From Silent Discontent to Loudly Quitting:

Reimagining Retention Strategies for the Philippine Workplace

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Introduction

The "Great Resignation," or the mass voluntary exit of dissatisfied employees from their companies, has become a hot topic in recent years. Factors like limited growth opportunities, inadequate pay, incompetent leadership, and lack of support have driven employee resignations across the globe.[1]

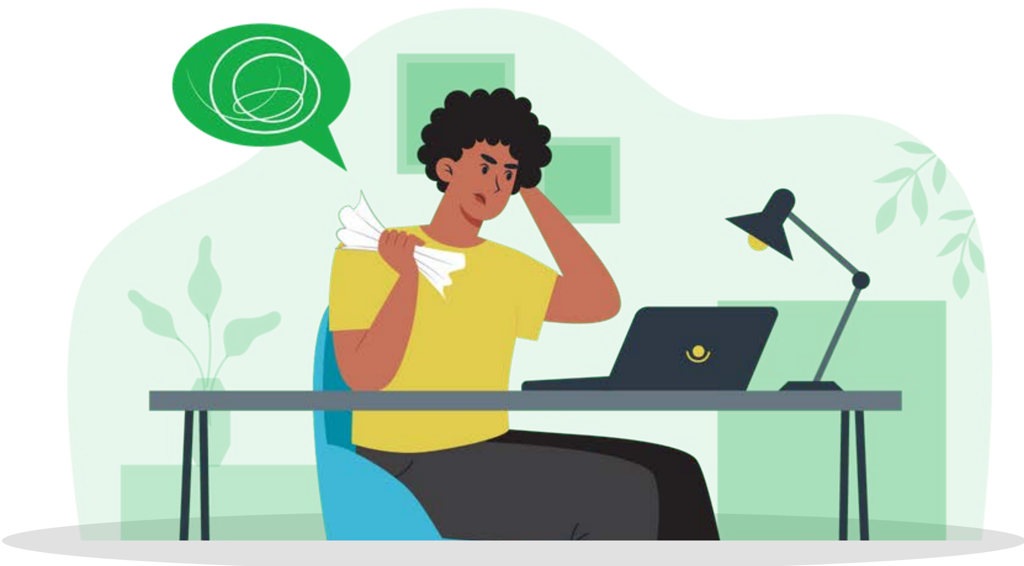
But as the Great Resignation continues, employers face a new challenge in managing their people. This is where “quiet quitting” comes in — a trend where employees perform the bare minimum in their jobs without putting in more effort, time, or enthusiasm than they require.

Current employee engagement statistics indicate the rise of quiet quitting, as seen below.

- Only 21% of workers globally feel engaged at work.[2]
- Several regions recorded low employee engagement rates, with Europe having the lowest number of engaged workers at 14%.[3] Southeast Asia came in third at 27%.[4]
- The Philippines is no exception to quiet quitting, with 53% of employees embracing the trend due to low salaries.[5]

Note: Although new terms such as “Rage Applying” and “Productivity Paranoia” have surfaced as the natural sequels to the trend, we'll stick to “quiet quitting” as this was the term used during our data collection period.

This raises the question: what can companies do to address the rising trend of quiet quitting in the Philippines? We analyzed employee engagement in local organizations to get the answer. In this whitepaper, we’ll discuss the challenges of employee engagement and how employers can combat quiet quitting once and for all.



[1] https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-great-attrition-is-making-hiring-harder-are-you-searching-the-right-talent-pools
[2] https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx
[3] https://qz.com/is-quiet-quitting-actually-a-problem-1849507715
[4] https://qz.com/is-quiet-quitting-actually-a-problem-1849507715
[5] https://www.philstar.com/business/2023/01/06/2235578/60-workers-quietly-quitting-study-reveals

Methodology

To understand the impact of quiet quitting in different companies in the Philippines, Sprout surveyed over 500 respondents across the following industries.

- Hospitality and Food Services
- Business Process Outsourcing (BPO)
- Construction
- Education
- Financial Services
- Healthcare and Social Work
- Information and Communication
- Manufacturing
- Transportation and Storage
- Retail and Distribution

We asked our respondents to rate engagement and related factors from 1 to 5. This whitepaper will discuss respondent ratings and the reasons behind them.

KEY INSIGHTS

The average engagement score across all industries was 4.30/5 but the data tells a different story.

- Financial Services scored 4.46 but had an 86.9% increase in attrition in 2021.
- Healthcare and Social Work scored 4.16, possibly due to a 20.01% reduction in overtime hours in 2022.
- The BPO industry scored 4.35 but experienced increased tardiness from 254,017 to 492,488 minutes in 2022.

Total overtime hours across all industries went down significantly from 2020 to 2022.

- The downward trend could be attributed to the lack of work-life integration, pandemic fatigue, and overwork.

All industries recorded over 3 million total absent hours in 2021, which dropped by -14.02% the following year.

- Total absent hours were highest in the following industries:

  - BPO due to inconsistent schedules, isolation, and lack of support.
  - Healthcare and Social Work because of the high voluntary attrition rate in 2021.
  - Manufacturing caused by the lack of organizational caring, team communication, and employee development.

Total undertime minutes across the same period went up.

- The industries below have the highest undertime minutes.

  -BPO (1,187,503 undertime minutes in January 2022)
  -Healthcare and Social Work (807,694 undertime minutes in January 2022)
  -Manufacturing (215,560 undertime minutes in June 2022)

Quiet Quitting: Where It All Began

Quiet quitting has sparked conversations about how people feel about their jobs.

In the context of work, quitting means resigning and finding another job. But when employees decide to "quietly quit," they settle by performing their roles without going beyond what's expected of them.

Some possible indicators of a "quiet quitter" include:

- Leaving the workplace or ending one's shift early or right on time
- Refusing to step up or volunteer whenever one's direct supervisor or colleague needs help
- Taking frequent leaves

Disclaimer: Keep in mind that although these behavior patterns may suggest instances of quiet quitting, not everyone who exhibits such behaviors is necessarily "quietly quitting."

Different factors can impact an individual's performance and engagement levels. If you notice these behaviors happening frequently, it might be worth investigating further or providing support to foster a positive work environment.

Overcoming Quiet Quitting: A Multifaceted Approach to Employee Engagement

Check out these effective strategies to overcome the challenges of quiet quitting below:

Prioritizing Employee Well-being Amidst Challenges

Adapting to Remote/Hybrid Work Models

SEE MORE

[6] https://sprout.ph/the-journey-to-the-great-retention/
[7] https://www.onenews.ph/articles/more-than-half-of-pinoy-workers-suffer-mental-issues

Enhancing Working Conditions for Employee Satisfaction

Building Trust and Autonomy in Leadership

Improving Communication and Clarifying Job Expectations

Promoting Career Growth and Advancement Opportunities

Spotting the Signs:
Indicators of Quiet Quitting

Data suggests that quiet quitting is on the rise. But did it also have a direct impact on employee engagement? Below, we take a closer look at how key local industries fare in employee engagement and the challenges they face.

[8] https://sprout.ph/the-journey-to-the-great-retention/
[9] https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-great-attrition-is-making-hiring-harder-are-you-searching-the-right-talent-pools

Average Engagement Scores in Key Local Industries

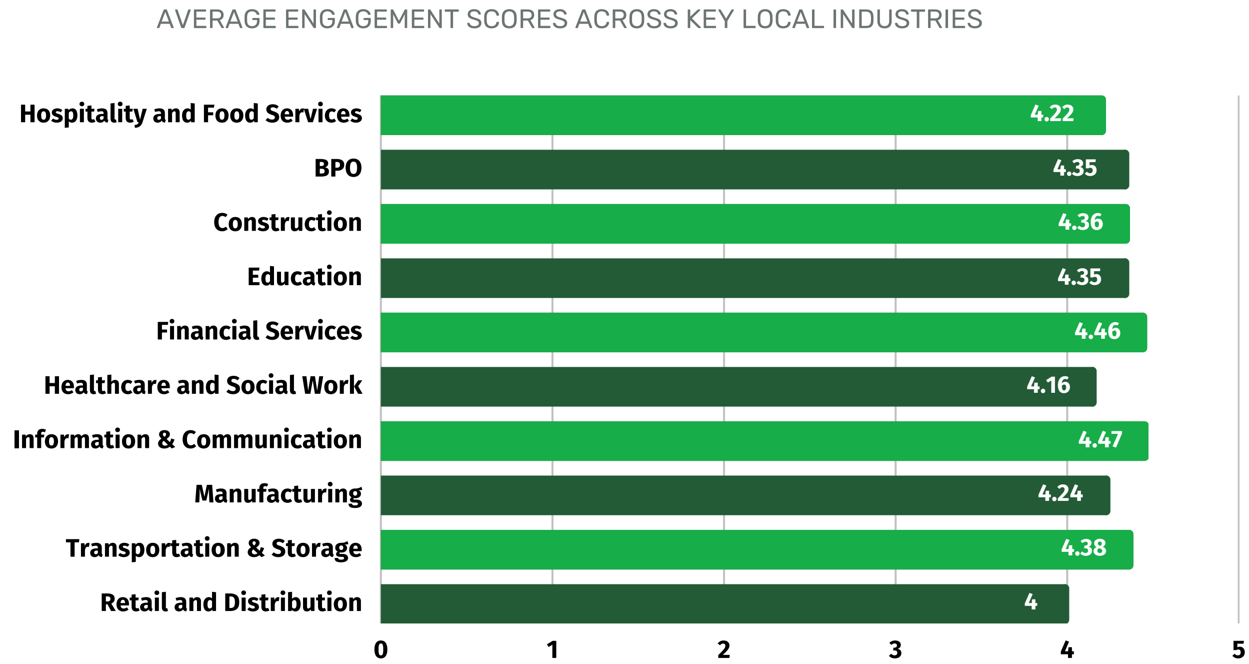


Figure 1. A bar chart showing average employee engagement scores of key local industries

Average engagement scores peaked across all surveyed industries. The information and communication industry came in first among the sectors that reported high employee engagement. It garnered the highest average score of 4.47.

Scoring above 4 indicates that employers manage greatly engaged workers. Many of our respondents may have given their employers these high scores due to the following factors:

- Performing needs analysis (identifying and assessing an employee's needs)
- Creating a strong connection with colleagues and subordinates
- Offering and maintaining work-life integration
- Supporting their employees
- Ensuring a healthy work environment
- Communicating clear work expectations

Exploring the Link: How Quiet Quitting Affects Employee Engagement

The data above shows that several sectors have been prioritizing employee engagement. But what is the context behind these scores, and which factors have influenced them?

Quiet quitters tend to avoid overtime, clock into work late, and take more frequent leaves. In this section, we'll examine how these actions affect employee engagement.

Indicator #1: Overtime

Overtime hours across all local industries dropped over the past three years. Our surveyed sectors ended 2020 with 222,897 overtime hours, which increased by 45.8% the following year. But in 2022, the overtime trend moved downward significantly after October, making it a major indicator of quiet quitting. Multiple factors influenced these variations, including fewer growth and development opportunities, work-life integration, and unclear expectations.

TOTAL OVERTIME HOURS ACROSS ALL INDUSTRIES

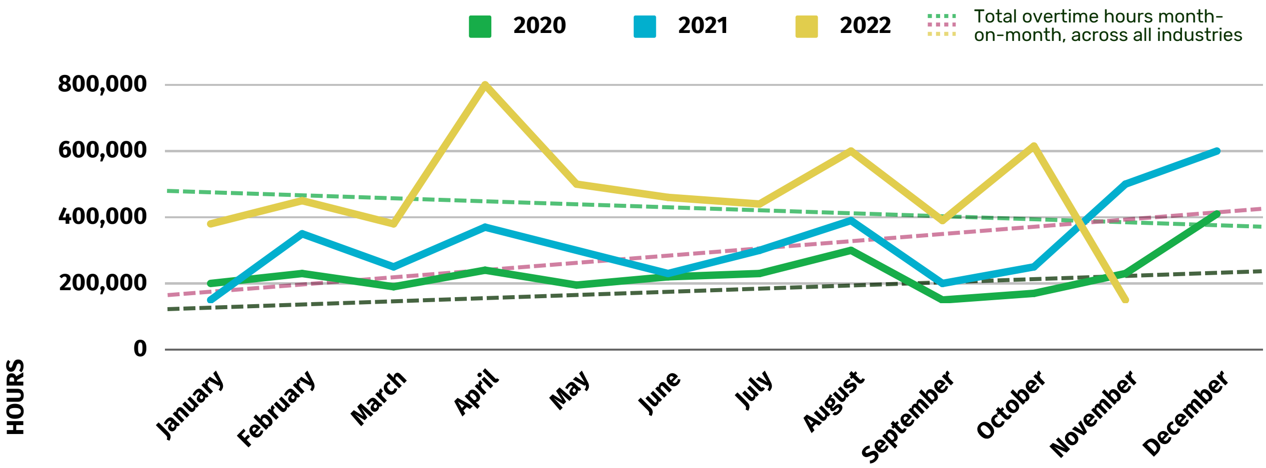


Figure 2. A line graph showing the trend in overtime hours year-on-year and month-on-month across all industries

Hospitality and Food Services

Hospitality and food service workers rendered an average of 13,023 overtime hours in 2020. Many of these individuals felt they needed more work-life integration (which they scored a 3.99/5) since they entertain and fulfill customer requests daily, especially on holidays or if their workplaces have fewer staff members. As a result, they chose to avoid overtime work in 2020.

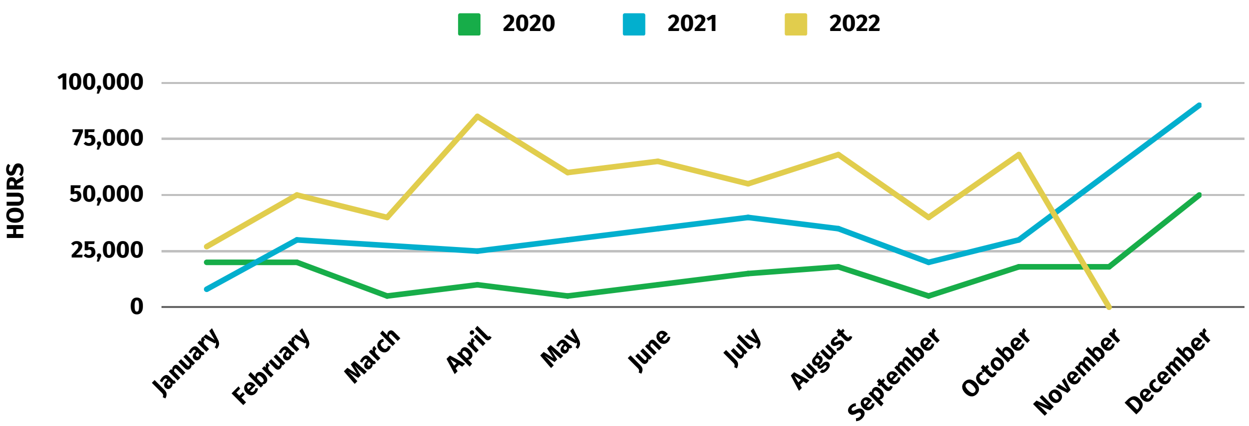


Figure 3. A line graph showing the trend in total overtime hours for the Accommodation and Food Services industry

But the sector's total overtime hours rose to 169.45% in 2021 and 42.09% in 2022. Despite that, our respondents still gave their employer a score of 4/5 or above in areas such as needs analysis, employee engagement, and clear work expectations.

These scores hint at a possible disconnect between employee and employers needs and expectations.

However, hospitality and food service workers opted to end their shifts early in November 2022. Since they were a month closer to Christmas, employees may have sought sufficient time for family and work, causing less overtime.

BPO

From 124,954 hours in 2020, BPO employees' overtime hours rose by 45.38% in 2021. High voluntary attrition across BPO companies throughout the year (at 32.09%) may have increased the sector's total overtime hours.[10]

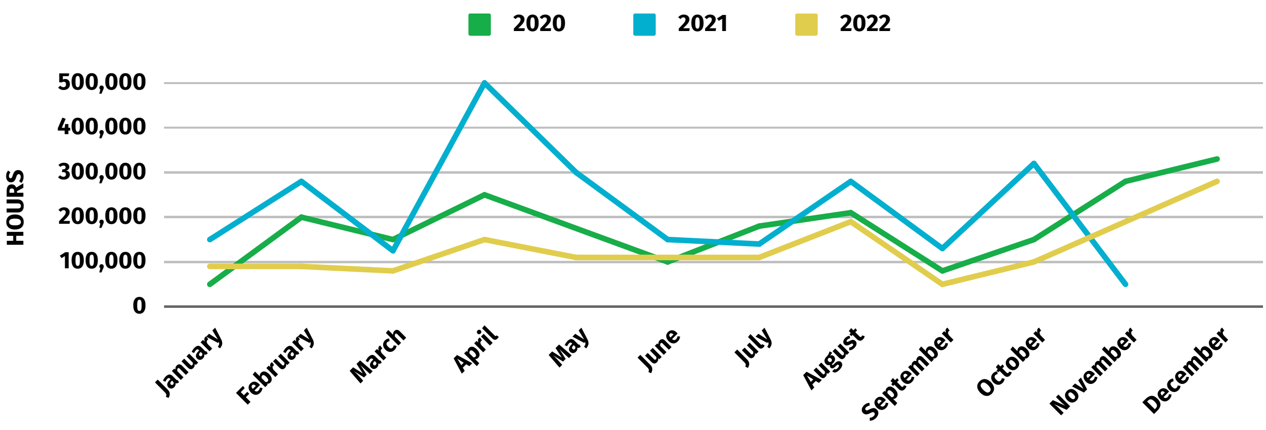


Figure 4. A line graph showing the trend in total overtime hours for the BPO industry

BPO employees also worked more hours the following year, increasing their overtime to 23.25%. This upswing is surprising because our BPO respondents claim that their employers proactively kept them engaged.

Construction

Construction employees stuck to their usual eight-hour work schedule in 2020, which translated to less overtime. But in 2021, their overtime hours increased to 768.36%. Employee shortages may be behind this surge, as the sector's average voluntary attrition rate that year reached 120.42%.[11]

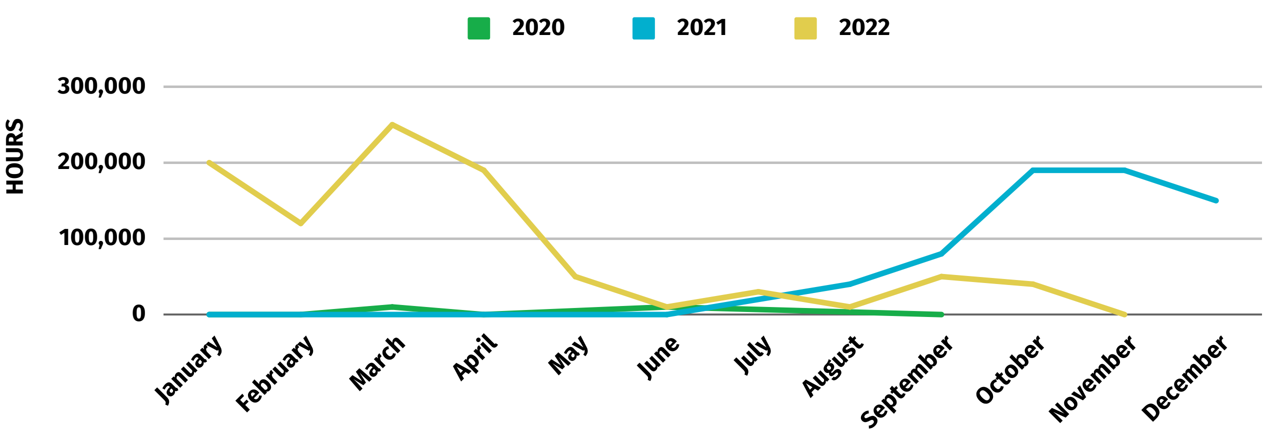


Figure 5. A line graph showing the trend in total overtime hours for the Construction industry

[10] https://sprout.ph/wp-content/uploads/2022/02/The-Great-Resignation_-Philippines-1.pdf
[11] https://sprout.ph/wp-content/uploads/2022/02/The-Great-Resignation_-Philippines-1.pdf

For 2022, construction's average total overtime hours surged to 64.70%. The increase contrasted with a high employee engagement score and a positive employee sentiment toward engagement initiatives.

But before 2022 ended, construction workers only rendered 539 hours of overtime. The Philippine Statistics Authority's 2020 Occupational Wage Survey reported a nearly 2% increase in these employees' monthly wage rate. Currently, construction workers earn ₱13,800.[12] The almost negligible wage increase may have left construction workers feeling frustrated and dissatisfied, driving them to reduce their overtime hours.

Financial Services

Financial service companies saw decreased overtime hours for most of 2020, with employees working from home that year. The switch to remote work translated to greater work-life integration, an area where financial service employers gained high survey scores.

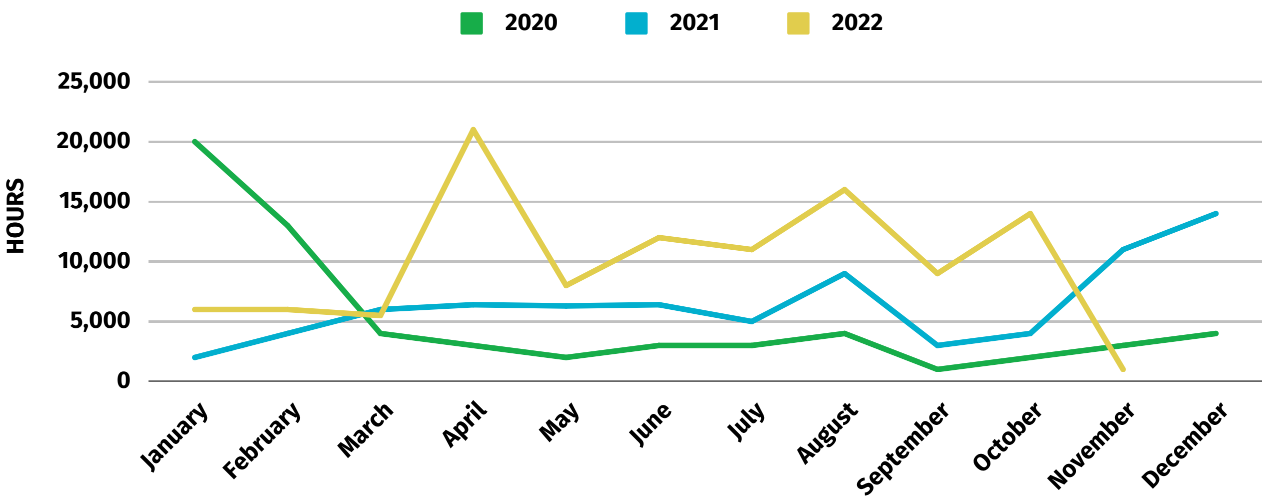


Figure 6. A line graph showing trends in overtime hours for the Financial Services industry

However, this industry's overtime hours increased by 18.93% in 2021. Our research on the Great Resignation's impact across Philippine industries found that the financial service sector's voluntary attrition rate increased by 86.9% in 2021. The same study also noted a high average monthly voluntary attrition rate across the industry in November 2021.[13]

Additionally, low wages may have contributed to reduced overtime in March, May, July, September, and November. A financial service worker's basic pay decreased by -13.5% in 2020, making it inadequate for some employees.[14]

[12] https://psa.gov.ph/content/2020-occupational-wages-survey-ows-0
[13] https://sprout.ph/wp-content/uploads/2022/02/The-Great-Resignation_-Philippines-1.pdf
[14] https://psa.gov.ph/content/2020-occupational-wages-survey-ows-0

Healthcare & Social Work Activities

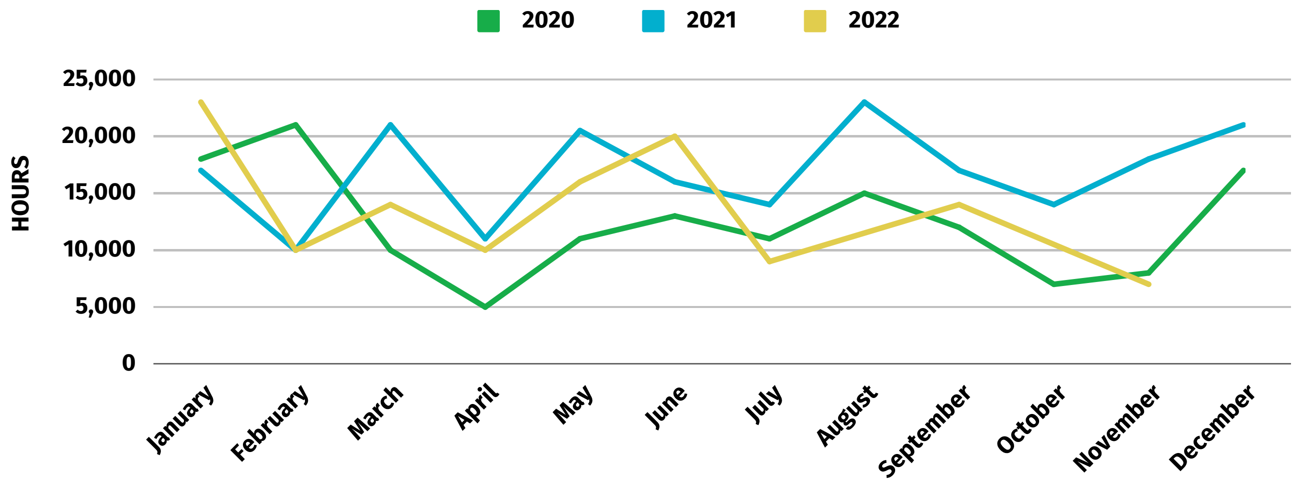


Figure 7. A line graph showing trends in overtime hours for the Healthcare and Social Work industry

Overtime hours rose to 36.95% in 2021, with employees rendering 33,642 extra hours due to staffing issues. Private hospitals have seen 40% of nurses resigning during the pandemic, primarily due to low wages.[15]

But in 2022, healthcare workers reduced their time spent working past their shift by -20.01%. In our survey, some employees felt their employers promote employee engagement well. Meanwhile, others claimed their direct superiors didn't meet their need for growth and development opportunities.

Manufacturing

In 2020, the manufacturing sector's overtime hours increased within several months. We see a possible link between this surge and the industry's high attrition rates in certain months. Involuntary attrition across manufacturing companies reached an all-time high in March 2020, while their average voluntary attrition rate rose the most in February and December 2020.[16]

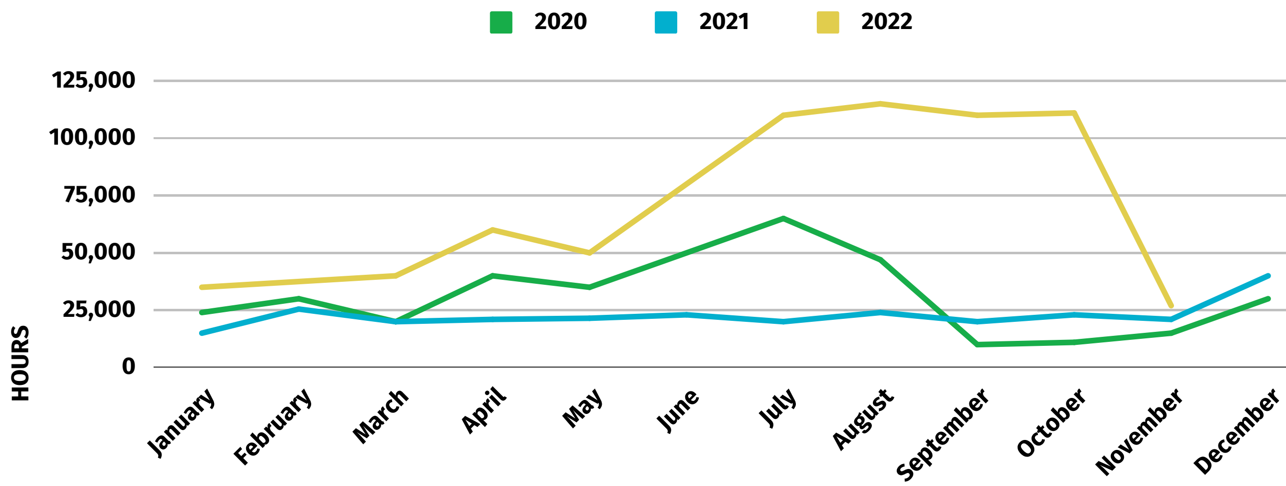


Figure 8. A line graph showing the trend in total overtime hours for the Manufacturing industry

[15] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9126038/
[16] https://sprout.ph/wp-content/uploads/2022/02/The-Great-Resignation_-Philippines-1.pdf

Ultimately, manufacturing employers may have required employees to work overtime.

But in 2021, manufacturing workers reduced their overtime hours for most of the year. They eventually rendered 44,018 overtime hours in December, as their employers had to meet consumer demands and end-of-year deadlines.

Total overtime hours across manufacturing companies then increased by 247.71% in 2022. Lack of employer support could have contributed to the rise, leaving some workers to stay behind and complete critical tasks without managerial guidance.

Indicator #2: Absenteeism

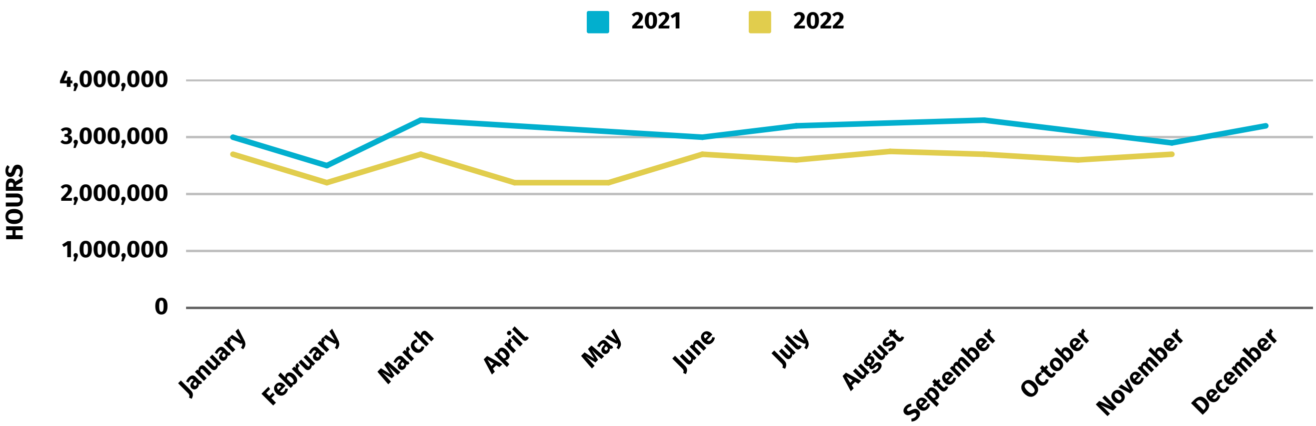
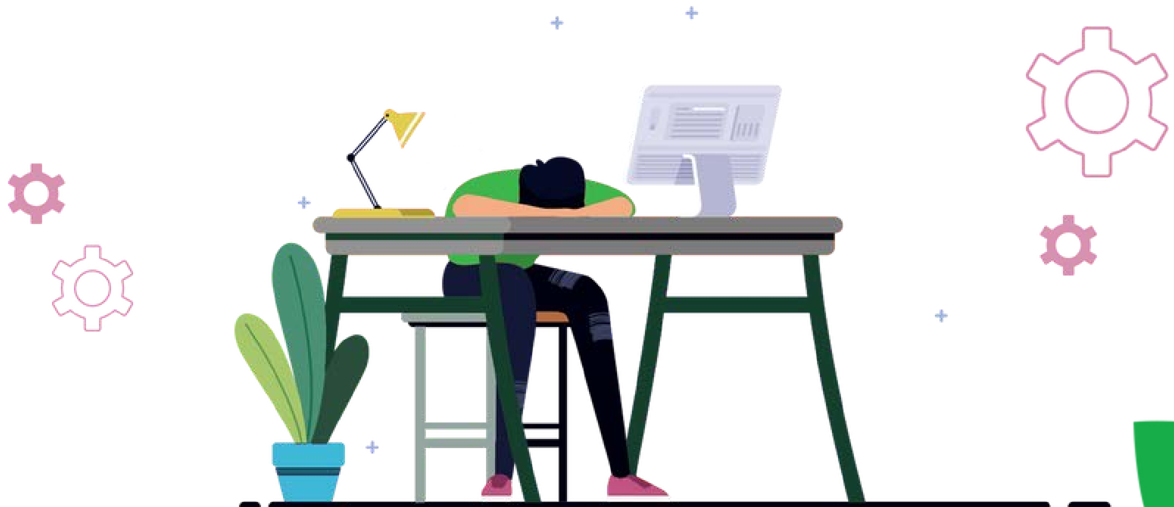


Figure 9. A line graph showing the trend in total absent hours across industries

Absent hours across our surveyed sectors showed no significant shifts and remained consistent in 2021 and 2022. They rose the most in March 2021 (3,192,493 hours) and January 2022 (2,799,321 hours). But despite the steady trend, employee absent hours decreased by 14% in 2022. Nevertheless, many employees remain highly engaged at work.

Industry-wise, the BPO, Healthcare and Social Work, and Manufacturing sectors had the highest number of absent hours. These factors increased the total absent hours of these industries.

- Burnout stemming from inconsistent schedules, isolation, and lack of support systems affecting BPO employees
- The local healthcare sector's high voluntary attrition rate, particularly in 2021
- Lack of organizational caring, team communication, and employee development in manufacturing companies



BPO

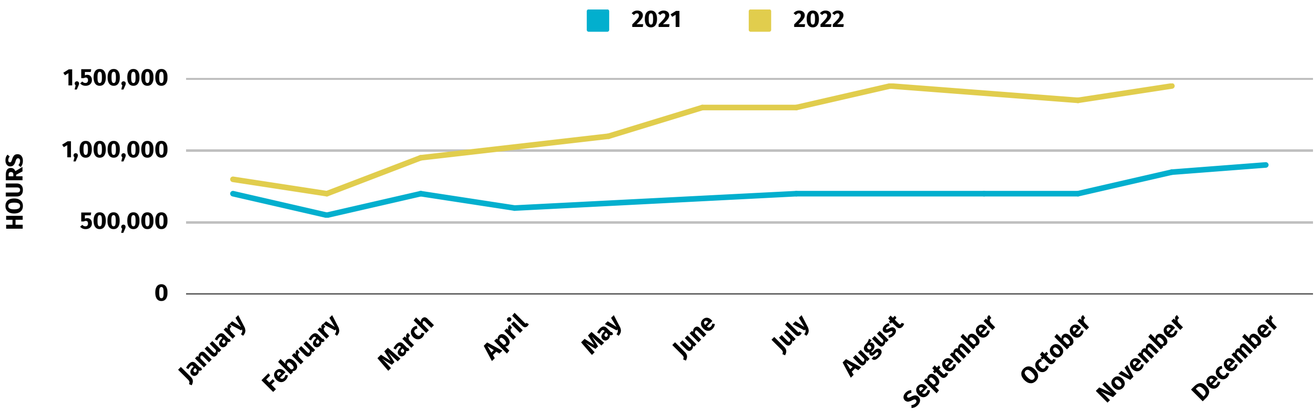


Figure 10. A line graph showing the trend in absent hours in the BPO industry

The local BPO sector's total absent hours peaked at 1,463,315 hours in August 2022, somewhat contradicting employee responses to our survey.

Stress and discontent often drive customer service representatives (CSRs) to use up all their leaves or avoid reporting to work. They face inconsistent schedules, isolation, and the lack of support systems at work, contributing to burnout and employee absences.[17]

Healthcare & Social Work

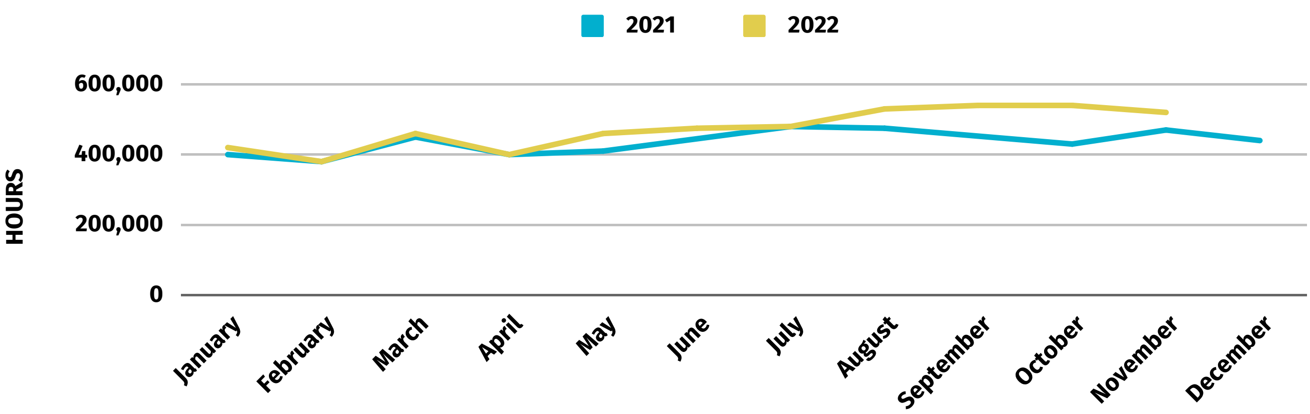


Figure 11. A line graph showing the trend in absent hours in the Healthcare & Social Work industry

Between 2021 and 2022, healthcare and social work employees' absent hours fell somewhere between 400,000 to 520,000 hours.

Despite the slight increase in average total absent hours, healthcare workers reduced their absences for most of 2021 and 2022. The sector saw an exodus of employees during the pandemic, with a 33.3% increase in voluntary attrition in 2021.[18] This may have convinced healthcare workers to report to work more frequently.

[17] http://article.sapub.org/10.5923.j.ijap.20211101.01.html
[18] https://sprout.ph/wp-content/uploads/2022/02/The-Great-Resignation_-Philippines-1.pdf

Manufacturing

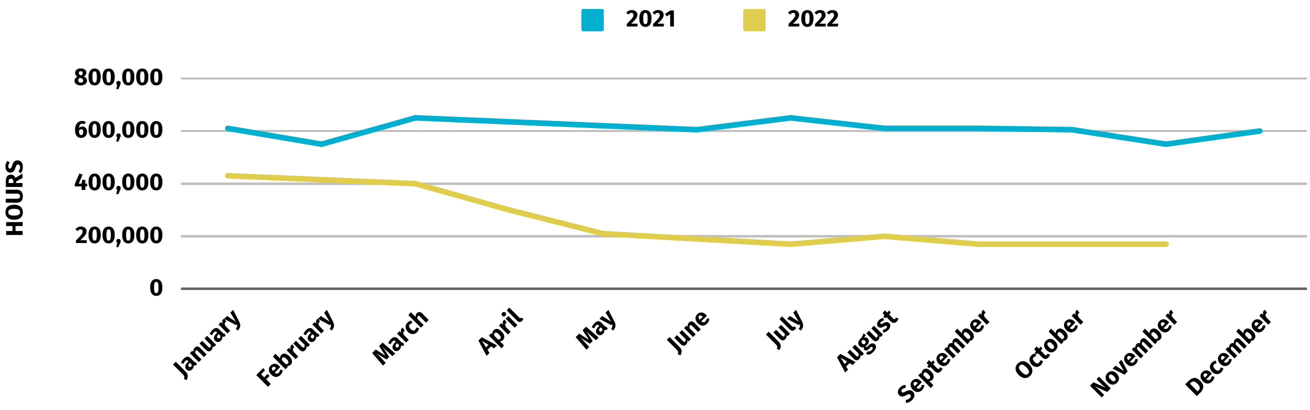


Figure 12. A line graph showing the trend in total absent hours in the Manufacturing industry

In 2021, the manufacturing sector's total absent hours averaged 607,666. Absences peaked in March at 643,848 hours, but remained relatively stable or slightly increased throughout the year. Notably, in December, absent hours rose to 584,551 from 547,353 the previous month.

Indicator #3: Workplace Tardiness

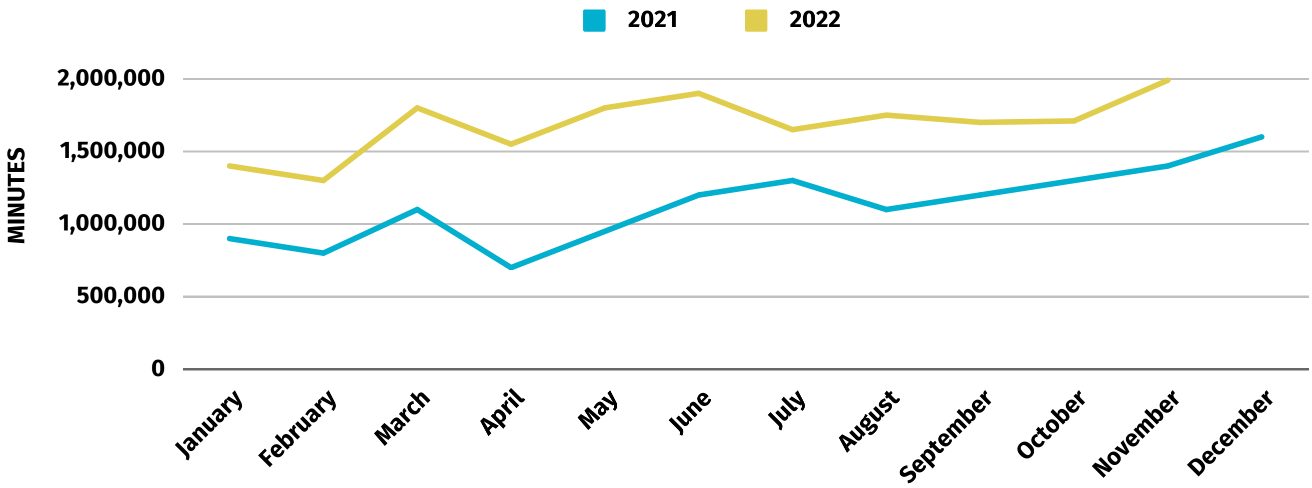


Figure 13. A line graph showing the trend of total late minutes across all industries

Total late minutes across all industries showed an upward trend in both 2021 and 2022. In 2021, employees recorded an average of 1,124,100 late minutes, which increased to 1,671,269 late minutes (48.68% increase) the following year.

The BPO, Healthcare and Social Work, and Retail and Wholesale industries had the highest number of late minutes. Several factors, such as unchallenging jobs and employers not addressing worker needs, could have contributed to the increase in tardiness in these sectors.

[18] http://article.sapub.org/10.5923.j.ijap.20211101.01.html
[19] https://sprout.ph/wp-content/uploads/2022/02/The-Great-Resignation_-Philippines-1.pdf

BPO

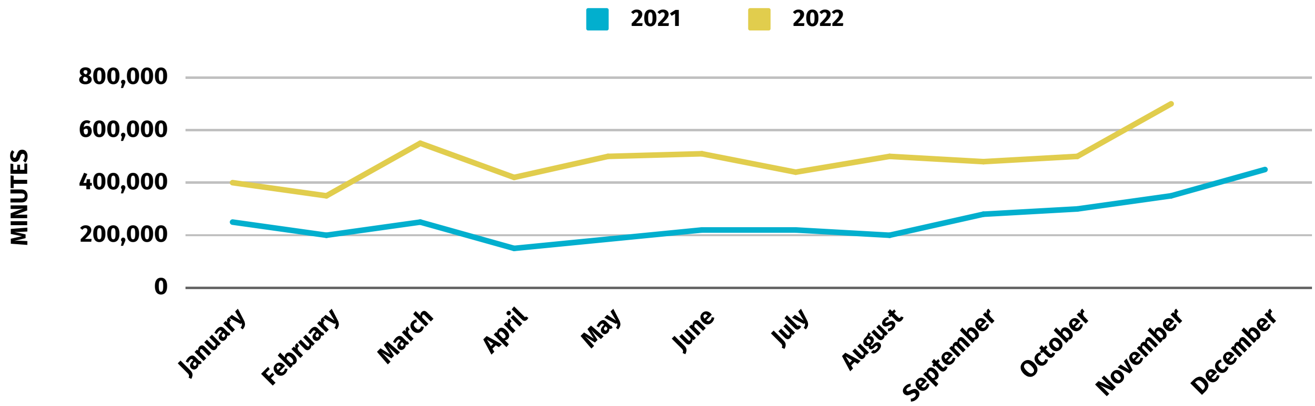


Figure 14. A line graph showing the trends in total late minutes in the BPO industry

Tardiness is a persistent issue faced by local BPO companies, with employees frequently arriving late or starting work late as a means to evade their responsibilities. This behavior can be attributed to factors such as excessive workload, the monotonous nature of their roles, or strained working relationships.

Philippine BPO firms witnessed a notable increase in late minutes over the course of 2021 and 2022, with an average of 254,017 minutes in 2021 and a significant rise to 492,488 minutes in the subsequent year.

Healthcare & Social Work

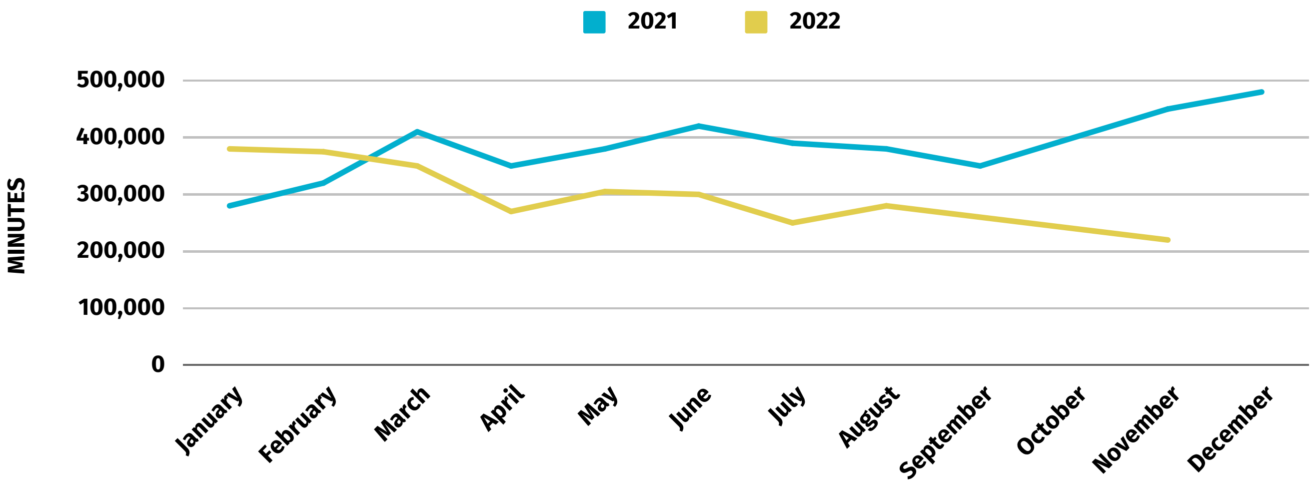


Figure 15. A line graph showing the trends in total late minutes in the Healthcare & Social Work industry

In 2021, the healthcare and social work sector's total late minutes averaged 384,976 minutes. But as 2022 progressed, the data shows a downward trend.

When asked about the reasons behind disengagement, healthcare respondents indicated that their employers scored the lowest in clear work expectations (3.52/5) and organizational caring (3.55/5). These results highlight the importance of establishing transparent guidelines and demonstrating genuine concern for employee well-being.

Retail & Wholesale

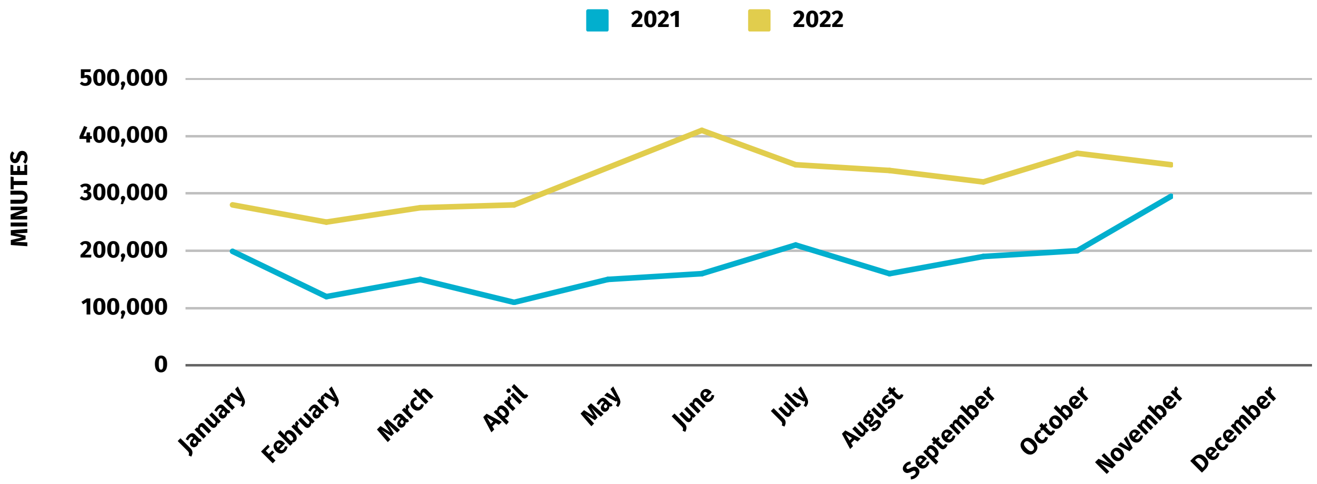


Figure 16. A line graph showing the trends of total late minutes in the Retail & Wholesale industry

In 2021, retail and wholesale businesses had an average of 184,812 late minutes. However, in 2022, the sector experienced a slight increase of 0.76% in late minutes. The highest number was recorded in June 2022, reaching 418,722 minutes.

Survey data revealed that industry respondents showed positive sentiments towards needs analysis, healthy work environments, employer trust, team communication, teamwork, and helpfulness. However, they rated their employers poorly or refrained from assessing categories such as task performance, growth and development, and clear work expectations.

Indicator #4: Undertime

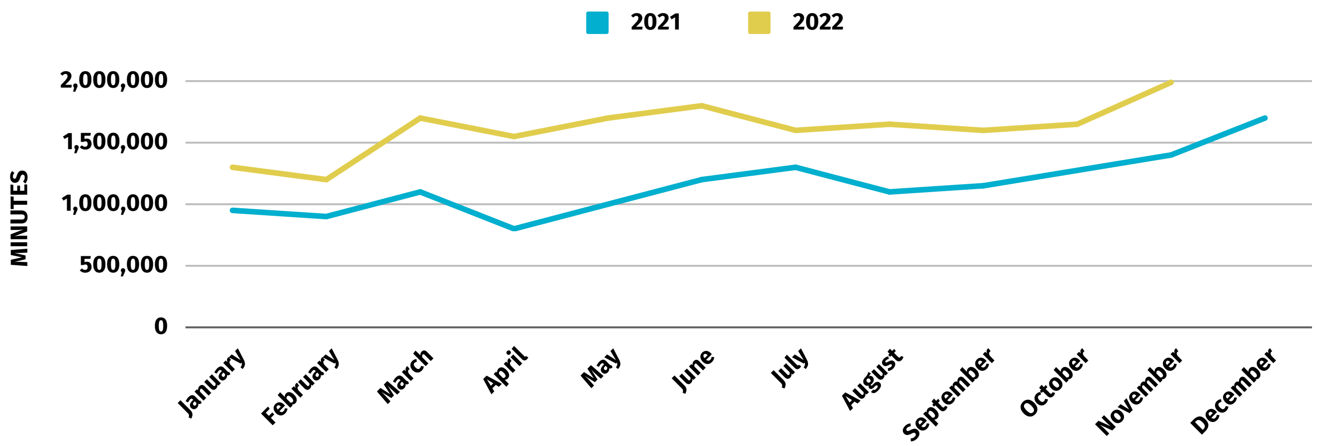


Figure 17. A line graph showing the trend of total undertime minutes across all industries

Total undertime minutes across all industries displayed a steady rise, with employee undertime reaching 2,299,045 minutes in 2021 and increasing in the following year. Notably, all sectors experienced significant undertime minutes in March (2,417,448) and May 2022 (2,442,581), indicating a widespread disengagement issue. However, the average total undertime minutes across sectors decreased by -2.32% in 2022.

The BPO, Healthcare and Social Work, and Manufacturing companies recorded the highest undertime minutes.

BPO

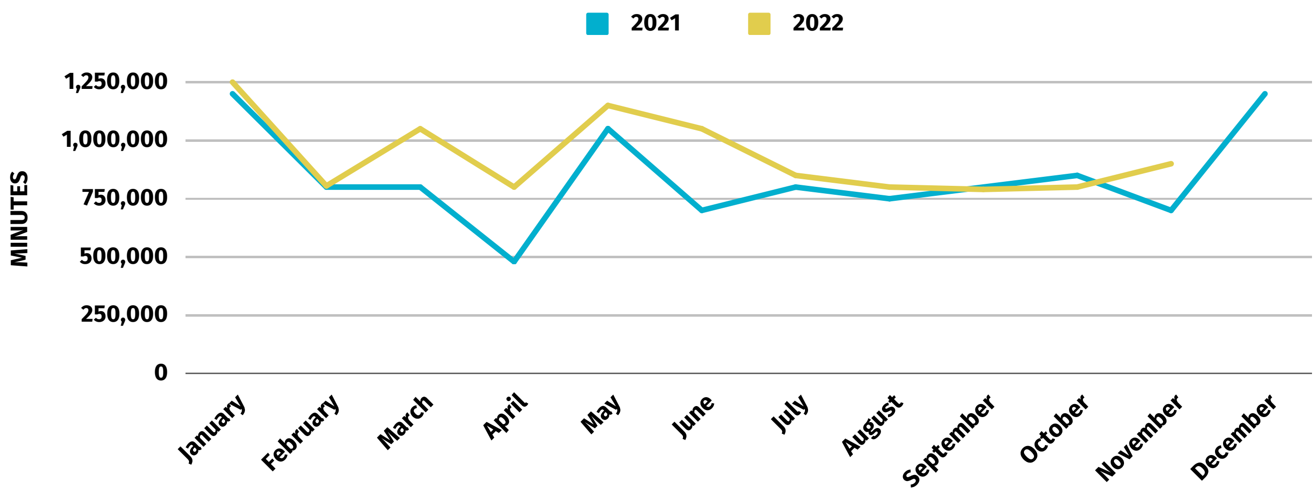
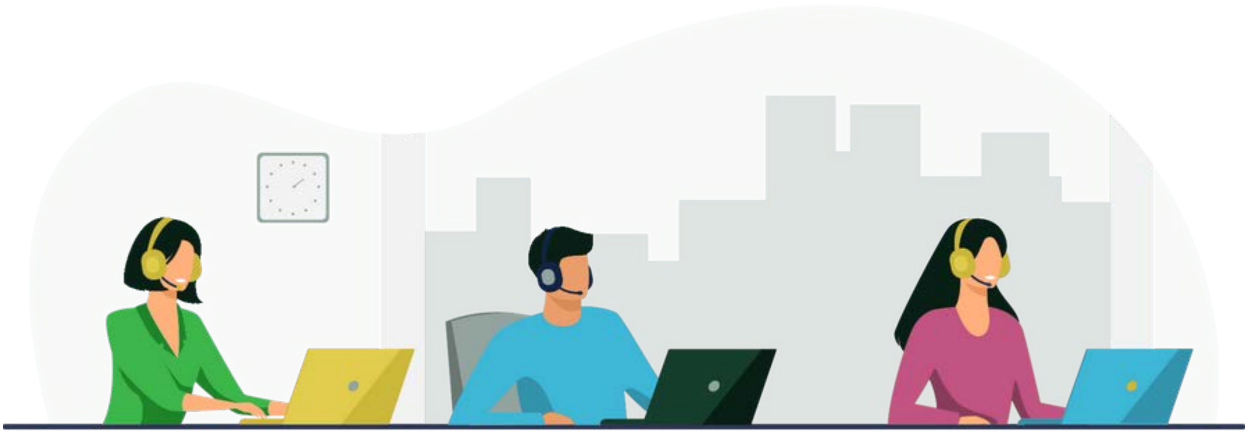


Figure 18. A line graph showing the trend in total undertime minutes in the BPO industry

While the BPO sector’s undertime minutes went over 1,000,000 in January 2021 and 2022, they dropped to 484,935 in April 2021. Healthier work environments may have contributed to this considerable decrease in undertime. BPO employers scored a 4/5 or above in engagement, reflecting their continuous efforts to provide an environment conducive to work and overall productivity.

A year later, the BPO sector's undertime minutes increased to 1,055,764 in March and 1,125,102 in May. Industry respondents attribute undertime to organizational care, employee task performance, work environment, trust, and expectations. However, in February, April, July, and August, employees worked regular shift hours, suggesting that employers had most likely addressed these issues.



Healthcare & Social Work

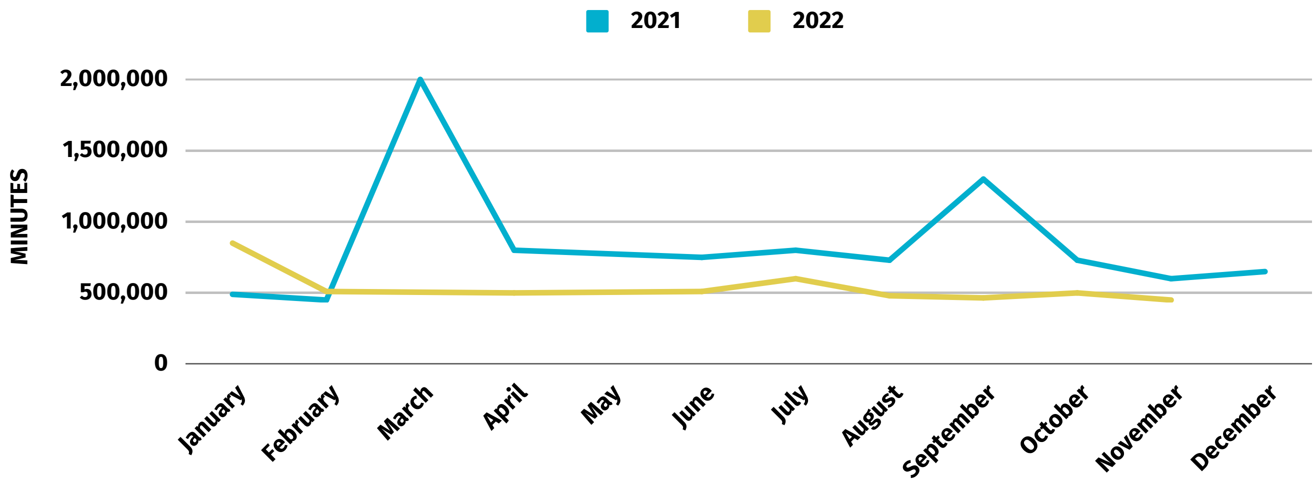


Figure 19. A line graph showing the trend in the Healthcare & Social Work industry

In 2021, healthcare and social work employees recorded an average of 843,556 minutes. They worked undertime the most in March (1,989,236 minutes) and September (1,303,154 minutes). But in 2022, the sector's total undertime minutes declined.

According to research on healthcare workers in northern Philippines, the call of duty mainly motivated these individuals to perform their responsibilities and reduce absenteeism during the pandemic.[20] Healthcare professionals face stress, anxiety, fears, and even public criticism and opinions but continue to address patient needs, as the mostly declining trend for 2022 shows.

Manufacturing

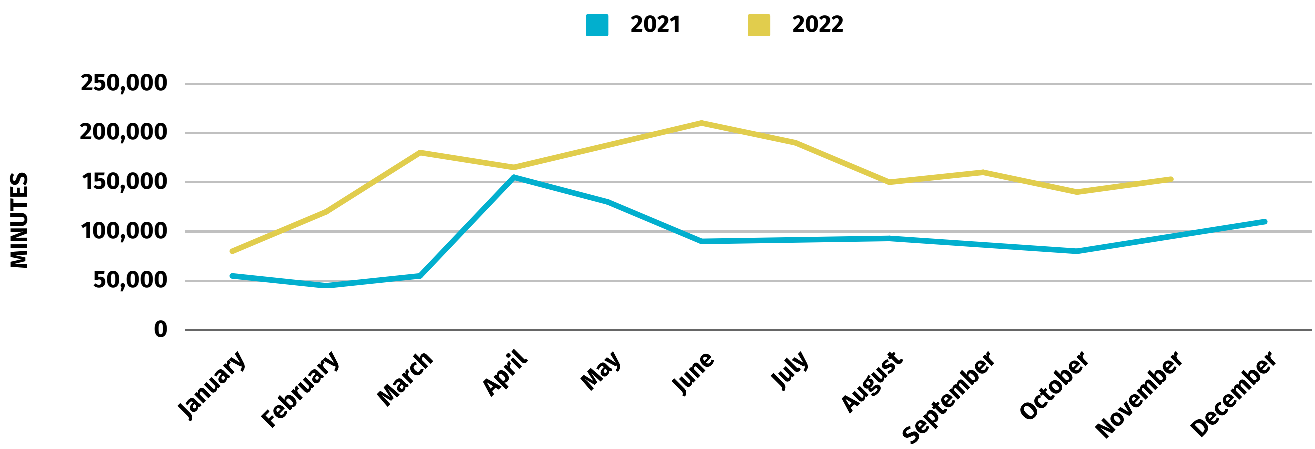


Figure 25. A line graph showing the trend in total undertime minutes in the Manufacturing industry

Manufacturing employees worked undertime for 91,765 minutes in 2021, which increased by 0.42% the following year. The rise reflects an industry that primarily struggles with unsupportive leadership, effective team communication, growth and development, vague work expectations, and recognition.

[20] https://jamba.org.za/index.php/jamba/article/download/1284/2415

Manufacturing employers must recognize and address their workforce's needs, provide necessary resources, and acknowledge their efforts to enhance company performance. Additionally, effective team communication is crucial for fostering engagement. It promotes understanding, problem-solving, collaboration, productivity, morale, and reduces turnover.

Re-Energizing the Workforce Through Employee Well-Being

An organization's success stretches beyond profitability; it significantly relies on employee well-being. Happier employees translate to greater productivity, after all.

But during the pandemic, employers had bigger expectations and an even bigger workload, which drove attrition. The greater demand for productivity between 2021 and 2022 left an indelible mark and somewhat compromised the emotional and mental well-being of the workforce.

Disengagement in companies is driven by leaders who ignore employees and their needs, such as professional growth, clear expectations, and recognition. This attitude can lead employees to detach from their work and seek better opportunities elsewhere.

Here are some steps you can take to ensure your workers feel happy, engaged, and willing to go the extra mile for your organization of their own volition.

Empower Employees to Go Over and Beyond

To improve employee well-being and engagement, it is crucial to understand the reasons for quiet quitting. Conducting pulse or standard surveys can empower employees to provide feedback and reveal the causes behind silent attrition. Include questions about career growth and work-life integration in these surveys, ensuring anonymity to create a safe space for honest responses.

Acknowledge Achievements, Big or Small

In our previous survey on employee resignations, 20% claimed they felt undervalued at work.[21] Disregarding employee contributions to the organization can affect one's self-confidence, motivation, performance, and efficiency. More importantly, it makes retaining talent more challenging.

Employee recognition is crucial to engagement, retention, productivity, and nearly all other areas of employee experience and business operations. For instance, recognition programs help companies increase their profits by 27%.[22] When you acknowledge your workers' efforts, it motivates them to become more proactive and efficient.

[21] https://sprout.ph/the-journey-to-the-great-retention/
[22] https://www.oak.com/blog/employee-recognition-in-the-workplace/

Provide Stretch Opportunities that Encourage Growth

Some employees aim for professional growth and development but lack opportunities. An employer should prioritize career development and provide employees with suitable learning opportunities, including soft-skill training, cross-departmental training, and mentoring. More importantly, consider investing in a learning management system that allows workers to learn at their own pace and help provide a clear career track.

Encourage More Social Interactions

A supportive work culture that encourages relationships among employees enhances overall well-being. Research from 2019 indicates that healthy friendships, both inside and outside of work, contribute to this.[23]

Additionally, physical connections with colleagues can positively impact productivity, health, performance, and self-confidence. To promote these benefits, organize after-hour events, foster collaboration, and prioritize work-life integration.

Improve Job Satisfaction with an Effective Wellness Program

A corporate wellness program is how employers ensure a healthy workplace. It goes beyond keeping workers healthy by driving actual organizational and health outcomes.

Many firms offer wellness programs, like stress reduction programs, health screenings, and exercise programs and activities. In particular, Sprout Wellness offers the following:

- Awareness and learning (weekly tips, reminders, and webinars)
- One-on-one and group counseling sessions
- Group meditation, yoga, and coaching
- Psychiatric consultations

Wellness also uses analytics to help you gauge the effectiveness of these programs. You can uncover areas of improvement through standard and custom surveys, program evaluations, and psychometrics.

[23] https://jamba.org.za/index.php/jamba/article/download/1284/2415

Facilitate Regular Performance Reviews

Evaluating employee performance gives your employees complete visibility into their progress, helps them discover areas of improvement, and provides an opportunity for self-assessment. Also, employees can provide feedback about their direct supervisor's performance during appraisals to facilitate greater two-way communication.

Regular performance assessments give everyone peace of mind. Keeping your employees in the dark about their performance can make them anxious or doubtful, which could, in turn, affect their well-being. Make sure to schedule these one-on-one meetings to assess their performance.

Demonstrate Empathy in the Workplace

Sometimes, personal troubles can impact the workplace. Employers are responsible for showing empathy and ensuring every team member parks their personal issues at the door.

According to a recent study, 69% of employees share that their organization demonstrates empathy.[24] By doing so, companies can enjoy stronger ties with team members, lower stress levels, and increase morale. Employees in empathetic workplaces also tend to overcome challenges faster.[25]

Being empathetic at work can be as simple as being open to different perspectives or listening to your employees, even when their ideas differ. One of the best ways to demonstrate empathy is by offering a helping hand without your team members having to ask for it themselves.

Key Takeaways

The Great Resignation may no longer be in full force as it was in early 2021, but quiet quitting has sprung up as its natural sequel. In the same way that COVID-19 mutated during the height of the pandemic, a similar plague of resignations and disengagement across the globe has emerged.

Some learnings organizations can take from our study include the following:

Work-life integration and career development opportunities contribute to greater employee satisfaction and well-being

Optimizing for employee engagement does not automatically ensure optimal employee well-being, they are separate but work hand-in-hand

Demonstrating empathy in leaderships goes a long way in setting clear expectations and building employee trust

[24] https://www.businessolver.com/resources/state-of-workplace-empathy#gref
[25] https://enterprisersproject.com/sites/default/files/empathy_culture.pdf

The quiet quitting phenomenon may pose just the same threat as COVID-19 once did — although they continue to change forms, it has not yet evolved in a way that would meaningfully change how quickly they spread or how severely they can harm other people. So, there is hope in addressing quiet quitting once and for all.

Still, the threat isn't minute enough for organizations to sweep under the rug. Employers are responsible for addressing the root cause of quiet quitting and safeguarding their workers' well-being, which entails implementing effective employee engagement initiatives. Recognizing this responsibility will help businesses drive desirable outcomes and ensure a happy, thriving workforce.