Lower barriers
Rethink requirements for certain positions (e.g., certifications/licensure/education) to see if requirements can be lessened in a way that broadens aperture for talent pool

¹ Based on 2022 Research from the U.S. Chamber of Commerce Foundation

Source: Interviews conducted with MBR member organizations March – May 2022
4. Access to world-class, diverse talent attracts employers, while cost of living/doing business are reasons to leave MA

Survey n = 44

Preliminary

How will the following impact your organization’s decision to leave or remain in Massachusetts over the next 12-24 months?

Reasons to increase presence, % respondents

<table>
<thead>
<tr>
<th>Reasons for expanding in MA</th>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of doing business</td>
<td>5%</td>
</tr>
<tr>
<td>Cost of living</td>
<td>9%</td>
</tr>
<tr>
<td>Quality of educational system</td>
<td>16%</td>
</tr>
<tr>
<td>Quality of infrastructure</td>
<td>32%</td>
</tr>
<tr>
<td>Access to world-class talent</td>
<td>39%</td>
</tr>
<tr>
<td>Ability to attract and retain diverse talent</td>
<td>39%</td>
</tr>
<tr>
<td>Access to world-class research institutions</td>
<td>25%</td>
</tr>
<tr>
<td>Access to industry clusters with organizations in the same industry</td>
<td>25%</td>
</tr>
</tbody>
</table>

No impact to decision

<table>
<thead>
<tr>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of doing business</td>
</tr>
<tr>
<td>Cost of living</td>
</tr>
<tr>
<td>Quality of educational system</td>
</tr>
<tr>
<td>Quality of infrastructure</td>
</tr>
<tr>
<td>Access to world-class talent</td>
</tr>
<tr>
<td>Ability to attract and retain diverse talent</td>
</tr>
<tr>
<td>Access to world-class research institutions</td>
</tr>
<tr>
<td>Access to industry clusters with organizations in the same industry</td>
</tr>
</tbody>
</table>

Reasons for reducing MA footprint

<table>
<thead>
<tr>
<th>% Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of doing business</td>
</tr>
<tr>
<td>Cost of living</td>
</tr>
<tr>
<td>Quality of educational system</td>
</tr>
<tr>
<td>Quality of infrastructure</td>
</tr>
<tr>
<td>Access to world-class talent</td>
</tr>
<tr>
<td>Ability to attract and retain diverse talent</td>
</tr>
<tr>
<td>Access to world-class research institutions</td>
</tr>
<tr>
<td>Access to industry clusters with organizations in the same industry</td>
</tr>
</tbody>
</table>

Key takeaways

Access to world-class, diverse talent is top reasons for employers to expand MA presence, with access to research institutions and industry clusters being a close second.

Cost of doing business (16%) and cost of living (18%) were cited as top reasons to leave MA.

We’ve been pivoting more to hiring out of state – it is amazing how much money we can save by reducing high Boston salaries and being able to reduce our Boston real estate footprint.

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs.
4. However, more MA-based operations jobs work remotely from outside of MA today and the proportion is likely to increase in future steady-state
Survey n = 47

What proportion of your employees affiliated with MA-based operations or locations are based outside of Massachusetts and work remotely?

**Proportion of MA workforce who work remotely from out of state, % respondents**

<table>
<thead>
<tr>
<th></th>
<th>Before COVID-19</th>
<th>Today¹</th>
<th>Future steady-state²</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>26%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>0-10%</td>
<td>53%</td>
<td>49%</td>
<td>43%</td>
</tr>
<tr>
<td>10 - 40%</td>
<td>6%</td>
<td>17%</td>
<td>19%</td>
</tr>
<tr>
<td>Greater than 40%</td>
<td>2%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Don’t know / no answer</td>
<td>13%</td>
<td>13%</td>
<td>17%</td>
</tr>
<tr>
<td>Members with any % of remote employees</td>
<td>62%</td>
<td>74%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs

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**Key takeaways**

Overall, the number of member orgs with any percentage of remote workers has grown since before COVID (62% to ~70% today and in future)

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1. March 2022 | 2. When COVID-19 is endemic

**We got creative and learned we can hire hard to fill roles out of state**

**We’ve been saving a lot of money on compensation by shifting roles out of state**

**We created an internal team to focus on how we can attract more remote talent**
4. ~80% of MBR members are planning to maintain or expand presence in Massachusetts

Survey n = 44

Is your organization considering leaving Massachusetts in the next 12-24 months?

<table>
<thead>
<tr>
<th>Massachusetts presence, % respondents¹</th>
<th>2022</th>
<th>2021²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaving MA³</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Relocating within MA</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Reducing MA Presence</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>No change</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expanding Presence</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>I prefer not to answer</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Considering adding new Roles outside MA³</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

We love working in Massachusetts and want to expand MA hiring. In terms MA real estate, we must justify those costs to our clients so that might mean reduction in real estate if we pivot to more remote work

1. May not sum to 100% due to rounding | 2. MBR Future of Work and MA Competitiveness Survey, March-April 2021 (total n = 48) | 3. Question not asked in 2021

Key takeaways

Overall, ~80% of members intend to expand (20%) or maintain MA presence (~60%), which is consistent with 2021 responses

No member plans to leave MA or reduce presence in MA, which is a change from the 8% in 2021 who planned to reduce MA presence
4. Members intend to decrease overall MA RE footprint, consistent with 2021

Survey n = 47

Either currently or at your next real estate decision point (e.g., lease expiration), how do you expect your organization’s Massachusetts-based real estate footprint and facilities to change, compared to pre-COVID-19 pandemic?

Expectations of office use post-COVID-19, % respondents

<table>
<thead>
<tr>
<th>Real estate</th>
<th>Overall MA real estate footprint</th>
<th>Increase 2022</th>
<th>Increase 2021</th>
<th>Decrease 2022</th>
<th>Decrease 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boston/Cambridge real estate footprint</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>Office density</td>
<td>-65</td>
<td>-32</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Individual workstations</td>
<td>-50</td>
<td>-9</td>
<td>13</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Meeting rooms</td>
<td>-10</td>
<td>-2</td>
<td>21</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Large Conference Rooms</td>
<td>-36</td>
<td>-10</td>
<td>15</td>
<td>10</td>
</tr>
</tbody>
</table>

I used to look at commute times to inform our real estate, but now we think about roles where you can be home. I think this also lends itself to taking out real estate you don’t need.

Reducing our real estate in Massachusetts is a way to offset the high compensation rates we have to pay now.

As we pivot to a more virtual operating model, we can’t justify the high costs of real estate so we will continue to reduce our real estate in Boston.

Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs

1. May not sum up to 100% due to rounding; graph does not show responses for “No change” and “Don’t know” | 2. MBR Future of Work and MA Competitiveness Survey, March-April 2021 (total n = 48) | 3. Question was not asked in 2021
4. Member organizations see four opportunities for Massachusetts

Not Exhaustive

Create more affordable child-care opportunities so MA employees can justify staying active in workforce while sending their children to reputable childcare centers.

Cultivate new talent earlier by getting involved in high schools to inspire young talent to seek career paths in certain industries.

Make housing more affordable for lower income levels.

Assist in revitalizing the image of certain industries to attract more talent (e.g., healthcare, manufacturing).

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""

We don’t focus enough in the state on the creation of manufacturing jobs that are harder to move or relocate in a post covid environment.

Childcare is a huge deterrent—we need good solutions for affordable care—Boston is typically 1-3 highest costs in the nation—this is truly prohibitive in our ability to move talent to Boston.

Biggest opportunities for MA competitiveness remain quality of life issues—specifically transit and housing costs. The biggest risks include lack of access to diverse talent.

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Source: MBR Future of Work, Workforce Dynamics and MA Competitiveness Survey 2022, March-April 2022 (overall n = 51) specific question N indicated throughout document; interviews with member orgs.
MBR members are innovating around talent and the future workplace

<table>
<thead>
<tr>
<th>Attrition</th>
<th>Operating Model</th>
<th>Attraction / Cultivating New Talent</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Offer more flexible working hours</td>
<td>• Strive to avoid virtual meetings on in-person days</td>
<td>• Develop partnerships with educational programs</td>
</tr>
<tr>
<td>• Provide higher salaries</td>
<td>• Empower Managers to lead in a hybrid environment</td>
<td>• Upskill/reskill employees</td>
</tr>
<tr>
<td>• Offer tools for hybrid work</td>
<td>• Make a compelling case for having employees in person</td>
<td>• Provide caregiver support</td>
</tr>
<tr>
<td>• Create mental health and wellness programs for employees</td>
<td>• Make it fun to return to the office</td>
<td>• Revamp employee value proposition (EVP)</td>
</tr>
<tr>
<td></td>
<td>• Use routine surveys to get a pulse check on how organization is feeling and iterate as needed</td>
<td>• Lower barriers for certain positions</td>
</tr>
<tr>
<td></td>
<td>• Limit Zoom (hold Zoom-free days or set time limitations on meetings)</td>
<td>• Cultivate leaders who care about overall well-being of employees</td>
</tr>
<tr>
<td></td>
<td>• Host employee appreciation days in person</td>
<td></td>
</tr>
</tbody>
</table>

For discussion: What are other discoveries / innovation is your organization testing and/or finding beneficial as it relates to talent and building the future workplace?

Source: Interviews conducted with MBR member organizations March – May 2022

Last updated April 27, 2022
Appendix
1. McKinsey research shows that majority of employees in the US would prefer a home-centric approach, despite executives’ preference for employees to be in person 3+ days a week.

Many C-suite executives believe that the primary center for work will remain as the office.

Employees, however, would prefer a more home-centric approach.

<table>
<thead>
<tr>
<th>Workforce split across in-office vs. virtual by week</th>
<th>Employees, however, would prefer a more home-centric approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>% total responses from C-suite executives; n=504</td>
<td>% survey participants</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How often would you prefer to work from home in the future?</th>
<th>US</th>
<th>Europe</th>
<th>Asia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 day or less in office</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>~2 days in office</td>
<td>39%</td>
<td>39%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>~3 days in office</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>4 days or more in office</td>
<td>52%</td>
<td>52%</td>
<td>52%</td>
<td>52%</td>
</tr>
</tbody>
</table>

88% of surveyed executives would like employees to work in-office 3+ days a week.

53% of surveyed employees would like to work from home 3+ days a week.

29% of surveyed employees said they would consider switching employers if went back to a fully on-site model.

Source: Future of Work, Press Search; Reimagine Work: Employee Survey (Jan 2021 | N = 5043 full-time employees who work in corporate or government settings)
2. Research shows that Great Attrition challenges could also get worse for employers

Likelihood employees will leave their current job in next 3 – 6 months, % of respondents

<table>
<thead>
<tr>
<th>Somewhat likely</th>
<th>Likely</th>
<th>Very likely</th>
<th>Almost certainly</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>9</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

Sample size breakdown (n) = not at all likely (2,964), somewhat likely (1,086), likely (428), very likely (266), almost certainly (180).

40% of employees stated that they are at least somewhat likely to leave their current job in the next 3 - 6 months.

Employees are increasingly willing to leave without a job in hand …

Employees who recently quit, % of respondents (n=845)

- Had an offer: 64%
- Did not have an offer: 36%

Employees who plan to quit, % of respondents (n=1,960)

- Would only leave with an offer: 36%
- Would leave without an offer: 64%

… and location agnostic talent sourcing could increase the flight risk of otherwise satisfied employees

65% of employees who are unlikely to leave said one of the primary drivers for staying was liking where they lived.

87% of people who took jobs in other locations without having to move.

Source: Great Attrition/Great Attraction survey conducted in August 2021
2. McKinsey research shows that many employers seem to overlook the relational elements of why employees are leaving, over-indexing on transactional elements.

Employers do not fully understand why employees are leaving

Factors important to employees versus what employers think is important

<table>
<thead>
<tr>
<th></th>
<th>Most important</th>
<th>Somewhat important</th>
<th>Less important</th>
<th>Employers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most important</td>
<td>+2</td>
<td>+1</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Somewhat important</td>
<td>+1</td>
<td>0</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>Less important</td>
<td>0</td>
<td>-1</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>Valued by manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sense of belonging</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having caring and trusting teammates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flexible work schedule</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safe environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doing meaningful work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to work autonomously</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starting a business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less important</td>
<td>-2</td>
<td>-1</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Poor relational factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feeling valued at work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feeling engaged by work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unmanageable workload</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Care for family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor health</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Looking for a better job</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transactional factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers job-hunting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural aspects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Standardized scores are reported for both employee and employer perspectives. Employees were asked to respond to the following questions: To what extend did the following factors impact your decision to leave your last job? (Not at all, slightly, moderately, very much, extremely); employers were asked to respond to the following question: Why do you think employees are choosing to leave your organization now? (select all that apply). 1. Employee insights from employees who recently quit (n=845); 2. Employer insights (n=250)

Source: Great Attrition/Great Attraction survey in August 2021
2. Employees in the United States are quitting their jobs at a record pace

% of total employment in the US

Rates of job openings, quits, layoffs and discharges in the United States since January 2017

Note: Red dotted line indicates the start of the pandemic in March 2020.

Source: BLS JOLTS
3. Organizations can turn the ‘Great Attrition’ into the ‘Great Attraction’ by focusing efforts in three areas: Work, Workforce, and the Workplace

<table>
<thead>
<tr>
<th>Work</th>
<th>Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in people managers</td>
<td>Establish dynamic talent marketplace</td>
</tr>
<tr>
<td>2 Redesign work and roles</td>
<td>Invest in employee advancement</td>
</tr>
<tr>
<td>3 Preempt unwanted attrition</td>
<td>6 Expand your sourcing channels</td>
</tr>
<tr>
<td>4 Establish dynamic talent marketplace</td>
<td>7 Target and accelerate hiring</td>
</tr>
<tr>
<td>5 Invest in employee advancement</td>
<td>8 Revamp employee value proposition (incl. rewards)</td>
</tr>
<tr>
<td>9 Build a hybrid virtual model that works</td>
<td></td>
</tr>
<tr>
<td>10 Invest in strong culture and purpose</td>
<td></td>
</tr>
</tbody>
</table>

Deep dive to follow
3. Building managerial skills aligned with employee relational and well-being needs will help to attract and retain talent

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees not feeling valued by their <strong>organization</strong></td>
<td>Employees feel organization actively invests in their development, well-being, and ‘future-readiness’</td>
</tr>
<tr>
<td>Employees not feeling valued by their <strong>manager</strong></td>
<td>Managers value employees through recognition, coaching, and investing in connections based in mutual attention, empathy, vulnerability, &amp; compassion</td>
</tr>
<tr>
<td>Employees <strong>lack belonging</strong></td>
<td>Managers and employees share vocabulary and skillset to mutually build psychologically safe, inclusive teams which focus on belonging as well as performance</td>
</tr>
<tr>
<td>Employees <strong>work/life balance and workload is not manageable</strong></td>
<td>Well-being as a skill at the individual and team-level is specifically developed Workload and priorities are openly discussed, using courageous conversation and psychological safety</td>
</tr>
</tbody>
</table>
3. An employee value proposition (EVP) defines the unique promise made to an employee regarding the experiences and benefits.

The EVP framework was shaped through research and pressure tested by experts.

- How well is the business managed?
- Is there a well-defined culture and are values appealing?
- What impact does the business have on community and society?
- How are employees recognized and rewarded?
- How does leadership motivate and inspire employees?
- Is top tier management well aligned and trustworthy?
- Are there opportunities to improve skills?
- How interesting and challenging is the work?
- What coaching and mentoring platforms exist?
- How does the business differentiate high performers?

Hackman & Oldham's (1976) job characteristics theory on what organizational characteristics drive employee buy-in.

Research from online forums such as Indeed and Glassdoor to understand how employees think about EVP.

Expertise from industry veterans to ensure the framework will yield practical guidance regarding attract and retain talent.
3. Four critical EVP categories can be broken down into 11 measurable dimensions

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working environment</td>
<td>Pace of work, working norms, collaboration, and company culture (e.g., clarity on values, mutual respect, emphasis of wellness, etc.)</td>
</tr>
<tr>
<td>Physical environment</td>
<td>Design and attribute of physical space (e.g., cubicles, open office, noise)</td>
</tr>
<tr>
<td>Purpose</td>
<td>Impact that the job has on people, society, and their communities</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Time available for activities outside of work, flexibility of hours/location</td>
</tr>
<tr>
<td>Systems and processes</td>
<td>Clarity and reliability of organizational processes</td>
</tr>
<tr>
<td>Management</td>
<td>Leadership, support from superiors and how authority is being practiced</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>Total compensation (including bonuses and job benefits)</td>
</tr>
<tr>
<td>Job advancement</td>
<td>Opportunity for internal promotion and growth; potential for long term tenure</td>
</tr>
<tr>
<td>Task variety</td>
<td>Diversity of skills and tasks required in role; flexibility in activities</td>
</tr>
<tr>
<td>Achievement</td>
<td>Entrusted responsibility to work on important tasks, to own execution end-to-end, to feel empowered and experience autonomy</td>
</tr>
<tr>
<td>Training/development</td>
<td>Opportunity to continuously build out skills and knowledge through formal training, mentorship and deployment in roles that inspire professional growth</td>
</tr>
</tbody>
</table>

Source: McKinsey People and Organizational Performance Practice