



## A STUDY ON WHY PEOPLE CONTINUE TO QUIT THEIR JOB

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### Abstract

High employee churn is a huge challenge for any business, irrespective of its size or the industry within which it operates. Companies lose \$1 trillion in productivity yearly due to voluntary turnover. But what exactly causes employees to quit their jobs? It's no secret that not every employee is happy in their job. While some would be working in their dream jobs at their dream companies, others may want to take a break, relocate to another part of the country, move to a new one, or leave altogether. Employee attrition is one of the greatest issues plaguing organisations today. The news media is offering a variety of reasons for why employees leave, chief among them being that remote work has created more opportunity for the digital nomad. People no longer have to move to somewhere they cannot afford or do not like in order to access the best, highest paying jobs. But the best reason is that during a global pandemic, when people likely feel more disempowered than ever before, what could be more empowering than deciding where you work? What could be more empowering than choosing the best possible (virtual) environment for where you will spend the majority of your time?

**Keywords-** challenges, virtual, Environment, employee turnover, retention.

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*"One of the most pervasive culprits when it comes to employees quitting their jobs is a total lack of recognition, appreciation, and positive reinforcement. It's human nature to want to be seen in the workplace and to want our efforts to be noticed and applauded," said Stephen Light, founder of the sleep technology company Nolah Mattress.*

As pandemic life recedes, people are leaving their jobs in search of more money, more flexibility and more happiness. Many are rethinking what work means to them, how they are valued, and how they spend their time. It's leading to a dramatic increase in resignations — a record 4 million people quit

their jobs in April alone, according to the Labor Department.

With employee retention affecting the work environment as well as the bottom line, it's time to start regularly checking-in with employees about how they're feeling about their work.

### Employee turnover is a pricey affair

If your brightest and top-performing employees are continually jumping ship, not only does it affect your employer brand, but the resulting expenses would quickly add

up. The price for fully replacing an employee amounts a lot.. This sum includes expenses ranging from:

- recruitment fees to advertising,
- the time it takes to onboard and train a new hire to match the capacity of the departed employee,
- and even the lost productivity.

Couple these figures with a tight labour market and multiple job vacancies, and you realize why it's essential to understand why people quit their job. Some of the statistics about why people quit their jobs.

- The 2018 Global Talent Trends study by Mercer shows that a whopping third of the global workforce quit their jobs in 2019.
- Business leaders spent a considerable bulk

of 2021 managing employee turnover during the Great Resignation. The reason: People leaving for higher-paying jobs, attractive benefits, and perks, the ability to work from home, and better, flexible working conditions.

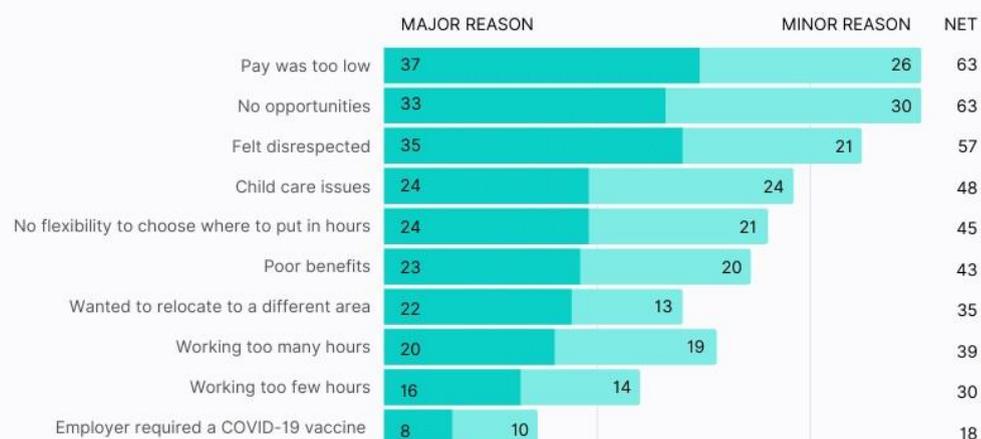
- According to an analysis published in the MIT Sloan Management Review, researchers noted that a toxic work culture massively drove employee turnover.

The researchers discovered toxic work culture to be the biggest culprit for people quitting their jobs, and 10 times more important than pay when predicting turnover.

- A recent Pew Research Center Survey showed that low pay (63%), a lack of opportunities for career advancement (63%), feeling disrespected at work (57%), and childcare issues (48%) were the biggest determinant for employees quitting their jobs in droves.

#### Top Reasons Why U.S. Workers Left a Job in 2021: Low Pay, No Advancement Opportunities

Among those who quit a job at any point in 2021, % saying each was a \_\_\_\_\_ why they did so



\*Among those with children younger than 18 living in the household. \*\*Question provided health insurance and paid time off as examples. | Note: Figures may not add to subtotals due to rounding | Source: Survey of U.S. adults conducted Feb. 7-13, 2022.

"There are several reasons why people quit their jobs.

#One reason is that they may be dissatisfied with their current position, which could stem from not being paid enough or the lack of advancement in their career.

# Another reason could be personal problems

that make it difficult to continue working. For example, employees may be going through a divorce or struggling with addiction.

#Finally, some people simply get tired of their job and feel ready for a change.

Whatever the reason, it is clear that quitting a job is a significant decision that should not be taken lightly. While the magnitude of single drivers of turnover changes from study to study, some patterns do reveal the most common reasons why people quit.

If people feel that they've reached a dead end, they will feel less engaged and motivated to come in and give their best every day. Plus, in too many cases it's considered a smart move to change companies to step up the career ladder. Offering training opportunities and access to course libraries here is only one (small) aspect: a course itself won't get you anywhere. It's all about the overall perspective and direction that you give your people. Especially companies like Google and Apple, such with high levels of retention, have perfected this:

An Office Team study showed that 66% of employees would quit if they weren't valued. This number is even higher for Millennials: 8 in 10 stated that they would look for new opportunities if their leaders and colleagues did not appreciate them. "Since 58% of employees plan to change their jobs within a year if not appropriately treated, organizations need to take a strategic approach to improve employee recognition.

63% of employees who feel recognized are unlikely to seek a new job, shows SurveyMonkey. Additionally, Gallup discovered that organizations that double the number of employees they recognize every week will enjoy the following benefits:

- 24% improvement in work quality;
- 27% reduction in absenteeism;
- 10% reduction in staff shrinkage.

### **They are appreciated, but appreciation and encouragement won't pay their bills**

It's no secret that employees want to be appreciated and to feel that their contributions impact the organization positively and contribute to its success.

However, only words of encouragement and constant appreciation won't cut it. Apart from your people being employees, they also have a life maintained with tons of bills ranging from house rent to childcare, mortgage, food, clothing, etc.

As the war for the best talents grows daily, forward-thinking organizations know that having the CEO send out a nice memo thanking everyone for their hard work and encouraging them to keep it up won't cut it anymore.

Recently, tech giant, Microsoft, was in the news as it announced its ultimate employee recognition initiative by doubling its employee salary budget to address inflation and prevent talent from leaving.

Satya Nadella, Microsoft's CEO, stresses that:

*"Time and time again, we see that our talent is in high demand because of the amazing work you do to empower our customers and partners." Across the leadership team, your impact is both recognized and deeply appreciated — and for that, I want to say a big thank you. That's why we're making long-term investments in each of you."*

Nadella adds that the company is making "a significant additional investment in its compensation programs" beyond its regular budget for annual compensation increases.

*"Specifically, we are nearly doubling the global merit budget. Based on local market data, merit budgets will vary by country, and the most meaningful increases will be focused on where the market demands and on early to mid-career levels. We are also increasing Annual Stock ranges by at least 25 percent for all levels 67 and below."*

The major lesson here is that Microsoft isn't just telling employees how valuable they are but showing support by giving them even bigger paychecks. It separates a company that rides high on the wave of banality from one that crafts unique strategies for keeping its best talents.

## Feeling burnt out

The World Health Organization has recognized burnout as an "occupational phenomenon" and defines it as "a syndrome resulting from workplace stress that has not been successfully managed."

Three dimensions characterize burnout:

- feelings of energy depletion or exhaustion,
- increased mental distance from one's job or feelings of negativism or cynicism related to one's job
- and reduced professional efficacy.

*"Burnout refers specifically to phenomena in the occupational context and should not be applied to describe experiences in other areas of life."*

Burnout affects employees' mental and physical health, which in turn affects their professional and personal lives. As a result, this affects their employer's performance and bottom line.

Researchers examined the impact of workplace stress on mortality and health costs in the United States. They discovered that it accounted for about 120,000 deaths and nearly \$190 billion in annual spending.

As Maciej Kubiak, Head of People at PhotoAiD, succinctly puts it,

*This FlexJobs survey noted poor work-life balance among the most common reasons for exit. I am a firm believer in the crucial importance of work-life balance, and I'm not at all surprised by that discovery. The less an employee has to think about their job outside their working hours, the smaller the chances for burnout."*

The reasons for burnout amongst employees can be dicey because there are various contributing factors, especially when considering the manager and department in which the employee works. A 2017 Kronos

and Future Workplace study highlighted the three major causes of employee burnout:

- unreasonable workload
- unfair compensation
- and too much overtime.

Other contributing factors include toxic work culture, poor/terrible management, and a lack of precise alignment between work and professional goals.

## Bad bosses

People don't quit their jobs but their bosses.

And that's true on many levels. Most employees' work lives are horrible because they have bosses who stress them out. Therefore, it isn't surprising that three out of four employees cite their bosses as the worst and most stressful part of their jobs. Additionally, employees with managers they didn't like were 60% more likely to suffer a heart attack, while 65% of employees said they'd take a new boss over a pay raise. Mind-boggling, right? Imagine how much happier and more productive employees would be if they had great bosses.

Many organizations must realize that while a top-performing, highly skilled, and productive employee would contribute to the company's growth, it doesn't mean they would always become outstanding managers.

Therefore, you should invest money, time, and resources in training your leaders to support their team members and not display behaviors that could harm your employees' career prospects and put their promotional opportunities at risk.

Jim Clifton, CEO of Gallup, reinforces the impact of bad leadership on employee turnover:

*"The single biggest decision you make in your job -- bigger than all of the rest -- is who you name manager. When you name the right people to manage your company's workplace, everything goes well. People love their jobs, your customers are engaged, and life is great. When you name the wrong person manager, nothing fixes that bad decision. Not compensation, not benefits -- nothing."*

Employees form relationships within their work organizations. One of the many relationships they form is with their managers — whose actions can impact their colleague's overall work experience and how passionate they are about their jobs.

Employees want to work with great leaders. People who are

- supportive,
- humble,
- committed to helping their career growth,
- and possess effective communication skills\*

\*A Predictive Index report found this is the number one skill employees feel their managers lack.

### **Wanting to work remotely**

Gallup's research showed that 37% of employees would switch to a job that allowed them to work off-site, at least part of the time.

Software giant Atlassian conducted an internal survey and discovered that 95% of their employees were willing to change how they worked to enable remote working. This

feedback led to establishing a dedicated remote work program that allowed employees to work from home or in the office - based on factors such as their roles, teams, and personali

The remote working conversation aligns with the desire to achieve work-life balance or work-life integration. Many remote workers list the benefits of working from home, ranging from stress reduction to spending more time with their loved ones, costs reduction, improved mental health and well-being, and reduction in discrimination (especially for employees from underrepresented backgrounds).

### **Research Methodology:**

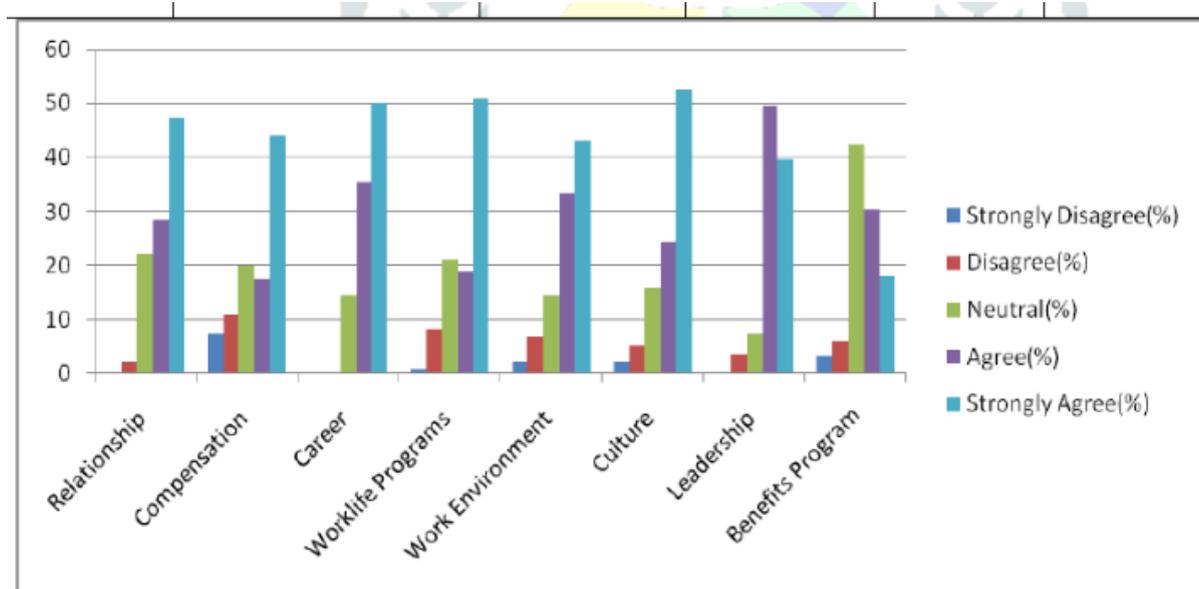
This study is based on Descriptive Research Design and involved in administering questionnaire as a tool for research work. In order to fulfill the objectives of the study, the data have been collected from both the primary and secondary sources. Data have been collected from the employees of the medium scale industries. For the present study Judgment Sampling Method was used. Six medium scale industries were selected, from each industry

10 employees were selected as a sample. So the desired sample size was 60 employees. The questionnaire used in this study was constructed on 5 point scale, strongly disagree to strongly agree. To analyse the data percentage method was used.

### **Data Analysis and Interpretation**

Summarised data analysis tables for eight components are given below. For each attribute different questions were framed and collected the opinion of respondents.

| Opinion/ Attributes | Strongly Disagree (%) | Disagree (%) | Neutral (%) | Agree (%) | Strongly Agree (%) | Total (%) |
|---------------------|-----------------------|--------------|-------------|-----------|--------------------|-----------|
| Relationship        | 0                     | 2            | 22.2        | 28.6      | 47.2               | 100       |
| Compensation        | 7.5                   | 11           | 20          | 17.5      | 44                 | 100       |
| Career              | 0                     | 0            | 14.67       | 35.33     | 50                 | 100       |
| Work life Programs  | 1                     | 8            | 21          | 19        | 51                 | 100       |
| Work Environment    | 2                     | 7            | 14.67       | 33.33     | 43                 | 100       |
| Culture             | 2                     | 5            | 16          | 24.34     | 52.66              | 100       |
| Leadership          | 0                     | 3.5          | 7.5         | 49.5      | 39.5               | 100       |
| Benefits Programs   | 3.33                  | 6            | 42.33       | 30.34     | 18                 | 100       |



## Findings and Suggestions

### Strategies towards employee retention.

#### 1. Always communicate

Effective communication is one of the greatest pillars of employee retention. When you communicate effectively with people, it's easier for your employees to understand performance expectations and ask questions whenever they are confused. This is particularly important, especially when the shift to hybrid and remote work has resulted in workplace empathy and communication. Team managers should ensure that their direct reports (whether

they work remotely or on-site) should be free to approach them with any ideas, questions, or

concerns they might have at any time.

Team leaders or managers should also help promote positive, constructive, and timely feedback across their teams. Plus, ensure that they regularly connect with your direct reports to get a sense of their workload, how they are handling their responsibilities, and their job satisfaction levels.

#### 2. Provide career growth opportunities

Leadership isn't for everyone. Some people make better employees, but not better leaders. And for some, while they might make exceptional managers, they are simply content with working as a direct report under a supervisor. This is why it's crucial to know and understand your employees beyond their job responsibilities.

For employees who are brilliant at their jobs but do not necessarily want to climb the corporate ladder, you can offer them recognition, growth, and the opportunity to explore something new. This is where upskilling comes into play.

Upskilling your employees allows them to gain new abilities and competencies as the organization and its requirements evolve. Therefore, prioritize investing in your employees' professional development. For example, allow them to attend virtual conferences, pay for work-related books, pay for continuing education, or provide tuition reimbursement.

### 3. Offer flexible work arrangements

Today's employees aren't concerned that your organization just paid its lease rent or re-opened offices. Instead, many still prefer to work at home remotely or leverage hybrid working opportunities. Not giving your employees the option to choose can make them decide to resign and work for other companies that encourage work-from-home opportunities.

If your company cannot offer remote work options permanently, offer a compressed work week (like the four-day work week), flextime, or even a partial telecommuting option. These can help relieve stress and tension on your team and increase employee retention.

### 4. Foster respect in the workplace

Now more than ever, employees are looking for respect in the workplace. No employee wants to feel devalued or disrespected at their jobs. They want to feel respected, valued, treated as important, and as if they matter — because they do matter!

An Employee Job Satisfaction and Engagement report by SHRM found that 72% of employees rated showing respect for all employees as "very important." In fact, it was the top contributor to overall employee job satisfaction. Additionally, CEB's Quarterly Global Labour Market Research discovered

that the top five things that employees are looking for in a new job are:

- Stability
- Compensation
- Respect
- Health benefits
- Work-life balance.

A culture of respect can be fostered by providing more positive feedback and earning the trust of your employees. Plus, encouraging employees to voice their opinions will create a psychologically safe environment. It's also vital that you enable your employees to perform at their best. Give them the tools and resources to be the best version of themselves. Don't forget to also demonstrate kindness and thoughtfulness along the way.

### 5. Encourage employee creativity

While many organizations attest to valuing creativity, it's all words and no action in place. Most times, they hardly have any programs or policies in place to support their claims. For example, Google has a 20% program that allows employees to work on side projects that interest them. The following tips should give you ideas on how to encourage creativity in the workplace:

- Offer rewards: Employees want to be praised and recognized for their efforts, even if they didn't achieve groundbreaking contributions. Therefore, if you're seriously looking to foster a culture of feedback and suggestions, you need to be intentional about it. Recognize and incentivize your employees that bring tangible ideas/suggestions to the table.
- Demonstrate you value creativity by empowering your employees to take risks.
- Set up innovation teams or committees that come up with ideas on specific topics. This enhances team connection and fosters team spirit, boosts team morale,

and enhances effective communication.

- Hire different people. You can't foster workplace creativity if you constantly hire employees who all think alike and possess the same personalities.

## Conclusion

This study signifies the increasing importance of employee's retention in the organization. It highlights the reasons for the high turnover rate and the cost that this act adds up to the company. This study briefly covers the various areas where employee retention strategies are implemented namely work environment, work culture, salary negotiation, compensation management, rewards and recognition, leadership and relationship between employees and management. Therefore the organization can impart certain practices that boost employees to perform well and sustain them in the organization by providing various welfare measures and implementing retention strategies.

Knowing why your employees are leaving is important, especially when a company records a high turnover rate. This could be an indication of job dissatisfaction and could impact employee engagement and retention. As mentioned above, hiring new employees is costly, and filling these positions with qualified talents takes time. So, organizations should create and implement strategies to keep their current employees (Joshi & Gupta, 2022).

Knowing why people quit their jobs makes it easier to get to the root cause of this recurring issue, fix it, and make the workplace a more rewarding environment for everyone. To help reduce your employee turnover rate, employee engagement solutions can help foster performance, culture, and employee well-being.

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Ms Jasmine Joshi has been in academia for 25 years with versatile research and administrative experience, currently working as Dean Student Welfare Kalinga University. She has pursued graduate studies (Masters) in Commerce, Economics, Business Administration (specialization:HR), and English Literature. Her research interests include but are not limited to - skill development, quality teaching, the macroeconomics of food security and its supply chain. Being a strong communicator, team builder and an effective administrator has helped her build teams and processes which can scale. |