

The Great Resignation

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Today's Topics

- What is the “Great Resignation”
- How did we get here?
- Panel Discussion
 - Lack of Recognition / Opportunity
 - Inadequate Total Compensation
 - Work Life Balance
 - Toxic Work Environment

3

The Great Resignation

All of Those Quitters? They're at Work.

The Great Resignation was in fact a moment many people traded up for a better-paying gig.

The great resignation continues: 4.4 million Americans quit their jobs last month



By Anneken Tappé, CNN Business
Updated 12:41 PM ET, Tue March 29, 2022

Work sucks when you're the only one left

Not everyone quit during the Great Resignation.
By Emily Stewart | Sep 12, 2022, 8:00am EDT

Why workers just won't stop quitting

The Great Resignation? More like The Great Renegotiation

January 25, 2022 6:30 AM ET

4

The Great Resignation

- The “Big Quit,” “Great Reshuffle,” “Great Attrition,” “Great Renegotiation”
- Ongoing phenomenon involving employees voluntarily leaving their jobs in unprecedented numbers
- Began around late 2020
- Quit rate nearly doubled from around 1.6% in early 2020 to about 3% by late 2021
- Voluntary quit rate is 25 percent higher than prepandemic levels *BLS, Dec. 2019 to May 2022*

5

The Great Reshuffle?

According to the Bureau of Labor and Statistics, the quit rate and swap rate had a correlation of close to 100 percent.



Football fans have finally found something Tom Brady is not good at – retirement.

6

How Did We Get Here?

- COVID-19 pandemic
 - Essential Workers - burnout
 - Shift to remote work for many office-type employees
 - Created care issues that could not be solved
 - Caused people to examine career choices
- Abundance of job openings
 - Greater options
 - Higher wages
 - Flexibility with remote work environments
- Baby boomer generation hit retirement and slower birth rates reduces number of replacements

7

How Did We Get Here?

- According to surveys created by the Pew Research Center:
 - low pay (63%),
 - no opportunities for advancement (63%), and
 - feeling disrespected at work (57%)”

were the top three reasons respondents cited for leaving their jobs during this particular wave of resignations.

8

Quiet Quitting

- Definition-
 - Workers are refusing to go above and beyond their required duties.
 - Doing what their job calls for and that is it.
 - Not answering emails during non-work hours and while on vacation.
 - Not actually quitting or during a bad job but just doing the bare minimum. *The Economics Behind 'Quiet Quitting' — and what we should call it instead*, September 13, 2022, <https://www.npr.org/sections/money/2022/09/13/1122059402/the-economics-behind-quiet-quitting-and-what-we-should-call-it-instead>

9

What Quiet Quitting Should Be Called

- Reverse hustle
- Work-life integration
- Acting your wage
- Workforce disassociation
- Corporate coasting
- Working at work
- DYJ: Doing Your Job
- Working to rule
- Working to thrive
- Morale-adjusted productivity



The Economics Behind 'Quiet Quitting' — and what we should call it instead, September 13, 2022, <https://www.npr.org/sections/money/2022/09/13/1122059402/the-economics-behind-quiet-quitting-and-what-we-should-call-it-instead>

10

Ways to Combat Quiet Quitting

- Pay for Productivity
- Offer Incentives
- Change Job Descriptions
- Clear Expectations for Job Performance



The Economics Behind 'Quiet Quitting' – and what we should call it instead, September 13, 2022.
<https://www.npr.org/sections/money/2022/09/13/1122059402/the-economics-behind-quiet-quitting-and-what-we-should-call-it-instead>

11

Is the Great Resignation Still Occurring?

- The share of workers planning to leave their jobs remains unchanged from 2021, at 40 percent. That's two out of five employees in our global sample who said that they are thinking about leaving in the next three to six months. McKinsey & Company
 - **Reshuffling.** Employees are quitting and going to *different employers* in different industries (48 percent of the job leavers in our sample). Some industries are disproportionately losing talent, others are struggling to attract talent, and some are grappling with both.
 - **Reinventing.** Many employees leaving traditional employment are either going to nontraditional work (temporary, gig, or part-time roles) or starting their own businesses. Of the employees who quit without a new job in hand, 47 percent chose to return to the workforce. However, only 29 percent returned to traditional full-time employment.
 - **Reassessing.** Many people are quitting not for other jobs but because of the demands of life—they need to care for children, elders, or themselves. These are people who may have stepped out of the workforce entirely, dramatically shrinking the readily available talent pool.

12

Top Reasons For Resignation

Top reasons for quitting previous job, Apr 2021–Apr 2022, %



Source: Subset of respondents from McKinsey's 2022 Great Attrition, Great Attraction 2.0 global survey (n = 13,382), including those currently employed and planning to leave (n = 4,939), those currently employed and planning to stay (n = 7,439), and those who quit their previous primary jobs between Apr 2021 and Apr 2022 (n = 1,154)

McKinsey
& Company

13

Why Employees Joined the Great Resignation

- Toxic Work Environment
- Lack of Recognition
- Underpaid
- No Work Life Balance

Derek Gilmore, *What Employer Should Have Learned From the Great Resignation*, Entrepreneur, August 1, 2022, <https://www.entrepreneur.com/business-news/what-employers-should-have-learned-from-the-great/430942>

14

What To Do?

- How do you attract new talent and retain your current workforce in this environment?
 - Lack of Recognition / Opportunity
 - Inadequate Total Compensation
 - Work Life Balance
 - Toxic Work Environment



15

Lack of Recognition / Opportunity

- Celebrate employee milestones
- Reward employees for high performance
- Promote social activities and connection
- Career mapping
- Survey workforce
- Ongoing training and development opportunities
- Hybrid work options
- Other benefits and compensation
- Give employees a voice relative to operations

16

Inadequate Total Compensation

- Solution
 - Bonuses: New Hire, Referral, Recognition
 - Annual Salary Review
 - Does your salary correspond for what the market dictates?
 - Equal Pay Act
 - Bonuses
 - Cost of Living Increase
 - Merit Based Raises
- If unionized, will have to consider bargaining issues

17

Work Life-Balance

- Solutions
 - Remote Work
 - Flex Hours
 - Designated vacation, personal and sick time
 - Four Day Work Weeks
 - Reconsider expectations for after-hours activities
 - EAP
 - Affinity Groups



18

Improve Employee Satisfaction

- Celebrate employee milestones
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19

Toxic Work Environment

- Solutions
 - Work Environment Assessment
 - To determine what is causing the toxic environment
 - Recommendations to remedy toxic environment
 - Exit Interviews
 - Helps determine whether the issue is the work environment
 - Exiting employee may offer insight on how to fix the work environment
 - Gives you a chance to see if you can keep employee
 - Termination
 - Firing the person or persons creating toxic environment
 - Eliminates the person(s) creating the issue but may need to determine whether the work environment is the issue as well
 - Consider the skills you are focusing on for management selection

20

Hiring During The Great Recession

- Be even more selective in hiring
 - Carefully screen and assess candidates to ensure they're the top-most talent you can find.
 - Identify the traits of your most successful long-term employees, and hire to match those characteristics. Some we've identified:
 - High emotional intelligence
 - A solid ability to hear other viewpoints
 - A desire to innovate wherever possible
 - Consistent empathy
 - Willingness to mentor juniors.
- Recruiting the most qualified candidates to fill your roles dramatically increases the odds of retaining those people. But once you've hired them, build a high-performance culture, so they don't stagnate. A part of this is designing exciting development plans, as well as making available easy-to-use performance management systems like

Prevent Government Agency Employee Turnover and Quiet Quitting, ProPricer, September 8, 2022, <https://www.propricer.com/blog/prevent-government-agency-employee-turnover-and-quiet-quitting>

21

Hiring During Great Resignation (Cont.)

- Immigration Options to Expand the Candidate Pool
- Over 1 million international students are studying at U.S. colleges and universities, many pursuing high demand STEM degrees
- International Students are able to work as interns with little to no employer sponsorship and at no additional costs beyond standard intern pay
- Several options exist for employer sponsored immigration for longer term employment authorization, with no changes to employer rights to terminate at-will
- Knowing what immigration options exist, what costs to expect, and processing time requirements provides a strategic advantage over your competitors
- Foreign Nationals working at your competitors can be a great source for experienced talent, but you need to know what immigration options exist and how to leverage the process
- Knowing what immigration options exist broadens your ability to literally hire talent from around the globe, many savvy companies are already doing this

22

Hiring During Great Resignation (Cont.)

- Michigan employers have ready access to talent in Canada due to immigration options granted by NAFTA, which remain in effect; NAFTA offers the same options to hire professionals from Mexico
- Immigration laws favor hiring professional level workers, but options do exist for skilled and unskilled labor that does not require advanced training when U.S. workers are not available



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