

After the Great Resignation, Tech Firms Are Getting Desperate (Interjection - A Cultural Re-alignment?)

Megan Carnegie, Feb 11, 2022 7:00 AM

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Faced with a shortage of qualified workers and fierce competition, companies are offering candidates money to interview and plush perks if they stay.

(Interjection by Don Chapin: Partly a result of the dimensional shift realigning workers self-assessment, partly the result of companies having to reschedule employee work for at-home employment because of the pandemic, people are realizing that working for others with their goals doesn't satisfy an inherent need to look out for self first. Companies and employers, in general, have to begin re-assessing their working force to be more in line with Highest Good.

Then, my brief 3-month personal experiences with Management Recruiters showed me that that industry is not geared to truly assist... that industry is more interested in profitably closing contracts – for itself - than in making good, lasting matches.)

Joy Nazzari, the founder of British proptech startup Showhere, is desperately trying to hire 16 people—a combination of senior-level developers, project managers, and designers. But her pool of candidates is running dry.

“It’s never been harder or more expensive to hire new people,” she says. “Yet you also have to defend who you already have, because they’re seeing the bright lights—being hit up on LinkedIn and hearing stories of friends attracted by big salary packages.”

Nazzari is among the employers who have found it difficult to replace the wave of workers who quit in The Great Resignation, which began last year and hasn’t let up since. In the US, the number of workers quitting has now exceeded pre-pandemic highs for eight straight months, according to consumer data company Statista.

It’s a similar story in the UK. Sanjay Raja, chief UK economist at Deutsche Bank, published a report in January that found that people are resigning at the highest rate since 2009. Huge numbers are leaving the labor market entirely and more than 80 percent do not want a job—the highest on record since 1993, according to Raja’s analysis. This has left gaping holes in the workforce.

The Great Resignation has widened the gap between the supply and demand of tech workers, and has made employers resort to extreme incentives to recruit as many of them as possible. In IT alone, 31 percent of workers actively sought out a new job between July and September last year. This is the highest among all industries, according to analysis from Gartner. Meanwhile, data from training company Global Knowledge found that 76 percent of global IT decisionmakers are dealing with critical skills gaps on their teams. Multiply that problem across other tech roles, and it’s clear that the skills shortage is likely to worsen before it gets better.

The scrap over a shrinking talent pool is intensifying as companies lay on benefit after benefit to get new recruits through the door. Businesses are experimenting with all kinds of well-being measures to entice new staff: In January, Pinterest bulked up its fertility benefits and parental leave; in December, fintech company Finder introduced an extra five days on top of paid annual and sickness leave entitlements; and On Purpose, a New Delhi-based communications consultancy, launched seven days paid leave for pet adoption from February onwards. Word is spreading fast as employees swap notes on company policies under the hashtag #ShowUsYourLeave on LinkedIn and Twitter.

Candidates are even being offered money just to show up to job interviews. Deutsche Familienversicherung, an insurtech company based in Frankfurt, says it is offering €500 to anyone it interviews, another €1,000 to those who make it to a second round, and €5,000 more to those who complete a six-month probation.

It's not just large companies doing it either—ethical tech nonprofit Software Freedom Conservancy, which has six people on staff, pays interview finalists \$500 each. Cactus Communications, a publishing platform for the scientific community, offers 5 percent of a role's annual compensation as a welcome bonus, and at Nazzari's company Showhere, it's a month's salary upon signing an employment contract.

“A golden hello is such a tough call because people already in the business are saying, ‘Hey I didn't get one of those’,” says Nazzari. “But everyone internally recognizes it's an unusual situation and for us to continue to grow, we need to be extra competitive.” Showhere's sign-on bonuses haven't been effective, because candidates are looking to maximize the opportunity to get much higher salaries elsewhere, Nazzari says. She's now adopting a broader range of tactics instead, such as offering candidates senior roles during their first phone interview and letting recruits relocate where they want. Before, recruiting staff from abroad and taking them through the visa process felt like too much friction, but now it's unavoidable.

Other employers are in a similar situation. “In the past year, we've stopped considering location criteria when recruiting,” explains Ashmita Das, CEO of a freelance platform for scientists called Kolabtree, which has a full-time team of 25. “We hire when and where we can—it's a great opportunity for workers to look for different opportunities, or work in a different domain.”

Permanent remote positions in the US doubled from 9 percent to 18 percent during the last quarter of 2021, according to online job service Ladders, and could increase to 25 percent by 2022. “Since making the transition to remote-first, we have been able to broaden our hiring options globally and not be restricted to a talent pool in one area,” explains Maureen Carroll, senior director of global talent acquisition at US company Vista, a specialist in digital services for small and medium businesses. The switch has meant a 300 percent increase in job applications—so she believes it's making a difference.

In reports released to shareholders in early February, Amazon, PayPal, Intel, and Pinterest acknowledged that rejecting remote work will cost them dearly in the fight for talent, particularly as Facebook, Twitter, and Shopify have made it the norm. In Japan, where remote working still

isn't common, Yahoo has announced employees can work from anywhere in the country and it will pay for their flights if they ever need to come into the office.

While some tech businesses agonize over remote-first versus hybrid, there has been a universal boost to salaries in the scramble for staff. The median salary of US tech positions rose by almost 7 percent between 2020 and 2021, according to a report from tech career marketplace Dice, averaging at \$6,707 per employee per month. The average salary for a knowledge worker in the industry is now \$104,566 per year, with web developers getting the heftiest increase after their annual salaries jumped 21.3 percent year-on-year, the report found.

Meike Jordan, chief people officer at Berlin-based product-to-consumer platform Productsup, believes there's no quick fix for companies hemorrhaging talent. "Attracting candidates with office perks like a beer keg in the kitchen or flexible work-from-home policies is a thing of the past," she says. "People are tired of being overworked and underpaid, and want an employer who cares about their overall well-being and future success."

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