

WHITEPAPER

THE MANAGER MELTDOWN



PART TWO

THE GREAT RESIGNATION:
Who is quitting, and why



Actalent



Businesses can't grow without their people — and the reality is, people won't stay if they feel overwhelmed, overworked, and undervalued. The scarcity cycle is real — and the first step toward breaking it is knowing what your people need —and finding ways to provide it.” **ERIC GREGG, CEO, CLEARLYRATED**

The Manager Meltdown

46.5 million. That's the total number of voluntary jobs quits over 12 months ending November 2021.¹ According to the U.S. Bureau of Labor Statistics, November 2021 holds the record for largest number of quits in a single month ever at 4.5 million.

Referred to as the "Great Resignation" or "Big Quit," statistics like these aren't just alarming to think about, they're stifling to maneuver through. Particularly when considered alongside record low labor participation rates (61.8% in November 2021) and record high job postings (10.6 million in November 2021). There are simply not enough people to fill open positions. In fact, our most recent [U.S. Economy and Labor Market Brief](#) indicated there are just **0.14 people available to fill every open position in engineering and sciences.**

Businesses cannot afford to lose employees — not only because there isn't enough talent to replace them, but also because of the spiraling effect on those who remain — at least, for now.

¹This number does not represent unique quits.

>>> The Employment Gap in Engineering & Science: Postings vs Unemployment



6x
In October 2021, openings were **6x greater** than the number of available talent


For every **open position**, there is **1/7 of an available worker** to fill it.

Because it gets worse...

The quitting spree is far from over. According to Bankrate's August 2021 Job Seeker Survey, roughly half of the American workforce say they are somewhat or very likely to look for a new job in the next year. Visier, a talent and workforce analytics company, asked the same questions you're probably asking:



Who is quitting?



Why are they quitting?



Are the quits specific to an industry?



Are the quits specific to a function or level of expertise?

To get answers to these questions, Visier conducted an analysis of more than 9 million employee records from more than 4,000 companies from a wide variety of industries with an eye toward roles and experience.

Here's what they found:



Resignations are highest in healthcare and technology.

Between 2020 and 2021, resignations in the healthcare industry increased by 3.6 percent; resignations in the technology industry increased 4.5 percent. And the quitting spree doesn't appear to be slowing down. TalentLMS, a learning management system, revealed 72 percent of U.S. tech employees are thinking of quitting their job within the next 12 months.



Resignations are highest among mid-career employees.

While employee turnover is typically highest among 20- to 25-year-olds, Visier's study found that resignations decreased for this population, as well as those aged 60-70, between 2020 and 2021. However, resignations increased more than 20 percent for workers aged 30 to 45.



The people expected to maneuver companies through the talent shortage are the same people who are **quitting**: the managers, the technical leaders, the go-to's, the mentors, the ones with experience and knowledge and know-how. **And that's a very big problem.**

At Actalent, we've kept a close eye on trends in the marketplace over the years — job growth projections, job skills shortages, what causes people to stay at a job and what causes them to leave it. We take what we learn and adapt to provide even greater value to both our consultants and our clients. Here's what we've learned:

There is a talent drought in engineering and sciences, which means it's even more difficult for businesses to find and retain employees with critical skill sets. **Engaging employees to retain them has never been more important.**

And engagement is largely a manager-driven endeavor. Our recent research revealed that managers are the linchpin to a successful employee experience. In fact, of the top ten factors engineers identified as most important to their satisfaction and engagement, **eight are manager-driven.**

- 1 Managers care about career
- 2 Recognition for work
- 3 Opportunities for growth and advancement
- 4 Job security
- 5 Clear communication about what is expected
- 6 Clear communication about performance
- 7 Ideas are taken seriously
- 8 Gaining broad spectrum of skills
- 9 Transparent communication about job and company
- 10 Company is stable

Except managers are feeling increasingly burned out. What started out as a scarcity of talent, morphs into scarcity of time. Responsibilities mount and spread with less people to do the work. Managers cannot effectively manage technical details, project details, and employee performance. Not to mention the myriad of crises managers are addressing:

Increased workloads

Product or supply chain shortages

Social justice and equity imperatives

Turnover management

Health and safety protocols

Vaccination requirements/testing protocols

Flex-remote work management

Compensation and benefit reconsiderations

Mental health challenges

Digitalization/automation planning



Without an end in sight, it becomes easy to prioritize efficiency over effectiveness, which results in short-term solutions, poor decision-making, overlooked opportunities, increased costs, and less pride in work.

The result is a vicious, deepening cycle of scarcity that ultimately affects performance and productivity at every level. Scarcity of any type — time, food, money — causes “tunneling,” according to authors Sendhil Mullainathan, a Harvard economist, and Eldar Shafir, a psychologist at Princeton. In their book, *Scarcity* (2013), they argue that tunneling is the result of an “emergency of the moment” mindset that causes our cognitive capacity, particularly our capacity for problem-solving, to diminish. This results in people, “borrowing time by postponing projects that are tomorrow’s emergency, not today’s.” In other words, it’s difficult to grow, expand, produce when there is always a fire to extinguish.



And that causes our managers to meltdown. In their minds, there are two options: work even harder (only to fail), or leave.

But we propose another option — one that can end the cycle, even prevent it in the first place.

Moving from a Cycle of Scarcity to a Cycle of Engagement

Recently, Actalent conducted a survey of engineers to find out what factors they considered most important to their satisfaction and engagement at work, and how well their current employers performed in delivering these factors.

Here’s what we learned:

While engineers were the target audience of the survey, the factors they identified were not engineering specific. Mostly, and not surprisingly, they were relational-driven — indicating a desire to feel supported, cared for, invested in and known.

The factors identified as **most** important to engagement and satisfaction were the ones showing the largest gap compared to what respondents experienced in their job.

Most of the engagement and satisfaction factors were manager driven. Meaning, we expect our managers to ensure our employees are engaged, which will increase performance, productivity, and retention. Engagement prevents the cycle of scarcity.



Combined with record low labor force participation rates, and the record high number of people quitting jobs, managers are under a tremendous amount of pressure to figure out how to get it all done. The result of this continuous cycle of overworked and overwhelmed leaves many managers unable to lead their teams well, which contributes to more employees quitting.

JASON DEKOSTER, Director of Strategic Development, Actalent

If managers are critical to employee engagement, then companies must also prioritize the engagement of their managers.

A cycle of engagement will dismantle a cycle of scarcity.

If you're a Harry Potter fan, it's a lot like the Harry versus Voldemort prophecy: Neither can live while the other survives.

Providing time, skill development, trust, autonomy, care, and support to our managers, enables them to provide time, skill development, autonomy, care, and support to our employees. That is full-circle engagement in a workplace.

It's how you build meaningful relationships, encourage productive contributions, and foster innovative and life-changing work. Engaged employees don't just show up. Engaged employees **make things happen**.

Because scarcity can't survive where engagement exists.

So, how do we build and strengthen the cycle of engagement? How do we stop spending our efforts putting out external fires and focus them instead on lighting fires from within?

If you missed Part I of the fire series, you can access it here: [First Come Droughts, Then Come Fires](#)

 Stay tuned for Part III of the Fire Series.

Minding the Engagement Gap

Below is a visual representation of the factors engineers identified as most important to satisfaction and engagement and the extent to which they receive it. **Red** dots indicate a gap between what they want and what they receive — the larger the dot, the bigger the gap. **Blue** dots indicate factors they want and are receiving.

Engaged:

-  MANAGERS CARE ABOUT YOUR CAREER
-  RECOGNITION FOR YOUR WORK
-  GAINING A BROAD SPECTRUM OF SKILLS
-  GAINING MARKETABLE SKILLS
-  BUSINESS PRACTICES ALIGN WITH PERSONAL VALUES

Satisfied:

-  TRANSPARENT COMMUNICATION ABOUT JOB AND COMPANY
-  OPPORTUNITIES FOR GROWTH AND ADVANCEMENT
-  CLEAR COMMUNICATION ABOUT WHAT IS EXPECTED
-  JOB SECURITY
-  CLEAR COMMUNICATION ABOUT PERFORMANCE
-  YOUR IDEAS ARE TAKEN SERIOUSLY
-  COMPANY IS STABLE



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