



Unemployment rate

THE GREAT RESIGNATION: WHO OPENED THE FLOOD GATES?

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If you've been following the news lately, you've probably heard about the alarming rate of employee resignations from the workforce. This is creating a domino effect of back orders, slowed deliveries and many other inconveniences. There are so many questions floating around about "The Great Resignation" or "The Grand Exodus", as some call it. Is it the perfect storm? Is it bigger than we can handle? How will this impact businesses? All of which are questions that many employers have been asking themselves for the past 18+ months.

Research suggests that "The Great Resignation", a phrase coined by Anthony Klotz, Organizational Psychologist at Texas A&M University, has been in the works for many years. Although in the works for years, the global pandemic provided dissatisfied employees a moment to reflect on their careers/jobs. Given this opportunity, many individuals re-evaluated their lives, resulting in their decisions to exit the workforce to refocus and reprioritize personal and family affairs. Employers began feeling the pinch prior to the pandemic, from high employee turnover, increased demands on wages and requests for benefits to be offered or increased. The impact is felt now more than ever, nationally and globally.

How bad is it, you ask? Many business owners are in a panic and are struggling to meet high demands to keep customers satisfied. In many ways, they are justified in their concerns, as recent studies have shown that 41% of employees are still considering leaving their jobs. About 28% of working Americans plan to seek a new employment within the next year. This is roughly 1 in 4 people who plan to move on within the year; imagine about 4 out of 10 of your colleagues leaving their jobs relatively soon.

The number of employees who are resigning from their jobs is at a 20-year high and the U.S. Department of Labor indicates that there are currently approximately 10.1 million job openings with 8.7



million unemployed individuals. A poll conducted by Restaurant Business indicated that many employees are leaving or left for the following reasons, in order:

- Low pay
- Desire for a new career
- Lack of benefits
- Difficult customers
- Rigid schedules/long hours
- Risk of COVID Exposure



While all businesses have been hit quite hard, small businesses, the backbone of the economy, are still trying to pivot.

Larger businesses have to the bandwidth to absorb some of the increased costs associated with wages, benefits, perks, logistics delays etc. Price increases are generally more accepted in larger industries than small and medium business enterprises. When you cannot raise your prices like in many small businesses but must absorb increasing wages, benefits costs and perks, the profit margins in some cases are almost wiped out. Here's where creativity for small to medium business enterprise tends to shine.

The ability that small to medium businesses have to move quickly is key. The ongoing agility to flex schedules, job share, remote work, role shift, engagement programs, think tank teams, referral bonuses and other creative solutions are popping up from those businesses. This kind of agility does not totally absorb the costs associated with this pandemic shift against the inability to raise prices like their larger peers but has helped to lessen the financial burden for some.

Every industry has felt the effects of the mass exodus but it has greatly impacted the hospitality and healthcare industries the greatest. It is noted that out of the many who were polled, some indicated that they would reconsider their plans to resign if employers are willing to address areas of dissatisfaction; which is a silver lining to repairing the bigger issues at hand.

Most recent numbers released by the U.S. Bureau of Labor Statistics showed that the number of Americans who became employed in November 2021 rose by 210,000, which is lower than most economist anticipated. The good news though, is that the unemployment rate decreased from 4.6% to 4.2%, from the previous month. Experts still suggest that we have a long way to go and that this is not a dent in repairing the effects of the pandemic on the economy and businesses but the decrease in unemployment rate is promising.

What can employers do to slow down the exodus while maintaining and gaining employees? One key component is to analyze your workforce to determine what has happened to your business and staff. Is there a pattern with employees who resigned and sought other employment? Are they leaving for better pay? Is the reason for their departure simply work schedule-related or is it the workload asked to be performed during the day? These are all great questions to ask yourself as an employer or manager. It is essential not to assume the answers to any of these questions. Engage with your employees, ask for anonymous feedback (as scary as it may seem), but be prepared to have a plan. Statistics may begin



show different areas of concern from the salary standpoint, hours or the lack of engagement. All of these or one of these maybe the reason for an employee resigning but consider what employers can do to help employees stay?

Employers must rethink the functionality of the workplace and the hiring process. In many studies about employee retention or the enticement of employees to join, it was mentioned that the employer should consider remote work and flexible schedules, time and time again. Some studies also showed that changing hourly employees to salaried employees assisted in employee retention. Other areas that employers should consider in employee retention is developing or using existing Employee Recognition Programs. Recognition programs shows employees that they are essential, which has shown to help preserve or increase work-related satisfaction.

IDEAS

1. Job promotion
2. More job responsibility
3. Job enrichment
4. Job security
5. Employee empowerment
6. Parking space
7. Achievement trophy or medal
8. Internal career development
9. Thank you awards
10. Achievement certificate
11. Flexible work hours and locations
12. New office space
13. Days off
14. Employee ambassador role
15. Financial reward
16. Lunch with manager or CEO

EMPLOYEE RECOGNITION PROGRAM BENEFITS AND IDEAS

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BENEFITS

1. Drives engagement
2. Boosts productivity
3. lowers turnover
4. Increase ownership
5. Boosts customer satisfaction
6. Improves employee health
7. Improves company culture



SOURCE: SEMOSCLOUD.COM

This chart, created by CareerCliff.com, exhibits many benefits of employee recognition programs.

Here at Kingtree, we pivoted our Bridge program, which was designed specifically for predictive analytics for case acuity has been a treasure trove for pivoting around covid. Kingtree has been able to track cases, assist in vaccine adoption programs, begin to design new disaster models, and look more deeply into the existing data for trend analysis.

Kingtree, like other small to medium businesses, took a hard look at our talent and rethought skill sets, new positions, lateral and upward moves. We at Kingtree took the opportunity presented to us with the great exodus and COVID to move both our talent and technology through a whole new digital transformation that is opening doors to other services, a light shining where one was not before.

Is this “Great Exodus” a difficult process to navigate? NO doubt it is, but if you can allow yourself to shift the lens, and look in other directions, learn from your peers and those larger and those smaller than you, solutions are possible. Although it may be painful in the short run, in the long run there is potential for dividends.

