Editorial: The great resignation: managing people in a post COVID-19 pandemic world

We cannot tune into the media and not be bombarded with stories about the "great resignation." The phrase was first used by Anthony Klotz, a professor at University College London, who predicted a large wave of resignation following the COVID-19 pandemic. Many academics and commentators seized on this catchy phrase to make claims about employees "taking back" their lives citing high burnout rates, a desire for better work/life balance and toxic work environments (Needelman, 2022; Smith, 2022a; Sull *et al.*, 2022). The great resignation has also led to the other catch phrases such as "quiet quitting" and "quiet firing" reflecting employees withdrawing their extra role behaviors and employers piling on unpleasant and unrewarding work (Harter, 2022; Miller, 2022).

However, what is the reality behind these popular concepts. Certainly, the labor market in major industrialized economies (e.g. Australia, Canada, the EU and the USA) is reporting one of the lowest unemployment rates in recent decades. This tightening of the labor market has been brought on by a sustained period of economic growth, a mismatch of skills required by the new economy, and an unexpected labor shortage created by the COVID-19 pandemic. At the same time, employees are reporting increasing work/life conflict emanating from increased pressure at work, rising work hours and greater work induced stress. When employees become cynical, resignations can become contagious, as employees influence each other to collectively quit (Brown *et al.*, 2022; Klotz, 2022). Therefore, it should come as no surprise that the great resignation and associated phrases resonated with individual workers and employers alike.

In this editorial to our provocation special section, we unpack the drivers of the labor market shortage and offer some general observations of relevance to the discourse on the great resignation. The aim here is not to prove or disprove whether the great resignation is real, but rather to understand the factors that contribute to the post-COVID-19 pandemic labor shortages facing employers and organizations. We also identify developing trends brought on by the COVID-19 pandemic and how it affects the world of work and suggest some key areas for further research in human resource management.

In the USA (where the phrase "great resignation" emanated from), economists frequently turn to the Bureau of Labor Statistics to capture labor turnover and unemployment rates. It is important to note that employee turnover or separations can be categorized as voluntary (i.e. employees quitting) and involuntary (i.e. employer initiated layoffs and terminations). In this instance, it would only be accurate to describe employees who quit their jobs voluntarily as a part of the great resignation. We begin by first enumerating some macro level trends that affect the labor market, which also contribute to our discussion of the great resignation. We note that the factors influencing the great resignation and a tightening labor market are not independent of each other.

COVID-19 Pandemic – Despite media reports, factors such as increasing workplace demands, employee dissatisfaction and a quest for better control of individual work lives have always been associated with turnover intentions. However, economics dictate that

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individuals do not resign from their jobs unless they have another opportunity available or if they have the financial resources to do so (e.g. older workers nearing retirement). Better paying jobs (and industries) also create higher opportunity costs for employees to leave. The COVID-19 pandemic may have in fact created the right conditions and impetus for workers to resign (Klotz, 2022). Enhanced unemployment insurance benefits during the COVID-19 pandemic, a fear of getting sick and greater demand for family and childcare may cause more workers to resign. Indeed, according to the US Bureau of Labor Statistics, workers in lower paying service (i.e. accommodation and food) and retail sectors reported greater "quit rates" than professional and business services following the COVID-19 pandemic (Gittleman, 2022). Furthermore, workers who quit in large numbers tended to be younger, lesser educated, and are concentrated in retail, leisure and hospitality, and accommodation and food services sectors (Hobijn, 2022). Most were either rehired or moved on to other sectors as the COVID-19 induced economic downturn recovered. In short, the great resignation may simply reflect seasonal employment fluctuations we normally find in highly volatile sectors.

Shifting economy – another factor that plays a role in the great resignation is the shifting nature of the global economy. We are now firmly entrenched in the fourth industrial revolution which is characterized by artificial intelligence, automation, blockchains, cloud computing and machine learning. These developments are also changing the way we work, the work we perform and where we are working. As a result, many workers report greater job insecurity, particularly for those who feel most at risk of automation (Gurchiek, 2021; Rainie and Anderson, 2017). This structural shift in the economy also requires new competencies such as functional and soft skills, leadership, digital literacy and language capabilities (Lu, 2019). The COVID-19 pandemic helped accelerate automation and the adoption of telework which gave rise to a digital or remote economy (Ng and Lam, 2021). Many workers report a strong desire to retool and upskill in order to remain competitive in a rapidly changing labor market (PWC, 2021). The COVID-19 pandemic may have pushed many to acquire new skills or retrain for new careers (Deschamps, 2021; Strack *et al.*, 2021). Indeed, there have been reports of workers who resigned during the pandemic to retrain in the search of more secure economic opportunities and/or switch careers altogether. It is worth mentioning that these upskilling and retraining periods also take workers away from the labor market, contributing to short-term labor market shortages.

Aging workforce – David Foot, a noted demographer, famously said that demographics explain two-thirds of everything. In this respect, a major driver of labor market conditions (supply/demand) is the age demographic composition of the labor force. The median working age for the global workforce has risen steadily from 33.8 years in 1990 to 38.9 years in 2019 and it a projected to rise to 39.6 years by 2025 (Statistista, 2022). Major global economies such as China, the EU and the USA are simultaneously reporting lower labor force participation rates. This is mostly attributed to a large cohort of workers approaching retirement age (i.e. those in the 55–64 years age group) (Burke and Ng, 2006). Older workers do report lower labor market participation (78.0% for those between 25–64 years vs. 60.8% for those in the 55–64 across OECD countries, OECD, 2021a, b) – either because they are slowing down (working less hours) or retiring early. Workers in industrialized nations report earlier retirements than the normal retirement age in their respective countries (OECD, 2020), on account of greater financial security (Wylesol, 2021). Further, baby boomers (those born between 1946 and 1964) who delayed their retirement in earlier years are also now leaving the labor market altogether (Fry, 2020).

In this provocative special issue on the great resignation, we curated four papers that explore different aspects of the great resignation debate. The first paper by Abigail Marks challenges the concept of the great resignation. Drawing on labor market data from the UK, Marks questions whether the great resignation is a phenomenon in countries other than the USA by examining the UK evidence. She argues that the restructuring of the labor market is part of a wider neoliberal agenda. Marks also examines the role of social media on the dissemination of academic knowledge and the dangers of the "viral academy" where traditional peer review is absent and popular ideas and catch phrases can easily become truths.

The second paper by Chris Rowley examines international evidence beyond the USA and the UK and considers the experience of India and Singapore. Rowley argues that rather than a great resignation we should reframe the narrative as the great renewal and the great resilience and a chance to "build back better." For Rowley, there are opportunities in new forms of working for employees and advantages and disadvantages for organizations. Rowley also highlights the macro context that influence business decisions including demographics, changes in work ethic and a global decline in hours of work.

In the third paper, Matthias Spitzmuller and colleagues accept the concept of the great resignation and also identify opportunities and challenges emerging from the COVID-19 pandemic. They look within organizations and focus on the importance of teams in creating a sense of identity and belonging in the workplace to encourage retention in the context of increased hybrid and virtual working arrangements. They identify five dimensions of team interdependence which can influence this sense of belonging. These include, horizontal, vertical, outcome, spatial and temporal interdependence and provide a different lens through which to view the employee experience.

Finally, Leigh Anne Liu reminds us that in these debates we forget that there are culturally different cognitive styles between western analytic thinking with its separation of work and life and eastern holistic thinking where such boundaries are less clear. Drawing on insights from social anthropology, Liu also identifies the importance of space and time in working lives. She argues that we have been provided with an opportunity to reframe life and work conditions to emphasis the holistic well-being of individuals as well as creating sustainable solutions for organizations.

We hope that these four papers provoke further discussion and create new insights.

Further research in a post COVID-19 world

We identify four key areas for further development of human resource management research in a post COVID-19 work world.

First, the impact of where we work. After public health officials declared COVID-19 a pandemic and imposed lockdowns, employers responded very rapidly by sending employees to work from home. Many workers with no experience with telework adapted with quickly with little difficulties (Carillo *et al.*, 2021). Early accounts of telework reported minimal loss in work efficiency, quality of work and job satisfaction (Criscuolo *et al.*, 2021; Ng and Lam, 2021). The cost of information and communication technology (ICT) investments continues to decline, and employees adopted their use relatively easily. These developments have fundamentally changed how organizations and employees engage with work, and where they work. Face-to-face interactions will continue, particularly for high touch service sectors, but some employees are less willing to return to work in person (Ng and Lam, 2021). Employees save in cost of work (e.g. transit and meals), commute times and have better control over their work environment. Many employers, including Twitter and Reddit, faced with a tight labor market and the threat of mass resignations are acquiescing to either fully implementing telework or offering hybrid work arrangements (Smith, 2022b). Distributed teams and telework also suggest a need for better knowledge management (Serenko, 2022). Although ICT (e.g. video conferencing) has many limitations, its use in facilitating telework and virtual meetings will be a permanent component of organizational functioning. These developments have a disruptive impact on traditional human resource management practices, for example in performance management and appraisal, training and development, as well as workplace health and safety. Organizations may have to respond with more strategic human resource management practices that foster greater employee resilience and well-being (Cai *et al.*, 2022). Furthermore, with a recession on the horizon, there is heightened risk that people working from home could be vulnerable to redundancies.

Second, when we work. The debates on the merits of a four-day workweek are not new. Prior to the COVID-19 pandemic, Microsoft Japan allowed employees to work a four-day workweek, without a corresponding increase in hours worked or decrease in pay. The results were lauded and welcomed, as Microsoft reported a 40% increase in productivity among other cost savings (Collie, 2019). In the UK, a large scale four-day workweek trial involving 71 employers and over 3,000 employees reported no loss in productivity and some promising gains (Gross, 2022). Employees are better rested, have more time for family and hobby pursuits, and recharge. This is beneficial to employee well-being and workplace productivity. However, there is also a suggestion that employees are not resting or pursuing leisurely activities on their days off (see Fang *et al.*, 2018), and instead take on additional paid employment, negating the benefits of a four-day workweek. Notwithstanding, the great resignation and the desire for greater work/life balance have re-energized discussions of a four-day workweek. It is anticipated that the four-day workweek will be more prevalent in a post-COVID-19 pandemic work environment. These developments have enormous implications for human resource management, particularly in promoting employee wellbeing and ensuring more productive work outcomes.

Third, the work we perform. Many firms accelerated their investments in automation and the use of AI, as COVID-19 lockdowns demanded social distancing and limited physical contacts. For example, grocery giant Sobeys use robots and AI to sort, stock, pack and route online grocery orders (Drolet and Razavi, 2021). Jobs requiring little human interactions are disappearing. Even the real estate industry is using virtual reality technology to conduct real estate showings and tours (Mitham, 2022). It should be noted that high human capital work is also at risk of automation. Creative work production, such as songwriting, can be substituted with machine learning and AI. Despite massive gains, however, robots and AI are not yet able to perform work that involves human emotions such as social work and first-responders, leadership and management roles, and as well as labor intensive work requiring customizations such as construction work. As the knowledge that we inhabit become obsolete with rapidly changing environments, there is greater need to return to functional, leadership and soft skills that are not easily replicated. While the COVID-19 pandemic and great resignation were not the drivers of a shift in the work we perform, it certainly expedited automation and the adoption of AI at a large scale, shifting work from humans to technology. Existing human resource management policies and practices are also impacted in that the rapidity of these developments challenge much of the logic and assumptions behind strategic human resource management thinking and long-term workforce planning. Our human resource management systems need to be much more agile and responsive in order to achieve equitable treatment of workers and ensuring quality work and decent wages.

Finally, the importance of collective agency. Much of the commentary on the great resignation assumes that workers make individual choices of whether to stay or go. However, workers also act collectively and there is great potential for research on the impact of trade union membership and shifts in workplace power. In the USA, Kaplan (2022) points to the organizing wave across retailers including Starbucks and Amazon and argues that the culture of work has changed as workers demand higher wages and better work conditions. In the same vein, Green (2022) argues that the great resignation should really be called “the great worker rethinking” as workers see through the neoliberal agenda that has created job insecurity, low wages and deteriorating working conditions. He argues that unions have a key role in sustaining workers in the future. It could be that employers also recognize the important role that unions can play in the workplace. Detert (2002) further identifies the existence of organizational silence and claims that the great resignation and quiet quitting have a common cause. Reflecting a phenomenon well known in the voice literature, he argues that workers become dissatisfied if they feel that they cannot speak up in the workplace. Human resource management practitioners are often at the forefront of worker engagement strategies. It is possible that in a time of acute labor shortages employers might understand the value of formal employee voice mechanisms involving unions in order to include participation in decision making which can lead to increased employee engagement. Employers might be encouraged to adopt more pluralistic approaches to industrial relations in which human resource management practitioners play a key role.

The COVID-19 pandemic has created a new normal requiring organizations and employers to build greater resilience and agility. As scholars and researchers, we need to identify new and innovative human resource management practices that can re-engage employees in new work forms, motivate distributed workers and build new organizational structures to allow for greater worker voice and empowerment. Employees will need to reskill or upskill for new economy jobs, engage in continuous learning and become comfortable with new technology to improve their employability. And finally, employers should monitor the megatrends – pandemic disruptions, acceleration of automation, reducing ICT costs and shifting skills requirement – in preparing themselves and their workers for the future of work, when the future is unpredictable.

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