

The Great Resignation: Why Diversity, Equity, Inclusion, and Belonging Matters to Today's Workforce

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By the year 2030, all baby boomers will be older than 65 in the United States, and by 2034, older adults will outnumber children. Additionally, immigration is expected to overtake natural increase (the excess of births over deaths) as the primary driver of population growth. Beyond 2030, the US population is projected to grow slowly, age considerably, and become more racially and ethnically diverse (Vespa et al. 2020). These changes will directly affect the water industry.

According to a Brookings Institution study (Kane & Tomer 2018), “Water workers tend to be older and lack gender and racial diversity in certain occupations,

pointing to the need for younger, more diverse talent. . . . Thousands of water workers are aging and expected to retire from their positions in coming years, leading to a huge gap to fill for utilities and other water employers.”

Adding to current workforce challenges is the Great Resignation, which is the popular name for the widespread trend of workers leaving their jobs during the COVID-19 pandemic (Figure 1). Other names for this phenomenon include the Big Quit and the Great Reshuffle.

The Great Resignation

In May 2021, Anthony Klotz, a researcher of employee resignations and a professor at Texas A&M University (College Station, Texas), broached the concept in an interview with *Bloomberg Businessweek* (Cohen 2021). Klotz later provided several reasons for the Great Resignation, based on his research (Klotz 2021):

- **Pent-up resignations from 2020 (COVID-19 uncertainty).** In any given year, a certain number of people typically resign from their jobs for a variety of reasons. After the COVID-19 recession of spring 2020, uncertainty in the US job market caused many who may have considered resigning under normal circumstances to stay put. Once the economic recovery was in full swing a year later, with a superheated job market came a rush of resignations.
- **Pandemic-related epiphanies.** In the face of sickness, disruption, and death at the height of the pandemic, many people evaluated what really mattered in their

lives. As a result, a record number of employees decided that staying in their current jobs wasn't in their best interest, so they quit to do something else. Some simply moved from one organization to another in the same industry, whereas others took their lives in completely different directions.

- **Employee burnout.** Although stress associated with the pandemic itself contributed to overall workplace tension, the disruptions to work culture caused by the pandemic made some employees recalculate their level of job satisfaction. This includes those who were forced to leave their homes and report in-person to work in the worst of the pandemic as well as those who worked from home and struggled to maintain their work-life balance. In some cases, because of a lack of options for travel and in-person entertainment, some workers delayed vacations and other requests for time off, opting to keep working instead. Although this potentially boosted productivity for those who worked from home, it contributed to eventual burnout.
- **Newfound freedoms.** Freedoms that were introduced to the workforce during the pandemic can't be completely taken away after it. For instance, where possible, remote work options became necessary during the height of the pandemic. Once the worst of the pandemic was over, some organizations tried to mandate a return to the office or job sites for their employees, but that hasn't gone well. It's harder to give someone a freedom, then take it away, than to never give that freedom to the person in the first place. According to Robert Cialdini (2006), regents' professor emeritus of psychology and marketing at Arizona State University, "Freedoms once granted will not be relinquished without a fight . . . people seem to be more motivated by the thought of losing something than by the thought of gaining something of equal value."

US Workers Quitting Their Jobs, Seasonally Adjusted, 2001–2022



Source: Richter 2022/Statista (CC BY-ND 3.0)

Figure 1

Digging Into the Data

Pew Research Center conducted an analysis based on 6,627 nonretired US adults, including 965 who said they left a job by choice in 2021. The data were collected as part of a larger survey conducted Feb. 7–13, 2022 (Parker & Horowitz 2022). Within this group, these were the top reasons for leaving:

- Low pay
- No opportunities for advancement
- Feeling disrespected at work
- Childcare issues
- Lack of schedule flexibility

Two major demographic drivers skewed the results of the Pew Research Center study. The first was age: 37% of respondents from the age group of 18–29 said they left their jobs in 2021, compared with 17% for the age range of 30–49, 9% for ages 50–64, and just 5% for ages 65-plus. For the water industry, that reality presents the perfect storm.

Younger workers quitting at a higher rate is particularly concerning when combined with increasing retirements of older workers.

The second major demographic driver behind recent quit rates was compensation level: 24% of lower-income workers said they quit their jobs in 2021, compared with 18% of middle-income and 11% of higher-income workers. This reinforces the understanding that pay is a major decision maker for employees who are considering a job change.

Belonging in the workplace means feeling valued through positive connections with others and being able to bring the authentic self to work.

Diversity, Equity, Inclusion, and Belonging Matters

Consider the definitions of these terms:

Diversity—Diversity is about celebrating differences. It entails welcoming people from different backgrounds, perspectives, identities, and demographic groups to ensure that all who could be present are equitably represented (Duncan 2022).

Equity—Equity is consistency in how people are valued. It's the guarantee of fair treatment, access to information and resources, opportunities, advancement, and the equal potential for similar outcomes for all (Duncan 2022).

Inclusion—Inclusion is building a culture where people feel like they belong. It's a culture that fairly shares power, resources, and opportunities while actively involving all in processes, activities, and decision-making in a positive environment (Duncan 2022).

Belonging—Belonging in the workplace means feeling valued through positive connections with others and being able to bring the authentic self to work. People are always looking to develop a sense of connection in their personal and work lives because that is how they validate their feelings and fulfill the need of belonging (Orechwa 2020).

To understand why diversity, equity, inclusion, and belonging (DEIB) matters to your organization's workforce attraction and retention strategy, first understand that people tend to pursue two overarching goals in life: happiness and/

or meaning (Ryan & Deci 2001). Per Klotz (2021), "The extent to which our job is a positive source of satisfaction and purpose plays an outside role in whether we feel that our lives are happy and meaningful overall."

At times, many people spend more time and energy working than they spend doing anything else, so it's easy to realize how work experience affects mental health and well-being. Along these lines, "The pandemic has made many realize their job does not contribute enough (or at all) to their pursuit of happiness and meaning, and they have decided to invest their energy elsewhere in new jobs, new careers, or in other aspects of their lives (e.g., family, travel, creative endeavors)" (Klotz 2021).

Culture Matters

According to the Society for Human Resource Management, "An organization's culture defines the proper way to behave within the organization. It consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviors, and understanding" (SHRM 2022).

Consider the following four attributes of culture from "The Leader's Guide to Corporate Culture" (Groysberg et al. 2018b):

- Shared—It's a group phenomenon
- Pervasive—It permeates multiple levels
- Enduring—Its impact is long term
- Implicit—It acts like a silent language

Glassdoor conducted an online survey (Glassdoor 2019) among adults aged 18 and older from the United States, the United Kingdom, France, and Germany. Some key outcomes included the following:

- When searching for a new job, 77% of respondents said they would consider a company's culture before applying.
- American millennials were more likely to care about work culture over salary (65%) than those age 45 and older (52%); similar numbers were found in the United Kingdom (66% versus 52%).
- 89% of respondents told researchers that it was important for employers to "have a clear mission and purpose."

Shaping Culture

Peter Drucker, a well-known Austrian-American management consultant, educator, and author, once said, "Culture eats strategy for breakfast." So, before touting your organization's DEIB strategy, take a closer look at your culture. Shaping culture is all about influence. Executives must prioritize and model DEIB for their

organizations. Although executive leadership can shape culture, line/middle managers and supervisors are the biggest drivers. And in the end, the true nature of an organization's culture is seen every day through the eyes of frontline employees.

To begin shifting an organization's culture, start with a cultural assessment. After establishing this baseline, set your organization's DEIB targets with the following in mind (Groysberg et al. 2018a):

- They must align with your strategic direction.
- They must be important to execute.
- They must reflect the demands of the external business environment.
- They must be specific and achievable.

Now let's dig a little deeper. If your organization's overall strategy isn't congruent with DEIB principles, it will be difficult to make any enduring progress. DEIB must be a strategic priority if it's going to become ingrained in your organization's culture.

In addition, your DEIB targets must reflect the demands of the external business environment because investments of any sort should tie back to the needs of the business. To justify sufficient investment in DEIB, one must demonstrate the business drivers for that decision. Organizations must set reasonable, measurable DEIB targets, as unrealistic goals are demotivating and may result in eventual abandonment. Start with small wins, then challenge yourself to be better.

Water professionals need to demonstrate their commitment to DEIB clearly and consistently when it comes to recruiting and retaining our water workforce.

Prioritizing DEIB

Many water professionals agree it's time for a cultural shift in our industry. Organizations need to listen to their workers and make changes to combat mounting retention issues. According to Klotz (2021), "A more personalized, listen-first approach is needed. That means having one-on-one conversations with employees about their well-being and about how their jobs can be re-crafted to support their pursuit of happiness and purpose."

The DEIB-related discourse that has occurred in the water industry over the past few years is encouraging, but if organizations aren't sincere when they launch DEIB initiatives or make related public statements, their efforts will fall flat; people will see right through them, especially those from marginalized groups. Water professionals need to demonstrate their commitment to DEIB clearly and consistently when it comes to recruiting and retaining our water workforce. 📌

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