

Hindsight is 2020: identifying missed leadership opportunities to reduce employee turnover intention amid the COVID-19 shutdown

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Abstract

Purpose – *The purpose of this paper is to highlight how organizational leaders influenced the high 2021 turnover rates amid the COVID-19 shutdown.*

Design/methodology/approach – *This paper explores several factors that contributed to employee turnover intention before the pandemic and how unresolved leadership behaviors and toxic organizational cultures exacerbated circumstances that led to what is now known as The Great Resignation of 2021.*

Findings – *This paper suggests that while the pandemic shutdown temporarily paused employee turnover, organizational leaders missed an opportunity to retain their employees by not recognizing and changing factors that led to pre-existing employee turnover intention.*

Originality/value – *This paper explores solutions to help leaders support and retain current and future employees as the pandemic continues and in the event of future crises. It offers recommendations for leadership development support to help strengthen leaders in their highly complex roles.*

Keywords *Human resource management, Coaching, Leadership, Strategy, Talent management, Culture*

Paper type *Conceptual paper*

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Times of uncertainty typically leave employees reluctant to quit their jobs (Clark, 2021; Buchko, 2017). However, the high turnover rates of 2021 proved to be as unprecedented as the COVID-19 pandemic. According to the US Bureau of Labor Statistics (BLS), four million employees quit their jobs in April 2021, resulting in a series high across most industries. For this discussion, employee turnover refers to “voluntary separation initiated by the employee” (BLS, 2021), and employee turnover intention refers to an employee’s consideration of voluntary resignation.

Extensive literature identifies contributing factors of high employee turnover, including the physical and mental impact of the COVID-19 pandemic (Xiao *et al.*, 2021; Almeida *et al.*, 2020). A 2020 study commissioned by the Achievers Workforce Institute reported that more than half of the surveyed US employees planned to look for a new job in 2021, while others planned to quit their jobs outright (Maurer, 2021). Before the shutdown, approximately 3.5 million people quit their jobs monthly. By April 2020, amid the shutdown, turnover rates dropped to 1.9 million. One year later, hiring resumed and four million people quit their jobs, causing a turnover spike in the US workforce (BLS, 2018; Maurer, 2021).

This paper examines how leadership behaviors during the pandemic shutdown confirmed decisions to quit. It notes that while the shutdown temporarily paused employee turnover,

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organizational leaders missed an opportunity to recognize and address factors that led to pre-existing employee turnover intention. It also aims to identify leadership best practices that can support and retain current and future employees amid an organizational crisis.

Discussion

Given the drop in pre-pandemic employee turnover from approximately 3.5 million monthly to 1.9 million in April of 2020 at the onset of the pandemic (BLS, 2018), employees had nearly half a year during the shutdown to evaluate working conditions, provide feedback to leaders and weigh pros and cons before quitting. Although the pandemic caused physical and mental strain and stressful working conditions for leaders and their team, thoughtful leaders aware of employee turnover intention could have used the shutdown to acknowledge employee concerns and signals of dissatisfaction. Leaders could implement appropriate leadership actions to mediate the challenges their employees faced. This paper will discuss such options and retention measures.

Indicators of employee turnover intention

Research shows that employee job satisfaction and lack of employee work engagement are high predictors of employee turnover intention (Edwards-Dandridge *et al.*, 2020; Porath, 2014). Studies suggest a distinct link between job satisfaction and positive organizational performance (Chan and Huak, 2004; Mafini and Pooe, 2013; Latif *et al.*, 2013). Job satisfaction also links to high employee morale and lower turnover intention. It is influenced by positive variables such as justice in the work environment, employee recognition, work-life balance (Bakotic, 2016) and positive engagement with leadership and co-workers (Sreejith and Mathirajan, 2020).

Understanding job satisfaction variables identified as pre-pandemic issues for employees can help leaders assess employee work experiences and potential turnover intention.

Justice in the workplace

Justice in the workplace is an employee's fairness appraisal of job satisfaction indicators (Kruger and Rootman, 2010) by gauging how their treatment differs from their co-workers. Additionally, the outcomes of that treatment and the processes for which that treatment occurs are influential in an employee's interpretation of fairness. Treatment includes the distribution, procedures, interactions around compensation systems, employee evaluation and performance systems, organizational policies and procedures and others (Kruger and Rootman, 2010). As workplace justice during the pandemic was an employee turnover intention factor, the effects of the pandemic could have intensified these feelings.

Employee recognition

According to Brun and Dugas (2008), "organizational performance is determined by gaining intrinsic and extrinsic rewards" (p. 717). Employees who feel respected and appropriately recognized, believe their work is valuable. They are motivated toward professional development and express positive workplace mental health (Biron *et al.*, 2006).

A 2014 *Harvard Business Review* study suggests that *respect* is the most important leadership action that affects followers (Porath, 2014). Value stems from respect and demonstrates an outward expression of appreciation for follower contributions. Employees who felt respected experienced 89% greater enjoyment and satisfaction with their jobs and 92% greater focus (Porath, 2014). Additionally, employees who felt valued and appreciated by their leaders were more likely to exceed expectations (Porath, 2014) and remain loyal to the company.

Work environment

Work environments consist of the “social-psychological characteristics of a work setting” (Chan and Huak, 2004, p. 207). It includes characteristics such as engagement with leadership, co-workers, and direct supervisors, organizational policies, personal identity and other variables distinct to the workplace (Sreejith and Mathirajan, 2020; Chan and Huak, 2004). A common characteristic of negative work environments is workplace bullying (WPB) (Agervold and Mikkelsen, 2004). WPB involves any instance of abuse, intimidation, threatening or demoralizing behavior by leaders or co-workers (Falcone, 2020). Instances of workplace bullying rose during the pandemic as an attempt to exercise power and security (Falcone, 2020). Harmful elements of any toxic work environment can lead to physical and mental health outcomes such as anxiety, fatigue, depression, isolation, frustration, stress (Hauge *et al.*, 2010) and resignation.

Work-life balance

Before the COVID-19 pandemic, work-life balance was a significant concern in the workplace. Job demands had significant constraints on both family and social lives of working adults (Bianchi and Milkie, 2010; Lunau *et al.*, 2014) and caused adverse effects such as poor physical health, life dissatisfaction and psychological distress (Jang and Zippay, 2011). With 25% of employees citing work-life balance as their top reason to resign and 23% citing it as the main reason they would *stay* at a company (AWI, 2021), work-life balance has proven meaningful to employees. Though the pandemic offered extended remote work opportunities, the imbalance intensified and posed adverse effects and organizational challenges.

Work engagement

Another high predictor of employee turnover intention is work engagement (Edwards-Dandridge *et al.*, 2020). Work engagement is an employee's level of work commitment, energy and involvement in which they are *willing* to invest. It is also an “employee's positive and negative association with the job, other employees, and work” (Jaiswal *et al.*, 2017). A more positive connection to the work environment increases work engagement, whereas a negative connection can lower work engagement. Leaders aware of the variables associated with job satisfaction and work engagement can better identify and address factors that garner improvements in the employee work experience.

The leadership factor

Employees look to their leaders for reassurances during a crisis through guidance, communication, support and flexibility, vision, trust, and connection (Naude, 2012). Leaders hold the responsibility of leading courageously and fairly. A survey of employees who quit their jobs in 2021 revealed the pre-pandemic job satisfaction indicators mentioned in the previous section and pandemic-related factors such as remote work burnout and inaction fatigue contributed to resignations (AWI, 2021; Kane *et al.*, 2021).

Inaction fatigue is a job satisfaction indicator that increased during the pandemic shutdown. Employees surveyed by the Achievers Workforce Institute (2020) expressed that their organizations were not good at taking action based on employee feedback. Only 16% of organizations acted on the feedback received. Rather than continuing to believe that changes would occur, employees sought organizations that aligned with their values. Leadership action is essential to building trusting relationships, opening lines of communication and increasing employee retention. The following section suggests leadership strategies that address job satisfaction and workplace engagement indicators to aid in future retention efforts.

Justice in the workplace

Leaders can develop measures to ensure that employees experience fair treatment by establishing a checks and balances system or delegating unbiased team members to hold the leader accountable. Transparency helps employees understand the process for decision-making and ensures a consistent and sincere approach ([Colquitt et al., 2013](#)). Lastly, leaders need self-awareness to recognize how their actions or injustice might affect others. They must acknowledge mistakes and make necessary efforts to improve and remain consistently fair across the organization.

Employee recognition

Employees surveyed in the 2020 AWI report who felt unappreciated at work admitted that those feelings hindered their engagement. More than 60% of employees felt that their relationship with their leaders would improve with more recognition (AWI, 2020). Leaders can intentionally communicate appreciation by investing time in understanding the work and commitment required for teams to do their jobs. Leaders can also increase their awareness by implementing programs and initiatives that highlight the work of their teams.

Work environment

A significant factor in organizational success is culture (Warrick, 2017), and the primary influence in organizational culture is the leader. The COVID-19 shutdown provided a unique opportunity to reestablish organizational culture based on the new dynamics, working conditions, collaborations and isolation issues that the pandemic caused. Building, sustaining or changing culture requires that leaders work collaboratively and inclusively with employees to build a dynamic that increases job satisfaction and performance outcomes, builds trust and aligns with organizational strategies and cultural ideals (Warrick, 2017; [McManus and Mosca, 2015](#)).

Work-life balance

After more than two months of working from home during the pandemic, a significant number of employees expressed feelings of burnout ([Maurer, 2020](#)). More than half of the respondents of a Monster poll survey admitted to neglecting their earned paid time off despite feeling burnout ([Maurer, 2020](#)). They also admitted to working longer hours, skipping lunch breaks and bypassing sick days (when feeling sick) out of worry that their leaders would doubt their productivity ([Maurer, 2018](#)). Especially during a pandemic, leaders should take targeted measures to recognize the stressful environment, promote wellness strategies and encourage prioritizing their employee's well-being.

Leadership development

As demonstrated throughout this paper, passive leadership, unaddressed employee concerns and job satisfaction link to high employee turnover. Coaching and leadership development support within organizations are recommended to strengthen the capabilities of leaders, address their emotional well-being ([Kowalski and Loretto, 2017](#)) and position them to yield better results for employees and the organization ([Bakker and Demerouti, 2008](#)).

Often leaders are hired based on their skills and talent alone, leaving them underdeveloped in other specific and important leadership qualities. If leaders are developed or coached to recognize job satisfaction indicators, effectively address employee turnover, learn strategies for employee engagement and how to lead when cognitive and emotional resources are impaired ([Krauter, 2020](#)), the results are positive organizational outcomes, loyal and engaged employees and high employee retention.

Conclusion

Considering that most employees who quit in 2021 planned to do so before the pandemic and continued that action amid the pandemic indicates that pre-existing work concerns remained or heightened during the pandemic shutdown. Addressing job satisfaction indicators discussed in this paper could directly link to increased work engagement and retention. Leaders who remain vigilant and aware of these and other indicators can ignite positive organizational outcomes. The key is for leaders to act on social cues, organizational issues and feedback provided directly by their employees. Doing so helps to proactively foster positive and employee engagement and high-performing teams.

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Further reading

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