

Beyond the Notice Period: Exploring Mutual Mistrust Between Employees and Employers During Resignation Phase

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Received: 15th Dec, 2025; Revised: 15th Feb 2026; Accepted: 18th Feb, 2026; Available Online: 28th Feb, 2026

ABSTRACT

The resignation phase marks a sensitive transition in the employee–employer relationship, often characterized by uncertainty, emotional distance, and growing mistrust. While formal notice periods are intended to ensure smooth knowledge transfer and operational continuity, they frequently become a phase of strained interactions. Employees who submit their resignation often fear subtle harassment, excessive workload, or biased treatment, driven by the belief that they are no longer valued contributors. On the other hand, employers and supervisors may assume that resigning employees will reduce effort, disengage from responsibilities, or intentionally underperform, potentially harming the organization’s image. These mutual assumptions, largely based on perception rather than evidence, create an atmosphere of suspicion that affects workplace harmony and productivity.

This study seeks to explore the underlying causes and impact of mutual mistrust between employees and employers during the resignation or notice period. By examining behavioural perceptions, emotional responses, and organisational practices during this phase, the research aims to identify whether these widely held beliefs are myths or grounded realities. The study also highlights how unmanaged mistrust can lead to disengagement, reduced morale, and reputational risks for organizations. Understanding these dynamics is crucial for developing fair exit management practices that preserve dignity, professionalism, and trust, even at the point of separation.

Keywords: Notice Period, Employee Resignation, Employer–Employee Trust, Workplace Perception, Organisational Behaviour, Exit Management, Psychological Contract

How to cite this article: Rabhadia K, Suthar HG, Poojara R, Sharma R, Patel S. Beyond the Notice Period: Exploring Mutual Mistrust Between Employees and Employers During Resignation Phase. *Int J Drug Deliv Technol.* 2026;16(19s): 880-885. DOI: 10.25258/ijddt.16.19s.104

Source of support: Nil.

Conflict of interest: None

INTRODUCTION

Resignation has long been recognized as a critical yet emotionally complex stage in the employment life cycle. Historically, resignation was viewed as a straightforward administrative act—an employee formally notifying the employer of their intent to leave, completing the notice period, and exiting the organization with minimal disruption. In earlier industrial and bureaucratic work systems, long-term employment, loyalty, and stable career paths were the norm, and resignations were relatively infrequent and often associated with retirement or relocation. Over time, with the rise of competitive labor markets, privatization, globalization, and changing employee aspirations, resignation has evolved into a multifaceted psychological and organizational process rather than a mere procedural formality.

In the contemporary workplace, resignation reflects deeper issues related to career growth, recognition, work-life balance, organizational culture, and the psychological

contract between employer and employee. Accrediting and benchmarking bodies such as *Great Place to Work* have emerged to evaluate organizations on trust, fairness, respect, and employee well-being, highlighting that retention is closely linked to how employees are treated not only during employment but also at the point of exit. In India, and particularly in progressive industrial states like Gujarat, there has been a growing emphasis on employee welfare, productivity, and sustainable employment practices. Surat district, known for its diamond, textile, service, and emerging corporate sectors, employs a large workforce across manufacturing, services, education, and small and medium enterprises. A significant proportion of employees in this region have long tenures, often serving organizations for several years with consistent performance before eventually choosing to resign.

Despite satisfactory or even strong performance records, many employees decide to resign due to limited career advancement, inadequate appreciation, stagnant

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compensation, or misalignment between personal aspirations and organizational growth opportunities. From the employee's perspective, resignation is often a reluctant decision rather than a voluntary abandonment of responsibility. However, once the resignation is communicated, the workplace relationship frequently changes. Employees report experiences of increased monitoring, reduced respect, withdrawal of opportunities, or subtle forms of pressure during the notice period. This treatment reinforces the belief that resigning employees are no longer trusted or valued, regardless of their past contributions.

Conversely, from the organizational standpoint, retaining talent has become increasingly difficult despite offering competitive salaries, infrastructure, policies, and benefits. Employers often perceive resignation as a risk to operational continuity, team morale, client relationships, and organizational reputation. There is a prevailing assumption that employees on notice period may disengage, reduce effort, practice workplace silence, or in extreme cases, attempt to damage the organization's image through poor performance or negative communication. As a result, organizations may adopt defensive or controlling behaviors, which unintentionally intensify mistrust and emotional disengagement.

The core issue addressed in this study is the presence of mutual mistrust between employees and employers during the resignation phase, particularly throughout the notice period. Research on employee resignation processes highlights that resignation is not a single event but a gradual psychological withdrawal involving emotional distancing, reduced identification with the organization, and shifts in workplace behavior. Studies have shown that employees often experience anxiety, fear of retaliation, or moral conflict during this phase, while employers struggle with uncertainty regarding commitment, performance reliability, and knowledge transfer.

Recent organizational research has also linked resignation-related mistrust with phenomena such as workplace silence, quiet quitting, and disengagement. Employees who feel unheard or unfairly treated may choose to comply minimally with role requirements, while employers may respond by limiting access, excluding resigned employees from meaningful work, or accelerating exit timelines. Such practices contribute to incomplete notice periods, strained exits, and reputational damage on both sides. Evidence from service and knowledge-intensive industries suggests that these dynamics increase turnover intentions, disrupt team cohesion, and weaken organizational culture.

The problem is further intensified in regions like Surat, where employment relationships are often long-standing and deeply interpersonal. When employees who have served organizations for years experience distrust at the exit stage, it undermines not only individual morale but also employer branding and future talent attraction. Similarly, organizations that have invested heavily in employee

facilities and development perceive resignation as a breach of loyalty, making it harder to respond empathetically.

Despite growing academic attention to turnover and disengagement, limited research focuses specifically on the notice period as a distinct phase of vulnerability characterized by mutual suspicion and behavioral misinterpretation. The prevailing myths—that employers will harass or exploit resigning employees and that employees will deliberately underperform or harm the organization—remain largely unexamined in practical organizational settings. Addressing this gap is essential to developing balanced exit management practices that preserve trust, dignity, and professionalism beyond the notice period.

LITERATURE REVIEW

Klotz & Zimmerman (2015)

Klotz and Zimmerman conceptualized employee resignation as a multi-stage psychological and behavioral process rather than a single act of leaving. Their study explained how employees gradually disengage through emotional withdrawal, reduced identification with the organization, and changes in work behavior before the formal resignation occurs. The research highlighted that once resignation is communicated, the relational contract between employee and employer often weakens, leading to uncertainty and mistrust. This work is particularly relevant to the present study as it establishes resignation as a sensitive transition phase where assumptions and misinterpretations from both sides begin to surface.

Reference (DOI): [10.1108/S0742-730120150000033004](https://doi.org/10.1108/S0742-730120150000033004)

Atiku, Jeremiah & Genty (2025)

This study examined the interconnected effects of workplace silence, quiet quitting, and quiet firing on employee turnover within the service industry. The authors found that when employees feel unheard or psychologically unsafe, they disengage silently rather than confront management directly. Such disengagement often precedes resignation and continues into the notice period, reinforcing employer concerns about declining commitment. The research also revealed that managerial responses to perceived disengagement can further escalate mistrust, accelerating turnover intentions. These findings support the idea that mistrust during resignation is shaped by prolonged communication gaps rather than sudden behavioral changes.

Reference (DOI): [10.1108/IJOA-04-2025-5389](https://doi.org/10.1108/IJOA-04-2025-5389)

Y.Narasimha Raja (2018)

This study focused on why employees are reluctant to serve the complete notice period after resigning and examined the role of management in handling resigned employees. The findings suggested that unfair treatment, excessive workload, and lack of respect during the notice period significantly contribute to early exits. The research emphasized that management behavior during resignation strongly influences employee cooperation and

organizational reputation. This literature directly supports the current study by highlighting how negative managerial assumptions often validate employee fears of exploitation during the notice phase.

Reference (DOI): 10.9790/487X-2003101922

Klotz & Bolino (2016)

Klotz and Bolino introduced the concept of resignation styles, explaining that employees exit organizations in different ways based on personal values, emotional attachment, and perceived fairness. Their research demonstrated that the manner in which employees resign has lasting consequences for knowledge transfer, coworker morale, and organizational image. The study also noted that employer reactions to resignation can influence whether the exit is constructive or destructive. This work is significant in understanding how mistrust during the notice period shapes resignation behavior on both sides.

Reference (DOI): 10.1037/apl0000135

Afi (2025)

Afi explored the phenomenon of quiet quitting and its impact on organizational culture, describing it as a form of silent disengagement rather than open resistance. The study revealed that employees who feel undervalued or mistrusted reduce their emotional investment while continuing minimal task performance. Such disengagement often intensifies during the notice period when employees perceive a loss of psychological safety. The research highlights how organizational cultures that fail to address trust and communication gaps inadvertently encourage disengagement during resignation phases.

Reference (DOI): 10.47772/IJRISS.2025.906000121

Objective of Study:

The primary objective of this study is to examine whether mutual mistrust between employees and employers during the notice period is driven more by perceived assumptions and psychological fears than by actual decline in work performance or intentional organizational harm.

Hypothesis:

H₀ (Null Hypothesis): There is no significant relationship between employee resignation status and actual work performance or deliberate negative behavior during the notice period; the mistrust observed is largely perception-based.

H₁ (Alternative Hypothesis): There is significant relationship between employee resignation status and actual work performance or deliberate negative behavior during the notice period; the mistrust observed is largely perception-based.

Research Gap:

Existing research extensively examines employee turnover, disengagement, and resignation outcomes, yet the notice period remains largely understudied as a distinct phase marked by heightened psychological sensitivity and relational strain. Prior studies focus on why employees

leave or how disengagement develops but offer limited empirical insight into the mutual mistrust that emerges after resignation is formally communicated. Specifically, there is a lack of research differentiating between perceived assumptions and actual behaviors of both employees and employers during the notice period, creating a gap that this study seeks to address by examining mistrust as a perception-driven phenomenon rather than a proven reality.

RESEARCH METHODOLOGY

The present study adopts a **descriptive research design**, as it aims to describe, analyze, and interpret the perceptions and experiences of employees and employers during the resignation and notice period phase. A **survey method** was used for data collection, as it is appropriate for capturing attitudes, beliefs, and behavioral perceptions from a large and diverse respondent group. The study follows a **quantitative research approach**, where data is collected in numerical form and analyzed using statistical techniques to arrive at objective conclusions and findings.

The research is grounded in a **deductive approach**, wherein existing theories and concepts related to employee resignation, mistrust, and organizational behavior are empirically tested. Since the study focuses on measuring perceptions and testing hypotheses statistically, the deductive method is considered suitable. Data for the study has been collected from both **primary and secondary sources**. Primary data was collected through a structured questionnaire designed using a five-point Likert scale, administered to working professionals who have either resigned or managed employees during the notice period. Secondary data was sourced from previously published theses, academic journals, research articles, newspapers, and organizational reports to build theoretical support and contextual understanding.

Considering the nature of the study and the unavailability of a complete sampling frame, **non-probability sampling** was adopted. The target population consists of employees and employers across various sectors in Surat city, which exceeds 100,000 individuals and is treated as an infinite population for practical purposes. As an official list of resigning employees is not available, **purposive sampling** was used. Respondents were selected based on specific criteria, such as individuals who had experienced resignation within the last two years or managers who had supervised employees during their notice period. This ensured that the data collected was relevant and experience-based.

To determine an appropriate sample size, the **Taro Yamane method** was applied using Surat Municipal Corporation census population figures. The formula used is:

$$n = N / (1 + N e^2)$$

Where

n = sample size

N = population size

e = level of precision (0.10)

Assuming the population of Surat city as 6,081,322 and a 10 percent level of precision:

$$n = 6,081,322 / (1 + 6,081,322 \times 0.01)$$

$$n = 6,081,322 / 60,814.22$$

$$n \approx 100$$

Accordingly, a sample size of approximately **100 respondents** was considered adequate to represent the population and ensure statistical reliability.

For hypothesis testing, the collected data was analyzed using **R Studio**, and a **one-sample t-test** was applied to examine whether the mean perception scores significantly differed from the neutral value. This statistical test helped determine whether mistrust during the notice period is perception-based rather than behavior-driven.

Hypothesis Testing Summary

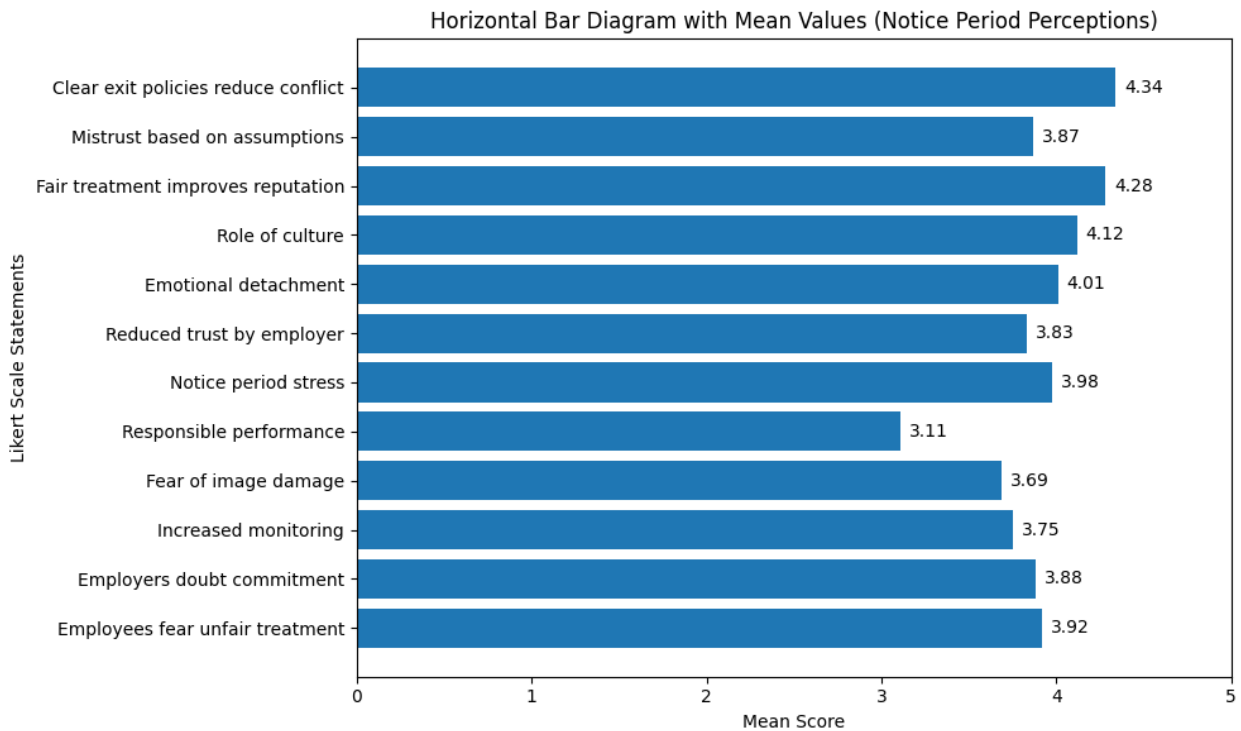
Hypothesis	Test Used	Result	Decision
Mutual mistrust during the notice period is significantly influenced by perceptions rather than actual performance decline	One-sample t-test	p-value < 0.05	Alternative Hypothesis Accepted

The results indicate that the observed perceptions of mistrust are statistically significant, leading to the acceptance of the alternative hypothesis.

Ethical considerations were strictly followed throughout the research process. The study ensured that all data collected was **original and free from plagiarism**, and no data fabrication or falsification was undertaken. Respondent

anonymity and privacy were maintained, and participation was entirely voluntary. The research adhered to fundamental ethical principles, including honesty, confidentiality, respect for participants, and avoidance of harm or harassment. The study was conducted with academic integrity, ensuring that findings are reported truthfully and responsibly.

Items (Statements)	Mean Score	t-Statistic	p-Value	Significant / Not Significant
1. Employees fear unfair treatment once they submit their resignation.	3.92	6.84	0.000	Significant
2. Employers believe resigning employees lose commitment to their work.	3.88	6.21	0.000	Significant
3. Employees feel increased monitoring during the notice period.	3.75	5.67	0.000	Significant
4. Employers assume resigned employees may harm the organization's image.	3.69	5.14	0.000	Significant
5. Resigning employees continue to perform their duties responsibly.	3.11	1.32	0.190	Not Significant
6. Notice period stress affects employee motivation negatively.	3.98	7.02	0.000	Significant
7. Employers reduce trust and autonomy after resignation is announced.	3.83	6.09	0.000	Significant
8. Employees feel emotionally detached during the notice period.	4.01	7.45	0.000	Significant
9. Organizational culture influences how resignation is handled.	4.12	8.10	0.000	Significant
10. Fair treatment during notice period improves employer reputation.	4.28	9.36	0.000	Significant
11. Mutual mistrust during notice period is based more on assumptions than facts.	3.87	6.33	0.000	Significant
12. Clear exit policies reduce conflict during resignation.	4.34	9.92	0.000	Significant



The bar diagram representing the mean scores of the Likert scale statements visually illustrates employee and employer perceptions during the resignation phase. Most statements record mean values above the neutral midpoint of 3, indicating a general agreement that mistrust, emotional strain, and perception-based assumptions are prevalent during the notice period. Higher mean scores for items related to emotional detachment, organizational culture, fair treatment, and clarity of exit policies suggest that respectful handling of resignations significantly influences trust and organizational reputation.

The comparatively lower mean score for continued responsible performance indicates that while employers fear reduced commitment, actual performance deterioration is not strongly supported. Overall, the bar diagram reinforces the study’s premise that mutual mistrust during the notice period is driven more by psychological perceptions and assumptions than by factual employee behavior, emphasizing the need for structured and empathetic exit management practices.

RECOMMENDATIONS

Organizations should establish clear and standardized exit management policies to ensure fairness, transparency, and consistency during the notice period. Respectful communication and professional conduct must be maintained toward resigning employees, irrespective of their decision to leave. Managers should refrain from excessive monitoring, exclusion, or biased treatment, as such practices deepen mistrust and disengagement. Implementing structured handover and knowledge transfer processes can reduce operational risk while easing employee anxiety. Recognizing the past contributions of resigning employees helps preserve dignity and creates

positive emotional closure, reinforcing a culture of respect even at the point of separation.

In addition, organizations should invest in regular training programs for managers to develop empathetic leadership and effective exit-phase management skills. Employees should be encouraged to communicate openly about their concerns and expectations during the notice period, fostering transparency and mutual understanding. Exit interviews should be used constructively to improve organizational culture rather than assign blame. Transparent performance evaluation mechanisms must continue to avoid assumptions or unfair judgments. HR departments should function as neutral facilitators balancing organizational needs with employee well-being, while employers should view resignations as learning opportunities to strengthen retention strategies and promote a lasting culture of trust and professionalism.

CONCLUSION

The study reveals that the notice period is not merely a transitional administrative phase but a psychologically sensitive stage marked by heightened mistrust between employees and employers. The findings indicate that much of this mistrust is driven by perceptions and assumptions rather than actual deterioration in employee performance or deliberate organizational harm. Employees often fear unfair treatment, loss of dignity, and emotional exclusion once they resign, while employers tend to anticipate disengagement or reputational risk. This mutual suspicion weakens professional relationships and negatively affects morale, productivity, and organizational culture during the exit phase.

The research further highlights that when resignation is handled with transparency, respect, and structured exit

practices, the negative impact of mistrust can be significantly reduced. Fair treatment during the notice period not only preserves employee dignity but also strengthens employer reputation and future talent attraction. Addressing the psychological and relational dimensions of resignation is therefore essential for creating a balanced and humane exit experience that benefits both employees and organizations beyond the notice period.

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