



The Great Resignation or Realignment?



Centre for Workforce Development

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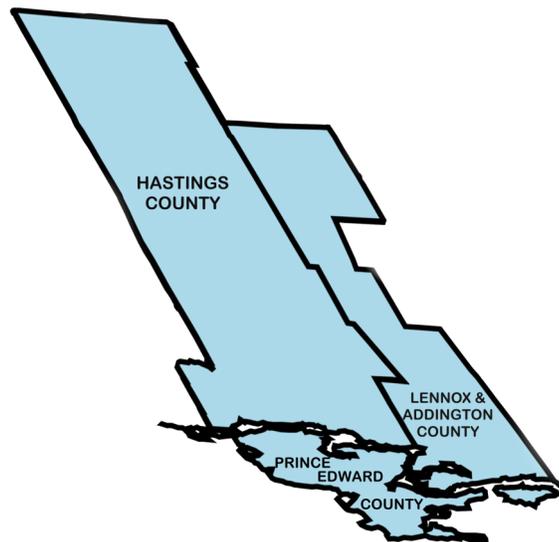
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The Great Resignation ... or Great Realignment or great nothing?

There are a vast number of articles that address a term that popped up in the labour market during the pandemic. The Great Resignation. This report will reference a number of articles in order to help you understand how this trend started and whether in fact, it is a concern for employers in the local labour market.

When we ventured into wanting to better understand this trend, a significant amount of literature review was done first. This was followed with an analysis of two data pieces that provided the best understanding of labour force shifts.

What is The Great Resignation?

On September 28, 2022, Denise Paglinawan, a journalist with the Financial Post wrote an article about The Great Resignation. In that article, she describes where this term first arose and who coined the phrase. *“The Great Resignation, a term U.S. academic Anthony Klotz uttered in passing during an interview with a Bloomberg reporter in the spring of 2021.”* She goes on to describe the phrase as going viral and becoming an entry at Wikipedia and Dictionary.com.

Anthony Klotz is a Management Professor at Texas A&M University who researches the ways in which employees resign from their jobs and how leaders respond to, and manage, employee resignations. According to Anthony Klotz, he was interviewed by Arianne Cohen with Bloomberg and she published an article May 2021. That article and the term “The Great Resignation” went viral.

An article in Texas A&M Today published on February 11, 2022 by Ann Kellett had the following statements:

“The Great Resignation” refers to the decisions of millions of workers to quit their jobs during the pandemic. In November 2021 alone, for example, a record 4.5 million American workers left their jobs, bringing the 12-month total to 68.7 million, according to the U.S. Bureau of Labor Statistics.

In broader terms, Klotz said the Great Resignation describes how COVID-19 upended the centuries-old notion of what work is and how it should be done.

“I knew from talking to my students, workers and business leaders that the pandemic had changed how many people felt about work,” he said. “Workers saw that quitting their jobs gave them a chance to take control of their personal and professional lives.”

In this same article, Koltz goes on to explain how he arrived at seeing this as a great resignation.

“I noticed four trends unique to the pandemic that I believed would each independently contribute to higher than normal levels of resignations in the United States, and that would lead to a massive wave of resignations when combined,” he said.

The trends were an existing backlog of resignations as some workers chose to stay in their jobs because of the uncertainty resulting from the pandemic, widespread burnout among workers, widespread re-evaluation of priorities and values among workers and the reluctance of some workers to give up remote work.

This is all interesting you say - but what about Canada?

The Canadian Effect

The Great Resignation is an American phenomenon but is it really happening in Canada and more specifically, across the local labour market?

There are articles such as “Is the Great Resignation Over? Not Even Close” published by the Human Resources Professionals Association in April 2022 which suggest that in Canada, this trend is not even close to being over, In fact, it suggests “*The Great Resignation isn’t just a 2021 phenomenon. It’s happening right now.*” Articles however, are just that.

They often quote statistical numbers without comparison to previous data but do not include evidence based analysis.



Image Source: Vecteezy.com

While the United States uses the Job Openings and Labor Turnover Survey to determine the number of people who have quit their jobs, Canada uses the Labour Force Survey (LFS) to determine the state of the labour force on a monthly basis. When one takes an in-depth look at the articles that have been written about The Great Resignation, both in the US and Canada, there are lots of stories about people who quit their job to take on something new. A new job or remote work and even some who start a business. However, in Canada, the evidence does not support that there were mass resignations during the pandemic like the US faced. Although a survey conducted by Maru Public Opinion and reported on by ADP Canada in July 2022 indicated that 24% of Canadians respondents were new to their current role or position, there is no comparative data to suggest this is higher or lower than other times.

Labour Force Survey

The LFS examines several factors that can affect the labour force. There are two key things that need to be taken into consideration when trying to understand the number of people who quit their jobs and why. Both of these speak to whether Canada faced a great resignation or not.

Job Changing Rate

The LFS is a monthly survey which measures the current state of the Canadian labour market. Statistics Canada, through the LFS, reports on the Job Changing Rate. Although this data set is not readily available, it can be special ordered. In the Statistics Canada Labour Force Survey, July 2022 update released as part of their “Daily” series, they provided an update on the Job Changing Rate across Canada. The following explanation was provided.

The job-changing rate measures the proportion of workers who remain employed from one month to the next but who change jobs between months.

- *From 2016 to 2019, the job changing rate averaged 0.7% and never fell below 0.6% or rose above 0.8%.*
- *In July 2019, the job-changing rate was 0.7%.*
- *Three years later, in July 2022, the job-changing rate was essentially unchanged, at 0.6%.*

In fact the highest peak of this rate was 0.8% in January 2022. These evidence based numbers indicate that Canada did not experience job leavers at the rate that the US was seeing and which sparked “The Great Resignation” trend.

Job Leavers

Another key indicator that is used to understand the labour force shifts and whether Canada is experiencing mass resignations are the reasons for leaving a job that are gathered as part of the monthly LFS. This data is available on both a monthly and yearly basis.

The following categories cover this indicator:

Job leavers

- Personal or family reasons (including own illness or disability)
- Going to school

Other reasons

- Dissatisfied
- Retired
- Other

Job losers

- Permanent layoff
- Temporary layoff
- Have not worked in last year
- Never worked

In the same Statistics Canada Daily Report, Labour Force Survey, July 2022, the job changing rate was outlined with the following key statements made concerning job leavers.

As of July, there was little indication that tight labour market conditions in recent months had led to an increase in the likelihood of workers voluntarily leaving a job or switching jobs. The number of core-aged (25 to 54 years) job leavers—people who left a job voluntarily in the previous 12 months and remained not employed in the Labour Force Survey (LFS) reference week—stood at 346,000 in July, down 3.4% (-12,000) compared with before the pandemic in July 2019. The number of core-aged job leavers trended down throughout 2020 and early 2021, and reached a record low of 217,000 in April 2021 (not seasonally adjusted).

Essentially, this data is indicating that there is no Great Resignation. In the US, the key reason identified behind The Great Resignation was job dissatisfaction. The following tables look specifically at job dissatisfaction as a trend over time data set.

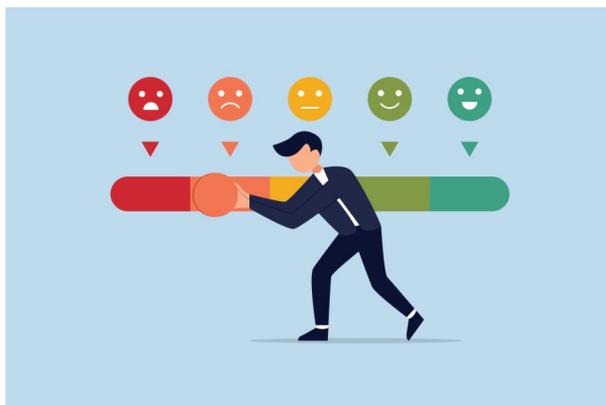
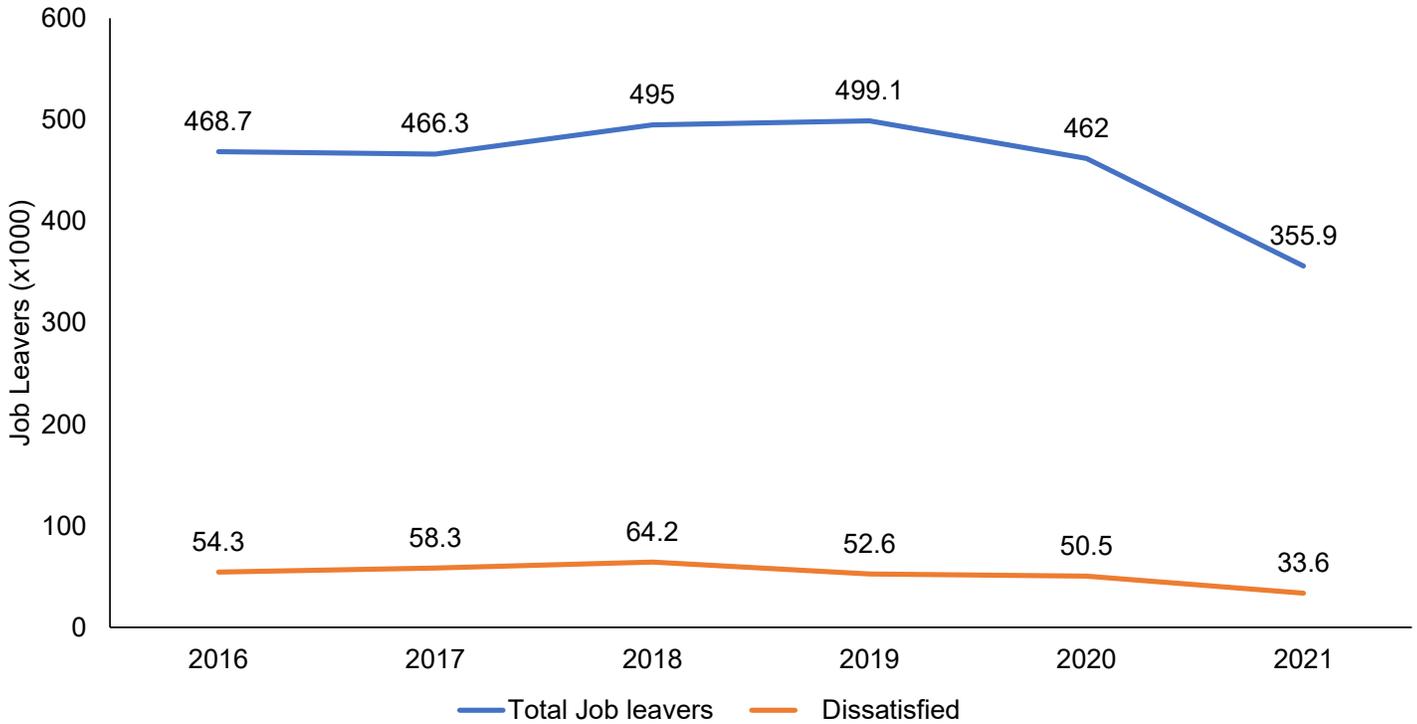


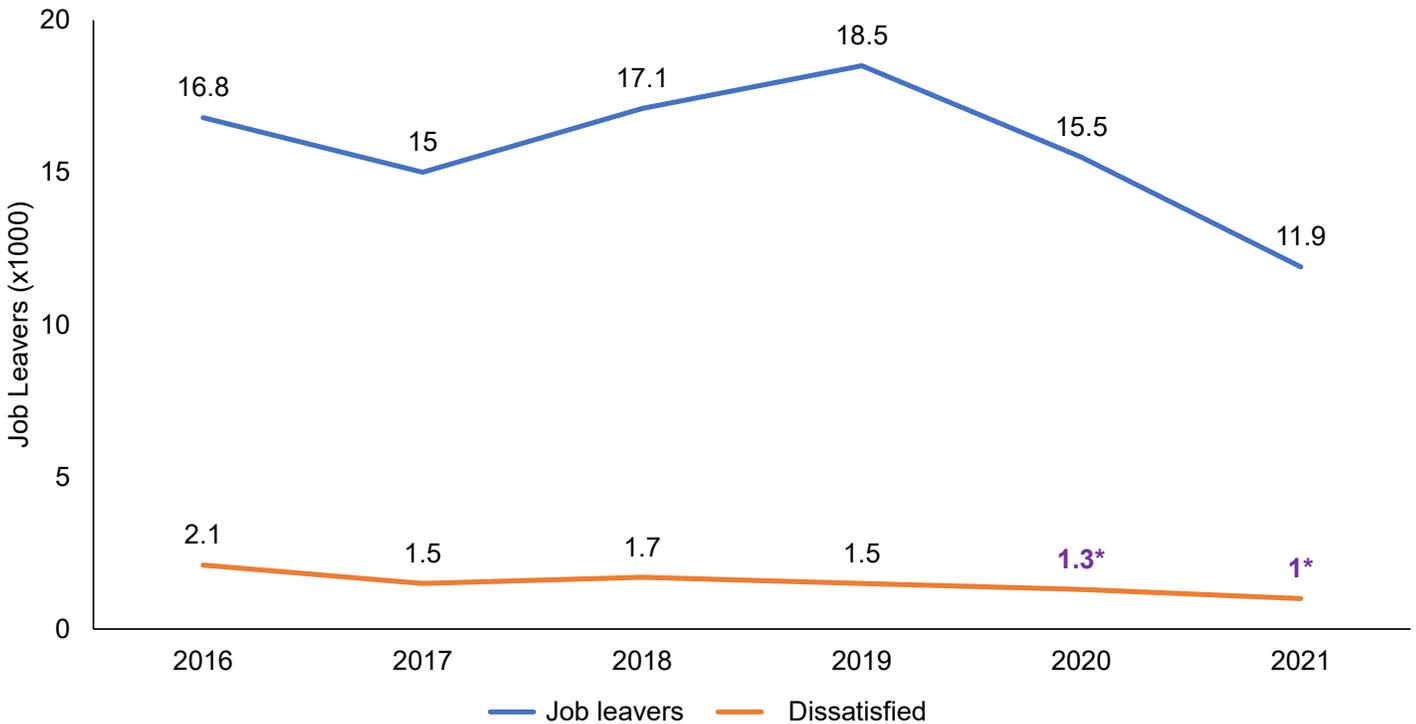
Image Source: Vecteezy.com

Job Leavers - Ontario



Source: Statistics Canada. Table 14-10-0126-01 Reason for leaving job during previous year, annual (x 1,000) Special Tabulations

Job Leavers - Economic Region 3515



Source: Statistics Canada. Table 14-10-0126-01 Reason for leaving job during previous year, annual (x 1,000) Special Tabulations

* The data from 2020 NS 2021 Dissatisfied should be used with caution. The data for both years was suppressed which indicates under 1500 persons. Calculations for these numbers is based on data counts within other categories. Overall the data supported a decrease in this category.

Conclusions

There is other labour force data that could be shared in detail. These include but are not limited to core-aged job leavers, job tenure and Employment Insurance rates. However, a quick review of these data points showed a similar pattern to what has already been included in this report.

Certainly, the pandemic brought a shift to labour force dynamics and how people adjusted throughout it. Evidence indicates that although there was a churn in the labour force, it was no worse than pre-pandemic times. In fact, the participation rate for the Belleville-Quinte West Census Metropolitan Area, at 64.5%, is currently higher than it has been over the past 4 years.

The current labour force shortage that local employers are facing is not due to any “Great Resignation”, but rather to something Rick Miner noted as far back as 2010. Between an aging population, less people available to enter the labour force along with an increase in businesses, their job opportunities and the shift in skill sets needed, he predicted that Canada would face exactly what it faces today.

The current three-year strategic Local Labour Market Plan and its update identify key issues along with the areas that the community needs to focus on to address the labour force shortage that Hastings, Prince Edward and Lennox and Addington Counties is facing. Now is the time that you can get involved in the identified actions and be a part of the solution to helping build a strong local labour force!



Image Source: Vecteezy.com



Centre for Workforce Development

11 Bay Bridge Rd.,

Belleville, ON K8P 3P6

Office 613-969-0720

Email: info@cfwd.ca

Website: www.cfwd.ca

Twitter: [@CFWD_Workforce](https://twitter.com/CFWD_Workforce)

Instagram: [@cfwd.ca](https://www.instagram.com/cfwd.ca)

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