

Clock-Out: What Explains “Quiet Quitting” in Financial Services?

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Objective

There is a recent trend of “*Quiet-Quitters*” making the news and social media. Quiet-quitters are full-time employees who do the bare minimum work to keep their job. In other words, the Quiet-quitters do not go the extra mile at work. This study is a primer to an upcoming survey of financial planners trying to find quiet quitting among financial planners and factors that might explain it in the post-covid era, and whether quiet-quitting matters. The data used in this study is from a survey conducted before Covid-19 that pointed to the gaps in work-life balance and burnout among financial planners in a previously published article. The results will help to inform the design of the upcoming survey.

Significance

Quiet quitting is a fairly new term, but is it a practice that existed before the pandemic? Results from a Gallup study indicate that at least 50% of the US workforce is quiet quitting (Harder, 2022). We theorize that the average number of working hours for individuals in the financial planning industry before the pandemic was greater than they are currently working. Fewer working hours could indicate a detachment from the job, now known as quiet quitting. There is some debate about the meaning of “quiet quitting.” One clear thing is that it’s not quitting. Other terms that could describe the phenomenon are “reverse hustle,” “corporate coasting,” “working at work,” “acting your wage,” and “work-life integration” (Rosalsky & Selyukh, 2022). It’s the idea of doing the basics of one’s job but not going above and beyond. Some say it will lead to “quiet firing.” Others say it’s long overdue and will help workers find a healthy balance. Employers are concerned about the drop in productivity. For professions such as financial planning that are client driven, the notion of the person helping you achieve your life’s ambitions and goals quiet quitting is likely disturbing. Some has been written about the impact of Covid-19 on the workforce, especially women; in short, the negative impact was greater for women than for men. Government data indicate historic drops in productivity in 2022 (BLS, 2022). There are more job openings than usual, workers are less likely to be terminated or reprimanded, and mental and physical health has taken a beating over the last couple of years. The supply chain, the record rate of job switching, the shift to remote work, and various other things can partially explain the drop in productivity, but quiet quitting likely explains some of it as well (Rosalsky & Selyukh, 2022). Aside from one research article from the Netherlands about New Ways of Working (Steenbergen et al., 2021), which does not specifically address the notion of quiet quitting, the writings about quiet quitting are largely more pop culture oriented, with the most data-backed articles coming from NPR and the New York Times. This gap in the literature indicates a need for this study, which aims to shed light on whether the quiet quitting phenomenon has spilled over to the financial planning profession. We also address things employers can do to increase morale and productivity.

Method

A survey of the individuals in the work-life balance study is being conducted to support the existing research and learn what changes, if any, have occurred in their work as well as their current attitudes toward work. Are there steps that firms can take to reverse the trend of quiet quitters? A study conducted in 2008 looked at the impact that a training program based on cognitive-behavioral therapy (CBT) had on employee well-being, job satisfaction, productivity, and turnover (Proudfoot et al. 2008). This study used the data collected in 2019, before Covid-19, surveying alumni of the College for Financial Planning working in the financial services industry. The study assumed that if employees were employed full-time but worked forty hours or fewer, they were quietly quitting. Therefore, the dependent indicator

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variable was marked “1” if the respondent reported being a full-time employee but worked forty or fewer hours per week and “0” otherwise. The study used logistic regression followed by marginal analysis after controlling for factors such as respondents’ CFP® certification, current role, type of industry, firm size, work-life conflict, undergraduate degree’s relevance to work, level of burnout, flexibility at work, perceived fairness of compensation and promotion, and demographics.

Results

Table 1 presents the summary statistics of our data. We found that more than a fourth of our respondents reported quietly quitting, i.e., working forty hours or fewer per week while employed full-time. Significantly more women in the data reported quitting quietly than men. Table 2 and Figures 2 to 6 present the logistic regression results with marginal analysis. We found that as compared to client-facing advisors, the support staff was more prone to quitting quietly, but the CEOs/Owners of the firms were less likely. Employees of the securities industry were more likely to quit quietly, as compared to financial planning. A higher likelihood of responding to work emails/ calls was linked to a lower possibility of quietly quitting. Emotional exhaustion was surprisingly linked to a lower probability of quietly quitting. Lower satisfaction with work and higher satisfaction with flexibility and work-life balance were linked to a higher likelihood of quietly quitting. Work-life conflict at work increased the likelihood of quiet quitting, while the work-life conflict at home reduced it, possibly pushing the advisors away from home and towards work. A higher frequency of deep work reduced the chances of quiet quitting. Men, compared to women, and African Americans, as compared to Whites, are less likely to quit quietly. The higher relevance of the undergraduate degree to work and higher education greatly reduced the likelihood of quiet quitting. Perception of fairer promotion policies (as compared to the previous job) reduced the likelihood of quiet quitting. However, surprisingly fairer compensation (than the previous job) and higher flexibility at work increased the likelihood of quiet quitting. The CFP certification, firm size, burnout levels, or other demographics had no statistically significant impact on quiet quitting.

Conclusions/ Relevance

If financial planners have enough conflict due to spillovers at work from home, this could have a negative impact on clients, which means a negative impact on consumer and family well-being. We found that those who reported work-life conflict at work are more likely to be categorized as quiet quitters. According to Vanderkam (2022), there are ways to address burnout more productively and fruitfully than quiet quitting. In short, for the worker, find an activity that energizes you, like tennis; doing it even for an hour a week can positively reset the whole week. For the employer, allow your employees some time and flexibility for wellness activities and maybe even incorporate them into the workday. Employers like Google allow workers to engage in one project during their work day. Time is a big issue. Even remote work with a flexible schedule, at least on paper, can be all-encompassing. In addition, with remote work, employees may feel disengaged and less clear about what their goals should be (Steenbergen et al., 2021), which can lead to depersonalization. Employers should consider making sure employees know their roles and their worth in the organization and doing periodic check-ins to see what is going well and what is not going so well. In addition, employers should still allow employees to use sick days when not feeling well, even if transmitting something contagious is no longer a concern due to working remotely. At some point, if workers see mental or physical health impacts, they may set boundaries. Grace Ho (2022) recommends doing one’s best but maintaining realism. This study will be followed-up with a survey of financial planners to find factors explaining quiet-quitting among financial planners in the post-Covid era.

Table 1
Summary statistics

	Total 287 (100%)	Men 145 (50.5%)	Women 86 (30%)	t-test (m-w)
Dependent Variable				
Quiet Quitting [0, 1]	26.5%	24.3%	36.0%	-1.91*
Independent Variables				
CFP® certification [0, 1]	41.2%	45.9%	38.4%	1.13
Current role				
Client-facing advisor [0, 1]	58.9%	75.7%	38.4%	6.08***
Supportive/ Administrative [0, 1]	15.3%	8.8%	31.4%	-4.61***
Owner/ CEO/ COO/ Manager [0, 1]	3.8%	3.4%	3.5%	-0.05
Industry				
Financial Planning	56.8%	59.5%	61.6%	-0.33
Banking	2.8%	2.7%	3.5%	-0.34
Investment planning	11.5%	15.5%	7.0%	1.92*
Securities	6.3%	7.4%	8.1%	-0.20
Other (please specify)	7.0%	6.8%	7.0%	-0.06
Firm size				
Large firms	43.2%	52.0%	40.7%	1.68*
Small ensemble	30.7%	31.1%	27.9%	0.51
Solo practice	10.5%	9.5%	12.8%	-0.79
Work-life conflict (at work) [0 to 16]	3.52	3.31	3.85	-2.15*
Work-life conflict (at home) [0 to 16]	4.62	4.49	4.81	-1.17
Employer paid for education [0, 1]	82.22%	79.6%	85.4%	-1.07
UG degree is relevant [1 to 5]	3.51	3.51	3.55	-0.26
Maslach Burnout Score [0 to 72]	15.60	17.13	18.97	-0.64
Flexibility at work score [0 to 5]	1.07	1.29	1.30	-0.07
Promotion seems fairer than prev job [0, 1]	25.09%	29.05%	26.74%	0.38
Compensation seems fairer [0, 1]	25.43%	28.37%	25.58%	0.46
Single	15.3%	18.2%	19.8%	-0.29
Married	61.0%	77.7%	66.3%	1.92*
Age (mean)	44.31	44.10	44.50	-0.22
Education				
High school	0.7%	-	-	-
Some college	4.5%	2.0%	9.3%	-2.55**
Associate's degree	2.4%	1.4%	4.7%	-1.54
Bachelor's degree	61.0%	60.8%	57.0%	0.57
Master's degree	23.3%	26.4%	20.9%	0.93
Doctoral or professional	8.0%	9.5%	8.1%	0.34

#p<0.1, *p<0.05, ** p<0.01, *** p<0.001. Gender unknown for 19.5% of respondents.

Table 2

Regression analysis: Logit (clustered robust SE) with Average marginal effects

Quiet Quitting [0,1]	Logit		Average marginal effects	
	Coeff	Robust SE	dy/dx	Delta-method SE
Firm Size [Ref: Large firm (51+ people)]				
Solo practice (1 - 3 people)	0.684	(0.650)	0.086	(0.082)
Small ensemble (4 - 10 people)	-0.274	(0.601)	-0.033	(0.071)
Medium firm (11 - 50 people)	0.225	(0.651)	0.028	(0.080)
Current Role [Ref: Client Facing Advisor]				
Supportive/Administrative	1.746	(0.940)	0.224*	(0.111)
Firm-owner/ Director/ CEO/ President/ Sr Lead	-0.975	(0.569)	-0.111	(0.061)
Other (please specify)	0.078	(0.787)	0.009	(0.097)
Experience [Coded 1 to 7]	0.422	(0.303)	0.050	(0.035)
Annual Income [Coded 1 to 7]	-0.071	(0.146)	-0.008	(0.017)
Compensation is Fair [S. Disagree to S. Agree]	0.302	(0.222)	0.036	(0.027)
Work From [Ref: Office]				
Home	0.803	(0.719)	0.101	(0.095)
Hybrid (office and home)	-0.161	(0.460)	-0.019	(0.055)
Respond to Work outside Schedule [V. Likely to No]	0.503*	(0.235)	0.060*	(0.027)
Maslach (Emotional Exhaustion)	-0.165**	(0.051)	-0.020***	(0.005)
Maslach (Personal Accomplishment)	-0.019	(0.063)	-0.002	(0.007)
Maslach (Depersonalization)	0.019	(0.096)	0.002	(0.011)
Satisfied with Work [V. Diss to V. Satisfied]	-1.107**	(0.415)	-0.132**	(0.045)
Satisfied with Flexibility [V. Diss to V. Satisfied]	0.498*	(0.251)	0.059*	(0.028)
Satisfied with Work-Life Balance [V. Diss to V. Satisfied]	0.801*	(0.323)	0.095**	(0.036)
Frequency of Deep Work [<1/wk to Daily]	-0.521	(0.288)	-0.062*	(0.031)
Do You Feel Successful?	0.284	(0.330)	0.034	(0.039)
Gender - Male [Ref: Female]	-1.208*	(0.499)	-0.145*	(0.059)
CFP - Yes [Ref: No]	0.139	(0.433)	0.017	(0.052)
Education [Ref: Below Bachelor's]				
Bachelor's	0.864	(0.963)	0.096	(0.100)
MS/ Ph.D.	1.068	(0.949)	0.120	(0.101)
Age [Coded: 2 to 13]	0.012	(0.162)	0.001	(0.019)
Race: [Ref: White]				
Asian	2.172	(1.289)	0.275	(0.152)
Black	-2.229*	(0.995)	-0.212**	(0.070)
Hispanic	0.772	(1.023)	0.096	(0.129)
Prefer Not to Say	0.377	(1.288)	0.046	(0.159)
Multiple Ethnicity	0.249	(0.866)	0.030	(0.105)
Intercept	-1.459	(3.709)		

#p<0.1, *p<0.05, ** p<0.01, *** p<0.001

Figure 1
 U.S. Employee Engagement Trend, Annual Averages (Gallup, 2022)

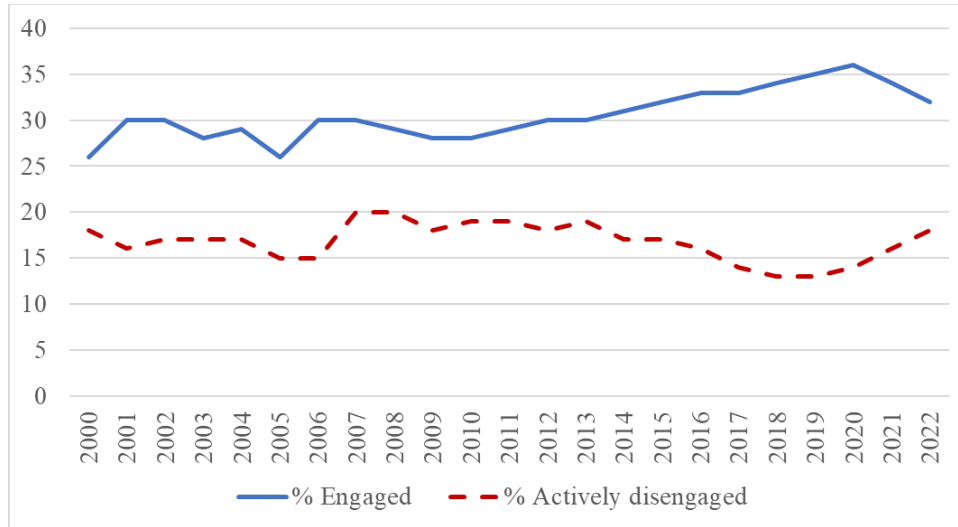


Figure 2
 Predicted Margins - How likely are you to respond to work-related emails/calls outside of your scheduled work hours?

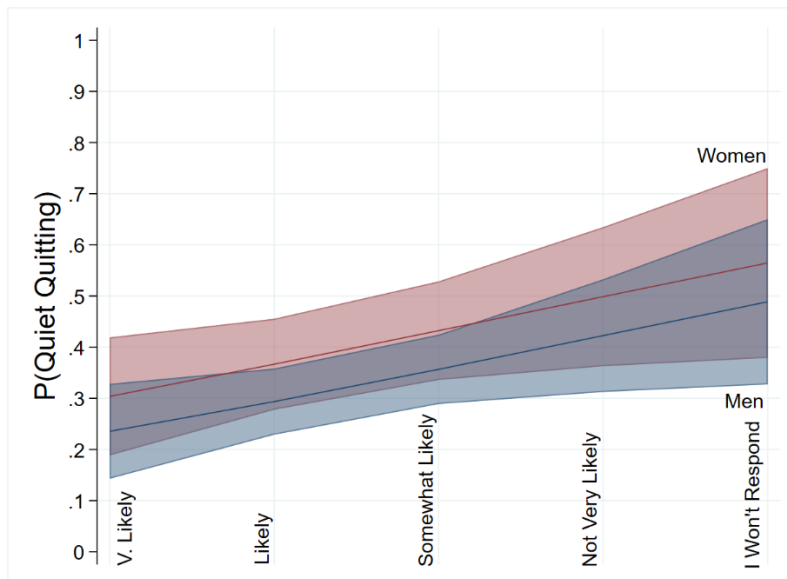


Figure 3

Predicted Margins - How frequently does your job involve deep focused work (researching, analyzing data, writing thoughtful content, developing strategy) as opposed to shallow work (email and chat, data entry, pulling reports)?

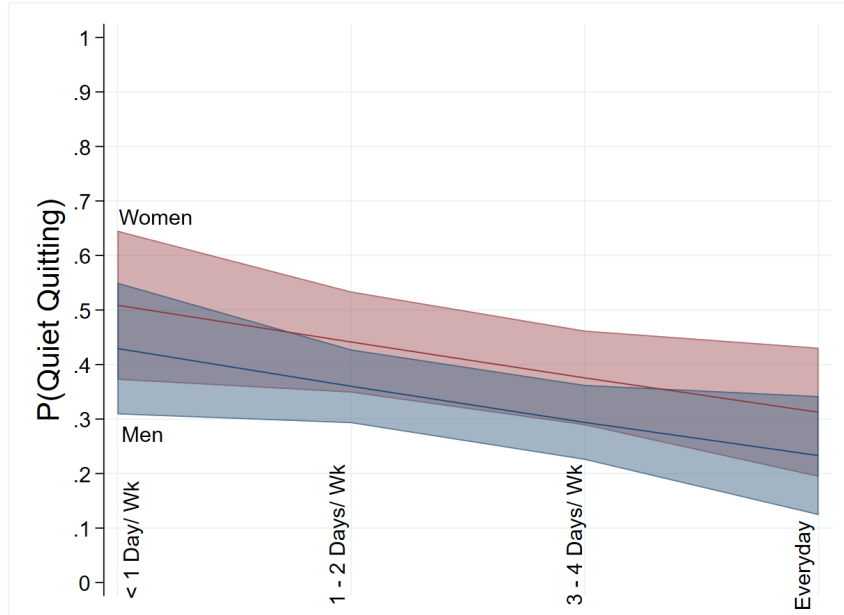


Figure 4

Predicted Margins - Maslach Burnout Inventory Emotional Exhaustion

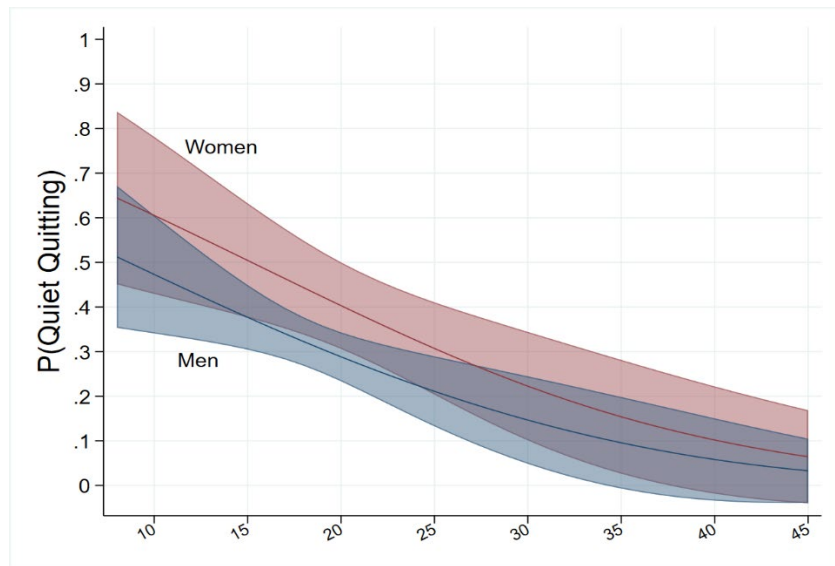


Figure 5
Predicted Margins - How satisfied or dissatisfied are you with your current work?

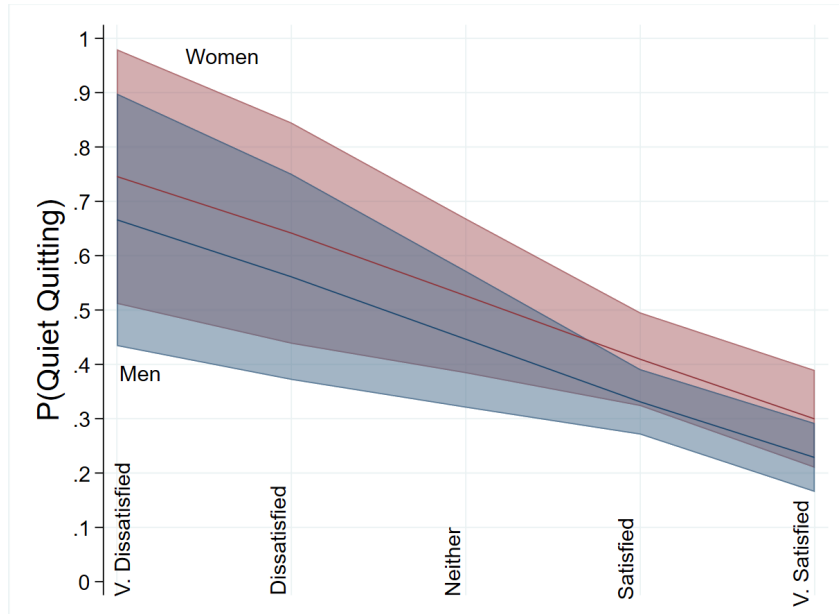


Figure 6
Predicted Margins - How satisfied or dissatisfied are you with your flexibility of your current job?

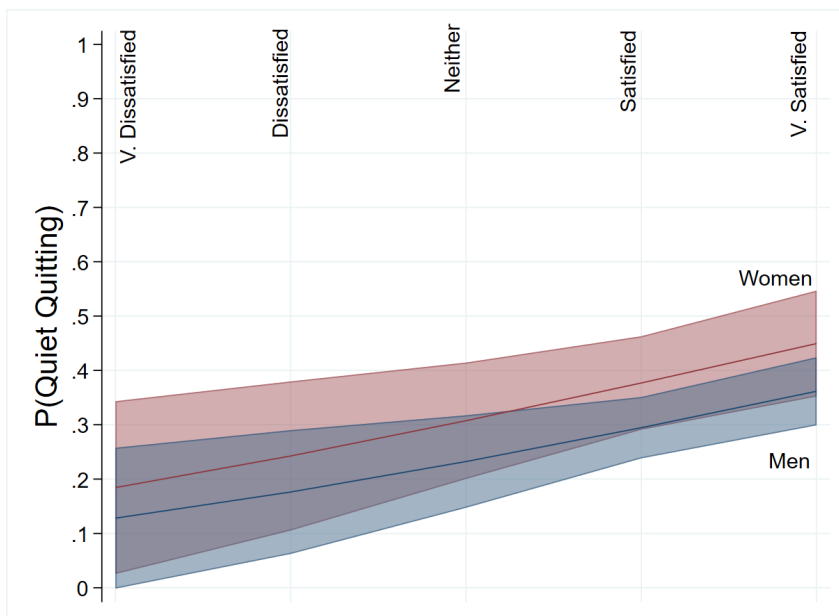
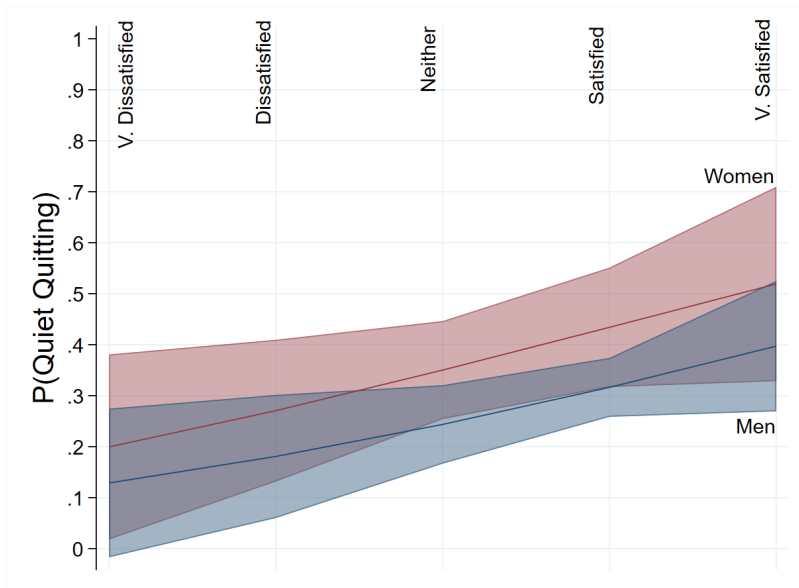


Figure 7
Predicted Margins - How satisfied or dissatisfied are you with your work-life balance?



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