What Business Leaders Can Learn About Culture From the Great Resignation

The "Great Resignation" continues to steal headlines across the U.S. Nearly every workplace has felt the effects of it- and business leaders everywhere are still in the middle of an employee retention crisis.

Key Takeaways

- **Why Employees Are Quitting Their Jobs:** According to Gallup's State of the Workplace - 2021 Report, the U.S. employee engagement rate is calculated to be between 20% and 34% which means the majority of employees are...
- **How to Increase Employee Satisfaction and Prevent Employee Turnover:** How to build culture using Gallops 12 elements of employee engagement...
- **Keep Track of Employee Turnover Rates and Labor ROI With a Strong Back Office:** As you implement positive changes to improve workplace culture and engagement while combating employee turnover during the Great Resignation, it's important to use your back office to keep track of...

In July of 2021, a Gallup survey found that 48% of employees were actively seeking work elsewhere and planning to quit their jobs [1]. By the holiday season, record numbers of employees had already resigned, with 4.5 million workers quitting in November 2021 alone [2].

The status of the Great Resignation in 2022 shows no signs of slowing as several million employees per month have continued leaving their jobs [3], and a PwC Global Workforce survey of 52,000 workers predicts another 20% plan to resign this year [4].

So, what exactly is causing this massive surge in employee turnover?

What Can We Learn From the Great Resignation? *Why Employees Are Quitting Their Jobs*

The Great Resignation seems to have been spurred on by the pandemic, but discontent in the workplace existed before 2020. Businesses that already had issues with employee attrition rates have seen those rates worsen, along with every other business in the United States. The added stress and existential threat of a global pandemic likely pushed many unhappy workers over the edge, resulting in them finally handing in their resignation letters that were already a long-time coming.

According to a 2021 survey of more than 6,600 U.S. workers from the Pew Research Center [5], the reasons participants cited for why they left their jobs included:

- 63% Pay was too low
- 63% No advancement opportunities
- 57% Felt disrespected in the workplace
- 48% Childcare issues
- 45% Inflexible hours
- 43% Quality of benefits
- 39% Working too many hours
- 35% Wanted to move
- 30% Not working enough hours
- 18% Employer required COVID-19 vaccination

While the Pew Research Survey suggests that pay is, in fact, the top reason why employees are quitting their jobs, several of the reasons listed are actually consequences of poor workplace culture.

Read More: [Why Do Employees Quit?](#)

Additionally, research from Gallup seems to indicate that employees are quitting their jobs as a result of poor employee engagement which can worsen turnover rates. According to Gallup's *State of the Workplace: 2021 Report*, the U.S. employee engagement rate is calculated to be between 20% and 34% which means the majority of employees are disengaged with their jobs and workplaces [6].

Gallup's data also indicates just how costly disengaged employees are:

- Workplaces with low employee engagement suffer 18-43% higher turnover rates than workplaces with highly engaged teams.
- The average cost to replace an employee is equal to one-half to two times the worker's annual salary (with the cost increasing or decreasing based on the employee's position, experience, client list, etc. in your company).
- Plus, engaged employees are more productive (14-18%) than disengaged employees.

With these numbers from Gallup, it's clear that employee engagement is essential to increasing employee satisfaction and reducing attrition rates. (Plus, taking steps to increase employee engagement can also make your business more attractive to top talent in the applicant pool, easing the burden of filling open positions.)

What Can We Learn From the Great Resignation? *How to Increase Employee Satisfaction and Prevent Employee Turnover*

When it comes to increasing employee engagement, business leaders must focus on improving workplace culture. By improving workplace culture, you, by default, automatically also improve the aspects of your business that cause employees to disengage and quit.

Read More: [Lower Turnover & Boost Profits By Honoring Maslow's Hierarchy Of Needs](#)

According to Gallup, there are 12 elements of employee engagement that are essential to increasing employee satisfaction and engagement while improving retention [7]. Consider the following 12 steps to take to ensure you're fulfilling each essential element of employee engagement to improve engagement in addition to your workplace culture and employee satisfaction.

How to Build Culture Using Gallup's 12 Elements of Employee Engagement

1. Set Clear Expectations

When you don't set clear expectations for your employees, you do not set them up for success because you never actually define what success looks like for them. Having unclear expectations can be incredibly stressful for employees who feel like they have to read your mind and scramble to understand what they are supposed to be doing while on the clock.

2. Provide Adequate Materials and Equipment

Once you've defined success and expectations for employees with clear goals and benchmarks, be sure they have everything they need to do their jobs: tools, materials, equipment, and training.

3. Showcase Employee Talents

Make sure your employees' roles and responsibilities are properly aligned with their skills and talents. This benefits your company and gives employees the opportunity to shine.

4. Offer Regular Recognition, Praise, and Appropriate Rewards

Recognition and rewards for achieving goals and/or exceeding expectations are essential to ensuring employees feel that they are respected and valued in your workplace.

5. Care About Your Employees on a Personal Level

Everyone in your organization should have at least one person above them who cares about them on a personal level. Set an example for everyone in leadership positions by taking a sincere interest in the lives and well-being of employees in your business.

6. Encourage Employee Development

Everyone in leadership positions should be encouraging the professional development of the employees in their charge.

7. Listen to Your Employees' Opinions and Ideas

Open communication channels where employees feel that they are heard are essential to them taking ownership in your company and their jobs and feeling engaged with their work.

8. Help Employees Feel Like Their Jobs Are Important

Whether you adopt a give-back business model or simply align your entire organization around an operating framework with long-term goals supported by short-term benchmarks, you'll give your employees ownership in the company's success and/or the good that you're doing by showing them exactly how the work they do helps the business achieve a larger goal or fulfill a greater purpose.

9. Promote Quality Work and Dedication Across the Board

Disengagement is contagious. Every employee should be held to the same standards of quality work and commitment. If employees see someone else slacking off and getting away with it, it'll quickly diminish employee morale and engagement.

10. Cultivate a Culture of Caring and Friendship

Having a best friend at work is an important driver of employee engagement, satisfaction, and happiness. With remote work on the rise, creating a culture that cultivates friendship and camaraderie among employees has become increasingly difficult. Create team-building opportunities so that employees can get to know one another and engage socially. When employees care about each other personally, they'll be more likely to care about each other professionally too.

11. Discuss Employee Progress Routinely

Your employees should have a clear picture of their future path with your company that you work together to develop. Check-in routinely (likely on an annual basis) to revisit this plan, discuss progress and performance, and provide any help that is needed for your employees to continue progressing toward their career goals.

12. Provide Opportunities for Professional Development

In addition to discussing progress and performance, be sure you're providing regular opportunities for your employees to continue

developing themselves professionally. It is mutually beneficial to offer training, education, and networking opportunities that allow your employees to grow as individuals and in their careers.

Keep Track of Employee Turnover Rates and Labor ROI With a Strong Back Office

As you implement positive changes to improve workplace culture and engagement while combating employee turnover during the Great Resignation, it's important to use your back office to keep track of the progress you make. Without tracking your employee metrics, you won't know whether or to what degree your own leadership and workplace culture are improving.

Frustration from inaccurate financials ends **HERE.**

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[1] https://www.gallup.com/workplace/351545/great-resignation-really-great-discontent.aspx

[2] https://www.cbsnews.com/news/job-quits-resignation-record-november-2021/

[3] https://www.weforum.org/agenda/2022/06/the-great-resignation-is-not-over/

[4] https://www.pwc.com/workforcehopesandfears

[5] 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/

[6] https://www.gallup.com/workplace/351545/great-resignation-really-great-discontent.aspx

[7] https://www.gallup.com/workplace/238085/state-american-workplace-report-2017.aspx