



# The Great Resignation: real or not?

What it means for leaders of organizations



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## Setting the scene

In 2021 the catch-phrase 'the great resignation' has been seen splashed across Australian headlines and in the media.

The phrase, coined in the United States in late 2020, refers to an apparent surge amongst Americans quitting their jobs, as a response to Covid-19, and is seen to be gaining momentum as communities learn to live with Covid.

*Over much of 2021, ... the monthly quit rate [in the US] climbing from about 2.4% in 2019 to 2.9% in August – the highest rate ever recorded.<sup>1</sup>*

According to Professors Mark Wooden and Peter Gahan, of the University of Melbourne<sup>2</sup>, Australian data presents a different picture for Australia. They provide Australian Bureau of Statistics data that suggest clearly,

- There is no evidence of such a phenomenon here
- If there was, it would be no bad thing
- Australia's resignation rate has fallen to an all-time low.

<sup>1</sup> Wooden, N and Gahan, P, (2 November 2021) Australia's 'great resignation' is a myth — we are changing jobs less than ever before. [The Conversation](#).

<sup>2</sup> Ibid

## On the one hand

Some believe this major change has already started in Australia (like in the US) and speculate it will accelerate in early calendar year 2022 .

If economic conditions were to hold up or improve, so the prediction goes, up to 40% of workforces will change their roles and leave their companies, in addition to those seeking change within.

Regardless, this will create many opportunities for companies who have strong employee value propositions to retain their people and to attract new staff from those whose working environment, culture and conditions do not meet employees' expectations.

Whilst the numbers may be greater in lower-level roles, churn may be most impactful in middle and senior level positions.

Of course, this comes on top of the numerous restructurings, slimming downs, lay-offs, retrenchments, redundancies, and furloughs that many companies went through during 2020-2021 as they sought to cope with the impact of COVID on operations.

For some, these reductions in workforce numbers have been superbly planned and will enable





them to emerge stronger, more productive, and more profitable as the economy improves with staff fully engaged.

For others, their decisions will cause pain as they seek to rehire, attract new people, or retrain to fill the yawning gaps that some will, and already are experiencing. This seems to be anecdotally true for companies operating in the supply chain, travel, hospitality, events and similar industries.

As a further piece of context, a recent unscientific but insightful observation in a publication from the CEO Institute asserted that 90% of all barriers to growth occur due to internal factors; only 10% relate to market and other external factors.

If this is the case, leaders have a big job to find out what those factors are and if they relate to conditions of work for their people. Who better to find them out with than their colleagues? And .... they need to find ways to address them quickly and effectively.

## On the other hand

The Wooden and Gahan data paints a very different picture.

Wooden and Gahan argue that whilst

*“In the 12 months to February 2021 almost 1.1 million Australians left their jobs. That’s not unusual. In most years more than a million Australians leave their jobs. Leaving and changing jobs is a sign of a healthy, well-functioning labor market. ... Australia should welcome more resignations. Also, if job opportunities improve as the economy opens and competition for workers increases, quit rates should increase as more workers seek to move to jobs providing better wages and opportunities... there would be nothing unusual or undesirable about this”.*

Indeed Milton Friedman, if he were alive, might cite this as evidence of a health economic environment.

## Hybrid working arrangements

As well as predictions about rates of job quitting and switching, the whole question of

demand for more flexible or hybrid working arrangements from a workforce who have become accustomed to working from home during the pandemics is a significant issue for employers.

The question is not whether hybrid working will become more of a norm, but how to best manage hybrid working arrangements so that they are of mutual benefit to employer and employee.

Indeed, the facilitation and effectiveness of hybrid working arrangements will undoubtedly influence employee retention and/or turnover for any given company.

## A way forward

Each business or organization is unique – its aspirations, purpose, culture and workforce have been forged in the fires of key historical events and from the exhortations and behaviors of multiple leaders.

And whilst national or even global trends in workforce dynamics may play out as we emerge from the emergency phase of the pandemic, each organization will be faced with a different mix of external and internal factors.

So, there is no 'one-size-fits-all' or simple solution of workforce attraction, retention, management and development regardless of whether the great resignation is real or not.

However, taking a whole of systems approach would enable leaders to navigate the inevitable conflicts and dilemmas in moving to a new way of working far more effectively and efficiently.

This type of approach is essential for complex problems such as those associated with workforce management and dynamics.

The term *complex* is used here in a technical sense and although there are many erudite definitions based on jargon. Suffice it to say a

complex problem is one which satisfies one or more of the following criteria:

- Whenever the situation is complicated and/or complex
- Whenever the change you seek is complicated and/or complex
- Whenever the outcomes are vague or unclear
- Whenever there are unknown or unpredictable forces at work that can influence or interfere
- Whenever people's feelings or reactions are likely to be triggered significantly
- Whenever you will need to equip, educate or train others to implement and sustain a change
- Whenever there any politics involved or likely
- Whenever individuals or groups have the potential to feel disenfranchised as a result of the change

Just meet one of these criteria and a whole of systems approach is called for. In a post-Covid world, the question of workforce attraction, retention, management and development clearly fits a number of these characteristics.

At its core, this approach is founded on creating the conditions for meaningful dialogue and conversation.

One such way that we have repeatedly found to work reliably is by using the Process Enneagram model to guide conversations and dialogue.

Those of you who have worked with Dalmau Consulting, or who have read some of our papers<sup>3</sup> maybe familiar with the Process

<sup>3</sup> Dalmau, T and Tideman, J. 2018. [\*The practice and art of leading complex change\*](#). Journal of Leadership, Accountability and Ethics Vol. 15(4) pp 11-40; Dalmau, T and Tideman J. 2011. [\*The Middle Ground: Embracing Complexity In The Real World\*](#). E:CO Issue Vol. 13 Nos. 1-2 pp. 71-95

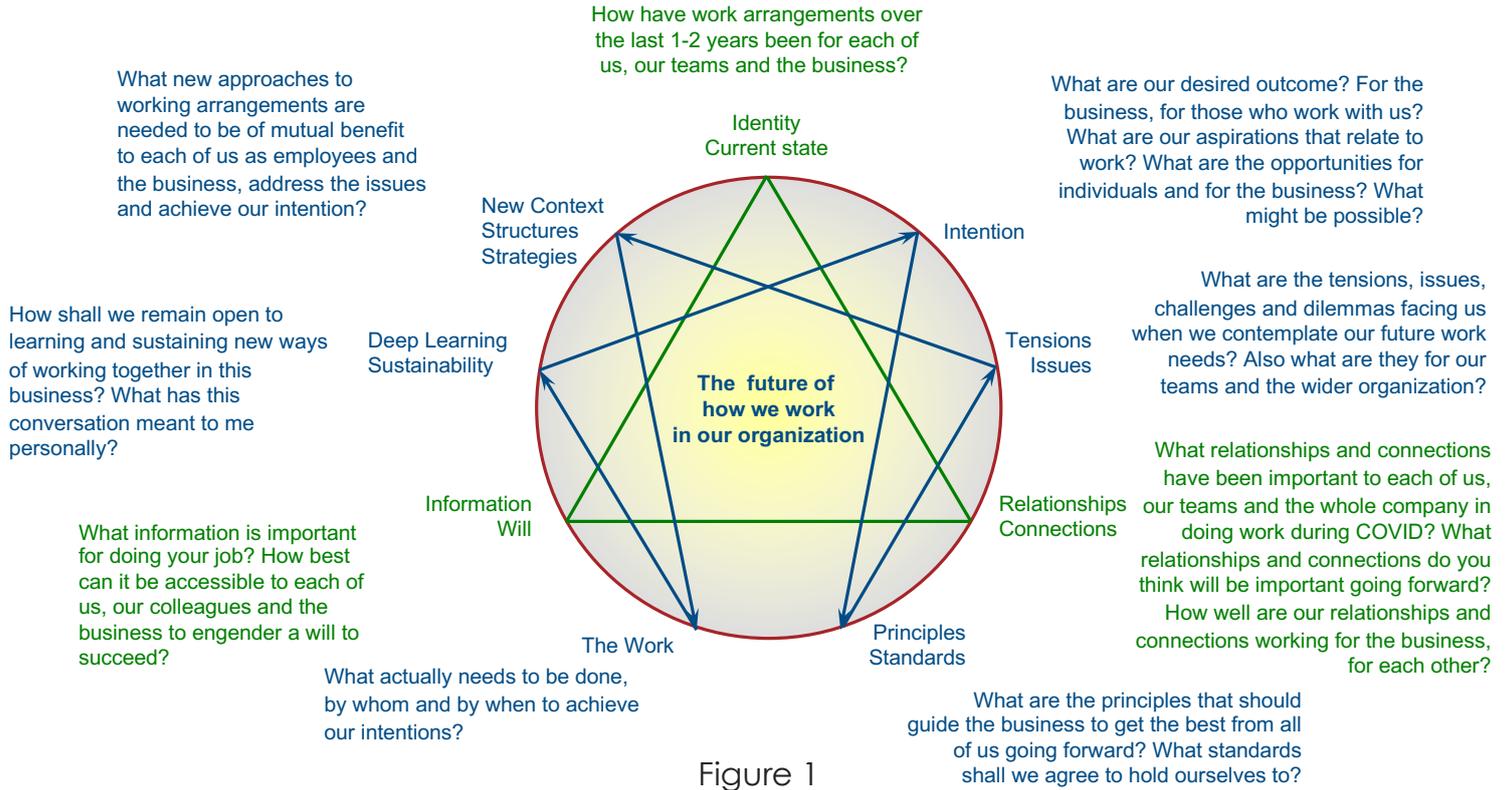


Figure 1

Enneagram.

This model / tool was originally developed by our friend and colleague, [Dick Knowles](#), and we have used and developed it further over more than 20 years.

Figure 1 above is a diagram of a Process Enneagram. It outlines some starting questions for a whole of systems dialogue that leaders of organizations might have with their employees. The questions are just suggestions only.

## Sequence

When conducting a dialogue such as this, the sequence in which the questions are posed and discussed is a key ingredient to its success.

The three sets of questions in green form the foundation of the conversation, and can and should be re-visited where appropriate at any time in the conversation.

Start with seeking to understand the **Current State**: *How have work arrangements over the last 1-2 years been for each of us, our teams and the business?*

In this initial part of the dialogue we would be seeking to build a shared picture of the current state of working relationships, including the history of how the group got to this point in time. All members are encouraged to contribute, even to the point of going around and asking each individual person to give their views.

**Relationships and connections:** *What relationships and connections have been important to each of us, our teams and the whole company in doing work during COVID? What relationships and connections do you think will be important going forward? How well are our relationships and connections working for the business, for each other?*

It will be important at this phase of the dialogue to explore not only the relationships among human beings inside the organisation, but equally the connections between different departments, groups, units, and even those with vendors, suppliers and customers.

**Information and will:** *What information is important for doing your job? How best can it be*

*accessible to each of us, our colleagues and the business to engender a will to succeed?*

It is both tempting and common to imagine that the word information here refers only to facts and data, or something that could be put in a report, pulled up on a computer screen or codified in a spreadsheet.

Nothing could be further from the truth.

Information and will must also explore feelings, beliefs and assumptions that the individuals in the dialogue have about each other, about their leaders, and about the organization.

Now we get to the questions in blue, starting with Intention, and then follow the arrows in order.

**Intention:** *What are our desired outcomes? For the business, for those who work with us? What are our aspirations that relate to work? What are the opportunities for individuals and for the business? What might be possible?*

There are two very different mindsets that can be brought to bear in addressing this part of the dialogue.

One is best summarised in trying to answer the question what is the problem and how do we fix it? The other is best illustrated by the question what's possible and who cares enough to make it happen?

If the dialogue takes the pathway of the former at this stage in the conversation the result will be doomed.

**Principles and Standards:** *What are the principles that should guide the business to get the best from all of us going forward? What standards shall we agree to hold ourselves to?*

To make this part of the conversation even more authentic, it is often helpful to request of the group they imagine they are outsiders who have had a long time of close observation. From this point of view, what do they imagine an outsider might rightfully assume are the real principles that the group unconsciously live by. This question should probably only be

attempted with an external facilitator present.

**Tensions and Issues:** *What are the tensions, issues, challenges and dilemmas facing us when we contemplate our future work needs? Also what are they for our teams and the wider organization?*

This phase of the conversation explores the problems, dilemmas, constraints, conundrums tensions and issues that have to be addressed if the intention is to be achieved. Please note, they need to be talked about openly, transparently and visually.

**New context structure and strategies:** *What new approaches to working arrangements are needed to be of mutual benefit to each of us as employees and the business, address the issues and achieve our intention?*

This is not the moment for detailed conversation about actual action steps, but rather approaches and the assumptions underneath those approaches. Brainstorming as a technique can sometimes be used in this phase of the conversation to generate a range of different approaches.

**The work:** *What actually needs to be done, by whom and by when to achieve our intentions?*

This really is the nitty-gritty and pointy end where specific actions and commitments, timelines are documented and put down very clearly.

**Deep learning and sustainability:** *How shall we remain open to learning and sustaining new ways of working together in this business? What has this conversation meant to me personally?*

This last phase of the conversation brings things together.

It asks the group how it will keep the decisions and realisations it has reached alive and relevant. It also asks each person to reflect on what the conversation is meant to them. This public meaning attribution is important not only for allowing each individual to see what others have

experienced but to build a body of messages that can be shared with those who were not part of the conversation.

## Reprise

This paper has described how one might use the Process Enneagram to address a current complex issue related to workforce attraction, retention and development, one that many companies are facing. But it is clearly capable of attacking and dealing with many other complex issues.

At the core of using a whole of systems approach is the belief that some problems and questions are so complicated and nuanced that any one individual or small group of individuals will not be able to find the best answer. It allows an organisation to tap into the [Wisdom of the Crowd](#) to find answers that cannot otherwise be obvious. It is based, simply, on the premise that *“no one knows more than all of us”*, as our colleague Jim Holland often says.

Critical to its success is getting the right people in the room. It is a conversational and problem solving process that can be used with different groups throughout an organization, revisited and applied at different levels of scope and scale.

Well facilitated, in an environment where people feel safe to say what is on their mind and speak their truth, it can help leaders get a view of the whole system and explore new and useful ways of working that ‘work’ for their people and the business.

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