

INSIGHTS PAPER

# The Great Resignation

The reasons and key themes why people are leaving their roles in the tightest labour market New Zealand has seen.



# The Great Resignation

**The Great Resignation.** It may seem like a buzz phrase, but the effect of a large increase in the number of workers resigning from their roles is being felt around the world – New Zealand included – as people re-evaluate their future direction after two years of disruption with another to come and they stare down the barrel of a new work year.

It is not an uncommon time of year for resignations to peak in organisations. What is a little different this year, though, is that New Zealand's unemployment rate is the lowest it has ever been. The advent of COVID-19 has meant few newcomers to plug skill shortage gaps in some key areas, and employers are going head to head in a bid to attract and retain the best candidates by offering better pay and more perks.

These trends highlight the importance of taking a data-driven approach to determining not just **how** many people are quitting but **who** exactly has the highest turnover risk, **why** people are leaving and **what** can be done to prevent it.

We have looked at the findings of close to 1,000 responses to offboarding surveys run by organisations using AskYourTeam in 2021 to see what is driving their decision to leave. We also have some ideas on how you can encourage them to stay.



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# About offboarding

The moment when people leave your organisation – as an employee, member, executive or volunteer - can provide the most valuable sources of intelligence about your performance.

Our sector-specific exit surveys allow you to identify any trends in why people leave and to develop action programmes to improve your retention. The 10 lowest-scoring questions from people leaving their positions in 2021 show that poor employee experience, lack of leadership and employees not feeling valued are the three biggest reasons why people are choosing to leave.

## The lowest-scoring offboarding questions in 2021

**1** Leaders listen to employees' feedback on how to improve this organisation

**2** I felt my talent was fully utilised

**3** The internal processes and practices are aligned with the organisation's culture and values

**4** Harmful office politics, intimidating behaviour or bullying was not tolerated in the organisation

**5** The organisation's culture was what I expected it to be

**6** I had regular and effective feedback and performance reviews

**7** The organisation provided opportunities for me to develop my skills and competencies and actively encouraged career development

**8** I felt safe to tell the truth even when it was unpopular

**9** Leaders treat past employees as alumni and maintain good relationships with them

**10** My experience with the organisation matched my expectations

# The themes



Employee experience



Leadership



Feeling valued

## Employee experience

From the moment someone starts at an organisation, they like to feel as though they belong, and that now starts at the interview stage. It is no longer just an employer interviewing a potential new staff member - candidates are now vetting employers as well to ensure they are the right fit. Conversations have also moved from evidenced skills-based questions to more about culture, vision and values. It's not just Millennials and Zoomers demanding to know and being able to connect organisational purpose with personal purpose - it extends through all age groups. This means both employers and candidates are at pains to put their best foot forward to give a clear picture of what both parties can expect when they join the organisation. But is it always accurate?

- > Expectation does not always equal reality. New candidates 'welcomed' with a mediocre induction or, even worse, no entry process at all can often find themselves questioning their decision from the outset. New employees can also take some time to come up to their normal speed as they become used to their new environment and new processes and ways of doing things. Start with an onboarding survey to set a baseline. Regular check-ins are paramount. Make sure they understand what is expected of them and give them regular feedback as to how they are tracking. As the saying goes, first impressions count.
- > Once you start, don't stop. Ensure you have regular 1:1 catch-ups, and only move them if absolutely necessary. Regularly moving or cancelling pre-planned meetings, particularly those about workload or performance, will mean your team members become disillusioned and they could lack direction or, even worse, become demotivated.
- > Our standard feedback processes often show a six-month honeymoon followed by a quick drop-off. It also pays to note that, when someone leaves after 12-18 months, they've normally started disengaging and sometimes have been looking elsewhere for around a year. That's a lot of lost productivity.
- > It is also important to identify any harmful office politics, intimidating behaviour, or bullying early. This may mean you may need to delve deeper following your annual survey to really find out what is going on and take regular pulse checks to monitor progress. If you do discover something, act on it. This will show you have listened and are prepared to make the working environment a better place.



## Leadership

- > A fundamental leadership skill is having the ability to listen to and consider many differing views, sort 'the wheat from the chaff' and make a decision that is in the best interest of the organisation. That is sometimes not an easy task, and anyone who is opposed is likely to think they haven't been heard or listened to if things have not gone their way. The most important part is to close the loop. If it is appropriate, share your decision making journey with your teams, and let those on the opposing side know you did consider their views before reaching your decision. If you've been able to implement their suggestions, that's great – acknowledge and let them see the connection between their feedback and change. If not, let them know the 'why' behind not being able or not choosing to do it. People may disagree but will generally respect the transparency. Feedback does not automatically become a wish list that is always granted. Acknowledge how they may feel and be prepared to take additional feedback.
- > A healthy culture is one that

promotes psychological safety. That is making sure people feel safe to speak their truth even when it may be against popular opinion. Ask people their thoughts on issues, listen to what they have to say and act by thanking them for their contribution, even when you may not agree.

- > Proactively seek counter views and even seed these yourself to show how committed you are to robust discussion.
- > Your current employees will look to how former staff are treated and spoken about. They will see how you treat them is how they will be treated and considered.

## Feeling valued

- > People feel valued when they understand the common goal and are involved in how the organisation is going to get there. It is important that employees can see the 'golden thread' between their role and how it will help the organisation achieve its vision and that the vision and strategy is clearly articulated so your people have 'their why'.

- > Success can be shared without any dilution to those being recognised for their role in it.
- > They also need regular feedback on how they are doing – be excited and positive about helping them identify and address areas of upside. Everyone benefits from a clear career development pathway that helps get them where they want to go. Have regular conversations about what interests them and what skills they may be able to bring to the table to improve how the organisation works. You never know what you will discover.



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to know  
more?

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