

The "Great Resignation": Update

06.06.22 | Linda J. Rosenthal, JD



It was just over a year ago when Anthony Klotz sat for an [interview](#) with a reporter from *Bloomberg Businessweek*. The labor market was showing unusual volatility; in the month of April 2021, over four million Americans had quit their jobs, marking a 20-year high. The Texas A&M associate professor of management had some thoughts about it.

"The [great resignation](#) is coming," he said.

No Mere Blip

Real-time [data](#) soon confirmed Professor Klotz's analysis that the troubling shortage of workers across all sectors of the economy was no mere blip. [The Great Resignation Is Here, and It's Real](#) (August 26, 2021) Phillip Kane, *Inc.*

Within months, alarming headlines were commonplace; see, for instance: [Why no one can seem to hire workers anymore—and what workers are doing instead to pay the bills](#) (November 12, 2021) Megan Leonhardt, *Fortune*.

The Great Resignation has slammed particularly hard into the nonprofit sector. See our discussions from six months ago:

- [The "Great Resignation" Problem in the Nonprofit Sector](#) (December 7, 2021)
- [The "Great Resignation": Exactly How Bad Is It for Nonprofits?](#) (December 9, 2021)

"If you thought the great resignation was a challenge last year, [buckle up](#)," advised Brighter Strategies nonprofit consultant, Swafia Ames. In [5 Tips for Overcoming the Great Resignation](#) (February 7, 2022), she wrote: "...[M]ore people plan to leave their jobs this year than in 2021." Indeed, later-published government data confirmed that February 2022 was the "ninth consecutive month to have job "quits" exceed 4 million." (That's a term of art used by the Bureau of Labor Statistics.)

“Experts report that many nonprofit leaders across the country are leaving their jobs, turning over at a remarkable rate.” [Large Numbers of Nonprofit Leaders Are Stepping Down — and the Competition to Find New Ones Is ‘Fierce’](#) (May 3, 2022), Jim Rendon, *The Chronicle of Philanthropy*. Gayle Brandel, CEO of PNP Staffing Group, a nonprofit executive-search firm, told Mr. Rendon: “We’ve been around for 26 years, and I haven’t seen anything like this.”

And, for the icing on the cake, see: [The Great Resignation could last for years, says the expert who coined the term](#) (April 4, 2022) Colin Lodewick, *Fortune*.

Urgent Issue

The Great Resignation has emerged as one of the most critical – and perplexing – issues facing our nation. What we’re seeing is nothing at all like “the new normal” that, as 2021 opened, we thought was on the horizon for the American economy and society as a whole.

Time reporter Abby Vesoulis wrote about this strange phenomenon on October 13, 2021, in [Why Literally Millions of Americans Are Quitting Their Jobs](#). “The stats may seem puzzling. After months of economic- and pandemic-fueled uncertainty, things are finally looking up: schools are reopening, the vaccine is widely available, businesses are expanding, and the economy is broadly resurgent.”

“But ... that rosy picture,” Ms. Vesoulis explained, “doesn’t take into account the national mood. Americans,... are simply burned out—and emboldened by the current labor market.”

Former Labor Secretary Robert Reich has chimed in along the same lines: “Workers are burned out. They’re fed up. They’re fried. In the wake of so much hardship, and illness and death during the past year, they’re not going to take it anymore.”

“Pandemic-Related Epiphanies”

Of course, for the nonprofit sector, burnout has long been the rule, not the exception, explains Kylie Davis of GiveButter. In [Nonprofit burnout statistics: The high cost of high turnover](#) (May 17, 2022), she cites a survey that was conducted just before COVID-19 slammed into the United States in March 2020. Researchers explored the job satisfaction of nonprofit leaders. These pre-pandemic results indicate that some “60 percent of nonprofit leaders reported feeling “used up” at the end of the workday.”

“The nonprofit sector is an [important] economic engine” in America; in the period leading up to the first lockdowns, 1 out of every 10 employees in the United States worked for a nonprofit. So “a large portion of our nation’s workforce” had to cope with the unprecedented catastrophe of a global pandemic while already “feeling overworked, under-resourced, and disengaged.” See also [How to Hire and Retain Top-Quality Workers](#) (March 3, 2022), Dan Parks, *The Chronicle of Philanthropy*.

In several interviews over the past twelve months, Professor Klotz, the coiner of the “Great Resignation” slogan, has taken pains to emphasize that the cumulative and unrelenting pressures continually pounding all of us have catapulted our individual and group stress and burnout levels into the stratosphere.

Then came this volatile labor-shortage situation. It's very much the result of the pandemic's upheaval; at the same time, though, it's taken on a life of its own, creating ever more hurdles, worry, and sources of gut-wrenching pressure.

In the early days of the pandemic, our natural reaction to the chaos and uncertainty was generally to hunker down and stay put for a while. Some people may have had thoughts of changing jobs or going forward with pre-planned retirements. In many cases, apparently, those impulses were put on hold.

Eventually, though, our pressure-cooker lids were bound to blow.

What followed was an entirely predictable eruption of "pent-up resignations." Many workers who had, before the pandemic, thought about retiring or changing jobs but didn't do anything about it, were suddenly spurred to action. And many other people began, perhaps for the first time, to think about "bolting from jobs" because of "the many pandemic-related epiphanies – about family time, remote work, commuting, passion projects, life and death, and what it all means"

So, there it is. No quick fixes or magic wands are in sight.

Nonprofit Vacancies

The Chronicle of Philanthropy's Jim Rendon, in his article a few weeks ago on the alarming rate of attrition of nonprofit executives, provides important insight into the depth and breadth of the "Great Resignation" crisis in the nonprofit sector.

Mr. Rendon deftly uses real-life examples to illustrate his points.

Notably, he emphasizes that some of the "quits" (on government spreadsheets) are not true quits (or "resignations" or ... whatever). Those terms suggest that an employee has dropped out of the workforce intentionally and entirely.

Among those of Jim Rendon's examples that would officially be characterized as "quits" are merely "reshuffling"; that is, workers looking to take advantage of appealing opportunities in the suddenly red-hot labor market of 2021 and 2022. It might mean much better pay and benefits, more upward mobility, and a work life (relatively) less stressful than the typical nonprofit workplace. (More than a few experts and observers have suggested that the "Great Reshuffling" might be a more accurate slogan than the "Great Resignation.")

Another fuzzy element of the official data descriptions are the mis-characterizations of older workers (who had planned to retire but delayed in order to help out during the pandemic) who now have retired. These rescheduled retirements show up on government data as a worrisome uptick of new "quits."

Of course, this nitpicking about what is or is not a true "quit" (or a "resignation") in a certain fiscal period is somewhat beside the point. The bottom line is that the nation's nonprofits must now – on top of everything else – scramble to fill critical vacancies in order to survive and carry out their missions.

And, of course, nonprofits generally lack the resources to match the generous pay rates now being offered by for-profit employers.

Conclusion

“A record number of employees are quitting or thinking about doing so. Organizations that take the time to learn why—and act thoughtfully—will have an edge in attracting and retaining talent.” ‘Great Attrition’ or ‘Great Attraction’?: The Choice is Yours (September 8, 2021) Aaron De Smet, *et al.*, McKinsey & Co.

In a follow-up post, we’ll take a deeper dive into that recommended next step; namely, identifying “why” so many employees “are quitting or thinking about doing so.”

For this task, it’s best to turn to the experts most suited to explain this “why.” Among them are organizational psychologists. It’s no coincidence that the guy who saw the “great resignation” trend coming well ahead of his colleagues in other disciplines – happens to be an organizational psychologist.

That’s right. Texas A&M associate professor of management, Anthony Klotz, is, more particularly, an organizational psychologist. We look forward to reading any of his thoughts on the topic, including analyses of workers’ “pandemic-related epiphanies.”

We can turn as well to another fascinating line of research. Psychologists and others in related disciplines are examining the crazy labor market in terms of our perfectly reasonable (pandemic-induced) feelings of grief and loss. See, for instance:

- *How the Great Grief Led to the Great Resignation* (April 11, 2022) Sherry Walling, Ph.D., *Fortune* [“In this unrelenting pandemic, we’ve lost loved ones, our sense of safety and well-being, and trust in the structures that had scaffolded our lives. We’ve had to give up our freedom, habits, and plans.”]
- *The hidden perils of unresolved grief* (September 10, 2020) Professors Charles Dhanaraj & George Kohlrieser, McKinsey & Co.
- *Your organization is grieving—here’s how you can help* (September 17, 2020) Aaron de Smet, McKinsey & Co. [“Responsive leaders need to bring the mourning process forward in their organizational culture—and in their own leadership approach.”]

– Linda J. Rosenthal, J.D., FPLG Information & Research Director