Great Resignation and Quiet Quitting as Post-Pandemic Dangers to Knowledge Management

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Abstract: Purpose: COVID-19 pandemic aftermaths include the emergence of new tendencies, such as the Quiet Quitting, and continuation of trends such as the Great Resignation, both of which have multiple knowledge-related impacts on individual, organizational and even national level. The aim of this paper is to show the mechanisms behind the Quiet Quitting and the Great Resignation from individual and organizational perspectives. Understanding them is the first step to developing remedies and building business resilience. Methodology: The paper uses systems thinking approach to analyse the phenomena of the Quiet Quitting. Causal loop diagrams are used to show the mechanisms behind those tendencies, their antecedents and the impact they have on several aspects of business operation and management. Findings: The Quiet Quitting and the Great Resignation are multifaceted phenomena and pose several knowledge-related dangers to organizations, including disturbed knowledge flows, knowledge loss, diminished efficiency, lost informal friendship networks, and knowledge leakage to competition. Causal loop diagram indicates that complicated relations between various elements may produce surprising and unexpected outcomes. It presents also opportunities to use leverage points in order to substantially reduce negative outcomes. Research limitations: The paper is of a conceptual nature. In order to transform causal loop diagrams into full systems thinking models extensive data is required. Hence this paper is intended as a basis for further research. Practical implications: The understanding of mechanisms behind the Great Resignation and the Quiet Quitting is crucial for managers trying to develop strategies that would tackle those problems. The papers shows what leverage points can be used to mitigate risks of their adverse impact on business organizations. Originality/value: The Great Resignation and the Quiet Quitting are often perceived as results of the COVID-19 pandemic, yet data suggest they remain strong also in the post-pandemic business reality. The paper offers a holistic approach to those phenomena using individual and organisational perspectives. It provides important insights into their nature, which can be useful to numerous stakeholders, including knowledge workers, managers and business owners.

Keywords: Great resignation, Quiet quitting, Knowledge sharing, Post-pandemic, Systems thinking

1. Introduction

Both Quiet Quitting and Great Resignation pose a serious problem in contemporary economies. Nonetheless, many organisations are unprepared to handle the problem, or they lack abilities and willingness to do so. Today’s leaders fail in this matter and as a result, the number of quiet quitters grows (Smith, 2022). Quiet Quitting spreads through the world of academia (Morrison-Beedy, 2022), social workers (Scheyett, 2022) and finance (Constantz, 2022), just to name a few. A recent survey carried out by Qualtrics indicates that between 2021 and 2022 the share of workers trying their hardest to do good job for the company they work for diminished in 14 out of 15 U.S. industries. The greatest changes appeared in “Finance and Insurance”, “Art, Entertainment and Recreation”, “Accommodations and Food Services” as well as “Professional, Scientific and Technical Services” (Constantz, 2022). In those industries knowledge is an important resource, making Knowledge Management (KM) and Knowledge Sharing (KS) vital processes for most companies operating there.

Knowledge is the most valuable resource that contemporary organizations may possess. It is the foundation of intangible assets, routines and creative processes that are difficult to imitate (Renzl, 2008). Proper Knowledge Management is the source of sustainable comparative advantage. Knowledge Management is vital for the development of new technologies, products and services. It also facilitates organisational performance improvements, when people exchange information, best practices, insights and experiences (Renzl, 2008).

Knowledge Sharing (KS) is a phenomenon already deeply rooted in in the field of Knowledge Management (Boer, 2005; Zheng, 2017). Schwartz (2006) defines it conveniently as “the exchange of knowledge between and among individuals, and within and among teams, organizational units, and organization”. KS is a voluntary activity, hence apart from its technical aspects (such as know-how or technology), willingness to share experiences is vital. Such willingness calls for trust among people involved in the KS process (Bolisani and Bratianu, 2018) and this trust is an indispensable factor for successful KS (Ogunmokun et al., 2020). While the complexity of tasks that are handled by employees increases, it is required to rely on interdisciplinary approach more than ever. That makes knowledge sharing even more important and useful for organizations (Cummings, 2004), but it does not make knowledge sharing easy (Argote & Ingram, 2000).
This paper addresses the following research questions: How do the Great Resignation and the Quiet Quitting impact Knowledge Management and Knowledge Sharing in contemporary organizations? What can be done at individual and organizational level to mitigate the risks and negative consequences of those phenomena? The paper tries to answer those questions using Systems Thinking theory.

Systems Thinking is a term having a few meanings. It can be treated as a perspective, a language or as a set of tools, which include causal loops used in the model presented in this paper. Systems Thinking is defined as opposite to linear thinking and offers holistic approach to the analysed phenomena. Its possible applications span across various fields and disciplines (Monat and Gannon, 2015).

Systems thinking can be also perceived as a valuable methodology, particularly suitable for Knowledge Management-related considerations (Rubenstein-Montano et al., 2001; Cavaleri, 2005), offering new ways of thinking and a useful toolbox on different levels and phases of Knowledge Management for practical knowledge users (Gao, Li and Nakamori, 2002).

The paper develops as follow. In the first part the Great Resignation is introduced and its economic consequences are presented. This is followed by a discussion on its implications for KM at individual and organizational levels. This part is concluded by proposed remedies. The second part is dedicated to the Quiet Quitting, presenting the scale of this phenomenon and its reasons. On the basis of literature, the Quiet Quitting model is presented and explained. The model is then used to show possible ways of preventing and reducing the Quiet Quitting in organizations. The paper is summed up by a brief concluding part.

2. Great Resignation

The Great Resignation is a term coined by Anthony Klotz, referring to a surprisingly high number of employees quitting their jobs since March 2021. For any economy some job turnover is quite natural, but the scale of this turnover associated with the Great Resignation is much more above that. For the US economy, the usual turnover is slightly above 2% and even during the time of COVID-19 pandemic employees used to stick to their jobs. During the recovery, however, the voluntary turnover rate increased first to 2.6% (as of March 2021), and later to 3.0% by the end of 2021. The aggregated data does not show the real problem, though. Over half a year, from March till September 2021, the turnover rate in accommodation and food services sector oscillated around 6.0%, resulting in the total loss of more than 40% of workforce in this sector. Over the same period of time, knowledge-intensive professional and business services sector lost a quarter of its workforce (BLS, 2021). High resignation rates are also reported in engineering, technology and healthcare – all of them quite knowledge-intensive industries (Cook, 2021; Rozgus, 2021). To make matters worse, this trend is not restricted to the USA. There is evidence suggesting the UK experiencing similar problems and other Western European countries may also be affected (YPluse, 2021).

The changes observed here are not purely of a quantitative nature. They are qualitative as well. Malmendier (2021) suggests that COVID-19 pandemic changed affective, cognitive and also behavioural processes. Hence, many employees may be reluctant to returning to their usual office work, as they have realised that commuting is tiresome and wasteful process. Additionally, the COVID-19 related lockdown allowed people to re-evaluate their life priorities and log-term career goals. As a result, many employees accelerated their retirement plans, are more oriented towards maintaining work-life balance than before, and determined to reduce burnout (Dean and Hoff, 2021; Hsu, 2021; Kaplan, 2021; Thompson 2021).

Although it remains unknown whether the Great Resignation would prove to be a fundamental social shift with great economic impact or just significant, yet temporary event, its importance is already noted. Toxic corporate culture is often blamed in this context and this view offers also some strategies for employees retention (Sull et al. 2022). Preserving the existing workforce by creating a supportive environment as well as proactive addressing their concerns are suggested as very important (Hirsch, 2021; Sheather and Slattery, 2021).

Looking through the lenses of knowledge management, the Great Resignation may have profound implications, both at individual and organisational levels. At the individual level, COVID-19 triggered lockdowns resulted in a sudden shift to new communication and collaboration practices. Remote work spilled over to external collaboration with business partners, suppliers or major customers. Understaffing, experienced by organizations due to the wave of resignations, prompted managers to look for workers outside the traditionally defined boundaries of organizations. Missing workforce started to be replaced by freelancers or independent contractors supporting the trends already existing in the labour market. Between 2005 and 2015 in the US economy, the share alternative work arrangements, such as temporary help agency workers, on-call
workers, contract workers, independent workers and freelancers increased by 50% (Katz and Krueger, 2019).
Research shows that in post-pandemic times more than 50% of managers believes that the growing reliance on freelancers is the effect of the COVID-19 pandemic and at the same time more than 70% of them declares they intend to maintain or increase this reliance in their organizations in the near future (Ozimek, 2021).
Remote workers also feel their organizational ties loosen and the character of their work becomes more like freelancing as well. Most employees who work remotely may be considered as knowledge workers. The above mentioned trends strengthen their position in labour market and labour market for their skills grows.
Knowledge workers become more aware of the fact that their main capital is knowledge, and that their career is actually based and dependent on personal knowledge management. Personal knowledge management differs from the traditional organizational knowledge management, as it places an individual far above the organization. The process of personal knowledge management development will call for new and/or improved approaches and methods of knowledge accumulation, retaining and application. Individual, personal perspective of knowledge management will present a challenge both to employees and organizations.

From the organizational perspective, the Great Resignation certainly means knowledge loss, as employees equipped with valuable knowledge leave and at least some of their knowledge cannot be retained (Massingham, 2018). The consequences, however, are broader. Organizational capability to integrate the knowledge of the remaining employees in business processes may be undermined. Missing elements in knowledge-based value creation process are difficult to replace and even if it is possible, it takes time. As a result, organizations may lose their competitive advantage. Moreover, massive loss of knowledge workers impedes both intra-organizational and inter-organizational knowledge flows. In case of intra-organizational knowledge flows, the problem arises when quitters possessed important know-how and know-what (as they most likely handled a lot of internal inquiries) or know-who (in which case they served as nodes connecting various employees. As for inter-organizational knowledge flows, they may become disturbed because of the loss of the relational capital. The capability of organizations to interact with external stakeholders is inter alia dependent on the knowledge embedded in the relations that used to be maintained (Mention and Bontis, 2013). Personal connections that quitters had are gone with them and it may take a lot of time to rebuild them (DeLong, 2004).

The remedies are problematic. In the short-run, the human capital that is still available to organizations, should be used in the most efficient possible way. Hiring is obviously the first and most natural thing for managers to do, yet acquiring new employees is unlikely to solve problems in an immediate way. Lost knowledge tends to be unique and even if it is possible to hire somebody who held a similar job elsewhere, their knowledge would probably be different (Massingham, 2018). To make matters worse, increased competition in the labour market, triggered by high turnover, may result in new hires being of a temporal character. If they are not emotionally attached to their new organization, they may be easily tempted with higher salaries or sign-up bonuses offered by competitors. The existing knowledge gaps can be filled in using outsourcing. This can be perceived as a step towards a virtual organization (Durcan, 2016). Employee-empowering initiatives should also work, as they tend to boost organizational performance (Cillo et al., 2022). Managers may also consider restructuring their organizations as a response to the difficulties they face. Proper restructuration allows to improve intra-organizational knowledge flows (Serenko, Bontis and Hardie, 2007). Additionally, efficient use of the existing employees’ knowledge improves their self-perception and creates bonds with organization, thus preventing from their quitting (Zhao and Yuan, 2022).

3. Quiet Quitting

The Quiet Quitting is a relatively new phenomenon and publications on this topic are still scarce. Although used for the first time in 2009 by Mark Boldger, it remained widely unknown until recently (Yikilmaz, 2022). The name itself is misleading as quiet quitting is not about literally quitting one’s job, but it is rather about performing basic duties of a job without going above and beyond usual expectations. Those who could afford to leave their jobs formed the occurrence of the Great Resignation. Those who could not or for some other reasons decided not to, contributed to the Quiet Quitting. Unlike the Great Resignation phenomenon, the Quiet Quitting is not visible in labour market statistical data. Hence, it is more difficult to capture and the challenge of measuring it is much more problematic. According to Gallup poll, quiet quitters may have constituted more than half of US employees as of the second quarter of 2022 (Harter, 2022). Even if this particular number is somehow overrated, the problem seems to be serious. Going beyond assigned duties and being engaged in citizenship behaviours is often the source of competitive advantage of a company. the Quiet Quitting may therefore lead companies to losing it. Additionally, employees not willing to go their “extra mile” make it necessary for their colleagues to take increased burden of extra work (Klotz and Bolino 2022).
Considerations pertaining to the Quiet Quitting can be divided into two streams. The first one perceives quiet quitting as a sign of setting the right balance between job-related duties and private life (Nilufad, 2022; Kilpatrick, 2022). In this view, quiet quitting is just a response to the hustle culture, where overworking becomes a norm (Bunting, 2005). The other stream sees quiet quitting as being disengaged, precluding passion, and real interest in performing job. From this perspective, quiet quitters do not contribute truly to their workplaces and they use their behaviour as a way of expressing dissatisfaction with their job and working conditions. In some cases it could be even a way of exacting a small scale revenge against employers or managers (Klotz and Bolino 2022). On the one hand, the Quiet Quitting may be a serious threat to knowledge-related processes in businesses, especially to knowledge sharing. On the other hand, it may also pose a major ethical challenge in some cases, such as social workers, where this problems seems to be systemic (Astvik, Melin and Allvin, 2014).

The reasons for the Quiet Quitting are diverse. One of them is lack of commitment to employees’ career development. Organisations able to commit to professional staff development and their job satisfaction are also able to retain their employees. When organisations lack that ability, employees become uncertain of their future (Kruse, 2022) and they perceive the current job as a dead end (Kelly, 2022). That leads to disengagement (the Quiet Quitting) or even leaving the job (the Great Resignation) (Hom, Allen and Griffeth, 2019). Lacking empathy and compassion toward employees can have similar effects. Personal commitment appears when employees know the organisation cares about them (Hamill, 2019), which includes providing what is needed for individual well-being, welfare, mental health and protection (Clifton, 2022). Yet, in the post-pandemic reality, pressure on meeting high expectation at the cost of long working hours and work-life balance is rather common (Klotz and Bolino 2022). The sense of disconnection adds a lot to the picture. Employee engagement is closely connected to a sense of belonging (Anderson and Caldwell, 2020). For maintaining the sense of belonging, it is crucial to be fully informed and included in making decisions related to their jobs. The COVID-19 pandemic transformed work environment, making remote work much more popular. Remote work, however, brings isolation, loneliness and the feeling of disconnection (Luchetti et al., 2020), thus contributing to the Quiet Quitting. Last but not least, low organisational trust is possibly a powerful factor driving the Quiet Quitting. In recent years organisational trust generally deteriorates (Edelman, 2022). On the other hand, when employees are not included in problem solving and decision making related to their own job, they perceive it as lack of trust from leaders and managers, which in turn leads to frustration and lower productivity (Nwosu, Okoh and Goodluck, 2020).

On the basis of the above-mentioned literature, the following model of the Quiet Quitting process has been proposed. As can be seen in Figure 1, the driving force for the Quiet Quitting is a job-related dissatisfaction. Its main source is the discrepancy between the actual performance of an employee and the expected one, referred to as Performance Gap.

![Figure 1: The Quiet Quitting Model – Causal Loop Diagram (own Elaboration Using Vensim PLE)](image-url)
Three important loops can be identified across the model. A reinforcing loop R1 is the main mechanism behind the Quiet Quitting. When the Actual Performance is lower than the Expected Performance, the Performance Gap grows and results in increased level of employee Dissatisfaction, which is turn leads to greater Disengagement in job-related activities. Lower engagement would cripple the Actual Performance, making Performance Gap even bigger and thus leading to intensification of the problem till the level of the Disengagement leads finally to the Quiet Quitting. Within this R1 loop there is also a balancing loop B2 that plays an important role stabilizing the situation. While dissatisfaction increases disengagement, the latter positively influences the Work-Life Balance, improving the mental situation of an employee and hence reducing the level of dissatisfaction.

The character of the third loop (referred here to as B1) is not clearly determined. In the proposed model this loop is a balancing one. In this view the Expected Performance may increase the Performance Gap, but when that happens, norms and expectations towards employees are revised and adjusted (i.e. reduced). This would lower the Expected Performance, producing some equilibrium. However, if the management response is different (increasing pressure on employees by rising norms and expectations instead of lowering them), the loop becomes a reinforcing one, resulting in the increase of dissatisfaction and finally, contributing to the Quiet Quitting.

When it comes to the Quiet Quitting prevention, the proposed model offers a few solutions for managers. The most obvious one is connected to the causal loop mentioned above (B1). Workloads, expectations, norms, etc. should be regularly revised and the expected performance should be benchmarked against the actual one. Job creep (gradual increase of employee’s duties over time) is entirely natural. Temporary burdens tend to become permanent. However, during pandemic those temporary duties were often very much “above and beyond”. And if they become permanent, they may erode the engagement of even the most motivated workers. Now it is the time to redefine core jobs tasks and calibrate job responsibilities to match sustainable abilities of employees. The actions of management should be aimed at keeping the balancing character of the B1 loop.

The second set of recommended actions is to provide employees with the sense of belonging. Listening to their needs, and investing in workforce in general (not just in the key employees) is vital. The workforce is not homogeneous, hence the need to offer them diversified support. One of the priorities should be setting safe environment where employees would share their experience and have confidence that management is dedicated to address their problems and concerns. The sense of belonging may significantly lower the level of dissatisfaction, thus reducing the likelihood of the Quiet Quitting.

The third element that can be shaped by management in order to mitigate the risk of Quiet Quitting is the Citizenship Fatigue. Non-mandatory meetings that are actually almost obligatory, the culture of staying late and showing up early when needed – all these may lead to gradual burnout. The suggested solution is the Citizenship Crafting. Those additional activities can be matched with individual preferences of employees. Some of them may be motivated by, for example, public recognition and for them citizenship activities should be carefully selected to make them visible in the organization. Others may be motivated by helping other people (both within and outside of the organization) and they should be engaged in such activities. The Citizenship Crafting is therefore about making the involvement in extra tasks energizing for the employees rather than tiring, hence lowering the Citizenship Fatigue and improving the Actual Performance.

4. Conclusions

How common the Quiet Quitting is and to what extent it poses a problem for companies and national economies is still an open question. Evidence from different research remains contradictory. While data obtained by Gallup suggest that even more than 50% of US workforce may be considered quiet quitters, data from Qualtrics indicates the scale of the problem may be considerably smaller, ranging from 10 to 20%, depending on the industry. This is a significant discrepancy, but it may be attributed to the ambiguity of the term and lack of standardise measurement.

That being said, we need to emphasize that hardly anything is known about the scale of this phenomenon in other countries. Methodological obstacles and doubts about how to detect and how to measure the Quiet Quitting must be addressed by academics in order to promote research initiatives in other countries. The quiet nature of this phenomenon makes it difficult to capture and therefore, it should make organizational leaders really concerned about it. The disruption of the Quiet Quitting may be less visible and obvious than the one of the Great Resignation, but it may be equally or even more damaging to businesses.
Both the Great Resignation and the Quiet Quitting can be - to a certain extent - prevented. And even if they occur in some organizations, their leaders and managers have possibilities to take actions mitigating risks those phenomena bring into organizations. What is needed, is the knowledge on how to do it, the openness to notice when the first symptoms appear and the courage to introduce the changes that are needed. This paper is aimed at providing some of the first of those three ingredients.

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