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HR Edge

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Understanding Today's Retention Challenges

Employee attraction and retention have become major obstacles for most employers during the pandemic era and will likely continue to complicate organizations' race for talent in 2022. In today's employment market, employers face several unique challenges, such as dealing with high attrition levels, meeting employees' current desires and recruiting candidates with the right skill sets.



Over **85% of employers** today consider attraction and retention somewhat of a challenge.

Three-quarters of employers consider attracting and retaining employees a top-five business challenge.

Source: Zywave's 2022 Attraction and Retention Employer Pulse Survey

Evolving Employee Desires

Many American employees took new jobs or switched careers last year, and that trend is expected to continue throughout the pandemic and beyond. What used to be known as the "Great Resignation" is now becoming the "Great Reshuffle" as workers are taking deliberate steps toward career paths that match their needs. LinkedIn reports that 59% of employees are deciding to either actively look or begin to think about a career switch. So, what do workers want?

According to LinkedIn's 2022 Global Talent Trends report, some of the top desires of employees include the following:

- **59%** — Professional development opportunities
- **48%** — Flexible work support
- **42%** — Mental health and wellness
- **35%** — Training managers to lead remote and hybrid teams
- **26%** — Diversity and inclusion

Workers are undoubtedly rethinking their priorities and relationships with employers and are ready to walk away from organizations that don't value physical and emotional wellbeing. As such, employers have an opportunity to evolve with employees and offer attractive perks or resources.

Lack of Qualified Candidates

In general, attracting employees is an obstacle for employers in today's labor market. However, even employers receiving high numbers of applications are struggling to find workers with the right skills and experience for the organization's roles. To address today's skills gaps, some organizations are pursuing learning and development opportunities and reskilling current talent. This strategy can combat labor challenges as many employees are interested in learning and professional growth opportunities.

What Employers Can Do

In general, today's employees want competitive compensation and benefits, learning and development opportunities, work-life balance, flexible work options and mental health support. To inform retention strategies, organizations can listen to their current employees about what they want and need from an employer. Although the Great Reshuffle is a retention challenge for many employers, it can also be viewed as an excellent opportunity to capitalize on workers who are reconsidering jobs. From a recruitment perspective, many of these strategies can also bolster an employer's abilities to win over workers.

The pandemic allowed many people to rethink their values and make significant life changes, including job or career switches. If an employer doesn't offer what today's employees are looking for, they may start looking to work elsewhere. As a result, employers are tasked with meeting these needs as they plan their post-pandemic workplaces and review talent strategies.

The Impact of Employee Mental Health and Well-Being on Workplaces

Employee well-being refers to the overall state of employees' physical, mental, social and financial health, which various workplace dynamics can often influence (e.g., workload, connections with co-workers and available resources).

While employee well-being plays a key role in employee retention, it also significantly impacts business performance. As a result, it's vital for organizations to take employee wellbeing seriously and do what they can to foster a culture that promotes well-being.

Employees' mental health and well-being can impact employers in various ways. Here are some key business objectives that may be influenced by overall workplace wellbeing:

- **Business Performance** – Employee well-being can make all the difference in business performance. According to the National Center for Biotechnology Information (NCBI), mental health concerns in the workplace can contribute to increased absenteeism rates, lost productivity, decreased customer satisfaction and reduced profits. In addition, the NCBI reported that work-related stress is a leading cause of poor job performance among employees, negatively affecting employers as a whole.
- **Employer Brand** – According to a recent report from the Harvard Business Review, most working adults (91%) believe that a company's culture should support mental health. As such, employers who disregard their employees' mental health and well-being are more likely to be perceived poorly by employees and other stakeholders. A negative perception extends to an employer's brand, limiting its ability to attract top talent.
- **Attraction and Retention** – Employers who offer mental health and overall well-being benefits and create safe, supportive spaces at work often experience higher employee engagement and job satisfaction rates. Those feelings can translate to stronger employee attraction and retention for organizations, which matters even more in today's tight race for talent.
- **Workplace Safety** – If organizations encounter employee mental health and well-being concerns onsite, workplace accidents and related injuries are likely to follow suit. According to the National Safety Council, moderate and severe mental health distress instances have been linked to a greater risk of workplace accidents. This is likely because employees facing mental health concerns are often less focused, engaged and aware of potential safety hazards, resulting in poor decision making and unnecessary risk-taking.

Employer Takeaway

Ignoring employees' mental health and well-being can significantly affect organizations, so it's crucial for employers to adopt effective workplace well-being initiatives. As pandemic-era workers are evaluating their current jobs and considering other career paths or priorities, employers have an opportunity to provide or prioritize mental well-being support and resources. Supporting employee well-being is not only ethical, but it can have positive ripple effects across the organization.

68%

of senior HR leaders rated employee well-being and mental health as a top priority, according to the Future Workplace 2021 HR Sentiment survey.

\$20.4 BILLION

The U.S. corporate well-being market is estimated to be **\$20.4 billion** and is forecasted to grow to **\$87.4 billion** by 2026.

What Employers Should Know About Corporate Social Responsibility

All organizations impact society in a variety of ways. This influence could be through their core products or services, how they conduct business or even a combination of both. Corporate social responsibility (CSR) generally refers to an organization's impact and how it approaches accountability for its actions. CSR compasses internal and external business activities, but notably, it can have a crucial impact on attracting and retaining employees – which are top challenges for employers today.

Generally, CSR topics fall under the following categories:

- **Environmental** – Often used interchangeably with sustainability, environmental CSR refers to how an organization's actions impact the environment. Environmental and sustainability efforts are often at the core of a CSR strategy, as organizations strive to make decisions that balance both short- and long-term goals.
- **Social** – Social CSR can include working conditions, inclusion efforts and labor practices.
- **Economic** – Economic CSR refers to efforts that financially impact an organization and society concurrently, such as job creation, profit sharing with stakeholders and more.

Some organizations formally report their CSR initiatives. While formal reporting isn't necessary for every employer, it can be used to establish accountability and quantify the impactful work your organization is doing to benefit society.

Why it Matters

Employees seek to be part of a greater cause. Many of today's workers want to work for organizations that share the same beliefs as themselves. This alignment can help employers hire and keep more talent – especially in today's competitive labor market. When workers feel that their employer is socially responsible, they experience a greater sense of identity with their organization.

Notably, younger generations (e.g., millennials and Generation Z) disproportionately care about CSR and hope to be part of an organization that shares its values. Estimates show that by 2030, Generation Z (those born between 1995 and 2010) could make up over half the workforce. Generation Z does not purely create opinions about companies due to product or service quality and is genuinely interested in business ethics, practices and social impact.

Similarly, Tallo found that 68% of Gen Z feel it's important for an employer to support a cause that they are passionate about. Minimizing the negative impact on the environment and combating climate change topped the list of reasons the age group wants companies to take seriously. As such, an effective CSR strategy can positively aid a company's recruiting efforts and attract workers' who share the same values and goals as the organization.

CSR can aid in talent strategies, but it can also positively impact organizational relationships with customers, clients, suppliers and other stakeholders. An employer's reputation among employees can also relate to an employer's external branding and how stakeholders perceive an organization.

Employer Takeaway

Job seekers, consumers and investors are keeping an eye on how organizations treat their employees and communities. Employees want to be part of a more significant cause, and authentic CSR initiatives can resonate with current and prospective employees and other stakeholders. CSR may be a new concept to some employers or could already be part of workplace discussions. Regardless, employers looking to stay competitive for business and talent can consider how CSR could play a role in HR and other organizational policies.

Contact [Brady, Chapman, Holland & Associates](#) for more human resources trends, industry insights and proactive strategies to maintain a competitive edge in today's workplace.

62%
OF WORKERS

According to an institute for Corporate Productivity survey, **62% of workers** reported they wouldn't work for an organization if they disagreed with its stated beliefs.

75%
OF EMPLOYEES

According to a Glassdoor survey, **75% of employees (ages 18–34)** expect their employer to take a stand on important issues affecting the country and their constitutional rights – including immigration, equal rights and climate change – more than any other age group.