

# Explaining the growing disillusionment with business as usual

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The villainous boss memes, workday gripes, and big corporation throwdowns shoot fast and furious on the Reddit forum [r/antiwork](https://www.reddit.com/r/antiwork/), which has become a viral post Howitzer. In one recent post, a Calm app

tweet poses this well-meaning question: "What could your employer do to better support your mental health?" The Redditor slyly responded with "Double my salary." Another Redditor lamented being told to leave a job they'd held for six years after taking a paid sick day. His boss said he could continue working there if he took on more hours and stopped asking for a raise. His response? A flat no and the return of his work key. He also got the last word. "My new job pays better."

The common theme on the increasingly popular forum is worker dissatisfaction with the status quo and a "we're not gonna take it anymore" mentality that often ends with a declaration that they're quitting their job. They're not kidding.

The U.S. economy is in the midst of what's been dubbed the Great Resignation. Workers are quitting their jobs at or near the highest levels on record since tracking began in 2001. According to the U.S. Bureau of Labor Statistics, 4.4 million Americans quit their jobs in September 2021 alone, and resignations have remained inordinately high for months. At one point this summer, a record-breaking 11 million jobs were vacant.

Employees between the ages of 30 and 45 have had the greatest increase in resignation rates, with an average increase of more than 20 percent between 2020 and 2021. In a Visier study led by human resources strategy expert Ian Cook, resignations were highest in tech (4.5 percent increase) and health care (3.6 percent increase), with service and retail not far behind. The study, called "The Trends in Employee Resignation Rates," analyzed nearly 9 million employee records from more than 4,000 companies to get a sense of what is driving The Big Quit. In short, employees are unhappy with stagnant pay, traditional work schedules, fluctuations in [work hours](#), and the perception, or reality, of the U.S. as a "no-vacation nation" lagging behind its peers. They want higher pay, better benefits, greater mobility, and more flexibility in both work

schedule and where they work. COVID-19 also played a huge role, with many taking time off to be with family. Young families had problems finding child care, so often one partner quit to fill the void and stay home.

Johns Hopkins Magazine met up with Christina DePasquale, an applied microeconomist and associate professor of practice at the Johns Hopkins Carey Business School, to talk about this mass employee exodus and how it will end. Spoiler alert: No time soon.

**We're living through a pandemic, and now we're apparently experiencing a quitting epidemic. The number from September, 4.4 million people quitting their jobs, feels enormous. My first question is, What do you think is driving this Great Resignation?**

I am going to say many factors. I do think the main thing is that this coincided with the pandemic, and that from April to July is when a lot of employers made their people come back to in-person work. I think that there is a risk factor here. During the pandemic, going to work in person means taking on a risk that didn't used to be part of your job. And economics says that when there's higher risk, you must pay people higher wages. Wages haven't adjusted yet to get people to return to work.

**Related, when people had to return to work, they gave something up. Some were working remotely and liked it. They liked the freedom, and when they had to return to either hybrid or full-time in person, they might have said, "No, wait, I liked the way things**

**were going."**

I think that's exactly right. And the pandemic has taught us that you can work from home and be about the same level of productive, or perhaps even more. So you have to pay people [higher wages](#) if their job is risky, and all jobs now have some higher level of risk than they had pre-pandemic because you view going to work as taking a chance of being exposed to this disease that you've spent the past two years trying to avoid. But on top of that, in-person work just became a little less attractive than it was before.

I think people might be trying to hold out for more flexibility, nicer working conditions, and other intangible benefits that we weren't necessarily putting at the forefront before. Whereas they thought earlier, "Oh yeah, that would be nice," now they're saying, "No, that's actually a requirement for me to work."

**I wonder who first coined the term "Great Resignation," and when did we start noticing this trend?**

It's a great question. I have no idea who coined the term. I sort of expected some of these outcomes, being predisposed to think about these frictions in the market. Even before the pandemic, people were talking about stagnating wages and that wages were too low. It certainly wasn't surprising to see resignations happen. I think it's surprising that it's been at such a high level. Probably about the middle of summer I went, "Oh wait, something's happening here that we would not have expected." I think everyone thought the economy was going to recover and that all these jobs were going to be created. In June, it started to become evident that something was going to have to give in order to get people to return to work. That hasn't given yet. The market has not

adjusted so far. This is why we have all these supply chain issues and see "now hiring" signs on almost every store in your neighborhood strip mall.

Either this is the new equilibrium, which seems a little unsustainable to always have lines and empty shelves, or something is going to have to give in the long run, and most likely it's going to be that wages are going to have to increase. There's a number that will encourage people to return to work. We're just not at that number yet.

**Some bravely quit without an alternative job, which I find shocking. Anecdotally, what many had in common was this quality-of-life issue. They wanted to either spend more time with their family or move closer to aging parents.**

One hundred percent. About the quality of life, we see every year the happiness rankings that come out, and the U.S. doesn't rank very high on the list of the world's happiest countries. One of the main reasons cited is the fact that the U.S. is regarded as this country where we all engage in the rat race. We don't put well-being at the forefront, and I think we might finally start seeing the pushback on that.

Is this a long-term phenomenon? I don't know. Maybe in the foreseeable future we adapt to a four-day work week, or perhaps five years from now we might be back to where we were in 2018 when it comes to how we approach work and this work-family balance.

I think that the past year and a half taught us that we could live without certain material things that we thought we couldn't. Everyone sort of tightened their belts a little. An interesting phenomenon that happened at the end of 2020 was that somehow, during a recession, credit card debt

decreased in the country, and that's basically unheard of. The other part was that people were forgoing luxuries that they used to not live without, whether it's new clothes, vacations, new electronics. People just thought, "OK, I'll just make do with what I have." And that taught people they could perhaps live on a lower income than they previously thought.

**Let's talk about the who. All you have to do is go on Twitter or Reddit to see how tired folks are, in general, of how they are treated in their jobs.**

It makes sense that it would be young people leaving. If you're under 35, you might think: "Well, I have the whole rest of my life to make money." So perhaps taking a year or two off is not really going to affect my lifetime income much. For them, it's not worth being miserable in their current job when they have other options. In essence, they're taking a gap year.

**OK, what can companies do to address this Great Resignation? Let's talk retention and recruitment.**

We're not in equilibrium. Most markets are never actually in an equilibrium—we're always adjusting—but right now, it's very stark between what employees want and what employers are willing to offer. In terms of attracting new workers, you must become more competitive on the benefits and pay side. And then in terms of retaining your current workers, you need to make efforts that indicate some level of appreciation. That could be adjusting expectations when it comes to working in person, offering additional benefits, trying to maybe budget for bonuses, increasing salary. Again, not to oversimplify, but anything that makes the benefit to working there greater than the benefit of not having a job or going to look for one. And there's a cost in that, obviously. The current state of the market is such that workers are

willing to incur job search costs and forgone wages for a better lifestyle or the promise of a better job in the future.

## **How did employers hold the upper hand for so long?**

There's a lot of research that shows that all employers, no matter what industry you're in, have some level of market power because of those costs. Once you get a worker into the job, it's costly for that worker to try to move somewhere else. That automatically gives the employer market power. That power just appears to have completely disappeared in the past six months. At least at current wages, employers cannot seem to fill their vacancies. You're starting to see posted wage signs advertising starting wages above minimum wage—indicating a willingness of employers to adjust—and yet, based on the persistence of these posted vacancies, these jobs still appear to be unfilled.

The health care industry has taken a huge hit in terms of lost workforce. Can that mostly be attributed to COVID-19 and stress? And what about all the departures from the tech industry?

The stress, the risk, for sure. Health care is extremely obvious from a pandemic standpoint. The correlation with stress in that particular job, but tech is also a pretty high-stress industry. When it comes to people in the service industry, one thing that people who have quit their [jobs](#) are citing is that they were just tired of dealing with rude customers. People are saying life's too short to be in this world where I'm not happy.

## **You've touched upon it earlier, but one obvious question is: How long will this continue?**

It's nearly impossible to tell. I think the most plausible prediction is that this level of resignation and this level of shortage of workers in the

market cannot last forever. It appears somewhat unsustainable, and so I think that that aspect will not be forever. I'm guessing in two years, wages will have adjusted enough that workers will be enticed back into the market. People can't live without their income forever. But maybe in some sectors, we permanently work from home, part of your job description is that you don't have to come to work if you don't want to or at the very most, a couple of days a week. Attention to work-life balance and well-being in the workplace has been touted by companies for years. The current environment may bring about more concrete changes in this regard. And maybe that will be more long term, whether it's a four-day work week or reduced hours. I can't imagine we're just going to permanently operate with a huge portion of our population not participating in the labor force.

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