



EMPLOYEE RELATIONS

STEMMING THE TIDE OF DISENGAGEMENT

Jonathan Maude and Daniel Stander of Vedder Price LLP examine evolving workplace dynamics, including the emerging phenomena of proxy resignations and quiet quitting, and set out how UK employers should respond in order to ensure higher levels of employee engagement and retention.

An interesting question for employers to consider is whether the way in which employees leave their organisation could be the clearest sign of disengagement within that organisation.

In Japan, a growing number of employees are paying third-party agencies to resign from their jobs on their behalf in a practice known as resignation by proxy. These services have developed in response to deep-rooted issues such as toxic workplace cultures, excessive overwork and a reluctance to engage in direct confrontation with management. While this practice may seem far removed from the UK context, it highlights a broader and increasingly global challenge; that is, how employers should respond when employees feel unable to speak up, disengage

emotionally or seek to leave without confrontation. UK employers may be unlikely to encounter resignation by proxy in the literal sense, but the sentiment behind it is already manifesting, most notably through so-called “quiet quitting”, rising attrition rates and reduced employee trust.

This article examines:

- The reasons why employees may be experiencing higher levels of workplace dissatisfaction.
- The impact that employee disengagement has on the employer’s business.
- What steps employers can take to improve engagement and trust.

THE RISE OF QUIET QUITTING

The UK is unlikely to see resignation agencies take root in the same way as seen in Japan, although there are a few early signs that this could be changing; for example, a business called End My Job claims to be the UK’s first resignation by proxy service (see box “Proxy resignation services”). Although there are no significant cultural or legal barriers to direct resignation in most sectors, the sentiments of disengagement, fear and exhaustion that lie behind proxy resignations are increasingly visible in the UK labour market. UK employers are experiencing what might be described as the quiet equivalent.

According to Gallup’s State of the Global Workplace 2024 report, only 23% of

employees globally are engaged with their work (www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx). Similarly, the Engage for Success UK Employee Engagement Survey 2023 reported stagnation, with the engagement index remaining at 62%, indicating that UK employees are present but not fully engaged at work (<https://engageforsuccess.org/efs-uk-employee-engagement-survey-2023/>). These findings underscore the ongoing challenge of fostering a motivated and committed workforce in the UK.

Wider workforce sentiment suggests that this stall in engagement is part of a deeper trend. In 2023, a survey conducted by Employment Hero found that 51% of UK employees reported placing less importance on their careers than before the COVID-19 pandemic (<https://employmenthero.com/uk/resources/state-of-recruitment-report/>). For many UK employees, the emotional contract with work has changed; they now “work to live” rather than the other way around.

The term “quiet quitting” describes employees who continue to meet the basic requirements of their role but withdraw from discretionary effort, overtime or broader engagement with organisational culture.

Although the phrase was coined on social media, the trend reflects a genuine shift in workforce behaviour. Employees who feel undervalued or overworked, or who perceive that their employer will not reward additional effort, are simply opting out of going the extra mile.

Analysis by the London School of Economics in 2023 highlighted that average working hours have declined significantly since 2019, particularly among younger employees and graduates (www.lse.ac.uk/research/research-for-the-world/economics/quiet-quitting-uk-employment-productivity). These findings suggest that quiet quitting reflects not only employee dissatisfaction but also shifting attitudes to work-life balance and personal boundaries.

Some commentators also argue that business practices such as fire and rehire, or dismissal and re-engagement, cause employees to feel less loyalty to their employer and have therefore contributed to the quiet quitting trend (see *feature article “Fire and rehire: changing employment*

Proxy resignation services

Proxy resignation services are not new in Japan; some have been operating for over a decade. However, they have attracted growing interest and market share. A survey that was published on 3 October 2024 by the HR and employment-focused research company, Mynavi Corporation, found that nearly 17% of Japanese employees who had changed jobs since June 2023 did so through a resignation agency (https://career-research.mynavi.jp/research/20241003_86953/; <https://skynews.icu/top-stories/796116-you-know-what-they-quit-resigning-by-proxy-and-the-crisis-of-corporate-japan/>). Around 40% of those users reported that they either feared being barred from leaving or had already been prevented from doing so.

Younger employees, in particular, are turning to these services, often citing toxic workplace cultures, burnout and a fear of being guilt-tripped into staying. Albatross, one of the more prominent agencies, claims to have resigned over 60 full-time employees in a single month. Other operators report handling hundreds of cases monthly.

The rise of these services is controversial. Critics argue that they are unregulated and potentially open to abuse. Some agencies have been accused of exceeding their remit, for example, by negotiating severance payments or withholding employee contact details. Former prosecutors and the Tokyo Bar Association have flagged concerns that certain agencies may be acting outside of their legal authority. Government departments are reportedly considering whether intervention in the market is needed.

Whether or not Japanese regulators decide to take action, the reasons why employees are turning to resignation agencies are telling. The fundamental drivers are a lack of psychological safety, exploitative working practices and social norms that inhibit employees from feeling that they have a voice in the workplace. These reasons speak to a deeper dysfunction in the employment relationship. That message should resonate with employers well beyond Japan.

terms and conditions”, www.practicallaw.com/w-034-6270). The practice of fire and rehire is, however, due to be largely outlawed under the Employment Rights Bill, which was introduced to Parliament on 10 October 2024 and is currently making its way through the legislative process (see *News brief “Employment Rights Bill: new obligations for employers”*, www.practicallaw.com/w-044-8129).

For employers, this dip in engagement presents clear risks since disengaged employees are less productive, more likely to leave, and harder to reskill or promote.

MUTUAL TRUST AND CONFIDENCE

UK employment contracts include an implied duty of mutual trust and confidence (see *feature article “Implied terms: what’s next in the employment relationship?”*, www.practicallaw.com/w-037-2672). This multifaceted duty requires both parties not to act in a way that is likely to destroy the employment relationship. While the most high-profile reliance on the duty is in constructive dismissal claims, it

also has wider significance as a framework for managing people and risk.

A breakdown in trust rarely happens overnight. It is more often the result of repeated, low-level breaches of communication, empathy or fairness. It may start with a manager ignoring an employee’s concerns or passing them over for promotion without providing feedback. Over time, the effect of these events can accumulate. The result is often employee withdrawal, disengagement or resignation.

Employers that act with transparency, consistency and fairness are less likely to face these issues. Where the relationship remains open and honest, issues can usually be resolved early and constructively.

EMPLOYERS’ RESPONSE

Whether the risk is proxy resignations, quiet quitting or high staff turnover, the underlying challenge for employers is the same; that is, how to maintain employee engagement and trust in ever more complex and pressured workplaces.

Employers may find that the following strategies will help to increase trust and engagement.

Communication

Employers should strengthen their communications with employees and ensure that the employee voice can be heard. The Chartered Institute of Personnel and Development emphasises the importance of the employee voice; that is, the way that employees communicate their views to their employer and are able to influence matters that affect them at work (www.cipd.org/uk/knowledge/factsheets/voice-factsheet/). Employees should be able to raise concerns without fear. Communication channels must be trusted, accessible and well managed.

Employees are more likely to raise concerns and less likely to disengage when they believe that their voice matters and that action will follow (see feature article “Employee activism: rising to the challenge”, www.practicallaw.com/w-036-6038).

Key actions for employers include:

- Training managers in active listening and conflict resolution.
- Holding regular “stay interviews” to understand employee needs. Stay interviews are separate from regular one-to-one check-ins and focus on understanding what motivates employees to stay, and identifying issues before they lead to disengagement or resignation. Research suggests that they can strengthen trust, improve retention and provide valuable insight into the employee experience.
- Promoting whistleblowing protections and anti-retaliation commitments (see feature articles “Whistleblowing policies: reaping the rewards”, www.practicallaw.com/w-008-4812 and “Whistleblowing and remote working: out of sight not out of mind”, www.practicallaw.com/w-029-6537).
- Publicising routes for reporting informal and formal concerns.

The UK’s whistleblowing framework is under review, with proposals including the creation of an independent office of the whistleblower and criminal penalties for employers that

A contrast in transitions

One revealing contrast lies in how employees are supported at the start and the end of the employment relationship. In the UK, it is common for individuals to engage recruitment consultants to assist with joining a new employer. Recruitment consultants may support candidates in preparing job applications, negotiating offers and presenting themselves effectively. Their involvement is generally welcomed and uncontroversial.

Yet the notion of an employee hiring a third party to manage their exit would strike most UK employers as odd, even inappropriate. Unlike onboarding, resignations are often highly personal, emotionally charged and led by dissatisfaction with a particular manager, rather than with the organisation as a whole. A resignation delivered through a consultant would likely be met with confusion or suspicion. This highlights an interesting cultural asymmetry: that third-party support when joining is normalised, but third-party support when leaving is marginalised.

For employers, this contrast presents an opportunity to reflect on whether the offboarding process could be improved; for example, whether resignations could be handled with more empathy and structure, or employees be given an offboarding experience that matches the investment that is made in onboarding. In a labour market where employer brand matters, these questions are increasingly relevant.

retaliate against a whistleblower (see Opinion “Whistleblowing reform: better protection needed”, www.practicallaw.com/w-044-2428). Employers should be proactive in ensuring compliance and cultural readiness for changes in this area.

Flexible working

Employers should make flexible working meaningful and sustainable. The legal and cultural expectations around flexible work continue to shift (see feature article “Homeworking in the wake of COVID-19: issues for employers”, www.practicallaw.com/w-027-8073). Since 6 April 2024, employees have had the right to request flexible working from day one of their employment (see News briefs “New rights for employees: flexibility is the new watchword”, www.practicallaw.com/w-043-1308; and “Day-one right to request flexible working: a step towards the default position?”, www.practicallaw.com/w-038-3439).

The Employment Rights Bill proposes to go further, introducing a requirement that any refusal of a flexible working request must be not only based on one of the eight statutory business grounds but also objectively reasonable. In addition, employers will be expected to explain their reasons for refusal and required to consult with the employee before making a decision. Future regulations are expected to define what that consultation must involve.

These proposed changes will make it more difficult to justify blanket refusals. Employers may be expected to explore alternatives, gather evidence of business impact and consider trial periods. Failure to do so may expose them to employment tribunal claims for compensation, orders to reconsider the request or even constructive dismissal claims in serious cases.

Separately, while the government continues to support the principle of a legal right to disconnect, no formal legislation has yet been introduced and the concept has not been included in the Employment Rights Bill, despite it having been included in the government’s policy paper, Next Steps to Make Work Pay, which was published on 10 October 2024 (www.gov.uk/government/publications/next-steps-to-make-work-pay). However, public and political attention in this area continue to grow, as several countries, such as France, have already introduced legislation to protect employees from workplace demands that encroach into their personal and family lives. The EU is also considering implementing a right to disconnect (https://ec.europa.eu/commission/presscorner/detail/en/ip_24_1363).

With new legal standards on the horizon and shifting employee expectations, flexibility must be more than a policy: it must be seen, experienced and sustained in practice (see

News brief “Hybrid working after COVID-19: home is where the work is”, www.practicallaw.com/w-031-0840).

Key actions for employers include:

- Reviewing flexible working policies and training managers on evaluating requests.
- Avoiding contacting employees outside of normal working hours and actively communicating expectations around disconnecting from work.
- Monitoring workloads and overtime trends to address burnout risk.
- Leading by example, such as by discouraging performative overwork.

Learning and development

Employers should invest in learning and development. When employees feel that their skills are stagnating or their future is unclear, they are more likely to disengage. Development opportunities signal that the employer values their long-term contribution.

Key actions for employers include:

- Mapping clear career paths, including lateral and non-management tracks.
- Offering training budgets, mentorship schemes and upskilling platforms.
- Using internal secondments to broaden experience and retain curiosity.
- Visibly celebrating internal moves and professional growth stories.

According to LinkedIn’s 2023 Workplace Learning Report, employees who make an internal move are 75% more likely to stay in the long term (<https://learning.linkedin.com/resources/workplace-learning-report-2023>). This report also highlighted that the primary way that employers are working to improve retention is by providing learning opportunities.

By 2030, the UK will see a sharp rise in over-50s in the workforce, making the retention of older employees a strategic necessity. Employers that invest in age-inclusive development, such as digital reskilling and flexible apprenticeships, may

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also benefit from improved retention and a more experienced, resilient talent base (see *feature article “Managing an ageing workforce: times are changing”*, www.practicallaw.com/w-032-6400).

Culture and leadership behaviour

Employers should address culture and leadership behaviour. Employees rarely leave organisations, rather, they leave managers. Where poor behaviour goes unchallenged, trust is eroded and retention suffers.

The UK currently lacks a statutory definition of workplace bullying. However, the Bullying and Respect at Work Bill, which was first introduced to Parliament on 11 July 2023 as a Private Members’ Bill and is due to have a second reading in June 2025, proposes creating legal protections against workplace bullying and giving powers to the Equalities and Human Rights Commission to investigate complaints. While still at an early stage, it reflects growing stakeholder pressure.

The new preventative duty to protect employees from sexual harassment came into force on 26 October 2024 through the Worker Protection (Amendment of Equality Act 2010) Act 2023 (see *feature article "Preventing sexual harassment: putting the new duty into practice"*, www.practicallaw.com/w-042-2864). The Employment Rights Bill seeks to tighten the new duty by requiring employers to take all reasonable steps to prevent sexual harassment, rather than just reasonable steps, as well as reinstating a legal duty to protect employees from third-party harassment, as existed in law between 2008 and 2013.

These changes mark a shift in emphasis from employers reacting to individual incidents to proactively addressing systemic risk and workplace culture. Together, they signal a growing expectation that employers take active, accountable steps to create psychologically safe environments.

Key actions for employers include:

- Establishing behavioural competencies for all managers.
- Investigating misconduct complaints independently and transparently (see *feature article "Disciplinary actions and dismissals: handling the processes fairly"*, www.practicallaw.com/w-029-8702).
- Using 360-degree feedback and engagement surveys to detect red flags.
- Including culture metrics in leadership performance reviews.

Culture is built in moments, such as how concerns are handled, how feedback is

received and how leaders behave when under pressure.

Employers that offer financial support to employees who are struggling with the cost of living, such as early access to earned wages, can enhance employee retention and engagement. For example, Access EarlyPay allows staff to access a portion of their salary before payday, promoting financial wellbeing and potentially reducing turnover (see *feature article "Financial support for employees: benefits for the modern workforce"*, www.practicallaw.com/w-039-1306).

Offboarding processes

How an employer handles resignations reveals a great deal about its culture. While an employer cannot reject an employee's resignation, a poorly managed exit can create bad feeling, lost goodwill and reputational risk.

By contrast, professional and supportive offboarding processes can leave the door open to returners and strengthen the employer brand (see *box "A contrast in transitions"*). As a starting point, employers may wish to refer to the Acas guidance on responding to an employee's resignation (www.acas.org.uk/resignation/responding-to-an-employees-resignation).

Key actions for employers include:

- Conducting exit interviews with impartial facilitators.
- Analysing trends and the root causes of staff turnover.
- Communicating leavers' contributions in a positive manner.

- Maintaining alumni networks and encouraging returners.

Even when an employee chooses to leave, the employer retains the choice of how to respond. How an employer exercises that choice speaks volumes.

Retention strategy

Employers should focus on making trust their retention strategy. Proxy resignations may be unique to Japan, but the forces behind them are not. Burnout, disconnection, miscommunication and fear are present in every jurisdiction, as is the remedy: trust.

Trust is the shared understanding that both parties will act fairly, listen to each other and uphold the spirit of the employment contract. It is maintained through everyday behaviour; for example, a manager who checks in with the members of their team, a policy that is applied consistently and a career development plan that is followed through.

Employers that foster trust see lower turnover, higher engagement and stronger resilience. Those who ignore the warning signs, whether in the form of quiet quitting or passive resignations, risk losing their talent, credibility and culture.

Ultimately, employees do not want to flee, hide or disengage. Most want to be heard, respected and supported. The question for every UK employer is not "will my staff resign by proxy?" but "do they trust me enough to speak before they do?"

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