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# HR Edge

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## Understanding Why Employees Stay or Leave

Employee retention is a top concern as we enter a post-pandemic world. As the pandemic progresses, high numbers of workers have left their jobs for better compensation, benefits and work environment factors, such as work-life balance and remote or hybrid arrangements. This reality has impacted employers, who struggle to attract and retain the talent they need.

If employers are experiencing high turnover, chances are they're experiencing high losses as well. Research suggests that it can cost as high as 50% or more of an employee's annual salary to replace a current employee. The costs of reviewing applications, processing candidates, conducting interviews, training and purchasing equipment for new hires aren't only monetary; they also cost time and productivity and can negatively impact company culture.

Most employers have retention strategies, but it's worth taking a step back to understand why employees stay—or leave. Ultimately, a deeper understanding of this can inform effective retention strategies. As employers develop and evolve their return-to-work plans, critical retention factors must be thoughtfully included to navigate the current talent shortage.

### Why Do Employees Stay?

Employers often focus on why employees leave the organization, but it's also essential to understand why employees stay. Then an organization can play to its strengths and reinforce the qualities or factors that employees like most about the workplace.

Factors that positively impact employee retention include:

- Competitive total rewards, including compensation and benefits
- Meaningful work
- Professional development opportunities
- Recognition and respect
- Trust in leadership and organization
- Workplace culture

### Why Do Employees Leave?

Many employers have been experiencing higher than usual employee turnover. Undoubtedly, the pandemic has worsened some workplace stressors or allowed employees to rethink their values and make significant life changes. Similar to why employees stay at an organization, several factors may impact an employee's decision to quit voluntarily, including:

- Poor compensation
- Poor benefits
- Lack of appreciation or recognition
- Lack of professional development opportunities

- Lack of workplace flexibility
- Poor company culture
- Relationship with management
- Burnout and personal well-being
- Work-related mental health issues

Understanding the primary cause(s) of employee turnover can help organizations make the necessary change(s) to engage and maintain their workforce amid many workers making pandemic-fueled career changes.

### Why Does Employee Retention Matter?

Nothing influences organizational success quite like the strength, knowledge and expertise of its employees. And in today's employment market, employers may find it challenging to hold on to their top talent. Retaining employees is vital because losing employees can result in many consequences for employers, including:

- **Cost** to find and hire employees
- **Disruption** as employees leave with expertise and institutional knowledge
- **Time and resources** to hire and onboard employees
- **Poor reputation** as more employees leave the organization

## What Can Employers Do?

A thoughtful and holistic employee retention strategy can play a critical role in attracting and retaining top talent and reducing unwanted turnover. To compete in the post-pandemic market, organizations should understand their organization's employment strengths, weaknesses and gaps. That's when organizations can develop practical and successful employee retention strategies.

Many human resources (HR) strategies or ventures are ongoing efforts—and employee retention is no different. There's no one-time fix for employee turnover, as the workforce will continually change. However, you can pair a solid retention plan with ongoing evaluation to continuously optimize tactics and strategies to attract and keep more employees.

## HR Technology Trends to Monitor in 2022

No matter the company's size, its day-to-day needs can feel overwhelming for HR leaders, especially when faced with issues like team vacations and evolving role duties—or new responsibilities due to COVID-19. On top of that, many HR departments are small—they may even operate as a department of one—and have been stretched to the brink during the pandemic.

Fortunately, HR technology can help address today's challenges by easing burdens on HR professionals, enhancing the overall employee experience, improving workflows and assisting organizations in responding to change. HR technology can seem intimidating at first; however, much of what employers use today is user-friendly. When planning how to create efficiencies in 2022 and beyond, employers can consider how current HR technology trends might create an opportunity for their workplace.

### Today's Challenges

With efficiency, productivity and accuracy as common workplace goals, it's essential first to recognize daily challenges. In doing so, an organization can understand where improvements can make a significant impact. While every organization faces unique challenges, HR professionals often spend much of their everyday time and energy on the following tasks:

- Managing employee information
- Managing payroll, including time sheets and paid time off (PTO) requests
- Managing employee benefits
- Staying up to date on compliance

Today, HR technology is used by employers to automate many of these processes and create efficiencies so that HR employees can focus time and energy on more important things like selecting the best employee benefits or focusing on company culture.

### 2022 Tech Trends

Looking ahead to 2022, here are some ways that employers are integrating tech into HR processes or building upon their existing practices:

#### HR Automation

Workflow automation technology can help increase HR efficiencies with administrative tasks. Data management and payroll are good places to start. For example, software can simplify the overall management process, from collecting employees' confidential information to retrieving it later.



According to PwC's Human Resources Technology Survey, the core issues driving HR technology decisions include:

- Finding, attracting and retaining talent
- Developing people to reach their full potential
- Improving the employee experience
- Creating collaborative work environments
- Planning for the workforce
- Ensuring employee well-being, diversity and inclusivity

### Onboarding and Offboarding

For onboarding, some employers are using technology that improves accuracy and speeds up the process of collecting employee information. New hires can complete and sign onboarding paperwork electronically, and then stakeholders can be notified automatically to stay informed.

Likewise, the offboarding process can also be simplified. Technology can ensure records are well kept and accurate and give HR leaders peace of mind. Technology can provide consistency to both of these critical processes that impact the overall employee experience.

### Employee Self-service Portals

HR departments are tasked with many complex and sensitive administrative tasks—and it's easy for errors to happen with manual data entry. Conversely, employees may want to own, access and update their information. Employers are using self-service portals that allow employees to perform a range of HR-related tasks without filing paperwork, such as the following:

- Updating personal information
- Confirming employment status or rate of pay
- Tracking and evaluating employee performance
- Accessing online pay stubs
- Viewing and printing federal, state or local tax forms or withholding information (e.g., Form W-2)

Employers and HR professionals can also leverage self-service tools to communicate time-sensitive information like employee benefits changes and company holidays.

### Benefits Administration

Variations of virtual open enrollment are among the many ways to make employee benefits adaptable for employees in different work environments. As the future of benefits administration becomes more digital, here are some ways employers are leveraging technology:

- **Providing a destination for voluntary benefits** — Digital platforms can help employees leverage more of their voluntary benefits. Online access to voluntary benefits, such as financial wellness coaching, budgeting tools and mental health support, can help increase employee utilization of benefits that employees have come to depend on more during the pandemic.
- **Using robotic process automation (RPA) to streamline processes** — Chatbots and other artificial intelligence (AI) elements can remotely guide employees through benefits enrollment, medical plans, retirement savings and financial wellness. RPA technology ranges from easily accessible online tools to custom applications. Going a step beyond RPA, robotic-process-as-a-service (RPaaS) combines automation and cloud-based platforms so users can access applications on shared computing systems.
- **Leveraging data for cost-saving potential** — Benefits administrators and employers can use data and analytics to learn more about benefits in their workplace and inform their benefits strategies.

Digital tools and thoughtful user experiences will matter now more than ever. As feasible, employers can seize the opportunity now and design a good benefits technology platform that engages and connects employees to each other and the company.

## Cloud-Based Workplace Management

Most workplace experts agree that both remote and hybrid work arrangements—where employees work remotely part of the time and in the office the remainder of the time—are here to stay in 2022 and beyond. Regardless of location, technology and project management tools can help improve workplace collaboration, communication and workflow efficiency.

And if employees are working remotely, that likely means HR is too. Cloud-based platforms can integrate several aspects of HR. Regardless if teams are distributed or not, cloudbased HR software is slowly becoming the norm because it's scalable and feasible to implement.

## Learning and Development

The pandemic forced a shift from in-person learning to e-learning and online coaching. A learning management systems (LMS) is an affordable and attainable option—and most employers can use the software to improve efficiencies and help effectively facilitate learning and development efforts from a distance. LMSs can increase accessibility and ensure all employees have equal onboarding and learning opportunities. Schedule availability or location won't hold back employees from growing professionally. Additionally, the pandemic accelerated the use of augmented reality (AR) and virtual reality (VR) for employee training in industries that rely on in-person or hands-on learning opportunities.

Technology can also play an important role in employee career pathing by providing personalized, self-paced course and managing employee development plans. Moreover, it can help make performance review processes more efficient by tracking progress, accomplishments and feedback all on one platform.

## Recruitment

According to LinkedIn, 81% of talent professionals say virtual recruiting will continue even after the pandemic. Notably, 70% of those respondents say virtual recruiting will become the new standard. Consider the following ways employers are using technology to engage the job market:

- Using online platforms—such as LinkedIn, Indeed, Handshake and more—can build an employer's brand and make it easy for applicants to apply for positions directly.
- Being active and present on those accounts by providing insights and thought leadership.
- Aligning an employer brand with recruiting efforts by expanding an online presence.
- Participating in virtual events—such as career fairs— to engage with job seekers and be represented without physically attending events.

## Transforming HR Into 2022

Some organizations may experience HR cost savings when they embrace technology for the workplace, along with successful business results. Consider how these trends might motivate your organization and employees to adopt new technology that is intuitive and accessible. Technology doesn't remove the human aspect from HR, but it can certainly enhance it. When HR departments use technology to create efficiencies, HR professionals can shift their focus from administrative tasks to actual employees.

## The Importance of Mental Health in the Workplace

The crises and challenges of the pandemic have put mental health in the spotlight for employers, and 2022 should remain a critical time for workplace mental health. Employees aren't getting a mental break as the pandemic evolves. Employers continue to work on ways to address short- and long-term mental health issues as their employees live through the pandemic. Fortunately, the mental burden of the COVID-19 pandemic has enabled more transparency and empathy around the topic, especially in the workplace.

So, what is mental health? An employee's mental health includes how they think, feel and act, and it includes their emotional and social well-being. While mental health includes mental illness, the two aren't interchangeable. An employee can go through a period of poor mental health but not necessarily have an evident, diagnosable mental illness. Additionally, an employee's mental health can change over time, depending on their workload, stress and work-life balance. Employers should be invested in their employees' mental health because healthy employees are absent less, contribute to a positive workplace culture and are more productive.

### Mental Health in America

Among other pandemic mental health issues, the latest Mental Health Index revealed that chronic pandemic induced stress and anxiety have released a nine-month surge in post-traumatic stress disorder (PTSD). In addition to these reports, employees continue to face other common mental health issues elevated by work:

- Most employees are experiencing burnout.
- Employees aren't receiving the support they need to manage stress.
- Workplace stress is severely impacting employees' mental health.

Employee mental health can also impact employers' talent efforts. Employees are looking for an employer that focuses on mental health, so companies that don't ramp up mental health efforts could struggle to attract or stand to lose more talent in 2022.

### What Can Employers Do?

Employers should expect that many employees are experiencing mental health challenges or mental illness. That's why creating an organizational culture that supports employees' mental health can have a profound impact on a workplace. Here are some ways that organizations can aid employees and their mental health:

- **Promote mental health awareness in the office.** Employers can provide resources to help employees learn more about mental health or mental illnesses and give information about how employees who may be struggling can seek help. When you openly talk about mental health, employees are more likely to feel comfortable about the concept and reach out to managers or co-workers if they're struggling.

**1 in 3** employees might quit for the sake of their mental health, according to a Modern Health survey.

- **Offer flexible scheduling.** Work-life balance, or a lack thereof, can affect an employee's mental health. To help employees better balance their work and personal lives, employers across the country are embracing workplace flexibility. However, it's also important to remember that the pandemic inadvertently turned many employees into full-time caregivers, and they will retain those duties even when workplaces or businesses open up. To help relieve some caregiving burden, employers can consider allowing employees to move their schedules around or accomplish job functions on their own time or during core work hours.
- **Address workplace stress.** In addition to the pandemic, common job stressors include a heavy workload, intense pressure to perform at high levels, job insecurity, long work hours and excessive travel. While it may not be possible to eliminate job stress altogether for your employees, you can help them learn how to manage it effectively. You can implement various activities to help reduce employee stress, which can improve health and morale—and productivity—such as the following:
  - Make sure that workloads are appropriate.
  - Have managers regularly connect with employees to facilitate communication.
  - Address harmful and illegal actions in the workplace immediately—do not tolerate bullying, discrimination or similar behaviors.
  - Recognize and celebrate employees' successes. This contributes to morale and decreases stress levels.
- **Evaluate benefits offerings.** Reviewing your organization's offerings to ensure coverage for mental health services is essential to creating a culture that supports employee mental health. Employers should consider offering voluntary benefits to assist with mental health, like employee assistance programs (EAPs); financial planning assistance, as financial stress often contributes to poor mental health; and employee discount programs in which employees can receive gym memberships, massages or acupuncture at a lower cost.
- **Train managers.** Ideally, management should recognize the signs of mental illness, such as excessive workplace stress, fatigue or drastically reduced performance. While not all managers are strong in this area, training and education on the topic can help. Moreover, managers should be prepared to handle potentially difficult conversations with employees surrounding their mental health. They should be ready to speak openly about mental health rather than avoid the topic.

Remember that mental health focus should be on all employees. That means organization leaders should remember to aid managers, as they too are living through the pandemic. Support them not only through training but also on a personal level.

### Get Started Today

Pandemic or not, aiding employee mental health should be a priority. But employers' response and assistance will matter even more in 2022. A healthy work-life balance seems like an unattainable goal for many Americans, and employers can do their best to help and offer resources and support. That can be a winning strategy to attract and retain more employees.

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