



# The new world of talent

A leader's guide to the psychology  
of today's American worker

# What's causing the shift in how Americans think about working?

We wanted to know, and we know leaders do, too. The challenges brought on by the pandemic have set off an explosion of opinions about what's happening when companies need to find, keep, and engage employees, as well as why it's happening.

Unfortunately, many of the ideas that have been proposed to explain the new talent landscape are not evidence-based, even if they seem plausible. They might sound good, but it doesn't mean they're right.

And following the wrong lead means you and your organization risk spending time and money to build new policies or interventions to solve talent issues only to find that they are ineffective. Solutions that address the wrong underlying causes don't work.

We use research to build an evidence-based, usable framework for leaders.

In this report, we take the opposite approach: We use research to build an evidence-based, usable framework to help leaders navigate the new world of work and talent management. (You can see our criteria and methodology on [page 24](#).) These five principles can help leaders evaluate and intervene on top-priority people issues, and can help to generate ideas for actions that can turn those issues into competitive advantages.

Many of the statements about today's workforce and the proposed causes for the new talent landscape are unsupported by research.

## **For example, have you heard these statements about today's workforce?**

- Burnout is rising.
- Workers want more flexibility, remote work, and work-nonwork integration.
- Corporate culture and connectedness between employees are challenged by remote work.
- HR will need to reorganize to stay effective.
- We're facing an epidemic of quiet quitting.

## **Or these proposed causes of the new talent landscape?**

- Employers and workers are disconnected on what workers want.
- Workers have been stressed by existential fear and work-nonwork imbalance.
- Workers now want more flexibility and work-nonwork integration.
- The pandemic has led people to re-evaluate their values and priorities.
- Workers now need more purpose and meaning at work.

They sound good, but that doesn't mean they're right. Our guiding principles can cut through this clutter to help you develop the right solutions.



# Our 5 principles



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Principle #1

# Individuality





# Individuality

Individuals' reasons for taking or quitting a job are so variable as to be functionally unique.

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## What leaders should know

### One-size-fits-all policy changes might return only limited results that do not justify their costs.

Acting on this principle might require a fundamental shift in some traditional retention and engagement approaches. Instead of finding the most popular reported factors influencing quitting and acting on them, organizations should consider personalized interventions for high-value positions, and segment larger teammate groups.

- **Personalized, proactive** efforts to meet the job terms of top talent might be the only way to satisfactorily address each individual's unique desires. This approach would demonstrate how much the organization values each worker and could engender loyalty.
- Such personalization and proactivity would demand emotionally intelligent, attentive managers, which might require **additional training** and/or reducing productivity expectations for leaders ([HBR](#)).

For higher-turnover or less specialized positions where personalized intervention is impractical, mapping the psychology of the worker's decision to quit, just as marketers map decisions to buy, could make interventions more efficient.

- Identifying key impression formation points or work conditions could yield effective segments to target.
- Truist Leadership Institute analyses have taken this approach and uncovered factors that are related to quitting differently in different teams.
- The motivations that workers actually report might not capture subtle psychological processes—people are often not aware of all the reasons they do things.

### One simple tweak

Instead of responding to the most popular reasons for considering quitting in descending order, organizations should identify the top reason, then the top reason among all those who did not cite the top reason, and so on. This approach has the best chance of touching all workers' top reasons.





## What the research says: Individuality and change

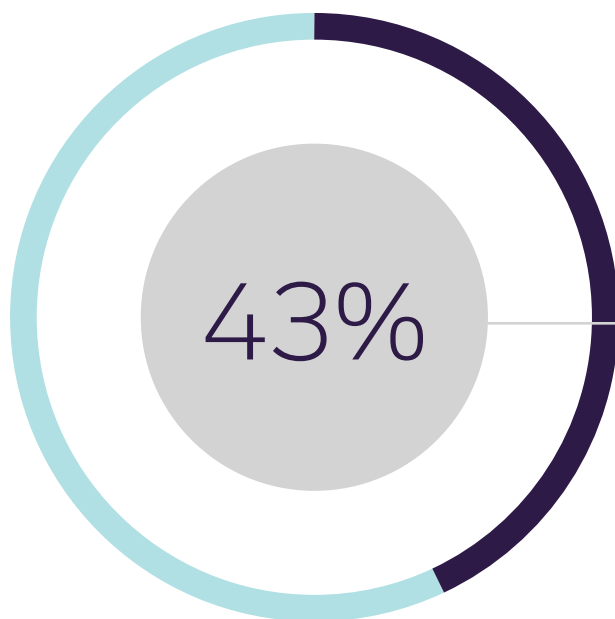
Individuals' reactions to changes during the pandemic are not identical. This variability can lead to differences in quit intentions, work-nonwork balance, and other work-related outcomes. These recent research findings point to some of the reasons that individuals had different pandemic experiences:

- Differences in **personality traits** predicted different reactions to remote work (Evans et al., 2021).
- Different profiles of **emotional responses** to the pandemic emerged (for example, hope dominated for some, fear for others; Slaughter et al., 2021).
- **Preferences** for blending vs. separating work from nonwork life have been related to different consequences (Allen et al., 2021).
- **Supervisors** can erase the benefits of flexible work by setting negative norms (Vaziri et al., 2020; Mockler, 2020).

Decades of previous research have also identified dozens of factors that affect turnover. Many of those factors interact with each other (Rubenstein et al., 2017), which makes each individual's decision process about quitting complex and different.

More evidence comes from Truist Leadership Institute research. A 2021 survey of one Fortune 200 client asked workers to choose the top three factors that would influence them to think about leaving. What the survey found:

- There were 363 different combinations of factors chosen.
- The top-cited factor influencing thoughts about quitting (Pay) was not cited at all by 43% of workers. This means that an intervention that is based on compensation might not make any difference in quitting for almost half of workers.



Pay might be the top reason why employees quit, but 43% of workers don't cite pay **at all** as a reason to quit.



Principle #2

# Overwork





# Overwork

A root cause of burnout, disengagement, stress, and quitting is people simply working too much.

## What leaders should know

**Heavy workload is reliably related to higher turnover intentions, higher work-family conflict, lower job satisfaction, and other detrimental conditions**

(Bowling et al., 2015).

Many leaders expect workers to do more work now. And some leaders might not be aware that their expectations about workload changed during the pandemic, and they never dialed them back down.

This expectation might be especially risky for your best talent. Engaged workers are more likely to accept the boss's request to work on an extra project or temporary duties, but over the long term they may end up working too much, and could choose to "cure" their exhaustion by quitting or *quiet quitting*—disengaging and just delivering the bare minimum.



**of remote workers report working more now than before the pandemic**

## Burnout vs. overwork

Although burnout has been a popular topic since the pandemic, simply working too much is a root cause of this problem. Burnout technically includes cynicism and a loss of self-efficacy with working too much. This complex, multifaceted burnout is less common than simple overwork. Therefore, addressing overwork should be prioritized over the more abstract goal of reducing burnout.

Simply put, it may be more important than ever for leaders to pay close attention to the number of hours worked by their team members, and to avoid creep in the scope of work expected.

One implication of this principle is major: dialing back on individual workloads might require revising business plans, project objectives or timelines, or hiring plans. Without hiring more, reducing workloads has to mean lowering productivity projections, a nearly unthinkable solution for many organizations. However, when weighed against the costs of overwork—such as poorer health of the workforce, attrition, lower satisfaction, and disengagement—the cost of lowering projections might seem reasonable.

On a related note, productivity projections should not be based on models generated with 2020 or 2021 data, or should be adjusted to account for reducing workloads to reasonable levels.

## What the research says: Impacts of workload

The pandemic demanded more hours from many workers, and that heavier workload may never have been re-adjusted back down to reasonable levels. Then in 2021 and 2022, increased rates of quitting and a general labor shortage have exacerbated the overwork burden for many by saddling them with their departed colleagues' duties. All this has likely resulted in millions of workers with higher expectations of output than their roles should produce.

### A sampling of research findings that support this conclusion

- In a 2022 study, 62% of workers reported working more hours recently ([McClellan 2022](#)).
- Pre- and post-pandemic research indicates home-based workers often work more hours than on-site workers ([Felstead & Henseke, 2017](#); [Wu & Chen, 2020](#)).
- Pandemic research indicates
  - About half of burned-out workers attributed their condition to too much work ([HRExec, 2021](#)).
  - 53% of remote workers (and 27% of on-site workers) reported working more than before the pandemic ([Indeed 2021](#)).
  - 52% of workers whose colleagues have quit report taking on more responsibility and work ([SHRM, 2021](#)).



## What we mean when we talk about burnout

Because many podcasts and articles do not use the technical definition of “burnout,” it is often most useful to simply think of burnout as “exhaustion.” There is likely little advantage to using the technical definition, and there may be disadvantages.

It is often most useful to simply think of burnout as “exhaustion.”

Leaders should be aware that when clinicians or academics use the term burnout, they are probably referring to a specific type of stress and exhaustion that includes cynicism and loss of self-efficacy. When the average writer or, more importantly, the average worker uses the term, it probably just means exhaustion.

This distinction is generally harmless; however, it may become important when workers see materials that may overuse the academic definition. If, for example, an employee sees support materials that define burnout technically, they may feel they’re being told they’re not actually burned out, despite their feelings of exhaustion, disenchantment, disengagement, or other related feelings. The effect of such materials might then be the opposite of what’s intended.



Principle #3

# (Justified) Entitlement





# (Justified) Entitlement

Workers feel entitled to employers honoring more of their personal preferences, especially in terms of when, where, and how they work.

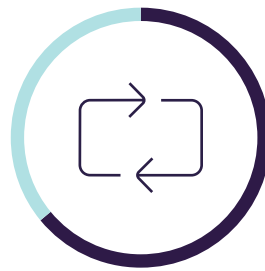
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## What leaders should know

**Workers now may expect more accommodation of their personal cares and desires, their dress preferences, their language preferences, their personal purpose, and more.**

Organizations will have to figure out how to support varied preferences, even beyond flexible work arrangements, without causing perceptions of unfairness or reduced autonomy. Even those who don't have the option to work remotely expect more catering, and may quit one job for another that offers more pay, benefits, or work flexibility. (Notably, extra flexibility might be an illusion in some cases—some employers have gotten creative in how they define flexibility.)

Leaders may need to negotiate when asking workers in remote-able positions to work full-time on site. Simply mandating in-office work may even cause bad feelings in workers, as has been seen in some companies already. In general, many workers feel they've proven they can work remotely, and probably will not accept a command to return to the employer's preferred arrangements.



In one 2021 study, **64% of workers** said their expectations for what they want in a job had changed since the pandemic.





## What the research says: Entitlement and expectations

We're going to tell it to you straight up: Set aside any value judgments you have about entitlement. Workers are entitled to more out of their jobs after the pandemic and the Great Resignation, and they are, reasonably, asking for it. Furthermore, this applies to all workers—many leaders themselves might be benefiting from the state of the labor market, either by taking a higher-paying job or enjoying new benefits from their current employer.

- A 2021 study showed that “Among workers looking for a new job, ... 64% said their expectations for what they want in a job have changed since the pandemic.” ([SHRM](#))
- During the pandemic, remote-able workers were given flexibility to help them with balancing work and non-work, and having gained that benefit, likely prefer not to lose it.
- In-person workers saw the new benefits given to remote-able positions and (through the feeling of [relative deprivation](#)) likely want some equivalent benefits.
- Recruiters and managers anecdotally report losing teammates to employers that offer remote or flexible arrangements.
- Jobs that require in-person work are harder to fill than remote-capable positions ([McClellan 2022](#)).

## Corporate culture: Still seeking solutions

The view that a corporate culture depends on workers being physically together is no longer tenable. Organizations need to figure out how to support their preferred corporate culture virtually. The hybrid work model, wherein workers are in-office two to three days per week, is emerging as the default arrangement for remote-able jobs. For those workers, organizations will need to test, measure, and refine how they build and support their culture.

Organizations need to figure out how to support their preferred corporate culture virtually.

Unfortunately, there appears to be no obvious solution for this challenge as of yet. Anecdotal evidence from a sample of mid-sized and large U.S. and global companies indicates that leaders are simply doing the best they can to support their desired culture.



Principle #4

# Split Experiences





# Split Experiences

The story of workers' psychology in the pandemic is actually two stories: one for in-person, lower-pay, **non-exempt** types of jobs, and one for remote-able, knowledge-based, higher paying, **exempt** jobs.

## What leaders should know

**Just as different segments of consumers have different motivations, budgets, and thought processes, different segments of workers have different concerns about work and different experiences.**

The exempt/non-exempt distinction captures important differences in the pandemic experiences of workers. Segmentation strategies should take this factor into account, and proposed intervention proposals should be evaluated with it in mind. For example, a new policy governing remote work may only

be applicable to part of your workforce, and if it is not accompanied by a companion policy for in-person workers, it may be seen as exclusive or insensitive.

Some examples of psychological difference implications among exempt and non-exempt workers:

### Exempt workers

- Likely see no need to work in an office full-time, and take it as a default to work at home and integrate work and nonwork.
- May never have had to worry about the possibility of COVID-19 infection at work.
- May still be struggling with ill-defined personal boundaries between work and nonwork, increasing stress.

### Non-exempt workers

- Guidance about how to manage working remotely may be irrelevant and even irritating ([SHRM estimated in 2021](#) that 38-45% of workers never got the opportunity to work remotely).
- May have seriously worried about financial security in the early days of the pandemic, shaping their thoughts about seeking higher-paying jobs now.
- May now expect a higher value to be placed on their labor and on their overall well-being—that is, they expect more work-nonwork balance support, predictable and fair job conditions, and a stronger voice in their job terms; see also Principle #2.
- Before the pandemic, these conditions were typically not expected in non-exempt positions by employees, and not considered important to offer by employers.

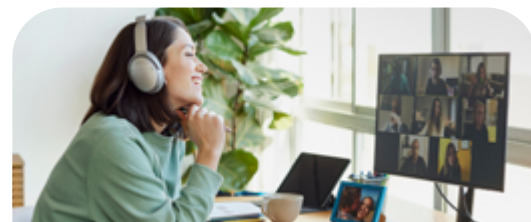


## What the research says: Non-exempt vs. exempt psychology

What was once a regulatory distinction regarding overtime—non-exempt versus exempt roles—can now help describe a determining factor in worker psychology. Much like essential workers, non-exempt workers had dramatically different pandemic experiences from their exempt/non-essential counterparts. The majority of non-exempt work could not be done remotely, and only a small portion of exempt roles were in-person. Non-exempt essential workers, such as nurses, teachers, police officers, and firefighters, took on additional pressure from their already stressful jobs.

- One of the biggest drivers of the “Great Resignation” is the leisure and hospitality industry, which has mainly in-person, service, non-exempt jobs; in general, sectors with heavy non-exempt positions have had higher quit rates ([BLS](#)).

- Essential workers were more than twice as likely as non-essential workers to have received treatment from a mental health professional (34% vs. 12%) and to have been diagnosed with a mental health disorder during the pandemic (25% vs. 9%; [APA](#)).
- Remote-able jobs are being filled much more easily than in-person jobs; the remote-work trend has helped remote-able employers but not in-person businesses ([McLean 2022](#)).
- Truist Leadership Institute research indicates that exempt and non-exempt workers have slightly different drivers of:
  - Engagement: autonomy and career growth appear less important to non-exempt workers’ engagement.
  - Quitting: job fit, autonomy, and manager support predicted less quitting for non-exempt workers; but the reverse was true for manager’s trust and pay fairness (see details in the table below).



Driver	Non-exempt	Exempt
Job fit	Higher scores predicted less quitting	Not significant
Autonomy	Higher scores predicted less quitting	Not significant
Manager support	Higher scores predicted less quitting	Not significant
Manager’s trust	Not significant	Higher scores predicted less quitting
Pay fairness	Not significant	Higher scores predicted less quitting



Principle #5

# Boundaries





# Boundaries

A core issue in successfully managing remote work is building and maintaining boundaries between one's work and nonwork life domains.

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## What leaders should know

### **Organizations must stop relying on flexible work to make workers happy or to curb burnout.**

Yes, flexible work is now necessary to attract and retain talent—and because of that, organizations will likely continue expanding the flexible work benefits they offer.

Despite workers' desire for it, however, it is probably a major contributor to stress, dissatisfaction, and disengagement. Multiple studies show that those who integrate work with nonwork have more stress, regardless of their preferences for how much they like to or want to integrate work and nonwork. In other words, they're asking for something that isn't always good for their mental health and career happiness.

Flexible work can have positive aspects. It very likely helps workers manage their lives in adaptive ways. But it must be done *right*—without effective boundaries, stress can spill over from one domain to others, concentration and engagement can suffer in multiple domains, and burnout can follow.

Simply offering flexible work policies does not support healthy boundary formation and maintenance. Organizations must support workers in managing boundaries if they want to support well-being for their workers. Organizations will also need to build more robust teaching and support for boundary building and maintenance.

Crucially, they also need to ensure that leaders do not form norms in their teams that call for too much integration, or that do not support their teammates' healthy boundaries. An official corporate policy that supports work-nonwork boundaries can be undermined by a manager who sets unofficial norms that create more integration.

Everyone needs boundary management support. Millions of people have had their boundaries challenged, if not by thrusting their work office into their home, then by working in a society where social interaction is now more often digitally mediated, or where remote workers (maybe teammates) have stretched the definitions of basic job conditions.

Research suggests that informal support from managers and teammates is a promising way to curb work-nonwork stress. Simply enabling contact between teammates through technology is not enough—vendors of such technology should be asked for evidence that their solutions decrease stress, not just lead to more interactions. Organizations should train managers and teammates to facilitate and pursue such informal support.



## What the research says: Boundaries and flexible work

Work-nonwork boundaries are almost completely ignored and/or misunderstood in popular discourse. Boundaries are physical or mental borders that divide work from nonwork areas of one's life. Each person builds their own boundaries. They can be immutable or flexible, impermeable or porous, but they should be consciously designed and maintained.

- Remote work can cause work-nonwork boundaries to be weakened or removed, which can increase stress and ill health ([Wepfer et al., 2017](#)).
- Remote workers report doing extra work and find it harder to disengage from work ([Indeed, 2021](#)).
- More work-nonwork integration is associated with more stress and burnout, regardless of personal preferences for integration (e.g., [Allen et al., 2020](#); [Mellner et al., 2021](#)).
- The amount of flexibility perks offered by employers is only weakly associated with better outcomes for workers (TLI research; [French & Shockley, 2020](#)).



## A note on missing theories

Some popular theories to explain the state of the Human Resources landscape do not appear among the five principles. We acknowledge that there may be additional valid and useful ideas; they were not included because in our view they did not meet the inclusion criteria listed on [page 24](#).

### An illustrative example:

Many writers have posited that millions of workers have re-examined their priorities in life during the pandemic, and work is not as important to them anymore. Consequently, many are leaving the workforce or moving to more flexible jobs. We did not include this explanation as a principle because:

- We are not aware of much direct evidence of a trend of people re-evaluating their life priorities.
- The Individuality principle can be applied to think about finding and addressing individuals' personal reasons for dissatisfaction—those reasons might include re-evaluated priorities as well as other reasons.
- Many organizations are already invested in promoting purpose at work, which should be an effective way to respond to this trend if it is real.
- Re-evaluating life priorities may very well be a real trend, but acting on it without more evidence is risky—that action may yield no results if it is not real or the intervention is designed without evidence of the nature of the issue.

What this means for leaders

# Traits to nurture, actions to take

New mindsets among workers require a refreshed look at the leadership traits that can help drive success. In the next pages, we break out the four leadership traits that have risen to the top in our research. These are traits to nurture. They can help leaders connect with workers through the five principles.

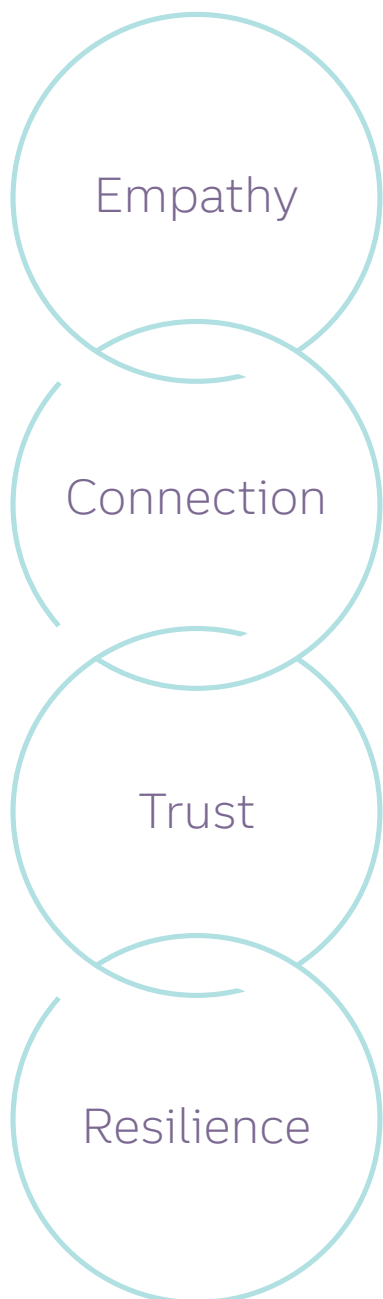
Along with those traits, we give examples of actions leaders can take that apply these concepts in the real world.





# Four leadership traits worth nurturing

These leadership skills aren't new, but they are more important than ever. The traits are interlinked: each leads to and strengthens our ability with the next.



## Empathy

Instead of just reacting to their team's words, great leaders aim to truly listen. They are asking questions, encouraging more sharing, and separating their own experiences from what they're hearing.

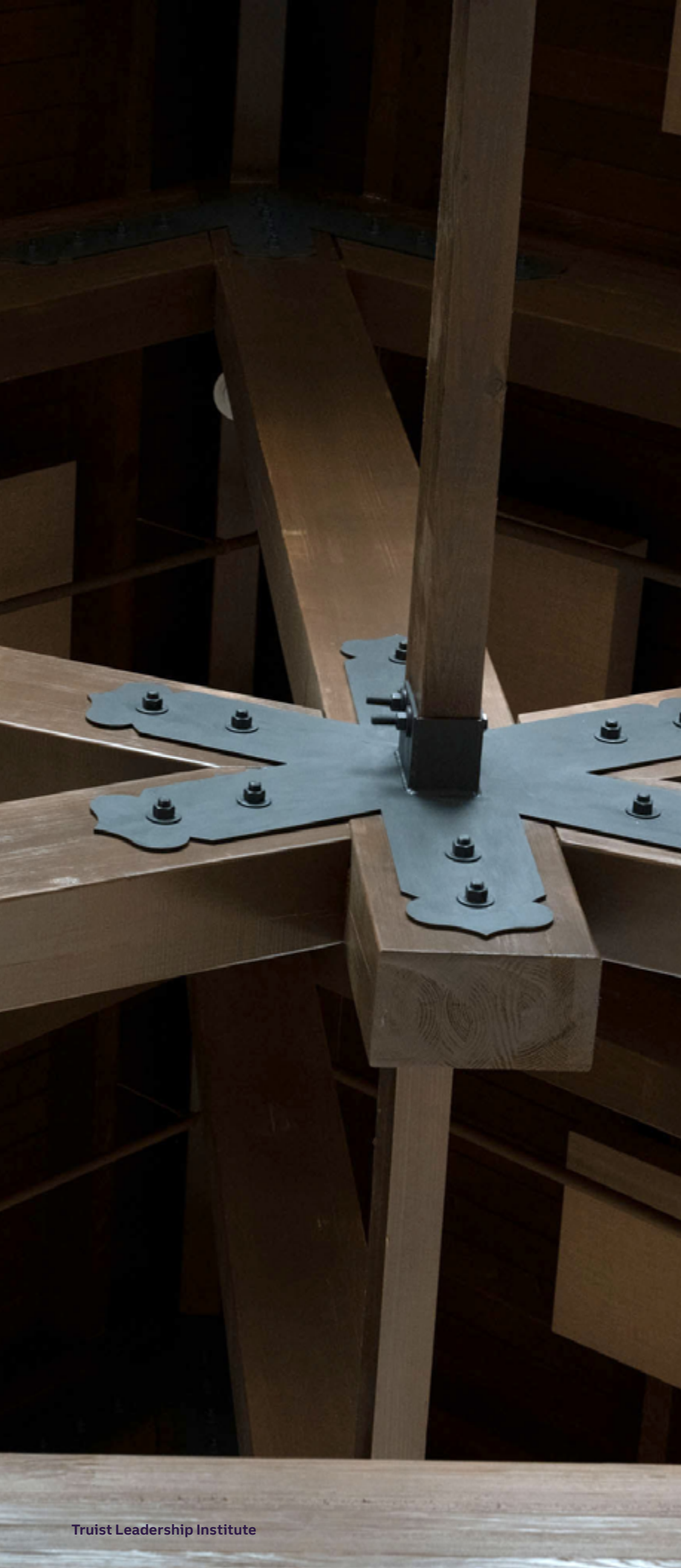
Put another way, they're taking a more intentional approach to empathy that is effective both in person and digitally. They are being less reactive, more proactive, and are more conscious of their own biases and experiences.

## Connection

Truist Leadership Institute research suggests that leaders must make connection a priority. It's a vital part of how humans work together in any organization.

Effective leaders aren't waiting for teammates to come to them with questions or concerns, or to ask for more opportunity. Instead, they're making time each day to connect with people on their teams—virtually or in the office—to find out how their work and lives are going.

For many workers, "belonging" is a popular keyword that leads to connection, and could be a metric that leaders keep in mind: "Do my workers feel they belong here?"



## Trust

A leader's actions send messages about how much that leader trusts the workers around them. For example, insisting a team work in the office every day could send the message that you don't trust them to work without constant supervision.

This is why today's leaders need to embrace flexibility, shifting focus from measuring worker visibility (face time) to measuring input/output ratios and outcomes.

When leaders develop relationships of trust, workers can feel motivated to live up to that trust, and deliver even more.

## Resilience

Previously, work flexibility was thought to support resilience. Flexibility meant seamless integration of work and nonwork life—but that integration can erode resilience. Leaders now know that healthy, mindful boundaries between work and nonwork time and thought support resilience.

Modern leaders support resilience in themselves and their workers by setting up and maintaining intentional (not open-ended, undefined) flexibility, including deliberate boundaries.



# Organize information

The principles in this paper can be used to evaluate, vet, and incorporate new information into your organization's philosophies and policies.

### Evaluate

Use the principles to judge if you have empirical support for new policies or proposed interventions.

### Vet

Sort or set aside new information according to its position within (or beyond) the principles.

### Incorporate

Place a proposed intervention or empirical finding into a useful category of your existing policies. Guard against creating ineffective, free-standing policy additions.

Imagine receiving a new thought leader video by a respected consultancy. The video paints a picture of an increasing crisis of workers quitting their jobs, presents a new explanation of the trend, and recommends several actions that HR departments should take.

The five-principle framework can guide an evaluation of the video through questions like these:

#### Individuality

Does it treat causes of quitting as blanket forces? Does it have any helpful ideas for personalizing or segmenting interventions?

#### Overwork

Does it name burnout as a driver of quitting? How is burnout defined, and/or does it address the issue of too much work?

#### (Justified) Entitlement

Does it impugn younger or in-person workers for narcissism? Does it ultimately aim to restore pre-pandemic norms of job offers or compensation practices?

#### Split Experiences

Does the explanation differentiate between fundamental job differences? How would it address the different concerns of both exempt and non-exempt teammates?

#### Boundaries

Does it treat work-nonwork balance issues in an ill-defined way? Does the proposed intervention have the risk of violating or stressing work-nonwork boundaries?

#### Entire Framework

Is the explanation speculative? Is it just a story that fits the narrative of the day, or does it fit with the evidence-supported five principles?

# Propose new ideas

The five-principle framework, logically extended, can lead to new ideas for navigating pressing people concerns. Such ideas can be tested quickly and improved to give organizations unique angles on people initiatives.

For example, many writers have suggested that the new world of work will require new manager skills. The five-principle framework can provide direction in designing training, coaching, and other interventions to build those skills in managers.

1. Managers need to know how to genuinely communicate with individual teammates to understand each one's unique concerns and attitudes. (Individuality)
2. In order to dedicate the necessary time and concentration to upskilling and managing people, managers might need to be relieved of some of their production expectations. (Overwork)
3. Managers need new flexibility in meeting the needs or requests of individual teammates. Along with this expanded autonomy, they need to know how to handle perceived fairness issues that may result from enacting it. (Justified Entitlement)
4. Higher-level leaders need to appreciate the different fundamental concerns of the workforces under them, and work with their managers to understand and support different populations differently. (Split Experiences)
5. Training courses should teach managers of all teams—in-person, remote, and hybrid—how to nurture connectedness and social support. All leaders and managers need to understand work-nonwork boundaries and how to avoid setting norms that challenge healthy boundaries. (Boundaries)

These are just a few examples of the types of training considerations that the five principles bring to light. By using the principles as a starting point, organizations can build interventions that matter most to them.

With that in mind, manager training designers should carefully curate externally built training materials. Such materials could be based on unsupported presumptions, outdated causal factors, or sophisticated reasoning.





# Our criteria and methodology

This purple paper uses five principles to organize what we know about the new psychology of today's worker. The principles were carefully crafted based on many sources.

# Criteria

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The criteria for an idea or explanation to be elevated to an organizing principle were:

## **Well-supported by evidence**

- Research findings, client experiences and data, and labor force data; supporting findings come from multiple sources
- Enough evidence that it can be taken as true and acted upon with confidence (a low risk of wasted investment)
- Supported enough to act upon—not just fit the narrative of the day

## **Can be used to evaluate thoughts about what's going on**

- To quickly evaluate new articles, proposed programs, organizational initiatives, and one's own opinions, for example
- To set aside what's not useful or is too risky

## **Explains fundamental things that are at the core of many phenomena**

- To boil down the cacophony of thought pieces, articles, and news stories into a manageable explanatory account

## **Prescribes clear actions for intelligently dealing with immediate challenges**

- To more quickly convert knowledge to action
- To proactively take control instead of just reacting (attract talent, retain workers, revise your Employee Value Proposition, equip managers, and return to on-site, among other things)

# Methodology

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We focused on explaining the psychological changes in the U.S. worker in the pandemic. We:

- Surveyed and understood proposed popular, commercial, and scientific explanations
- Examined labor trends (national data, commercial information, and client statistics)
- Examined research (commercial and academic) from the past two years, and previous findings that apply
- Evaluated proposed explanations against empirical evidence
- Analyzed client survey data on workers' psychology and subsequent quitting rates
- Synthesized all this information to surface well-supported causal explanatory principles





The Truist Leadership Institute campus in Greensboro, North Carolina, is featured in many images in this Purple Paper<sup>sm</sup>. We invite you to come see us.



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During the past 65 years, Truist Leadership Institute and its predecessor firm, Farr Associates, have developed and refined approaches to business leadership through collaborative work with clients throughout the United States. Truist Leadership Institute provides organizations with a leadership development partner who helps create dynamic and effective leaders, increase employee retention, and improve the bottom line.