The Great Resignation: Challenges, Opportunities, and Implications for Employees and Organizations

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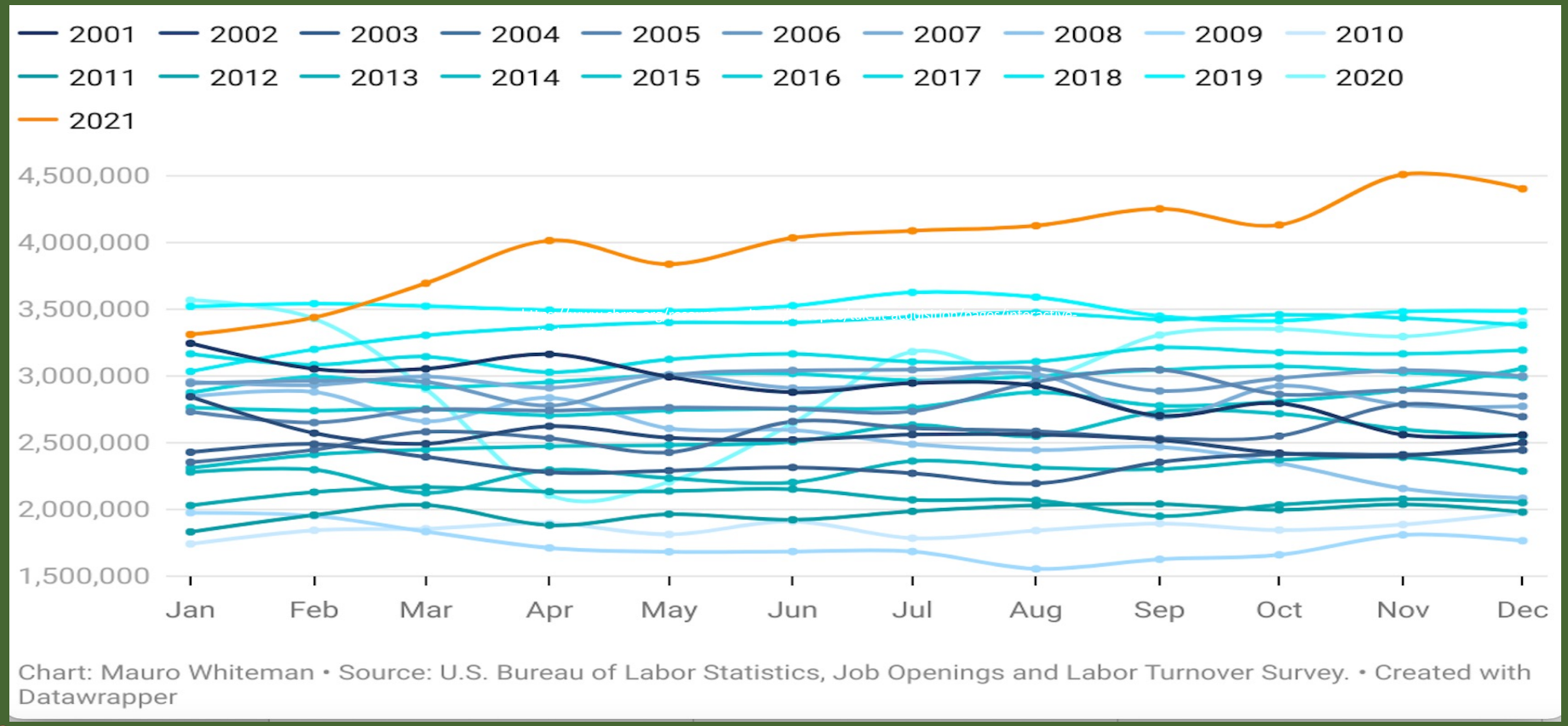
The average person changes jobs 12 times over the course of their careers

Historic levels of quitting



https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/interactive-quits-level-by-year.aspx

FORTUNE

In a recent study of Fortune magazine conducted on CEOs, 44% said that the biggest problem they currently face is the tight labor market.

Outline

What is happening and why employees are leaving

How about those staying behind?

Consequences for organizations

What can organizations do?

A Fraught Term

Assumptions

- Viewed as mostly harmful to the economy.
- Treated as a natural disaster
- No one wants to work anymore!

Reality

- Many quits are due to workers switching jobs.
- Industry specific
- Connected to experiences during the pandemic
- Businesses played a large role in creating it.
- Stems from systemic and long-term problems

2/3 of nurses surveyed by the American Association of Critical Care nurses said their experiences during the pandemic have prompted them to consider leaving the field.

Question: One of our employees, who works for an essential business in the office of a health care facility, is immunocompromised and taking three high-risk medications. The employee has asked to work from home during the pandemic. We typically do not have work-from-home assignments. How should we handle this scenario?

July 10, 2020

Our front desk clerk at our hotel is wearing a mask because of the coronavirus. We think it will make our guests nervous when she is wearing it. Can we make her take it off?

March 18, 2020

SHRM®
BETTER WORKPLACES
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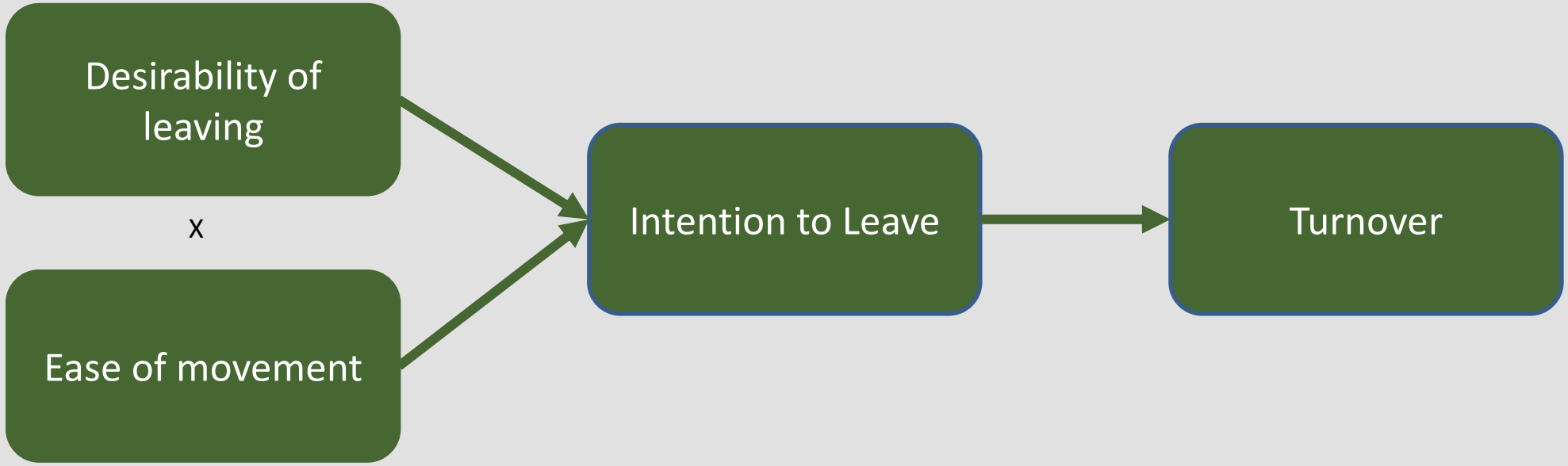
Ask HR:

RETIREMENT
AHEAD

Why do people leave: #1 - Classic Model

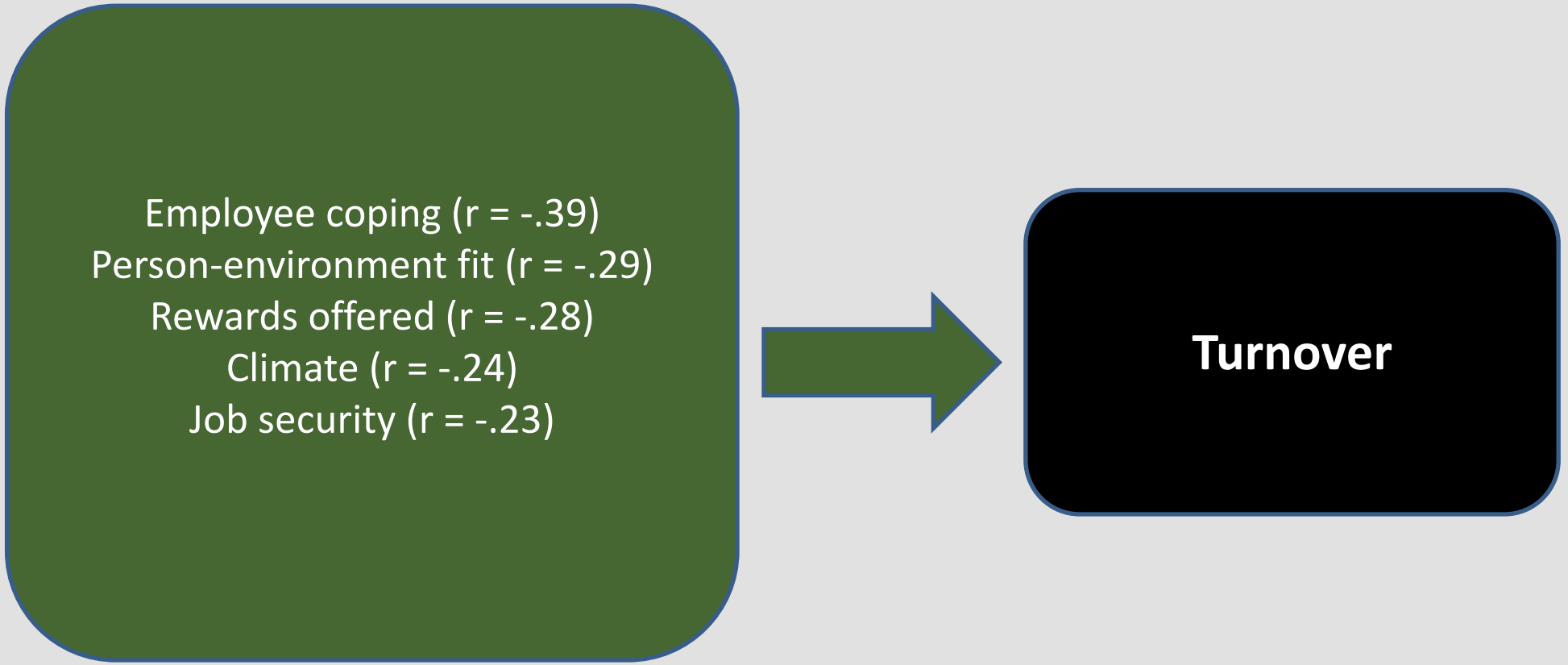


REASONS PEOPLE GIVE FOR QUITTING

1. Desire for higher pay (66% of leavers with college degrees improved pay; 51% without a degree)
2. Advancement opportunity
3. Felt disrespected at work
4. Childcare issues
5. Lack of flexibility

https://www.pewresearch.org/fact-tank/2022/03/09/majority-of-workers-who-quit-a-job-in-2021-cite-low-pay-no-opportunities-for-advancement-feeling-disrespected/

RESULTS FROM A META-ANALYSIS

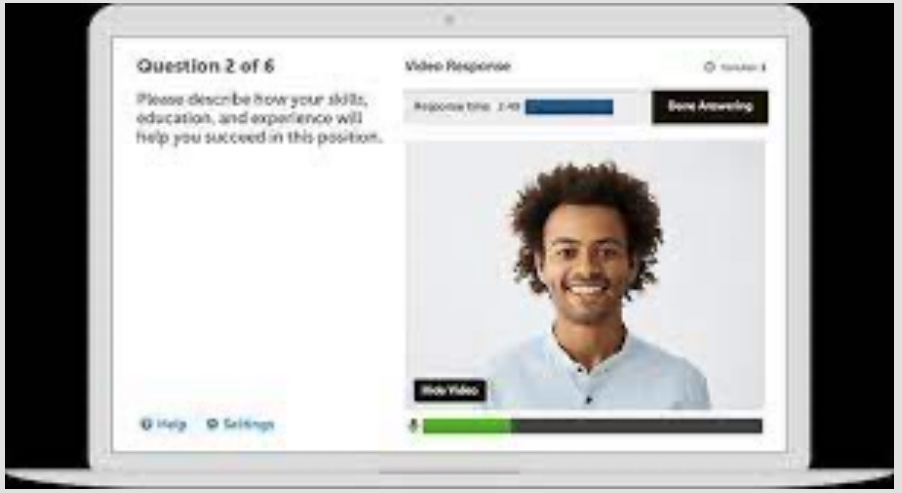


Rubenstein, Eberly, Lee, & Mitchell, 2018, Personnel Psychology

- They leave when they are underpaid, uninspired, and undervalued.

- They leave when their jobs harm their health and well being.

Ease of Movement



McCarthy, Bauer, Truxillo, Erdogan, Shao, Wang, Liff, & Gardner, 2021, Journal of Applied Psychology

WHY DO PEOPLE LEAVE: #2 - UNFOLDING MODEL

Immediate quit decision

Initiate previously established protocol

Starts the quit process (start looking, interviewing)

Lee & Mitchell, 1994, Academy of Management Review

COVID-19 AS A SHOCK

- What good is work? How should it fit with our lives?

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Consequences of staying

OVERWORK

83% of respondents in a survey of 5000 office workers said they took on up to 6 additional tasks due to coworkers leaving.

68% no longer know what their responsibilities are.

FOMO

TRAIN NEWCOMERS

PAY?

Turnover is contagious

Manager and Mentor Departures

- When a manager departs, employees with a close relationship to that manager also tend to depart.
- Leader departures increase employee worries about their future in the organization
- Departure of high performing leaders increases unit turnover.
- Mentor departure was related to higher likelihood of applying to graduate school

Source: Porter & Rigby, 2021, Journal of Organizational Behavior

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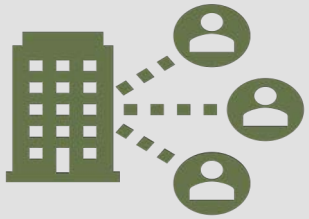
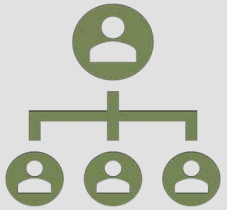
CONSEQUENCES FOR ORGANIZATIONS



Understaffing

Recruitment and hiring costs

Loss of social capital



Reduced autonomy

Youngkin tightens remote work policies for Virginia state employees

By Laura Vozzella

May 5, 2022 at 6:37 p.m. EDT

Apple employees rise up against return to office orders

By Joel Khalili published 5 days ago

Apple's new office working policy is under fire

THE REMOTE CHALLENGE

- Mismatched expectations between upper management and lower-level employees regarding going back to physical office
- 70% of knowledge workers want a hybrid workplace.
- Digital natives expect to be remote going forward.
- What happens to productivity?
- Choice or coordination?
- Pay?

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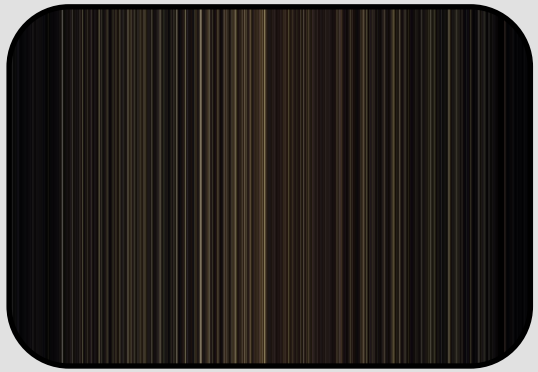
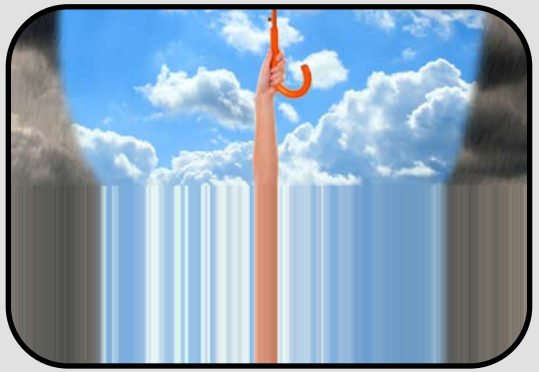
MANAGING TURNOVER EVENTS



Say goodbye gracefully

Don't make things worse

Appreciate the ones left behind



Project optimism

How to intervene?

- Gather data, use the data you already have.
- But… Don’t ask questions if not interested in fixing problems.
- Exit interviews, engagement surveys.
- Understand what is going on and develop interventions.
- Stay interviews. One on one meetings. Listen.

Example interventions

Future oriented conversations

Reduced hours and opportunities to mentor others

Most departures in 90 days. Turnover problem or
Onboarding problem?

- Companies that offer structured onboarding oftentimes have more positive outcomes (Bauer, Bodner, Erdogan, Truxillo, & Tucker, 2007, Journal of Applied Psychology)
- Invest in building relations early on (with manager and coworkers).
- Assign a buddy, a mentor.
- Help them achieve role clarity, confidence, and belongingness.

SURVIVING LABOR SHORTAGES

- Improve candidate experience (simplify, eliminate unnecessary hurdles).
- Hire based on aptitude, and then train. Increase training investment
- Look at labor pools you avoided before.
- Consider part time workers

Reenvisioning Jobs

- Pay & stability
- Culture of caring
- Growth
- Flexibility & Autonomy
- Meaning

THANK YOU

Any Question?