

# **Changing Workforce**

## **From the Great Resignation to Quiet Quitting**

### **Consequences for Industry**

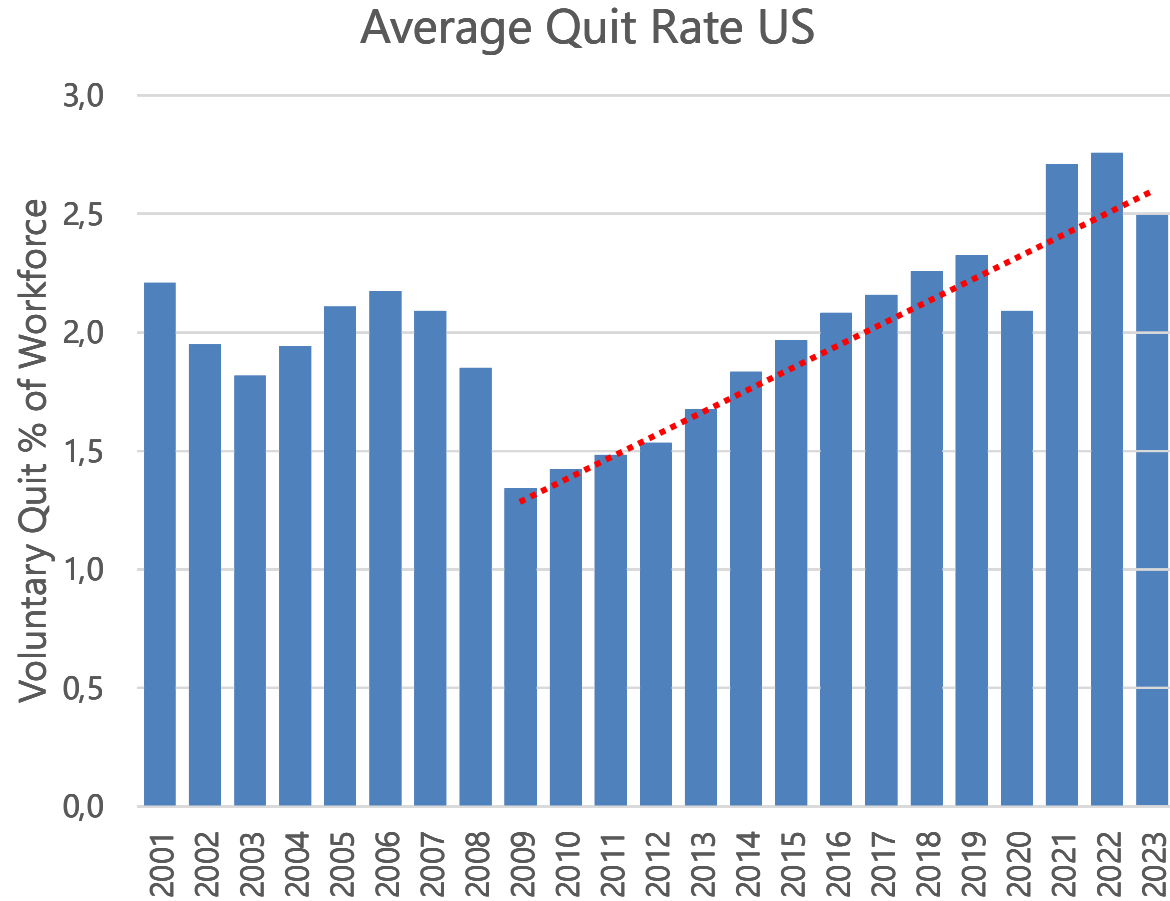
Rich Mather, Ph.D.

# Great Resignation

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- “The great resignation is coming,” May 2021
  - Anthony Klotz, Professor of Management at Texas A&M, now at UCL
- In June, more 4 million people quit their jobs
  - and again in July
  - and again in August
  - and again and again through 2022
- Peaked Nov 2021 – 4.5 million quits
- More than 98 million Americans voluntarily left their jobs in 2021 and 2022

# Great Resignation



Data source: US Bureau of Labor and Statistics

- Massive year on year jump from 2020 to 2021 (2.1% - 2.7%)
- But...
- Larger story at play
  - Steady increase since 2009
  - Average before 2008 was 2.0%
    - Big drop with financial crisis
  - Another drop with COVID
  - Stimulus, vaccines, some stability
    - "Great Resignation"



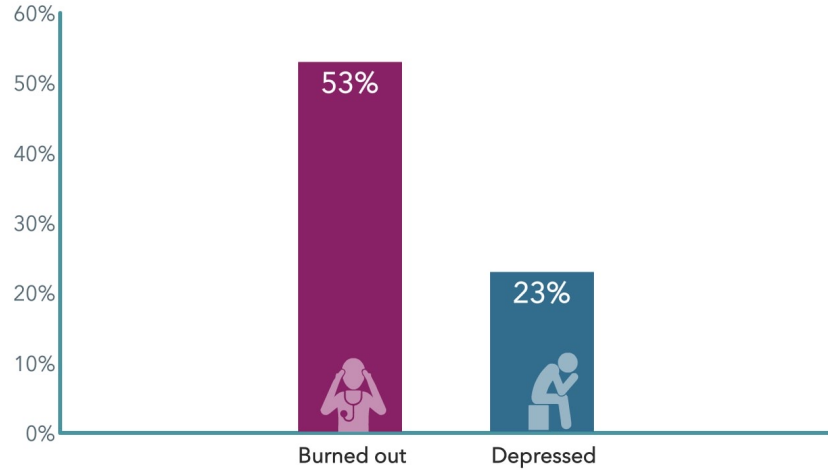
**Burnout** is a metaphor. It describes a state of exhaustion similar to the smothering of a fire or the extinguishing of a candle. Where there used to be a vital spark and the flame of life was burning bright, it is now dark and chilly. The fuel has been used up and the energy backup is depleted.

Opening lines to *The Burnout Companion to Study and Practice*  
by Shaufeli and Enzmann 1998

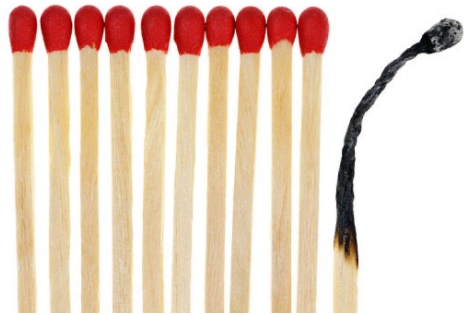
# The State of Burnout

## Physicians

Are You Burned Out and/or Depressed?



<https://www.medscape.com/slideshow/2023-lifestyle-burnout-6016058#2>



## Tech Industry

**61%** of working professionals are burnt out

### Job Function Breakdown of Burnout



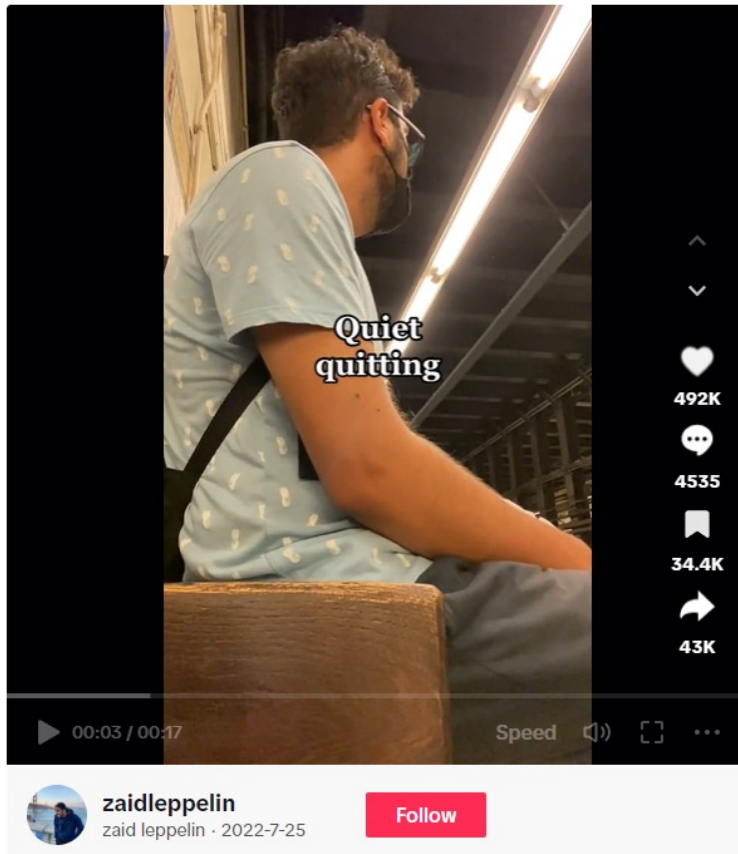
blind



“People aren’t just quitting their jobs, they’re rejecting the idea that **burnout** is the price they have to pay for success”

- Arianna Huffington tweet 5Jul2022

# Quiet Quitting



“You’re not outright quitting your job, but you’re quitting the idea of going above and beyond”

“You’re still performing your duties, but you’re no longer subscribing to the hustle culture mentality that work has to be your life”

“Your worth as a person is not defined by your labor”

# Quiet Quitting and Employee Engagement

## Engaged

- Highly involved in and enthusiastic about their work and the workplace. They are psychological “owners,” drive high performance and innovation, and move the organization forward.

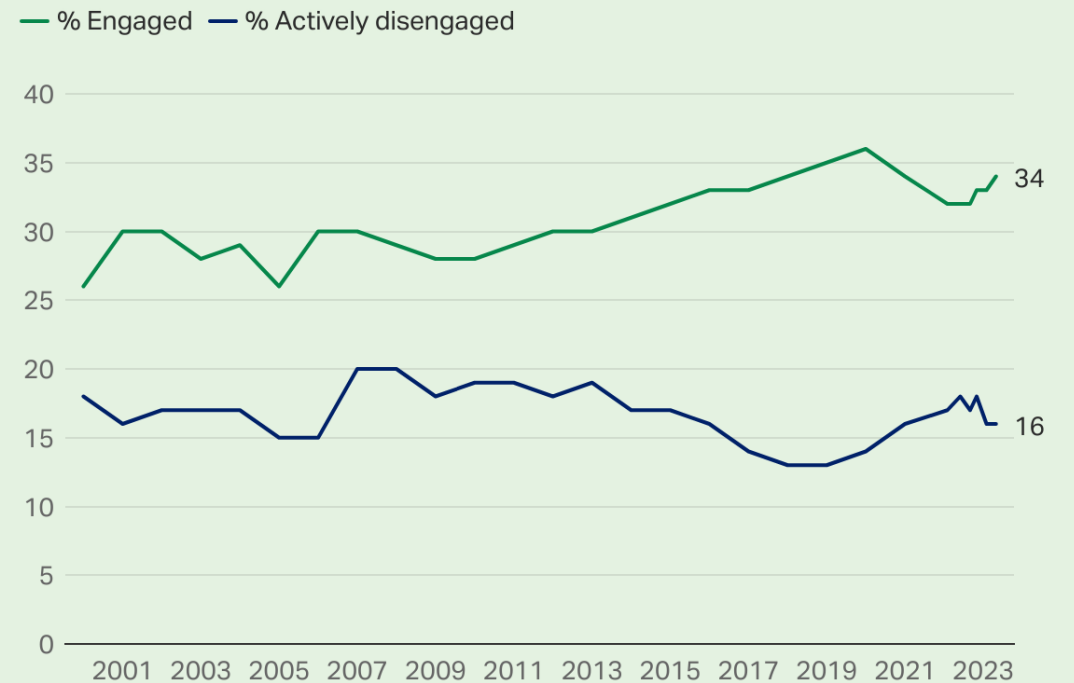
## Not-Engaged

- Psychologically unattached to their work and the company. They are putting time – but not energy and passion – into their work.

## Actively Disengaged

- Aren't just unhappy at work – they are resentful that their needs aren't being met and are acting out their unhappiness. They undermine what their engaged coworkers accomplish.

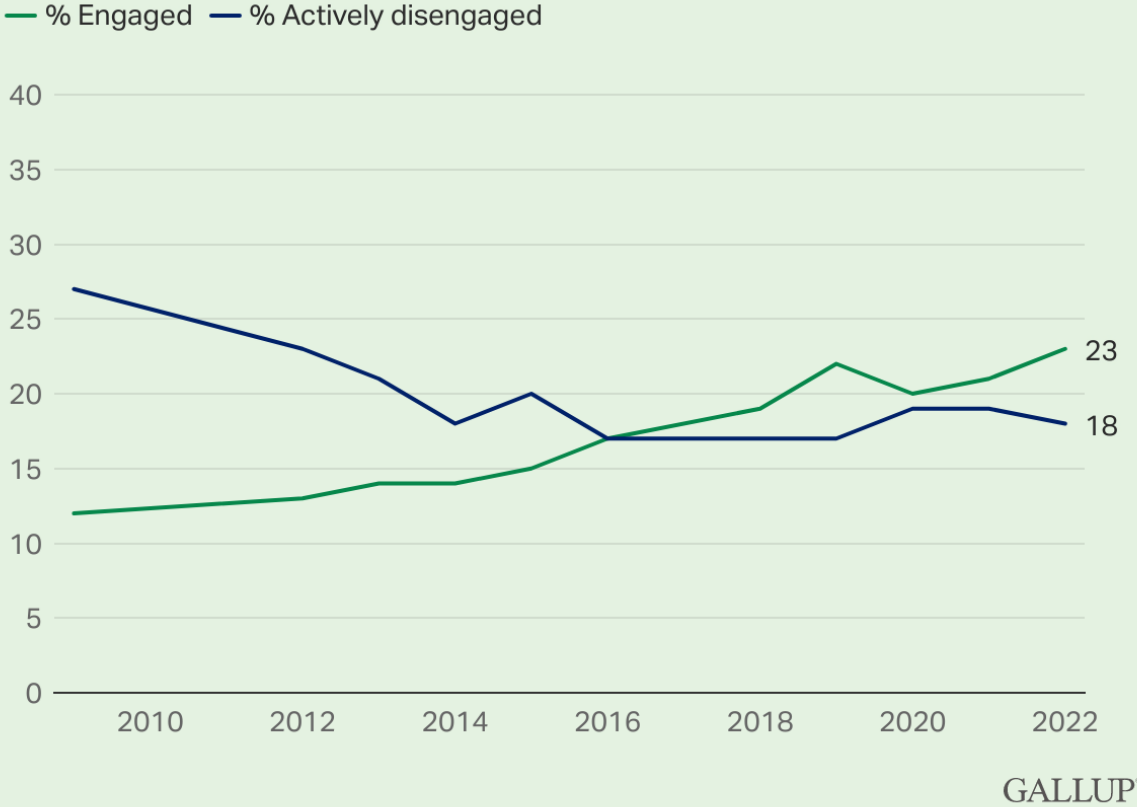
U.S. Employee Engagement Trend



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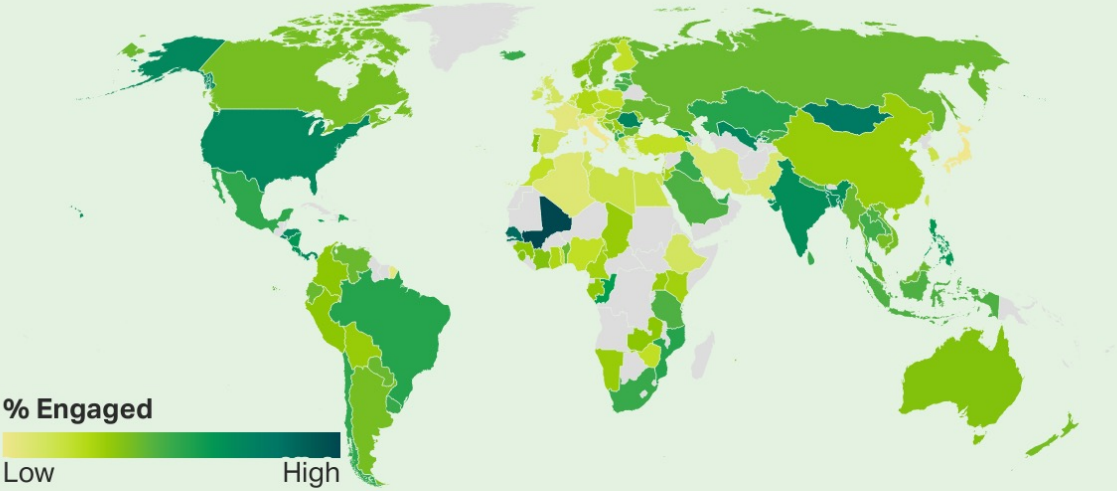
# Global Engagement

## Global Employee Engagement Reaches New High



## Employee Engagement, by Country

Percentages based on data aggregated from 2020, 2021 and 2022



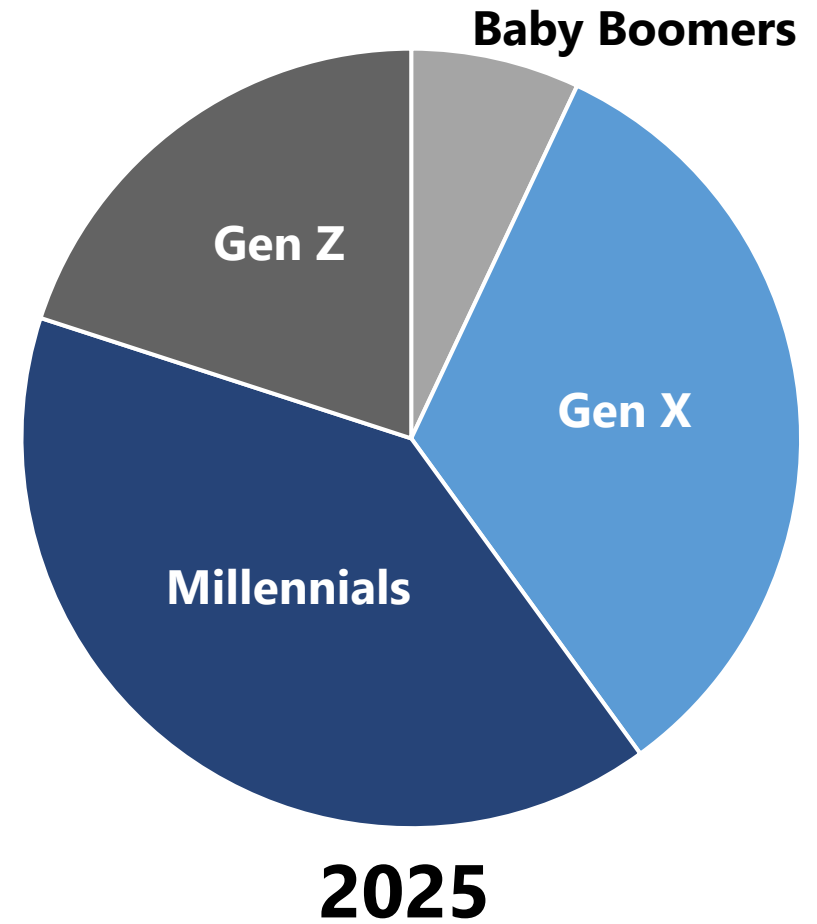
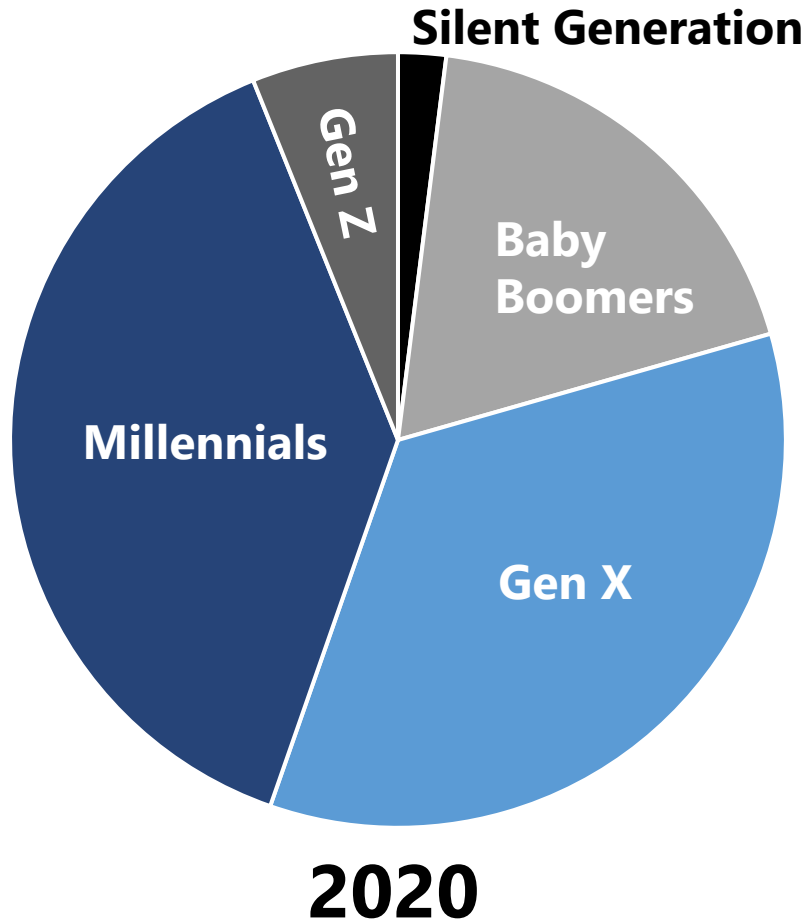
Note: Countries that do not display any data on this map were not surveyed on employee engagement in the 2020, 2021 or 2022 Gallup World Poll survey years, or they had a sample size of fewer than 300 respondents (three-year aggregate). Countries with aggregate sample sizes of fewer than 300 include (in alphabetical order) Afghanistan, Azerbaijan, Botswana, Burkina Faso, Comoros, Eswatini, Gambia, Guatemala, Lesotho, Liberia, Madagascar, Malawi, Mauritania, Niger, Northern Cyprus (Territory of Republic of Cyprus), Palestinian Territories, Puerto Rico and Yemen. Get more details in Gallup's [State of the Global Workplace: 2023 Report](#).

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# What Employees Look for in their Employer

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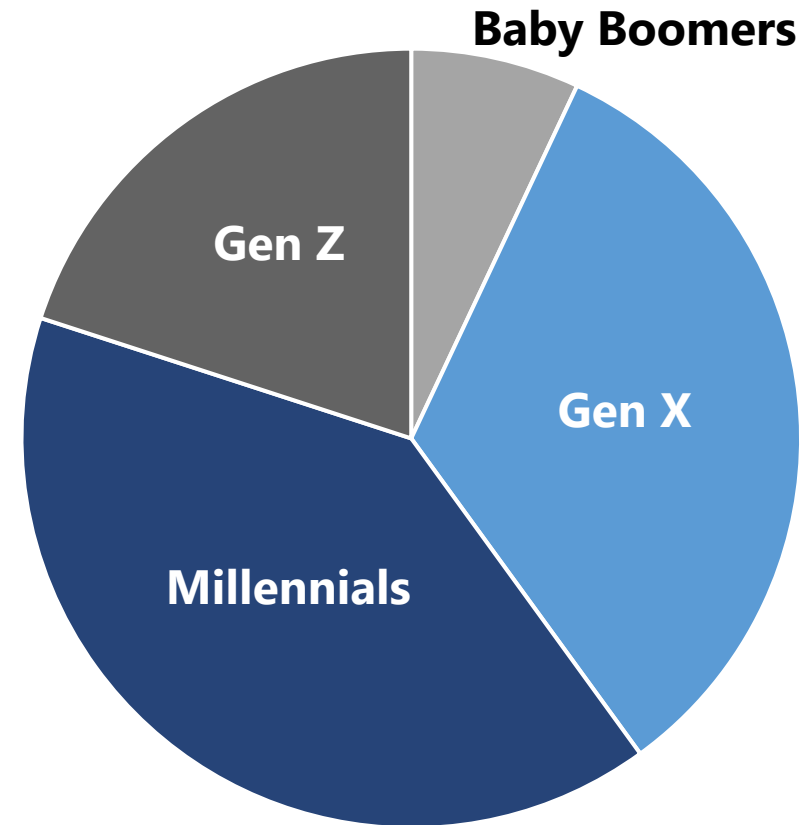
## Gen X and Baby Boomers ('46-'79)

1. The organization's leadership is ethical
2. The organization cares about employees' wellbeing
3. The organization's financial stability

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The organization is diverse and inclusive of all people

The organization's leadership is open and transparent



**2025**

# What Employees Look for in their Employer

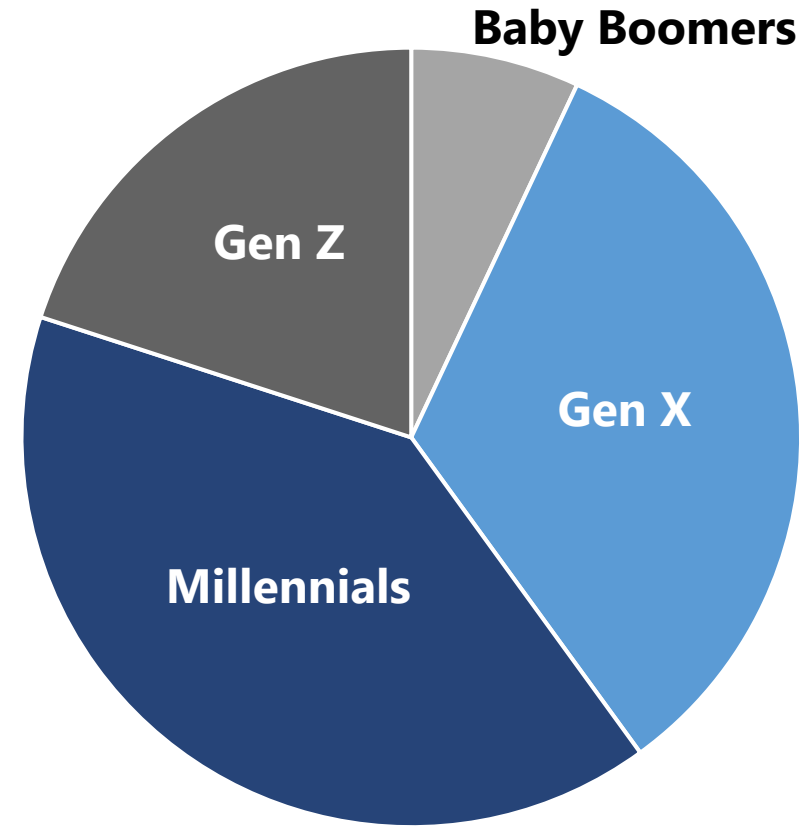
## Older Millennials ('80-'88)

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3. The organization's leadership is open and transparent

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The organization is diverse and inclusive of all people

The organization's financial stability



**2025**

# What Employees Look for in their Employer

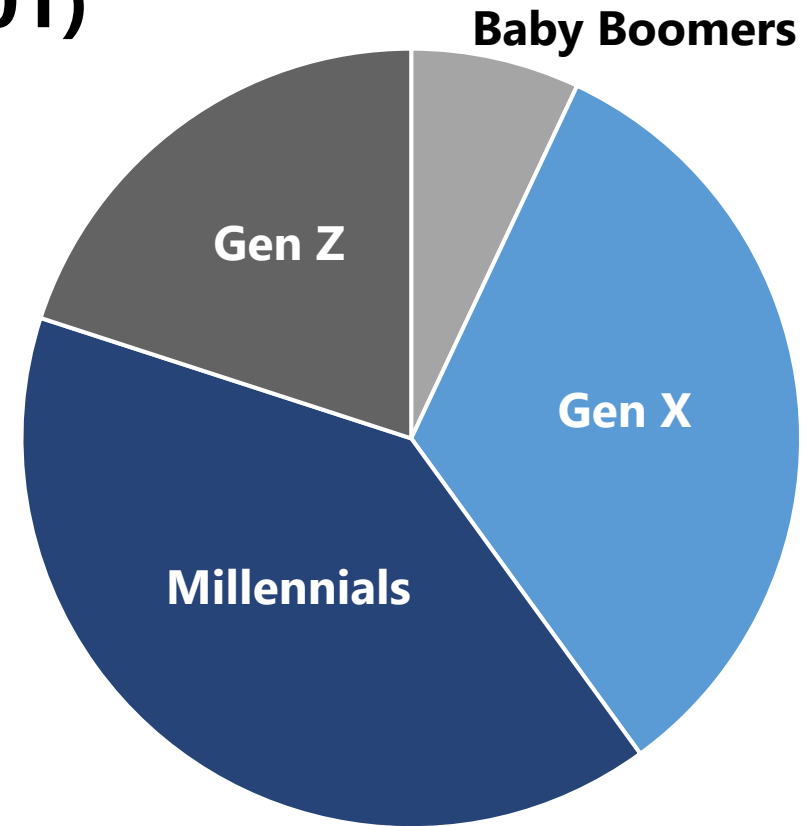
## Young Millennials and Gen Z ('89-'01)

1. The organization cares about employees' wellbeing
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3. The organization is diverse and inclusive of all people

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The organization's leadership is open and transparent

The organization's financial stability



**2025**

# Millennial's and Homeownership

The New York Times

## Wages Can't Keep Up With Spike in Housing Prices

Across the globe, the 10 cities that experienced the largest drops in affordability in 2021 were all in the U.S., new research shows.

Share full article



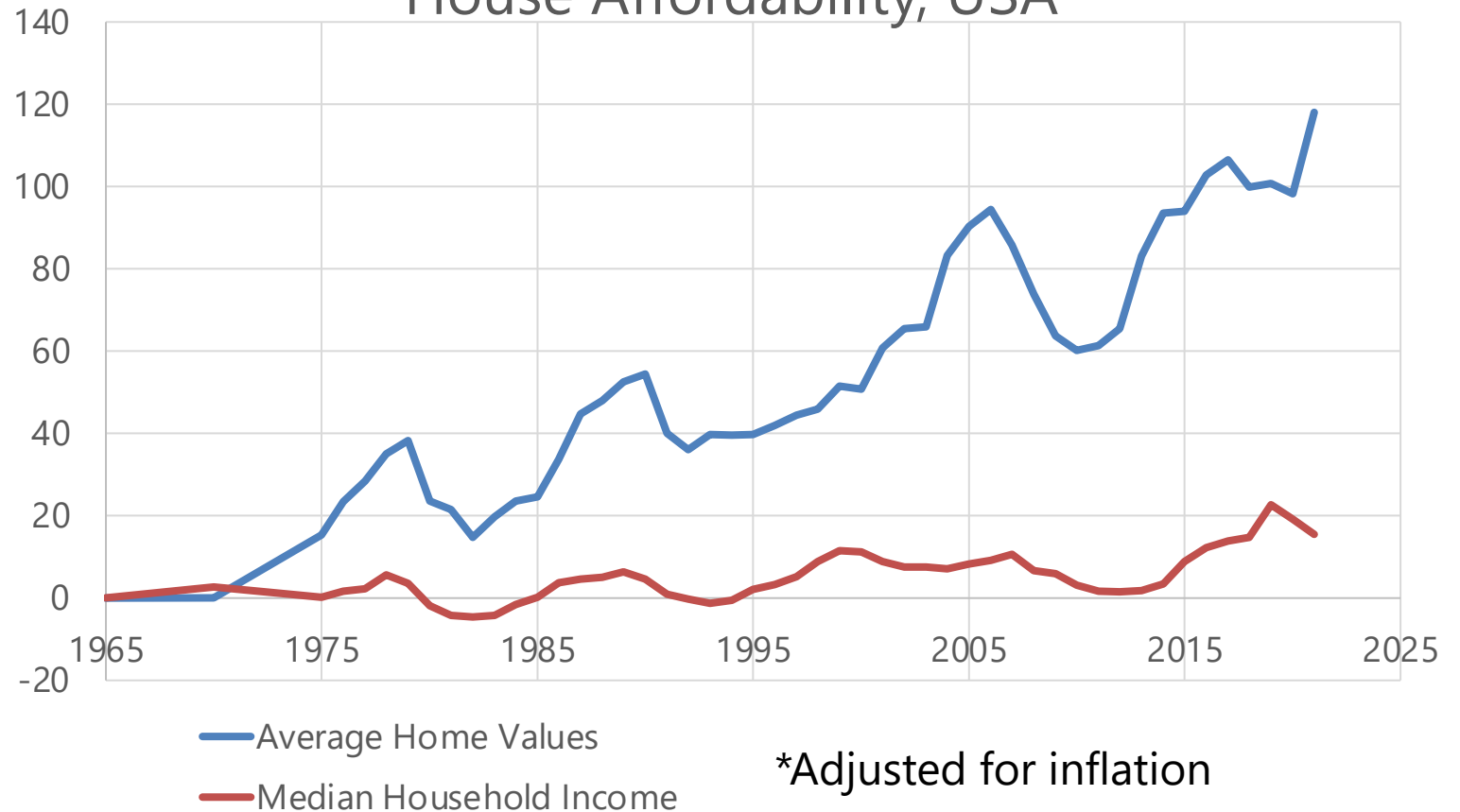
The average price of a square foot of real estate jumped 134 percent in Cleveland in five years, while the average salary rose only 37 percent. Maddie McGarvey for The New York Times



By Gregory Schmidt

May 5, 2022

## House Affordability, USA

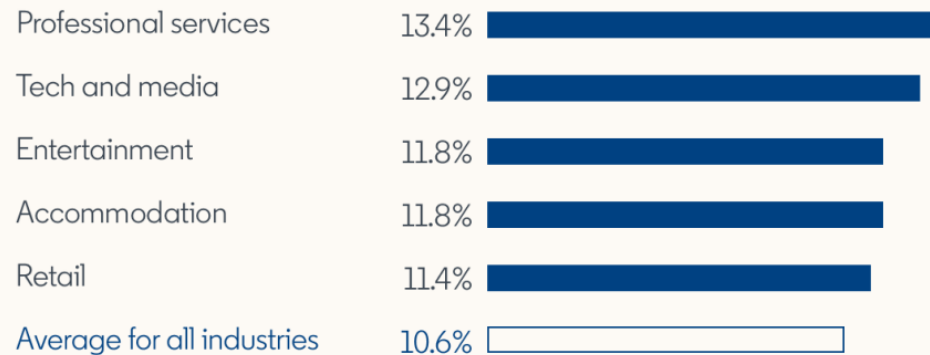


Source: Real Estate Witch analysis of U.S. Census Bureau data

# Cost of Turnover

## Industries with **above-average** turnover rates

Average turnover rate across industries on LinkedIn globally (July 2021 – June 2022)



Turnover is calculated as the total number of departures divided by the average headcount.

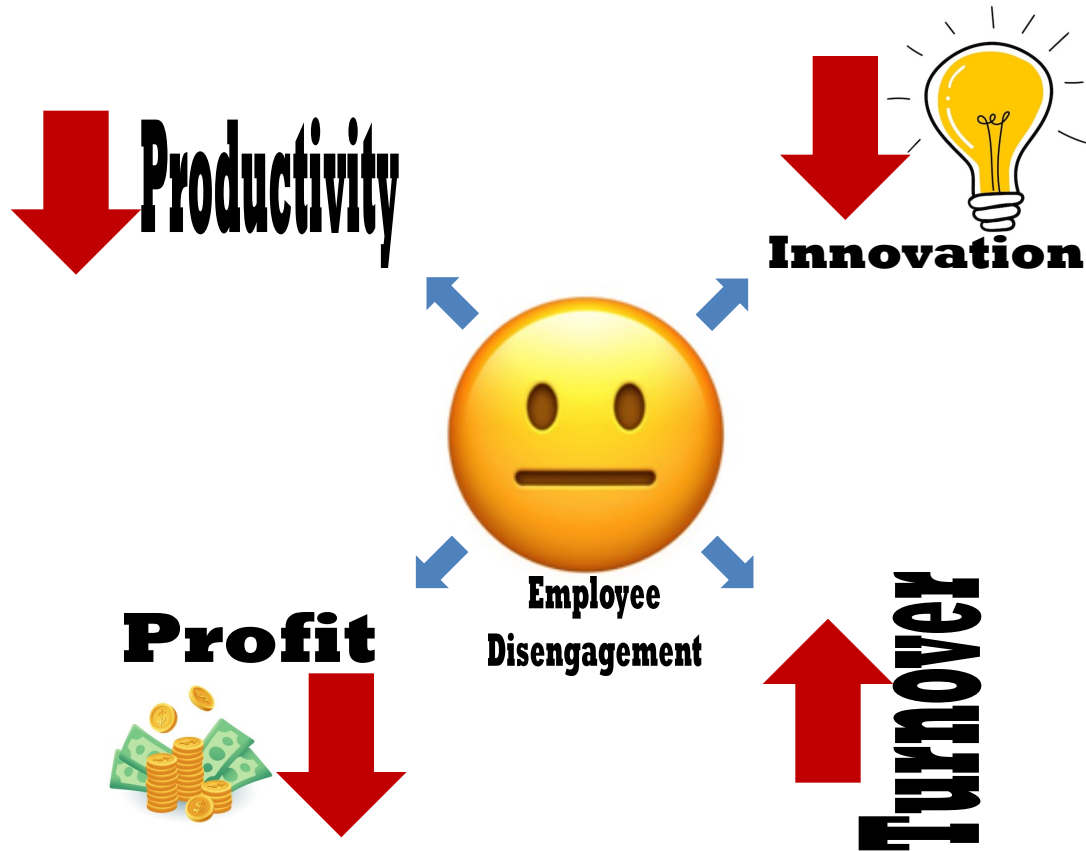
Insights from LinkedIn



- Employee replacement costs
  - 0.5x – 2x salary<sup>1</sup> (conservatively)
  - 200 people, 13% turnover = 26/yr
  - Avg salary \$135k → **\$1.8M – \$7M/yr**
- Expense sources
  - Recruiting
  - Training
  - Productivity hit
  - Institutional knowledge drain

<sup>1</sup>Society for Human Resource Management

# Cost of Disengagement



- \$7.8T or 11% global GDP
  - Estimated lost productivity
- Disengaged employees have
  - 37% higher absenteeism
  - 18% lower productivity
  - 15% lower profitability
- Cost
  - 34% of their annual salary

Source: Gallup State of the Workplace

# Create a Strong and Healthy Company Culture



WORKPLACE OCTOBER 24, 2022

## Need an Answer to Quiet Quitting? Start With Your Culture

BY JAKE HERWAY



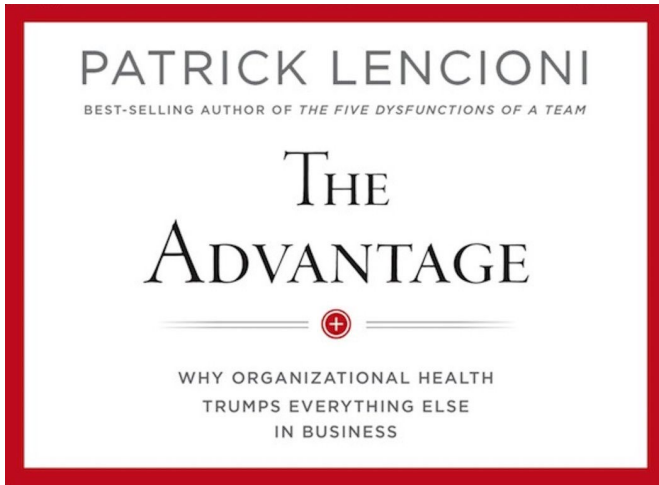
### STORY HIGHLIGHTS

- Disengaged employees cost the world \$7.8 trillion in lost productivity
- Quiet quitting starts when your culture fails to deliver on employment promises

- Starts (and lives) with the leaders
  - HR is a partner, not a group to delegate responsibility to
- Culture is everyone's responsibility
  - Your people ARE your culture
- Values are innate and emergent
  - Can't be forced
  - Can be cultivated and nurtured
  - As team members change, impacts culture → Pay attention!



# Prioritize Organizational Health



- Grow **better leaders** in the workplace
  - That can build cohesive teams
- Create **clarity**
  - About why you exist
  - About how you behave
  - About strategy for success
- Cultivate **purpose**
  - On an individual level
  - At the team level
  - At the corporate level

49% More likely to report  
**Intrinsic motivation**

Job **33%** More likely to have  
**satisfaction**

# Talk to Your People

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**Harvard  
Business  
Review**

Health And Behavioral Science

## **Research: People Want Their Employers to Talk About Mental Health**

by Kelly Greenwood, Vivek Bapat, and Mike Maughan

October 07, 2019, Updated November 22, 2019



PM Images/Getty Images

- Weekly 1-1 conversations
  - Not just about project status
- Pay attention to their mental health
  - Look for signs of burnout
  - People want a more open, accepting culture and clearer info on how to get support
- Be in tune with what drives them
  - This changes!
- Re-recruit your current employees
  - "Stay" interviews

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