



Report

# Employee Turnover: The impact of mental health, stress, financial worry, and generational needs



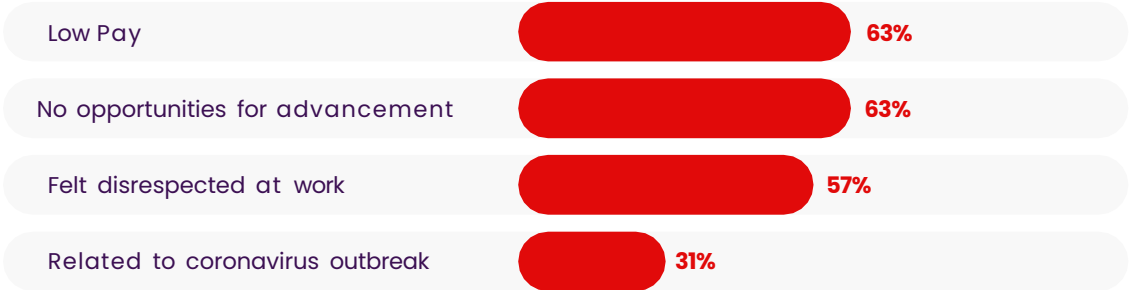
# The impact of mental health, stress, financial worry, and generational needs during The Great Resignation

Since 2021, employees across the United States have been leaving their jobs at an unprecedented rate. This economic phenomenon has been coined The Great Resignation. More than 4 million U.S workers have quit their jobs each month for the past 8 months, begging the question of whether this is a short-lived trend or, in fact, the “new normal.”<sup>1</sup>

According to Anthony Klotz, a professor at the Mays Business School, who predicted the mass exodus and coined the term “Great Resignation,” the spiking quit rates can primarily be explained by four key factors<sup>2</sup>. Due to the pandemic and the subsequent onslaught of layoffs and furloughs, many people who may have otherwise chosen to leave their jobs instead elected to cling on to their employment. As a result, 2021 ushered in a lowered unemployment rate and a backlog of resignations. With the pressures of the pandemic both in and outside of the workplace, 2021 also saw a heightened level of burnout across the economy, particularly among frontline workers. Similarly, with the societal shift seen throughout the pandemic, individual employees have experienced an extended period of introspection, leading to identity shifts and a reorganizing of priorities and standards. Consequently, many employees across the economy have become “epiphany quitters,” a term used to describe individuals who choose to leave their jobs after reevaluating their lives during the pandemic. Finally, as 2020 saw a shift toward remote work, individuals who have grown to prefer this structure have been motivated to leave employers who demand a return to the office in favor of those who will allow remote work long term.



### Reasons people left their jobs in 2021<sup>3</sup>



# Industry Turnover Rates

The statistics get even more interesting when considering industry comparisons. According to the BLS's JOLTS program, the healthcare and hospitality industries are the most affected by the Great Resignation, with the healthcare industry seeing an increase in average monthly turnover of 27% and hospitality an increase of 19% from 2019 to 2021. This is hardly surprising, with frontline workers often facing the most significant challenges since the pandemic.

**Healthcare Industry**



**27%**  
avg monthly turnover

**Hospitality Industry**



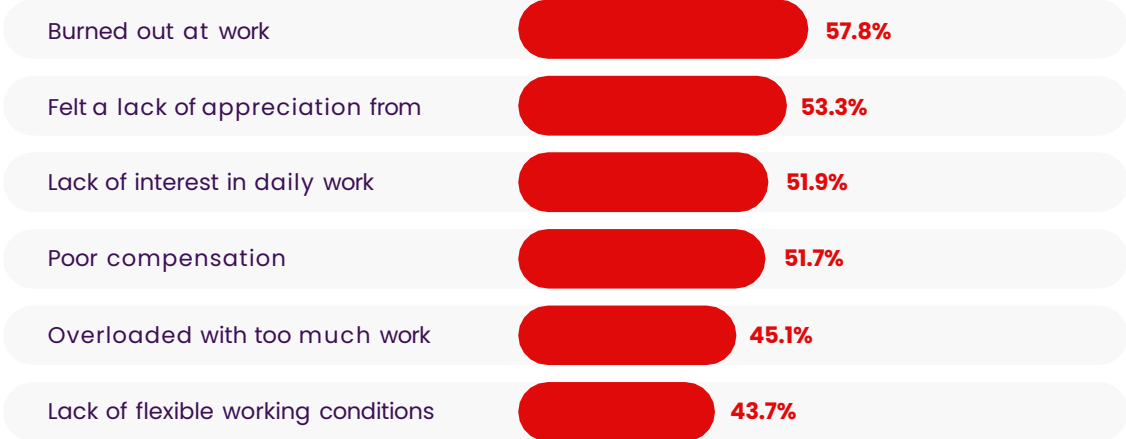
**+19%**  
increase from 2019  
to 2021

**According to Joblist, workers in almost every industry are considering leaving their jobs.<sup>3</sup>**



**Similarly, Axonify's 2021 edition of their Annual Global State of Frontline Work Experience found that 45% of frontline employees are planning to leave their current jobs.<sup>4</sup>**

**Reasons frontline workers are planning to leave:**



# Industry Turnover Rates

Pew Research found that most workers who quit their jobs in 2021 and are now employed somewhere else are satisfied with their decision, with 56% stating they now earn more money, 53% have more opportunities for advancement, 53% have improved work-life balance between work and family responsibilities, and 50% have more flexibility to choose when they put in their work hours<sup>4</sup>.

The trend is clear – Americans are redefining their work priorities. With a multitude of reasons for discontent leading Americans toward resigning in the wake of these newfound priorities, it is now more important than ever for employers to identify what factors push their employees toward leaving, and which motivates them to stay.



To better understand this, we tracked a variety of risk factors to understand how they relate to an individual's decision to leave their employer. Using Virgin Pulse's Health Check Health Risk Assessment (HRA) data collected on the Virgin Pulse platform, we identified members who were at risk for having depression or anxiety, those who reported high levels of work-related stress, and those who reported high levels of financial stress. We also looked at age group differences, hoping to better understand how different age groups approach turnover.

What factors impact a Virgin Pulse member's decision to leave their organization:

- 1 Work and finance-related stress
- 2 Mental health – depression and anxiety
- 3 Generational impacts



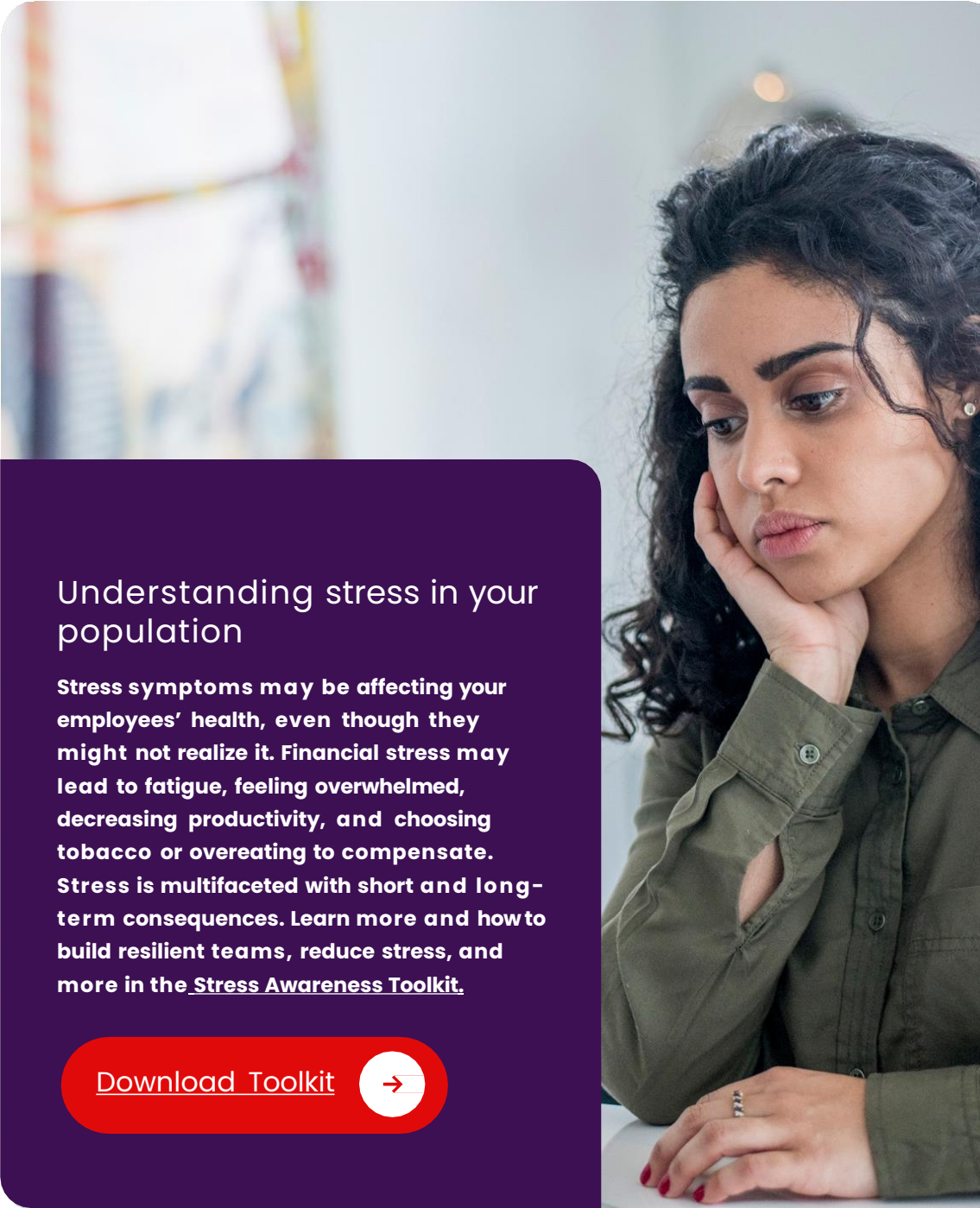
# Turnover Among Virgin Pulse Members: What Factors Impact a Member's Decision to Leave

## 1

### Unsurprisingly, work and finance-related

Virgin Pulse members who reported high levels of finance-related stress were 64%<sup>i</sup> more likely to leave their employer than those who did not, while those who reported high levels of work-related stress were 50%<sup>ii</sup> more likely to leave their employer. Similarly, members who had both high levels of work-related stress and high levels of finance-related stress were 2 times<sup>iii</sup> more likely to leave their employer than those not struggling with either of these stressors.

What actions can you take? Integrating financial wellness benefits and partners into your wellbeing program reduces voluntary turnover risk and is a safety net for you. You don't have to worry if an email was read or how to increase awareness and benefit utilization. We remove this uncertainty so you can focus on what matters most – your health and that of your organization.



### Understanding stress in your population

Stress symptoms may be affecting your employees' health, even though they might not realize it. Financial stress may lead to fatigue, feeling overwhelmed, decreasing productivity, and choosing tobacco or overeating to compensate. Stress is multifaceted with short and long-term consequences. Learn more and how to build resilient teams, reduce stress, and more in the [Stress Awareness Toolkit](#).

[Download Toolkit](#) 

## 2 The risk of depression and anxiety also had an impact on turnover

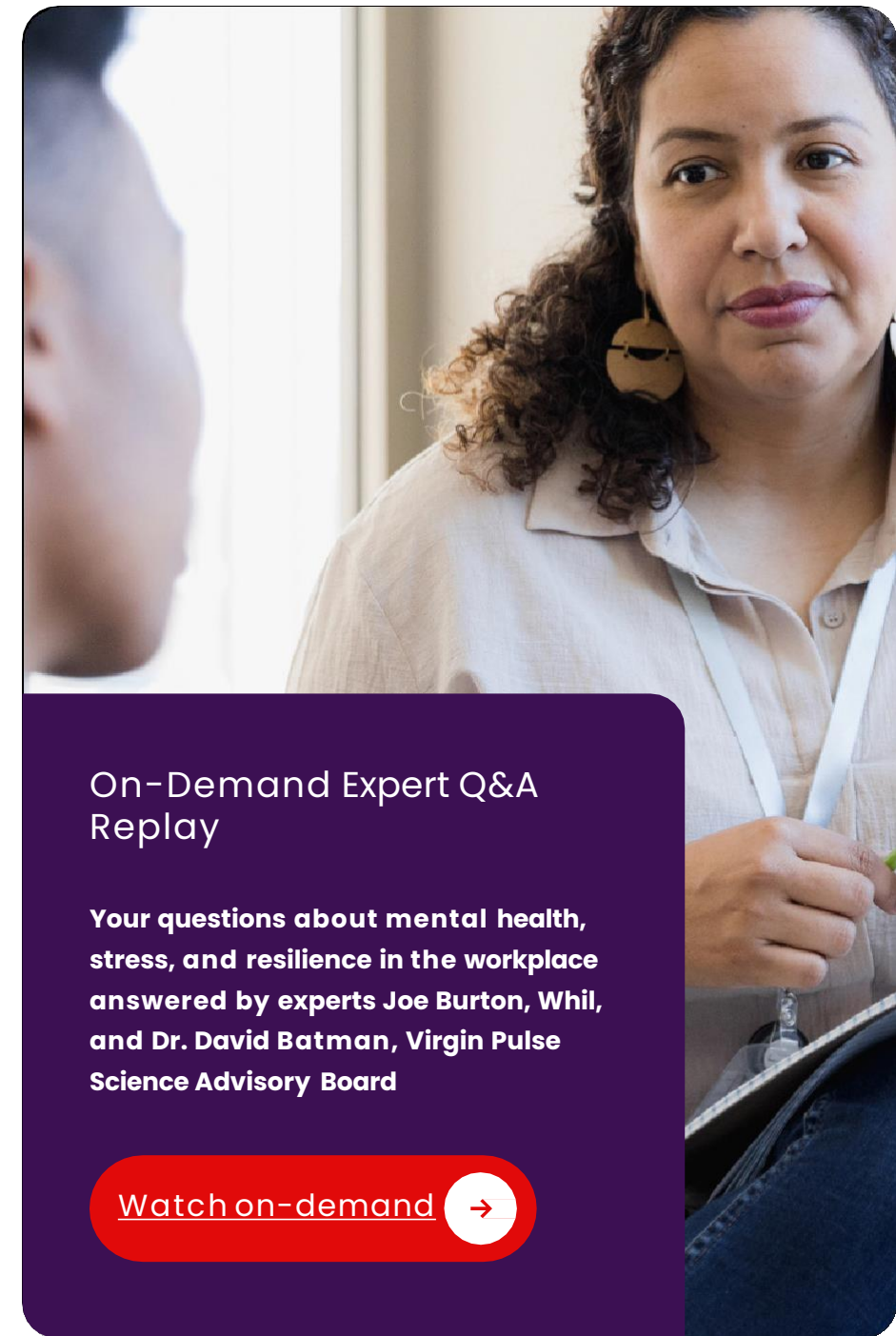
A significance test was performed to compare attrition between Virgin Pulse members who reported a high risk of depression and anxiety, and those who did not, and a statistically significant difference was observed. This is important to note, as it emphasizes the importance of investing in the mental health of an employee population, not only for the benefit of individual employees but for business outcomes as well. However, mental health rates alone do not tell a complete story about turnover. To reduce turnover rates, especially today during the Great Resignation, employers must cultivate a healthy, supportive environment that not only focuses on diagnosable mental health concerns but also on stressors related to an employee's work life and financial circumstances.

Similarly, research has shown that work-related stressors, especially high job demands, low decision latitude, high job strain, low work social support, and high job insecurity is strongly associated with adult psychiatric diagnoses, even when normalizing for internalizing behaviors and malaise<sup>5</sup>. Using Virgin Pulse data, we found a 0.23 correlation between financial and work-related stress with anxiety and depression. This value measures the strength of a relationship between

two variables and can be any number between -1 and 1, with -1 describing a perfectly negative correlation, and 1 describing a perfectly positive one. A positive, statistically significant correlation of .23 was found. In a world of behavioral and social sciences where complex and difficult-to-quantify relationships exist, that is a significant correlation.

The impact of mental health on turnover should not be ignored, especially considering how pervasive mental health concerns are in the workplace. Mind Share Partners found in their 2021 Mental Health at Work Report that 76% of full-time U.S. employees reported at least one symptom of a mental health condition, a 29% increase from 2019<sup>6</sup>. Similarly, 53% of survey respondents felt that their work or work environment had a negative impact on their mental health, up 43% since 2019. Ultimately, the rise in mental health concerns across the workforce saw 50% of survey respondents claiming to have left a previous role at least partially due to mental health reasons, a 47% increase since 2019.

What actions can you take? Identify impactful focus areas in response to wellbeing topic interest areas. Decide on action to take with inspiration from other Virgin Pulse customers or our community who have addressed similar challenges. Drive effective action through the Virgin Pulse solution - we take on everything for you, from promoting ways to connect to peers to sustained engagement with mental health benefits, partners, and coaches. We remove uncertainty, admin, and ambiguity to help your people and your business thrive.



### On-Demand Expert Q&A Replay

**Your questions about mental health, stress, and resilience in the workplace answered by experts Joe Burton, Whil, and Dr. David Batman, Virgin Pulse Science Advisory Board**

[Watch on-demand](#) →



## Generational impact

To understand how mental health impacts the workforce, it is essential to also understand generational differences around mental health.

While Mind Share Partners found that 81% of Gen Z and 68% of Millennial respondents reported having left a previous role at least partially due to mental health reasons, only 12% of Baby Boomers and 38% of Gen X respondents reported doing so. This is especially noteworthy, considering millennials make up the largest percentage of the workforce<sup>7</sup>, as well as the Virgin Pulse member population.

Among Virgin Pulse members, there is an inverse relationship between attrition and age. In other words, older employees are less likely to turn over with all else being equal, even among those who are at high risk of depression and anxiety or those who report high rates of work or finance-related stress. In fact, when controlling for all three risk factors, turnover consistently decreases with age among the Virgin Pulse population, suggesting that older generations are more likely to stay in a position when they are unhappy than younger employees.

“Younger generations were more likely to experience mental health symptoms for longer durations but were also more open to diagnosis and treatment as well as talking about mental health at work. They were also more likely to have left roles for mental health reasons, and valued workplace environments that supported mental health more than other generations.”<sup>8</sup>



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**Embracing and supporting a diverse workforce is integral to the success of organizations around the world. Understanding the needs and expectations of each generation can help you engage and retain top talent.**

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# Virgin Pulse members saw significantly higher rates of mental health risks among younger populations.

High risk for depression, anxiety, or stress is concerning high among younger populations at 82% among Millennials and 87% among Gen Z. Mental Health risk decreases with age among the Virgin Pulse population, with 74% of Gen X and 67% of Boomers reporting risk of depression, anxiety, or high stress. However, this trend can at least partially be explained by the generational differences around mental health stigma. While mental health risks are higher among young people, their willingness to identify and address mental health concerns is also higher compared to older peers, which helps you as an employer understand and meet expectations. Generally, younger generations have been more willing to destigmatize mental health in the workplace even before the pandemic and have also been more proactive in prioritizing mental health care. As a result, especially with the increasing discontent seen throughout 2021, younger generations experiencing poor mental health due to their workplace are less likely than their older coworkers to tolerate unhealthy work environments.

## Risk for depression, anxiety, or stress by generation, Virgin Pulse members



See how Virgin Pulse uses this information to build whole-person mental health support, removing uncertainty for HR and the people you serve.

[Read More](#)



# Impact of Addressing Mental Health

Mind Share Partners reports that there are clear consequences to ignoring mental health, stating “unsupported mental health challenges are not only impacting productivity, but workers are increasingly taking their mental health into their own hands and leaving employers who fail to support them.”<sup>7</sup>. In fact, 77% of study respondents reported that their productivity was negatively impacted by their mental health, while 17% missed more than 10 days of work due to their mental health.

## Those who felt supported by their employer<sup>7</sup>:



2.4X

more likely to be satisfied with their jobs



2X

more likely to intend to stay at their company for 2+ years



45%

less likely to experience a mental health symptom for 5-12 months



## What Can be Done?

Unsurprisingly, investing in a positive and healthy workplace culture has a strong impact on the amount of work-related stress an employee experiences. Despite this, O.C. Tanner Reports in their 2022 Global Culture Report that nearly all talent magnet scores, defined as “essential elements that define thriving culture” fell year over year<sup>10</sup>. As companies struggle to maintain a positive workplace culture, employees are left to deal with the consequences.

In fact, Virgin Pulse members were 17%<sup>iv</sup> more likely to report high rates of work-related stress when they also reported that they did not sense that their employer cared about them, compared to those who did feel a sense of care. Similarly, members who reported a lack of pride in their company’s culture were 13%<sup>v</sup> more likely to report high rates of work-related stress compared to those who were proud of their company’s culture. O.C. Tanner reports that “When employees feel less connected to their workplace, culture, and purpose, our research shows the likelihood of great work falls 90%, the probability of burnout increases 11x, and the odds that employees will leave within three years surge 6x”<sup>9</sup>.

# What Can be Done?

To combat this, companies must be intentional in their effort to foster a positive workplace culture. O.C. Tanner explains, reporting that “Our findings confirm that employees are drawn to work that promises a degree of ownership, a sense of belonging, and a chance to exercise their skills in a way that makes a meaningful contribution to the success of their teams and organization. When organizations build a culture that fulfills these promises with the right combination of modern leadership, opportunity, and resources, employee needs are satisfied, and everyday experiences can become peak experiences.”<sup>10</sup>

By [creating a culture](#) employees can be proud of, one that respects the humanity of the individuals that make up a workforce, companies are taking an essential step toward improving the mental health of their population. Consequently, fostering positive work culture is necessary to help reduce turnover and promote positive business outcomes.

Employers can help decrease the amount of work and finance-related stress their employees experience and should feel empowered to support their employees in decreasing their mental health risks.



Check out our Employee Wellbeing Strategy toolkit to get started on your journey.

[Download Toolkit](#)



Empathetic managers and senior leadership contribute to improved work-life integration and decrease burnout.<sup>10</sup> Harvard Business Review reports that 40% of global employees said that no one at their company had asked them if they were doing okay and that these respondents were 38% more likely to say that their mental health had declined since the Covid-19 Pandemic.<sup>11</sup> Organizational leaders are in a vital position to help destigmatize mental health, and genuine check-ins between managers and employees are a great place to start. Want to learn more? Check out the [Psychological Safety Toolkit](#) for more ideas and insights.

Similarly, ensuring fair, competitive pay is an essential step toward positive retention. According to Gallup, “pay strategies can reinforce engagement or erode it”<sup>12</sup>. Gallup found that “employees who feel their pay and incentives are fair, motivate individual achievement or direct them to do what’s best for the organization are happier with their pay and more engaged. But, at most, 22% of workers can strongly agree with those perceptions”<sup>12</sup>. Defining a pay strategy that is fair, competitive, and motivating is essential to increasing engagement and decreasing the financial stress of employees.

Employers have what it takes to support their employees. As people across the country are prioritizing their wellbeing, retention is dependent on organizations prioritizing their employees as well. In the midst of “The Great Resignation”, it’s vital for employers to understand the role mental health plays in their daily work lives and what cohorts are at higher risk. By creating an environment that promotes a [happier, healthier workforce](#), organizations are doing their part to combat the effects of the Great Resignation.



# Employee engagement is critical to reducing voluntary turnover right now.

Virgin Pulse's health, wellbeing, and benefits solution isn't a benefits hub, we are your engagement engine. We take something that happens ~6xs a year to happen 6xs a day. Our engagement engine is the difference. Virgin Pulse delivers the outcomes you need today, future-proofed for business success tomorrow. Your safety net so you can focus on what matters most to you.

Let's talk about how we can help.  
Talk to an expert at Virgin Pulse to get started.

[Contact Us](#)

Learn more at [virginpulse.com](https://virginpulse.com)  
Find us on [facebook](#) | [twitter](#) | [linkedin](#)



# Report Sources

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  12. <https://www.gallup.com/workplace/351545/great-resignation-really-great-discontent.aspx>
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- a. An attrition rate among Virgin Pulse members with high levels of finance-related stress was 23%, while that of those without high levels of finance-related stress was 14%
  - b. Attrition rate among Virgin Pulse members with both high levels of work-related stress and high levels of finance-related stress was 35%, while that of those without high levels of work-related stress was 24%
  - c. 6% of Virgin Pulse Health Check respondents who reported high risk of depression, anxiety, or stress also reported high rates of unproductivity, while 2% of these individuals without risk of depression, anxiety, or stress reported high rates of unproductivity.
  - d. Virgin Pulse Health Check respondents who reported a high risk of depression, anxiety, or stress had a turnover rate of 9%, while those without a high risk of depression, anxiety, or stress had a turnover rate of 7%