



*“There is no playbook for managing a tech company through a pandemic, social justice awakening, and the ‘great resignation.’”*

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# 00.

## INTRODUCTION

This study examines how companies are leading and adapting during this time of extraordinary change. There is no playbook for managing a tech company through a pandemic, social justice awakening, and the “great resignation” – a term coined to describe steep upward trends in voluntary resignations.

In this report, we seek to explore and benchmark some of the novel issues leaders are working through in real time.

Insights contained herein were collected from over 70 CEOs, founders/co-founders, presidents, partners/directors, and chairpersons from the memberships of MassTLC and the MA

Competitive Partnership (MACP) between August 30-September 21, 2021.

### *Key Findings*

This study found that the percentage of employees expected to work remotely would increase from 25% pre-pandemic to 68% post-pandemic, with a significant number becoming remote-first organizations. The majority of those working on-site would not be returning to the office until 2022.

A plurality of companies (45.7%) will require vaccinations before employees will be permitted to return to the office and attend meetings.

Travel is expected to return somewhat, but with more focus on virtual meetings, it is not expected to return to pre-pandemic levels.

Companies will shy away from hosting large in-person events, and those that they do host will be predominantly company events.

Voluntary resignations will increase in the coming 12 months and companies will get very creative in their strategies to build

*The majority of companies surveyed are projecting moderate to significant growth in employment and are investing in their brand visibility, talent acquisition and retention, DEI, and professional development.*

great company cultures to attract and retain talent. About a third of companies plan to change compensation structures which are expected to increase by about 21% companywide.

Companies will invest in enhancing their benefits, providing flexibility for when and where employees work, and will invest in technologies and policies to support remote working.

Leadership and professional development is another significant investment trend as companies seek to grow and retain talent.

The majority of companies surveyed (88.8%) are projecting moderate to significant growth in employment and are investing in their brand visibility, talent acquisition & retention, DEI, and professional development, among other areas.

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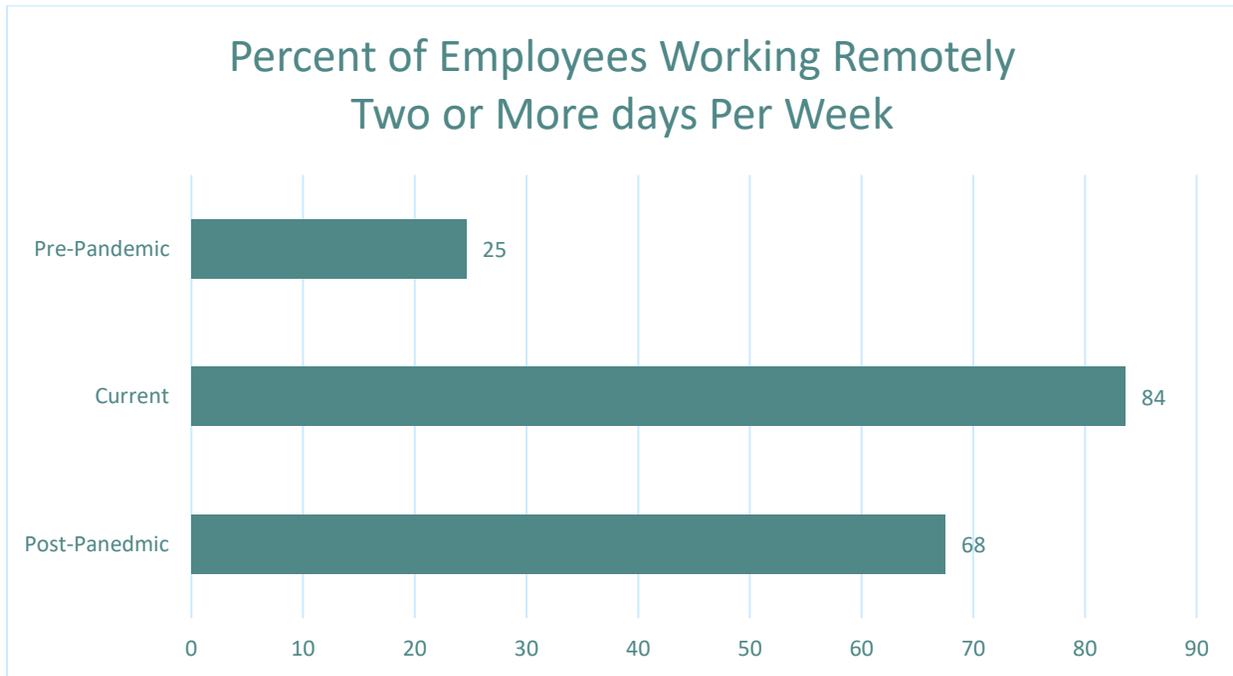
## REMOTE & RETURN

### *Key Insights*

- Companies plan for increased flexibility & part-time remote work
- Twice as many companies plan to return in 2022 than in 2021
- A significant number of companies will become remote-first

### *Remote Working Expected to More than Double Post-Pandemic*

Executives reported that 25% of their workforce worked remotely at least two days per week prior to the pandemic and that currently over three-quarters (84%) of employees are working remotely.



Looking ahead, these executives painted a picture of a more flexible post-pandemic work environment where more than two-thirds (68%) of workers are expected to be working remotely two or more days per week.

#### *Almost 2x Companies Expect to Remain Remote Until 2022*

Of companies that do not plan to become remote-first, about one third (17) reported that they are already back (9) or expect to be back (8) in the office by the end of the year.



Close to two-thirds (33) of executives reported that they are looking to 2022 or beyond as a timeframe for returning their employees to the office. Of these, about two-thirds (24) expected to return in the first half of 2022, one-third (9) in the second half or beyond.

### *More Companies to Remain Remote-First than Return in 2021*

A greater number of companies (20) are planning to remain remote-first organizations compared with those planning to return their workers to the office (17) in 2021.

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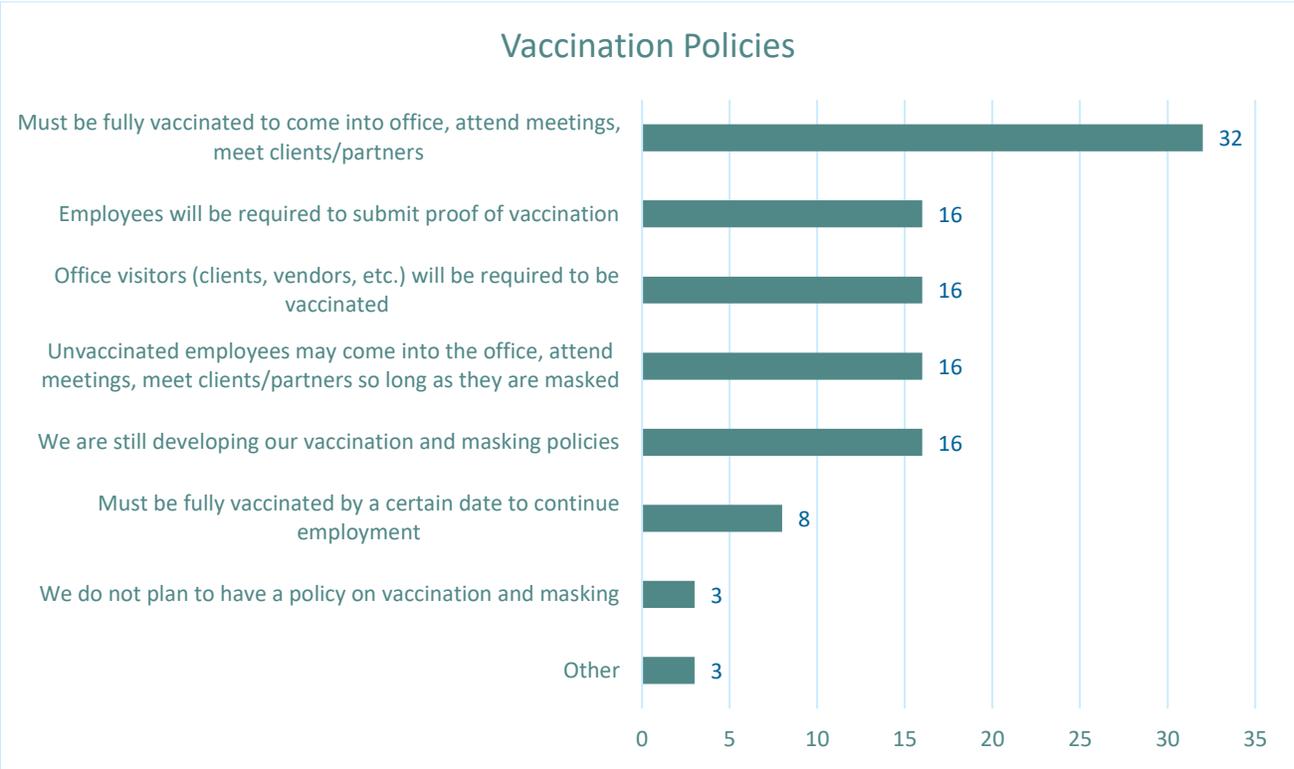
## VACCINATION & VIRTUAL

### *Key Insights*

- Strong trend towards requiring vaccination for in-person gatherings
- Virtual meetings will reduce the need for some corporate travel
- Outside attendees more likely to be hosted at company run events

### *Vaccination Policies Favored for In-Person, Not for Employment*

Executives see the importance of vaccination for in-person gatherings, reporting the greatest consensus around workers being fully vaccinated to come to the office, attend meetings, or meet clients/partners (32).



There is general support (16) among executives for requiring employees to show proof of vaccination, requiring office visitors to be vaccinated, and allowing unvaccinated employees to attend meetings so long as they are masked.

Far fewer (8) are considering vaccinations as a requirement for employment, whether in-person or remote. And only a rare few (3) do not plan to have a policy on vaccinations and masking.

A fair number of companies (16) are still developing their vaccination and masking policies.

### *Virtual Meetings to Offset Travel Needs*

Post-pandemic corporate travel is expected to return somewhat (37) but is not likely to reach pre-pandemic levels. Greater emphasis on virtual meetings (25) will reduce the need for some corporate travel.



### *Companies Split on Hosting Large Events, Favor Employee Events*

A significant number of executives (21) indicated that they would host company events with outside attendees while about three-quarters of this number (16) responded that they would not hold large gatherings at all, and a smaller number (9)

would hold large gatherings of employees only. Only a few (4) indicated that they would host community groups with outside attendees.



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## THE GREAT RESIGNATION

### *Key Insights*

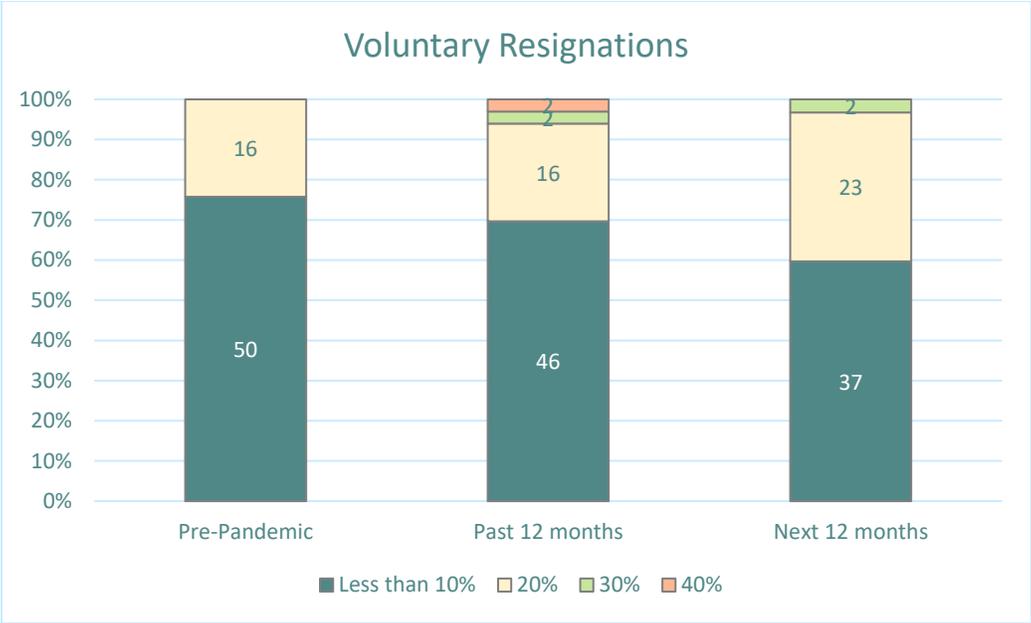
- Voluntary resignations expected to increase over next 12 months
- Replacement of highly skilled workers is increasingly difficult
- Silver lining is new ideas, innovation, & candidates looking to move

### *Voluntary Resignations to Increase Over Coming 12 Months*

The pre-pandemic number (16) of companies with voluntary resignations at 20% or greater has increased (20) and is expected to further increase (25) over the coming 12 months.

The number of executives reporting voluntary resignations of less than 10% declined from pre-pandemic levels (50) to

current levels (46). Executives predict a continued decline (37) over the coming 12 months.



The expected impact of the great resignation varies widely among firms with some reporting no impact and others reporting substantial impact on product development, operations and sales. Women are affected more so than their male counterparts.

### *Getting Creative About Attracting and Retaining Talent*

As we sought to dig deeper into how companies were innovating, executives shared their thinking and insights on being creative in attracting and retaining talent.

They report turnover is driven by employee life-work reprioritization, stress/mental health balance, and in some cases, employers are “managing out” workers who are not able to adapt to change and find ways to be effective and productive despite coaching.

A key theme that has emerged is around the challenges of replacing highly skilled workers in high-demand areas. With the shortage of talent, some companies are turning to consultants to help complete projects and take on new ones. Executives note the need to get creative as they seek to attract and retain talent.

They report an increase in management challenges, lost institutional knowledge, impact on customer relationships, delivery delays, and decreased profitability of projects. Executives cite the financial premium required to attract, hire and train new employees.

While many companies are hiring, several noted that the silver linings of the great resignation are new ideas, increased innovation, and the availability of strong candidates looking to make a move (to them).

*Turnover is driven by employee life-work reprioritization, stress/mental health balance, and in some cases, employers are “managing out” workers.*

Experienced talent, however, remains in short supply causing employers to invest in developing an organizational culture that makes people want to join or stay with the company.

Some of the larger, more established companies note that prior investments in physical space and in-office perks are yielding diminishing returns as remote/hybrid working increases, especially in an environment where well-funded VC-backed or large west coast companies are offering substantially higher compensation packages to lure employees to them.

Several executives noted that this has driven greater employee expectations around overall compensation, remote work, and home office stipends, that are difficult for their companies to match.

Executives further note increases in hiring, greater focus on company culture, and a trend towards honoring employees more than before. Some reported conducting monthly surveys to gauge employee happiness. Many have expanded hiring outside of Massachusetts as well as internationally.

Remote work is also a key factor. Companies are tapping labor markets in other major cities outside of Boston, and some of the remote-first companies are capitalizing on employee dissatisfaction at organizations that are mandating a percentage of time onsite or reducing pay for those who elect to remain remote.

# 04.

## CULTURE & RETENTION

### *Key Insights*

- Trend towards increasing compensation structures to retain talent
- Reduced connection & support factors into junior level resignations
- Companies offering more flexibility for when & where people work

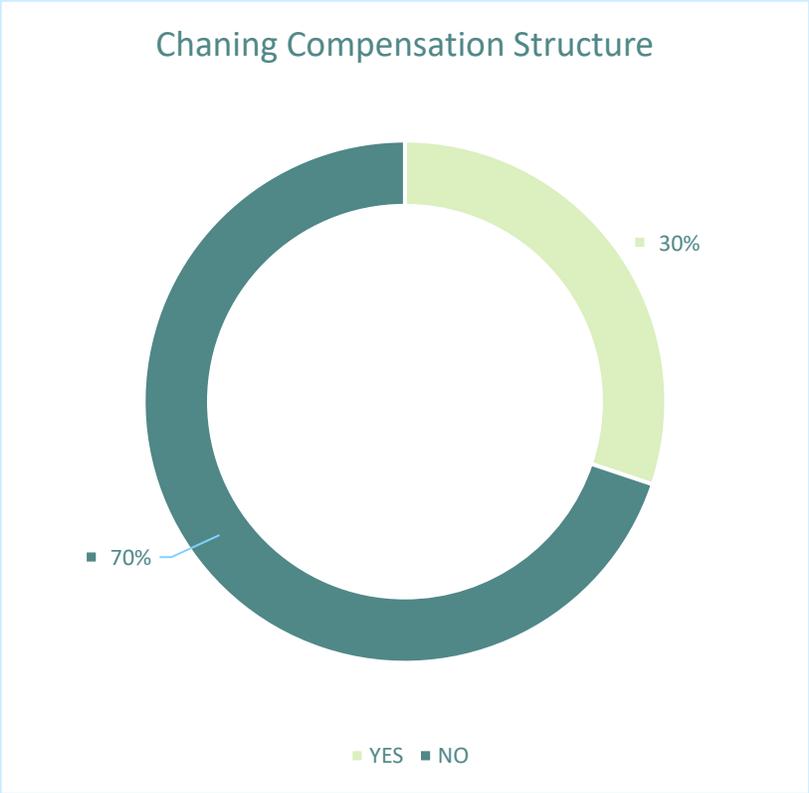
*Almost 1/3 Changing Comp to Retain Talent, Average Increase of 21%*

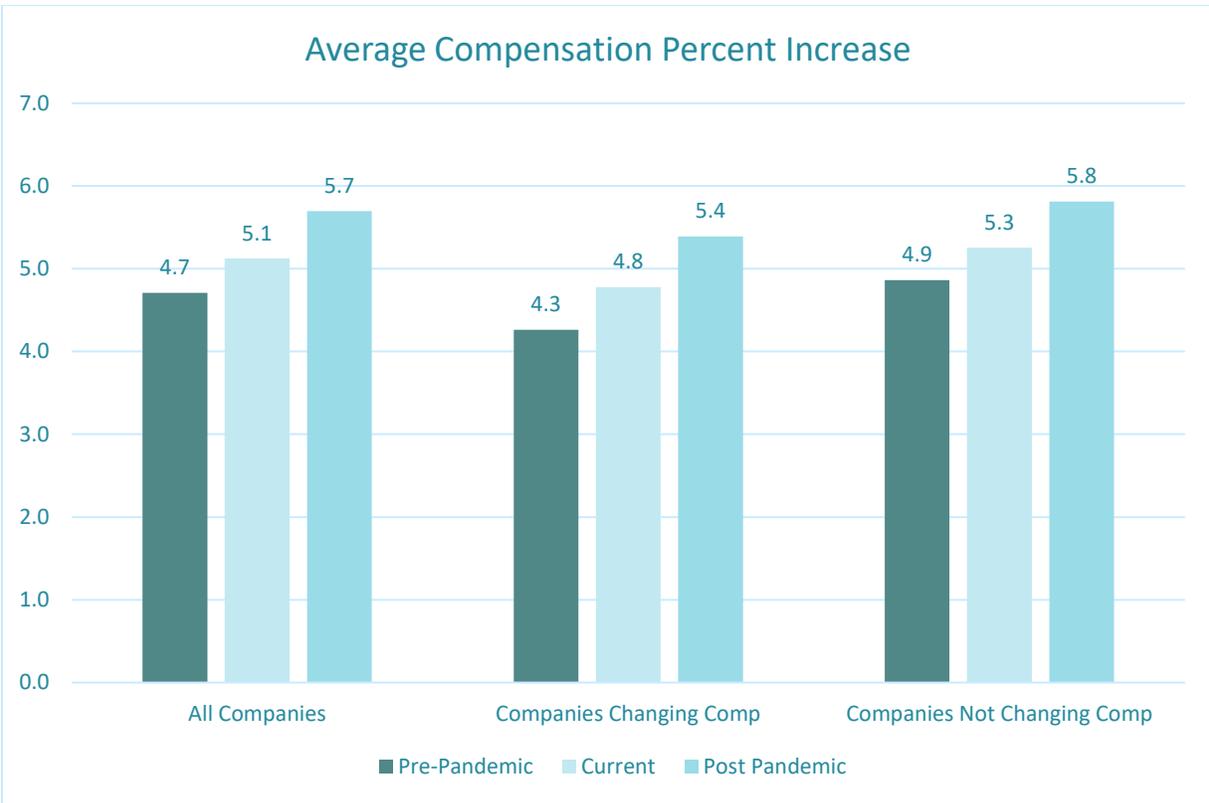
Of the 73 executives that responded to this question, 30% reported that they are changing their compensation structures.

We asked these executives to share what the average percentage increase in compensation had been in 2019 pre-pandemic, what it was this year during the pandemic (past 12 months), and what they expected it to be in 2022.

The results show an increase of about 21% companywide from 4.7% to 5.7% between 2019 and 2022. We saw similar increases among both the 30% of executives who indicated that they were changing compensation, increasing from

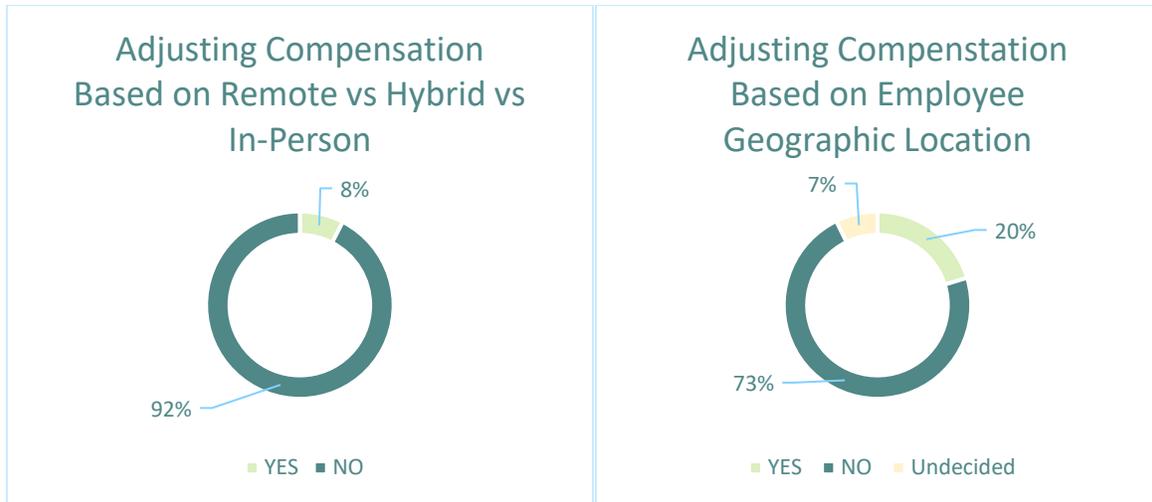
4.3% to 5.4%, and those who indicated that they were not, increasing from 4.9% to 5.8%. Those reporting increases had a pre-pandemic annual increase that was on average 0.6% below those who reported no changes to their compensation structure.





### *Few Adjust Comp for Remote Workers or Different Geographies*

Only 8% of executives indicated that they would adjust compensation for workers based on whether they are primarily remote, hybrid or in-person. About 20% planned to adjust compensation based on geographic location, and another 7% were still undecided.



*Focus on Enhanced Benefits, Flexibility, Remote Support, Culture*

Overall, companies are looking to offer improved benefits, work flexibility and support for remote/hybrid employees. They are also focused on improving communications, company culture, career/leadership development, and work-life balance.

Executives report that to retain and attract talent, they are investing in company benefits. Several noted that they are strengthening their medical plans, mental health and time off benefits, wellbeing and family benefits, life insurance, wellness days, and employee recognition and reward programs.

Some offer companywide bonuses, retention equity grants for key employees, referral and sign-on bonuses, and increased company contributions into employee retirement plans.

Flexibility is a major theme. Companies are offering many flexible options for when employees work, including offering shortened four-day work weeks, increased vacation days, a “thank you” day, a “fuel-up Friday,” unlimited PTO, flexibility of schedule for days and hours worked, and meeting-free days.

They are also offering flexibility of where employees choose to work. Many are not asking employees to come back and are making fully remote an option. Others are looking at a permanent hybrid model with voluntary office visits.

Some are reconfiguring their office space to focus on social interactions and collaboration, while investing in remote/hybrid collaboration technology and policies to enable employees to feel connected and productive while working from anywhere.

To support this greater flexibility, companies are strengthening virtual modes of working and developing new ways of convening. There is a strong trend towards all meetings being hybrid, if not fully remote. To accommodate remote participants, many organizations are requiring that all employees be on separate screens, even if in person, so that everyone can be seen and heard whether remote or in person.

*Flexibility is a major theme. Companies are offering many flexible options for when employees work.... They are also offering flexibility of where employees choose to work.*

Companies are enhancing technology tools for collaboration and improving technology benefits for the home. Many are offering remote office and work-from-home stipends for office-related expenses.

One executive noted that they give employees a choice as to whether they want to accept a client engagement that includes

*The reduced opportunities for connection and support as well as feelings of insufficient career advancement are seen as a significant factor in the resignations of mid- and junior-level employees.*

travel or pass it along to others who choose to travel.

Another noted that their more senior employees tend to be better set up and prefer working remote and that their absence from the office has an adverse impact on their more junior employees who used to benefit from serendipitous interactions and guidance.

The reduced opportunities for connection and support as well as feelings of insufficient career

advancement are seen as a significant factor in the resignations of mid- and junior-level employees.

Companies are focusing on improving company culture and communications with more employee surveys and proactive listening strategies to better capture the voice of the employees.

Managers are being encouraged to check in with employees 2-3x/week and to discuss non-work topics for a portion of the meeting as well as to have direct conversations on what will motivate them to stay with the company.

Other strategies include daily standups, weekly retrospectives, monthly town halls, lunch and learns, and exit interviews.

Companies are also investing in company culture and team building by hosting fun virtual activities, such as beers with execs and virtual lunch/coffee together, 1-2 times per month.

In addition, many are hosting COVID-safe optional in-person activities like team building offsites or the more socially oriented company “treasure hunts.” Others cited that they are sending group signed cards for life events.

*Companies are focusing on improving company culture and communications with more employee surveys and proactive listening strategies to better capture the voice of the employees.*

# 05.

## EMPLOYEE DEVELOPMENT

### *Key Insights*

- Trend towards investing in employee training, such as inclusive hybrid meeting management and remote-first best practices
- Companies are evolving meetings to ensure equity for all workers

### *Investing in Employee Professional and Leadership Development*

Companies are investing in their talent through a variety of professional and leadership development strategies, as well as career conversations, coaching and mentoring.

One executive noted that they are “rolling out employee and manager guidelines and training to successfully facilitate a

hybrid work environment – ensuring consistency and equity are top priorities. We’re also evolving our approach to meetings and events to ensure equity across all kinds of workers – for example, all of our major meetings include a virtual component now."

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Specific development areas include: managing hybrid teams, inclusive hybrid meeting management, how to create an inclusive culture, how to create the best and most equitable team environment, and remote-first best practices.

Another executive noted that they are “doing a lot on the DEI front, including several initiatives to ensure equity when it comes to advancement. Internal mobility is a

big deal for us, and we're developing practices and implementing technology that will allow for our employees to participate in development opportunities – including new full-time roles, rotational opportunities, etc. – regardless of where they call home.”

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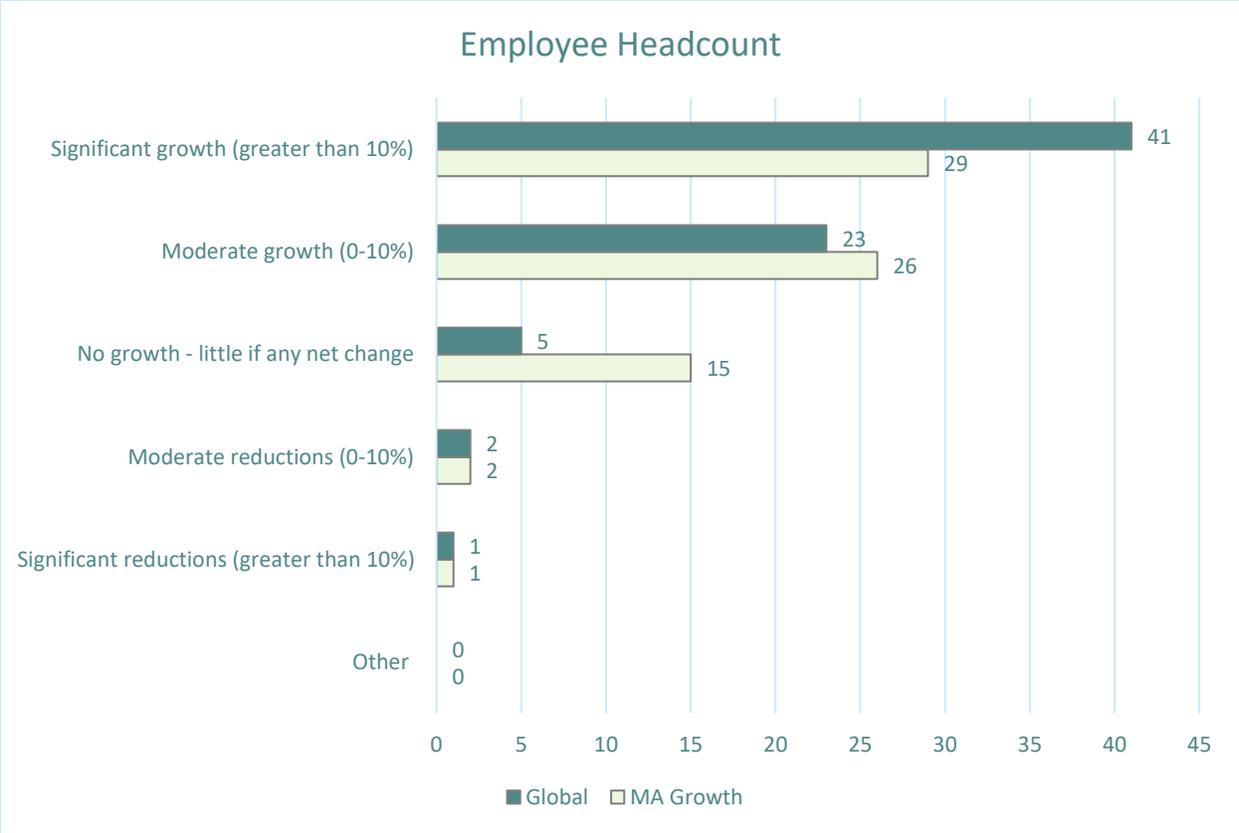
## GROWTH OUTLOOK

### *Key Insights*

- Companies expect strong growth ahead both in MA and globally
- Top investment areas include brand visibility, talent attraction and retention, DEI, and professional leadership development training

### *Companies Project Moderate to Significant Growth Ahead*

Executives are bullish about company employment growth prospects. The largest number of executives project significant growth globally (41) and in Massachusetts (29). Following this, the next largest number project moderate employment growth in Massachusetts (26) and globally (23).



*Company Brand, Talent, DEI, & Training Top Investment Areas*

When asked about investment areas, the greatest number of executives cited company brand/visibility (58), followed closely by talent acquisition/retention (57), diversity, equity, and inclusion (47). Other top priorities include: professional or leadership development (45), office reconfiguration/meeting technology (35) and environment, sustainability and governance (20).

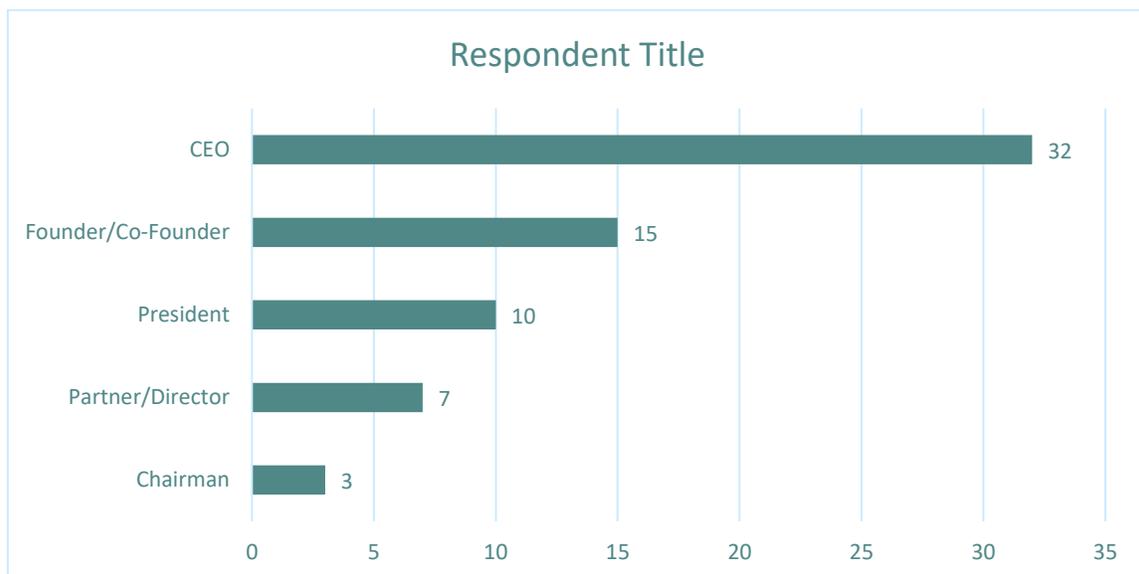


Given the current environment, these priority areas are consistent with executive insights. Companies are seeking greater visibility to support talent acquisition, they are working to improve culture and DEI to attract and retain talent, and they are investing in developing existing talent for greater productivity and retention.

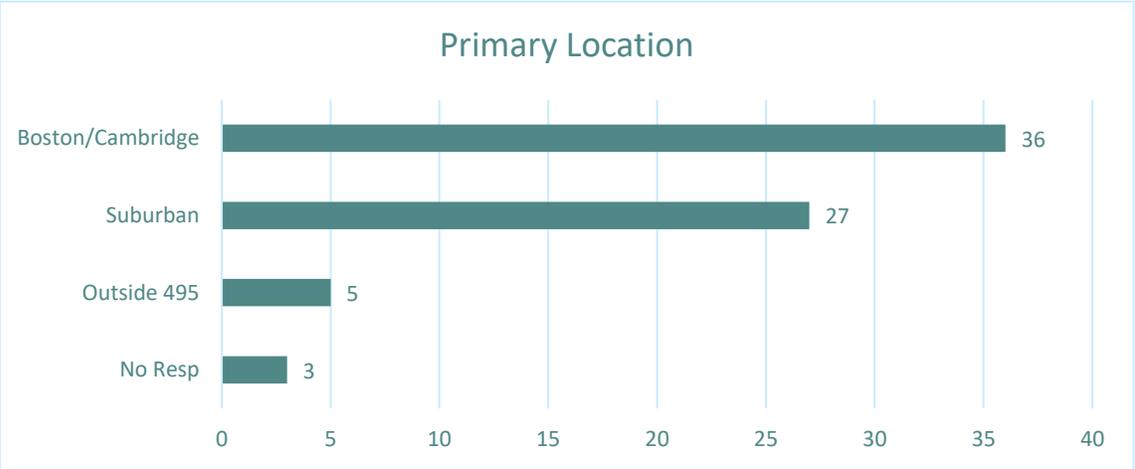
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## SURVEY DEMOGRAPHICS

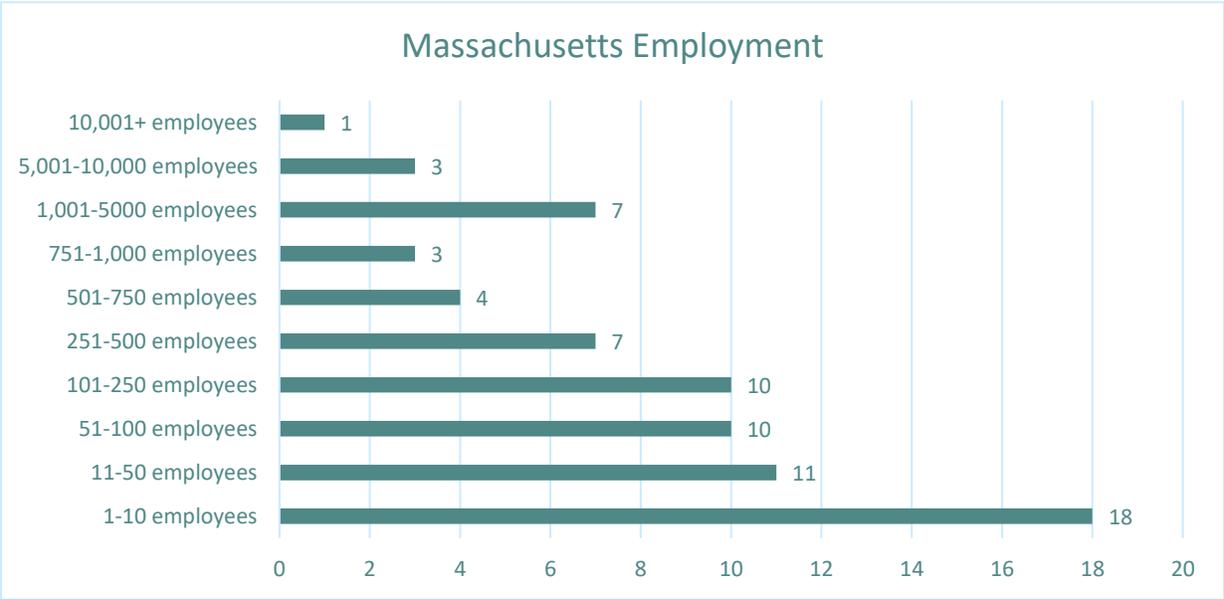
Study respondents were predominantly senior executives. Thirty-two were CEOs, 15 were founders/co-founders, 10 presidents, 7 directors/partners, and 3 chairs.



Thirty-six companies had a primary location in the Boston/Cambridge urban core. Twenty-seven were in suburban locations and five were outside of the Route 495 loop.



About a quarter (18) of respondents had fewer than ten employees. The next quartile (21) had 11-50 employees. The third quartile (17) had 51-250 employees. And the last quartile (18) had 251+ employees.



# 08.

## LOOKING AHEAD

The pandemic and social justice movement of the past year are leading technology employees to reconsider their preferences and requirements for employment. The “great resignation” is empowering this trend and the high demand for talent is creating opportunities for those who change jobs.

Tech companies are projecting moderate to significant employment growth and recognize that retaining and developing existing talent will be essential, in addition to recruiting new talent, to meet company growth objectives.

Companies are focused more than ever on culture and visibility to create a place where people want to work and to let job seekers know how great it is.

Specifically, companies are investing in greater brand awareness and visibility. They are seeking to build inclusive cultures that help attract and retain talent. They are using the opportunity of the great resignation to bring new ideas and perspectives into their organizations.

And they are investing in their people – supporting leadership and professional development opportunities tailored to the needs of tech organizations operating in a more hybrid/flex environment, as well as the collaboration technologies and policies to enable their teams to have flexibility while remaining productive.

## TOP INVESTMENTS

1. Brand Visibility
2. Talent Growth
3. Diversity, Equity & Inclusion
4. Professional Development

**Mass Technology Leadership Council**  
420 Bedford Street, Suite 250, Lexington, MA 02420  
[www.MassTLC.org](http://www.MassTLC.org)