

Many believe that the young generation is not interested in working, with some calling them the Lazy Generation. The concept of the Great Resignation seems to corroborate this claim. Is this really true or are young people pickier about the quality of jobs and their prevailing conditions?



THE GREAT RESIGNATION

by Adrian Furnham

This is a relatively new concept. It has also been known as the **Big** or **Quiet Quit** or even the **Great Reshuffle**. It is associated with the idea that over the last five years, large numbers of people in Western countries have resigned from their jobs. It is a unique, sustained, and very worrying *mass exodus* of, typically, young people from their (mainly full-time) jobs. Some call it a *general strike*. It is primarily the Millennials and Generation Z who resign.

It has been particularly noticeable over the COVID-19 period and associated with poor national economic performance, with a simultaneous rise in the cost of living, wage stagnation and slow economic growth. The demographers suggest that it is mainly younger and less skilled workers in low-wage sectors such as education, healthcare, retail and service industries that are doing this, partly as a reaction to new working conditions dictated by changes in technology.

It is suggested that as many as 2/3 of young people in the workplace were looking for new jobs in the past 5 years.

Many have asserted that workers, particularly young people, are very dissatisfied at work through a combination of factors such as deskilling, poor career advancement, a hostile work environment (bosses, customers and peers), inflexible and often non-remote work requirements and policies, reduced benefits and overall disenchantment. In short, an unexpected and sizeable number of people have resigned from their jobs, though how many, and *why* remains debatable.

Certainly, the pandemic encouraged many people to re-evaluate their jobs. This was greatly influenced by remote working requirements, which found many debating their work-life balance. Everybody wants more money, flexibility and meaning in their jobs, as well as less stress, but these issues have recently come to a head.

There are, of course, questions of why this has occurred. Was it a short-term blip associated with other political and economic events (e.g. Brexit) or is it a trend? Were people in this period laid off in higher numbers, or was it because they quit their jobs? Has it simply petered out, or is there an underlying trend in areas where automation, AI and robotics deskilled jobs?

Is it primarily due to new technology, new working conditions, an economic downturn, or a major change in the attitudes to work? Has it led organisations to provide better working conditions to attract and keep their employees?

What it has done is highlight two psychological issues: what is a good (decent, fulfilling, stimulating) job? And second, are there important generation differences in attitudes to work?

DECENT WORK

Decent work has well-known psychological benefits. Decent work provides an opportunity for skill use and development, social contact and having a valued social position. It gives a sense of collective purpose, social status and money (Agency). Psychologists have long documented the psychological benefits of good work. Freud said there were only two basic requirements for happiness: *Lieben und Arbeit* (Love and Work).

In a review paper, Aitken et al (2023) describe the psychological benefits of work: *Time structure* (The degree to which individuals perceive their use of time to be structured and purposive); *Collective purpose* (The degree to which individuals perceive their lives to be purposeful in relation to a greater collective); *Social contact* (The degree to which individuals are socially engaged beyond their own family); *Social status* (The degree to which individuals perceive their social identity as higher or lower in relation to their employment status) and *Enforced activity* (The degree to which individuals are able to sustain regular activity as a function of their employment status).

This is not to deny the importance of a decent, living wage, but we have known for a long time about the psychological factors at work that lead to good jobs. There are clear benefits of all jobs, but better jobs have more of them.

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Work structures time. Work structures the day, the week and even longer periods. A predictable pattern of work, with well-planned “rhythms”, is what most people seek. If you are a morning person and choose to work in the morning, all the better. Even on holiday, people can discover the benefits of the regularity of activities that work brings. Shift work is often very problematic.

Work provides regularly shared experiences. Regular contact with co-workers provides an important source of social interaction. Often, it is a primary source of friends of

all types. Working with people of your own age and stage, values and passions is enormously satisfying. Likewise, being deprived of these social opportunities is significant.

Work provides the experience of creativity, mastery, and a sense of purpose. Work, even not particularly satisfying work, gives some sense of mastery or achievement. Creative activities stimulate people and provide a sense of satisfaction. Some jobs offer this more than others. The more you can learn, show your skills and make a contribution, the better.

Work is a source of personal status and identity. A person’s job is an important indicator of personal status in society. Particularly for men, who you are is what you do. Some jobs are clearly valued more than others in society. Decent work is better respected. Hence all the interest in job titles.

Non-work or bad work provides none of these benefits and indeed can be an additional source of stress. In short, people resign from bad jobs, not good ones.



INTRINSIC MOTIVATION

Psychologists have long distinguished between *extrinsic* and *intrinsic* motivation. The former is about pay and conditions, and the results are pretty clear. Pay people fairly, according to factors such as their skills, input, loyalty, and - if possible - above market rates. There are many sorts of constraints on people with respect to this: how much you can pay: what hours need to be worked.

But perhaps more importantly, there is *intrinsic* motivation. The work of psychologists was highlighted by Daniel Pink in his book *Drive*. The message is clear: carrot-and-stick motivation does not work anymore. Everyone has an innate drive to be autonomous, self-determined and yet connected to each other. Thus, organisations should concentrate on these drives when managing their staff by creating settings that focus on *our innate need to direct our own lives (autonomy)*, *to learn and create new things (mastery)*, and *to do better by ourselves and our world (purpose)*. People seek out and do not quit from intrinsically motivating jobs.

So, for decent fulfilling jobs, concentrate on three things:

1 Autonomy and Empowerment by providing employees with as much autonomy over some (or all) their work: In particular: *when they do it* (time of day/week); *how they do it* (techniques used) *whom they do it with* (team); *what they do* (task). One could add to this *Where they do it*: (home/workplace). Of course, many of these are not in the gift of the employer. The nature of the work often constrains this. Indeed, if the majority of great resignation jobs are considered, it is apparent that they do not afford much opportunity for autonomy.

2 Mastery and Competence which allow employees to become better at something that matters to them. This is about giving people tasks where they can increase their skills and competencies. It is always motivating to have particularly interesting challenges that lead to increased expertise. To do what you like and what you are good at is fundamentally motivating. Next, foster an environment of learning and development, where employees have clear stretch goals, with immediate feedback.

3 Purpose and Mission which is about “believing in the cause”: the idea that people want to believe they are working for a greater good. It means taking steps to fulfil employees’ natural desire to contribute to a cause greater and more enduring than themselves. People who understand the



purpose and vision of their organisation and how their individual roles contribute to this purpose are more likely to be satisfied in their work. It means placing equal emphasis on purpose maximisation as opposed to profit maximisation. So, the advice is to use purpose-oriented words – talk about the organisation as a united team by using words such as “us” and “we”, this will inspire employees to talk about the organisation in the same way and feel a part of the greater cause.

The moral of the story is people might be drawn to the publicized (or believed) extrinsic job benefits but it does not ensure they stay; employers often have as much control over intrinsic as opposed to extrinsic factors. Interestingly there is some evidence that young people are more sensitive to intrinsic factors compared to older people, which in part explains the Great Resignation.

GENERATIONAL DIFFERENCES

Another issue relevant to the Great Resignation and still much discussed is the issue of generational difference. Some have implied that, quite simply, many young people have lost their work ethic. It has been asserted that “the modern generation” are not interested in traditional jobs and working their way up, as their parents might have done.

Some have asked what attracts young people to jobs: “sexy brands”, autonomy more than money, playing to their

particular skills and values, flat, rather than tall organisations. More importantly, the stated values and mission of the organisation.

Talk about generations is everywhere and particularly so in organisational science and practice. Recognizing and exploring the ubiquity of generations is important. It is very difficult to do research to answer this question as one needs comparable data which is very difficult to acquire. However, comprehensive studies have been done and they come essentially to the same conclusion that there is *no truth in the assertion that “the modern generation” has lost the work ethic.*

In an impressive analysis ten years ago, Costanza et al. (2012) showed that any changes in work-related attitudes were not the result of generation differences. They concluded that *“The pattern of results indicates that the relationships between generational membership and work-related outcomes are moderate to small, essentially zero in many cases”* and that *“...differences that appear to exist are likely attributable to factors other than generational membership.”*

Most interestingly, they argued that the commonly advanced generational explanation of work attitudes neglects two alternative explanations, both of which explain work motivation better than cohort membership and thus alleged generations. *The Life Course Hypothesis* suggests work first becomes more important to individuals

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(until approximately age 40) and then less so, irrespective of birth cohort or period. Middle-aged people are less interested in work, which gives rise to the erroneous view *“that later-born generations are work-averse as a generation when in reality, younger individuals have never assigned as much importance to work as those who are middle-aged, which is an age effect.”*

The Historical Hypothesis is that the historical period during which a measurement takes place explains work motivation irrespective of an individual's age and birth cohort. People become work averse over time, which is a period effect related to the passing of historical time, not a cohort effect. “However, because later-born cohorts have been asked later in historical time, the mistaken impression arises that later-born cohorts are work averse as a generation when in reality everyone who is asked later in historical time is less inclined to consider work important.”

Another excellent study explored and “bust” ten common myths about the science and practice of generations and generational differences. Zabel et al. (2017) debunked 10 myths.

MYTH #4: *Generations are easy to study.* They note that the conceptualization of generations as the intersection of age and period makes them impossible to study. There exists no research design that can disentangle age, period, and cohort effects.



Artificially grouping ages into “generations” does nothing to solve the confounding of age, period, and cohort effects.

MYTH #8: *Generations explain the changing nature of work (and society).*

Generations give a convenient “wrapper” to the complexities of age and aging in dynamic environments. It is more rational and defensible to suggest that individuals’ age, life stage, social context, and historical period intersect across the lifespan.

MYTH #10: *Talking about generations is far from benign as it promotes the spread of generationalism, which can be considered “modern ageism.”* They argue that generationalism is defined by sanctioned ambivalence and socially acceptable prejudice toward people of particular ages. The use of generations to inform differential practices and policies in organisations poses a great risk to age inclusivity, and the legal standing, of workplaces.

The research, as always, highlights that things are more complicated than most people think. Trying to explain the Great Resignation by the Generation Difference hypothesis is essentially simplistic and misleading.

DEBUNKING THE GEN-MYTH

The Great Resignation has stimulated, as expected, a lot of recent research on worker preferences. The question is simple: are there consistent and important temporal differences in the factors that influence job choice, motivation and retention? In an important research paper by McKinsey consultants, De Smet et al. (2023) reported on two



large surveys, one of 13,386 and one of 16,246 international workers. Their top-line conclusion was:

“Among those who plan to leave their jobs, the main reasons are the same across age groups: inadequate compensation, lack of career development and advancement, and uncaring leadership. What’s more, the top reasons for leaving their previous jobs are the same for both younger and older workers, and are the same reasons different age groups gave for why they might leave their current jobs. These results suggest that many organizations still struggle to address the same issues that their employees care most about: fair and adequate compensation, career development, and caring leaders.

They did find some nuanced findings: The Gen Zers, compared to older employers, placed more emphasis on career development and advancement potential, and less on compensation. Both groups placed importance on work flexibility, but for different reasons (the young for social reasons, the older for family reasons).

What their report does is address management issues today, and how generation-based research suggests how organisations can do better through staff recruitment, management and hence retention. The focus on better management will prevent demotivation leading to the Great Resignation.

CONCLUSION

Talk about and interest in the Great Resignation has led to a renewed focus on what is good (decent, motivating) work, as well as age and generational differences in work preferences. There is little new in our understanding of the features of a good job for all people. We know how to describe and therefore design good jobs although we

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accept there are many constraints on employers always to provide them. People will always choose decent work and try to avoid dead-end, badly paid, menial jobs.

There is however some evidence of, albeit small, differences, in particular job features which are explicable in terms of different factors like age and life stage.

What the debate has done most beneficially is to focus on how to manage people of all ages. It has shown changes in the workplace as a function mainly of the Covid crisis and technology have highlighted the factors that are associated with good management. Rather than scapegoat any group, we need to refocus on how to manage all people in a rapidly changing work environment. 

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