



## Reflecting on the 'Great Resignation'



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The Great Resignation, a term coined by Anthony Koltz, Professor of Management at Mays Business School at Texas A&M University, describes a predicted huge increase of people quitting their jobs at the same time in the near future.

There are differing records of when this prediction specifically took place -- sometime near the end of 2019 or early 2020-- but records show that soon after, this prediction came true beginning with 4 million Americans quitting their jobs in the month of April 2021 alone.

Professor Koltz has been interviewed since by Morgan Smith at CNBC. He says that 2022 will see a sustained level of employee turnover as people feel encouraged to take charge of their own circumstances and find the right work/life balance. He also sees flexible working to continue and become the norm, not the exception, and remote jobs become more competitive.

The pandemic has driven us in many unexpected ways and may have ultimately changed the world of work irrevocably. The flexibility to continue to do business during lockdowns has forced us to find new and innovative ways to approach work and communications. It has also given a lot of us pause to take stock of our lives and think differently about how we live them, enabling each of us to make choices about our own work life balance.

Why quitting on masse?

HBR ran an in-depth survey of 9 million employee records from 4,000 companies globally, and found that mid-level career employees (ages 30 to 45 years), particularly in the health and tech sectors, represent a large percentage of this 'great resignation'. HBR attributes this to an increase in demand for skilled workers leading to an increase in open positions particularly for those with experience. Why? Because the shift to hybrid, remote working environments means hiring skilled, experienced workers who are seen as more effective, since they don't require much, if any, in-person face to face training.

As a result, these are the groups of employees who experienced the greatest increase in labor demand over the pandemic. But now, many will have experienced different levels of burnout and, with a move to a different but more stable 'normal,' are seeking to find the "right" role and career for their circumstances.

It's clear that the number of open positions has increased across sectors worldwide. While the move to remote and hybrid working might have been expected to widen the pool of candidates available to employers, this has not been the case. The growth in choice of roles available, and the effects of the pandemic and current global economic conditions that led to rises in the cost of living, individuals, particularly in the crucial higher-demand skilled mid-level career group, can take stock and find just the "right" opportunity. This has put even more pressure on demand for skilled workers, leading in turn to a significant increase in salaries in certain professional sectors.

It has long been argued that money is a hygiene rather than a motivational factor. However, with increased costs of living, growth in opportunities, expansion of roles and more demand for both mid level skilled and entry level positions, perhaps we have reached the perfect storm in which salary is very much a deciding factor once again. Some industries are reporting that employees are being offered salary increases of 20% or more, to switch companies. As a consequence, many organisations are finding it hard to attract and retain the best skilled workers.

So, the 'Great Resignation' is about choice and a need for employers to recognise and value their staff in this new world of work. There is a need to better understand the values and motivations of people working in this digital world, as what was true pre-pandemic is no longer the case.

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