



Major HR Trends Report

Executive Summary

After over a year of turbulence caused by COVID-19 and The Great Resignation, businesses still find themselves in a state of radical uncertainty.

This report explores what this means for HR professionals and what they can do to rise to the challenges they currently face. Surveying hundreds of HR directors, our research reveals three core concerns - each of which is explored in detail throughout the report.

The first is how business will attract and retain talent in the future. Facing a post-pandemic staffing shortage, leaders are pursuing numerous measures to make their positions more appealing. However, as we show, there is a significant gap between what employers know they should be doing and what they are actually investing resources in.

Secondly, HR is increasingly centralizing efforts to make organizations more agile. In order to respond to economic uncertainty and frequent disruptions, businesses are looking to reimagine the way their workforce is structured - and struggling to do so.

Finally, there is a technology gap in HR which leaders know they must address. While the pandemic has accelerated digital adoption, the implementation of HR tech is relatively still in its infancy.

Three core concerns for HR



**Attracting
and retaining
talent**



**Increasing
organizational
agility**



**Implementing
cutting-edge
technology**



Introduction

The role of HR has expanded rapidly in recent years, moving towards a greater emphasis on marketing and communications. But events of the last 18 months have forced leaders to shift their focus.

Our research reveals the core areas HR directors plan to concentrate on in 2022:

Question

What, if anything, is your biggest focus in 2022 to combat your staffing challenges?

[TICK UP TO THREE]

Top Five

Streamlining procurement processes



Increasing visibility over your temporary workforce



Improving your employer brand



Reward and recognition



Consolidating agency suppliers



Each of these areas appear in large part to be a response to the events of the last 18 months, looking to aid organizational agility, improve departmental efficiency and make it easier for the business to attract and retain talent during a period of prolonged staffing difficulties.

So while an astonishing 93.78% of leaders told us that COVID-19 has not led to any permanent changes in their HR strategy, the impact of the pandemic is clear. For example: nearly 70% of businesses will require employees to receive a vaccination, and over 70% say vaccine status will determine whether workers are required to return to the office [See figures 1 & 2.]

Both of these decisions will inevitably have an impact well into the future. And such contradictions occur frequently in the answers leaders gave us - perfectly demonstrating the turbulence and uncertainty many HR professionals are currently experiencing.

Ultimately, the nature of the challenges businesses face has changed dramatically, and what they need from HR must therefore be totally re-imagined. In the rest of this report, we chart these changes across three core areas: attracting talent, enabling agility and implementing technology.

Figure 1

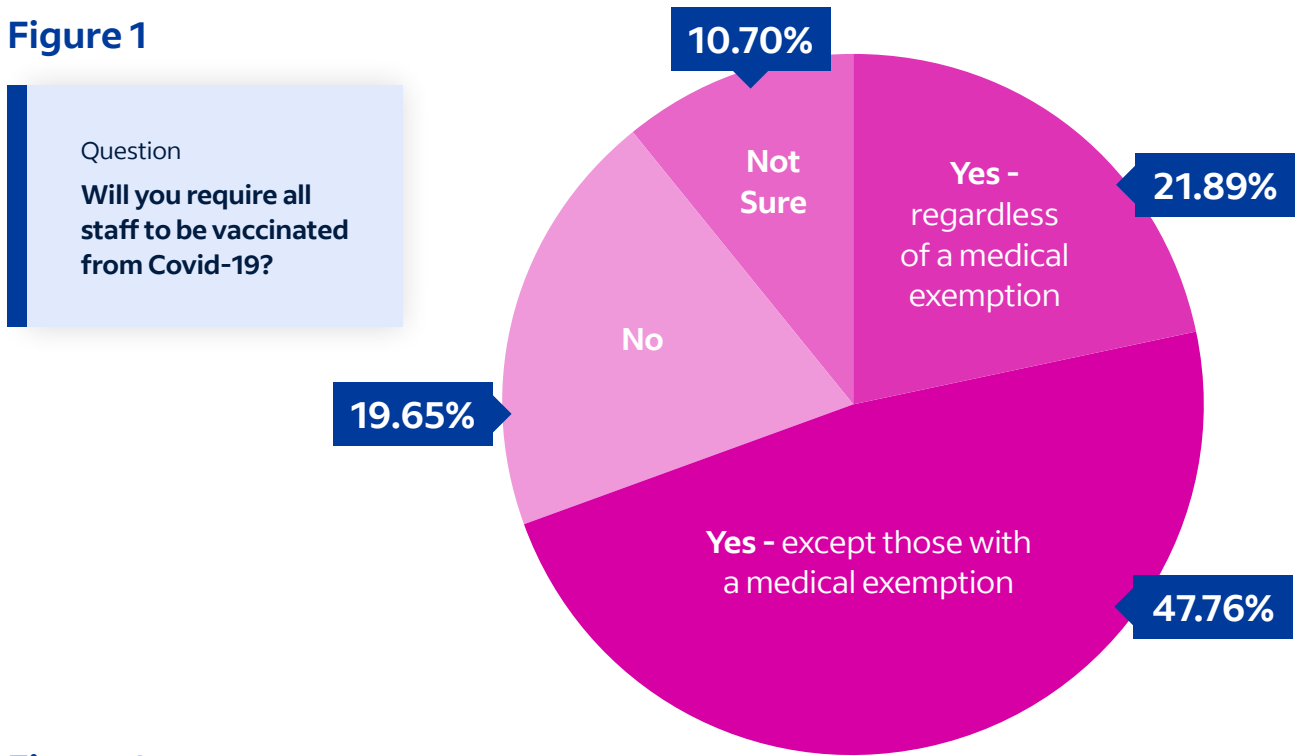
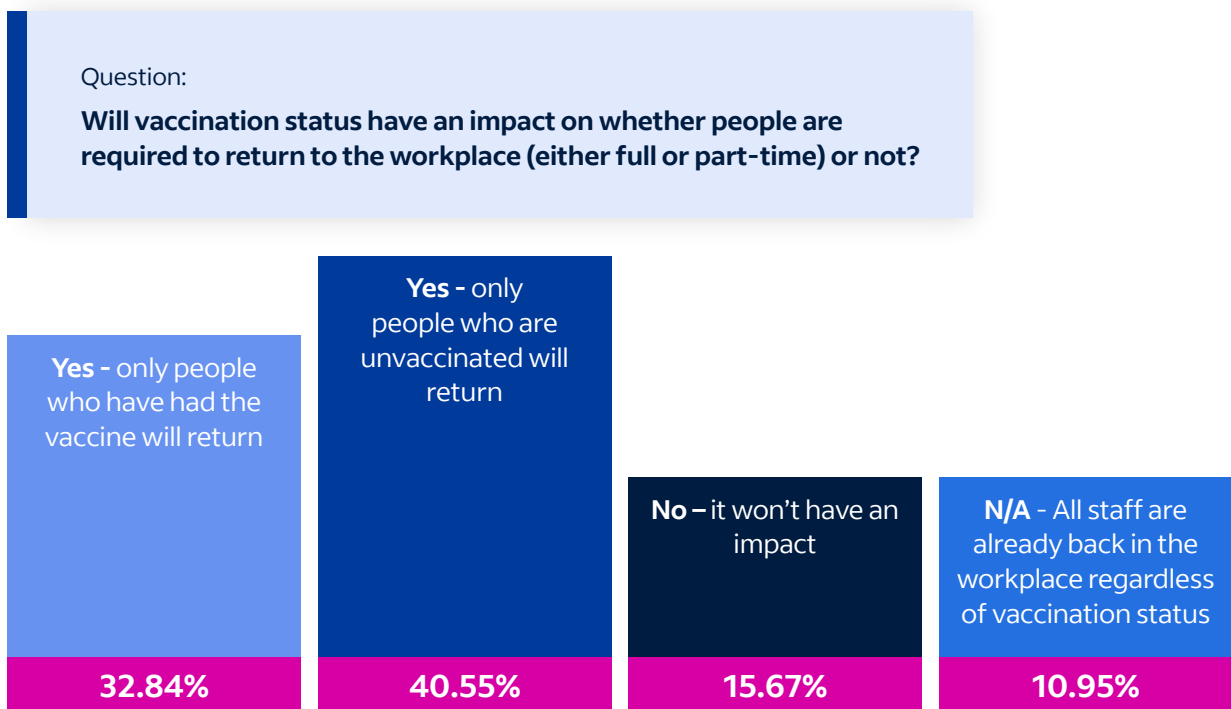


Figure 2



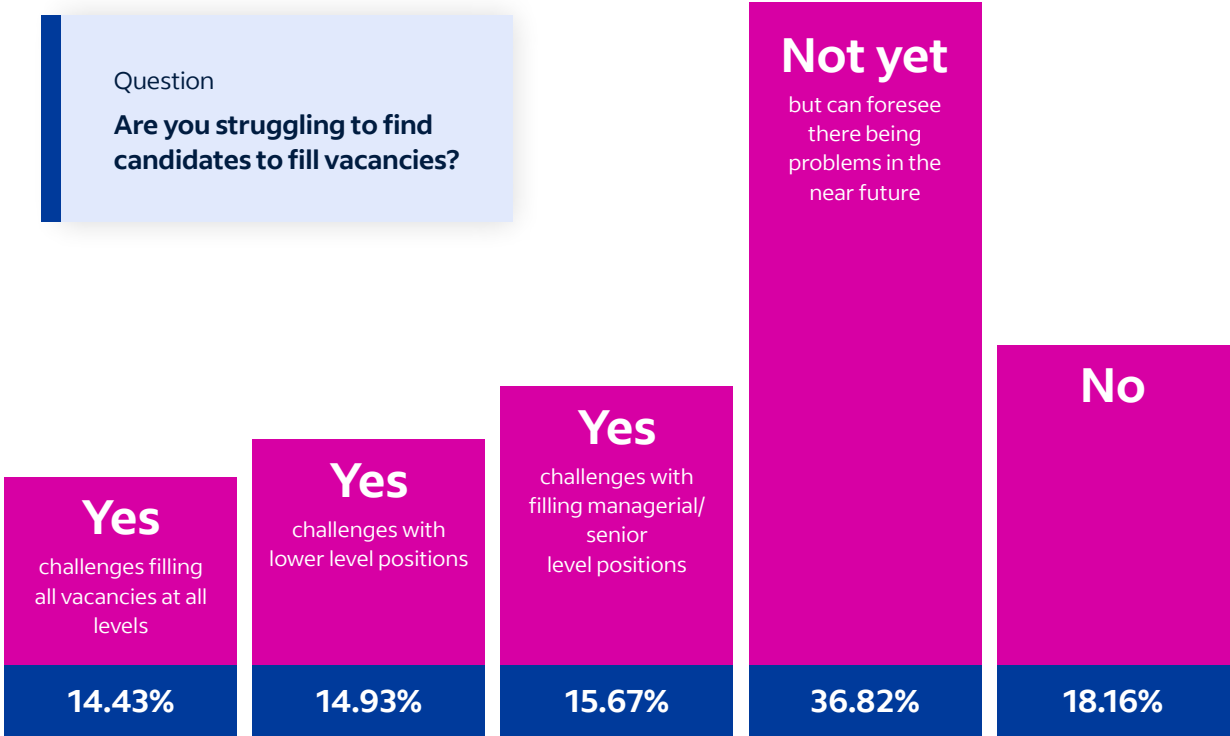
1

Attracting and retaining talent

In 2021, staffing shortages beset numerous sectors across the US. While HR has always been responsible for attracting and retaining talent, leaders feel a new level of pressure in this area.

The lack of available workers has made headlines across the US, with 10.6 million job vacancies being posted during the third quarter of 2021 - and 94% of businesses that tried to hire staff during that quarter struggled to do so.¹ This has created numerous serious problems for businesses, from supply chain disruptions to loss of revenue. How HR can best handle this challenge has been far from clear.

According to our survey, 45.03% of respondents told us they were currently struggling to fill vacancies, with a further 36.82% saying they foresee this being a problem in the near future:



¹<https://www.uschamber.com/workforce/quantifying-the-nations-workforce-crisis-2022-state-of-american-business-update>



Of course, staffing challenges are most acute in specific industries which have felt the brunt of the impact, as research from the US Chamber of Commerce has demonstrated:



However, 82.87% of HR directors told us they could not specify which roles they are most struggling to fill. This of course exacerbates the problem, as they are unable to make targeted efforts or shape their policy decisions or incentives around the particular needs or wants of any demographic of workers. Instead, they appear to face a widespread and generalised difficulty attracting staff.

Question

Which of these initiatives, if any, is your business focusing on the most to attract new talent?



18.66%
Employee
benefits



15.92%
Employee
engagement



15.17%
Offering more
flexibility



14.93%
Increasing wages



14.43%
Sign on bonuses



12.69%
Employer brand

8.21%
None of the above

Many have opted to focus on financial incentives: slightly less than half of all respondents reported increasing wages more than usual in order to attract talent, with 65% of all employers raising wages between 5 and 10% [See Figure 3.]

This is highly dependent on the industry a business operates in, of course: average hospitality wages in the US have increased by nearly 6.9% in 2021,² and truck drivers have been offered 4-figure signing-on bonuses by some particularly hard-pressed brands.³

So money has been a quick lever for many businesses. But the reality is businesses do not have unlimited funds. Worse still, financial approaches have proven insufficient to fix the post-pandemic staffing problems - in large part because workers' expectations and needs have changed a great deal during the pandemic.

²<https://www.bls.gov/opub/ted/2021/compensation-costs-in-leisure-and-hospitality-up-6-9-percent-for-year-ended-september-2021.htm>

³<https://www.retailgazette.co.uk/blog/2021/08/ms-offers-new-lorry-drivers-2000-sign-on-bonus/>

Workers' needs are changing

A vital aspect of the challenge for businesses is workers' changing preferences about how, where and why they work. From remote working and increased expectations for flexibility to a desire for meaningful work, the factors which are most important to workers have changed significantly.

This should be unsurprising: not only has there been a colossal transformation in the way most employees view work post-pandemic, there is also an ongoing generational shift. In 2016, Millennials became the largest generation in the workforce. And such a radical change will inevitably lead to new attitudes and expectations.

To explore this fact, we asked HR directors how they see workers' priorities today:

Question

What do you think has become the biggest worker priority after the pandemic?

[TICK UP TO THREE]

32.09%

Shift Patterns

31.84%

Wages

31.59%

Employee benefits

29.35%

Flexibility

29.10%

Mental health and well being

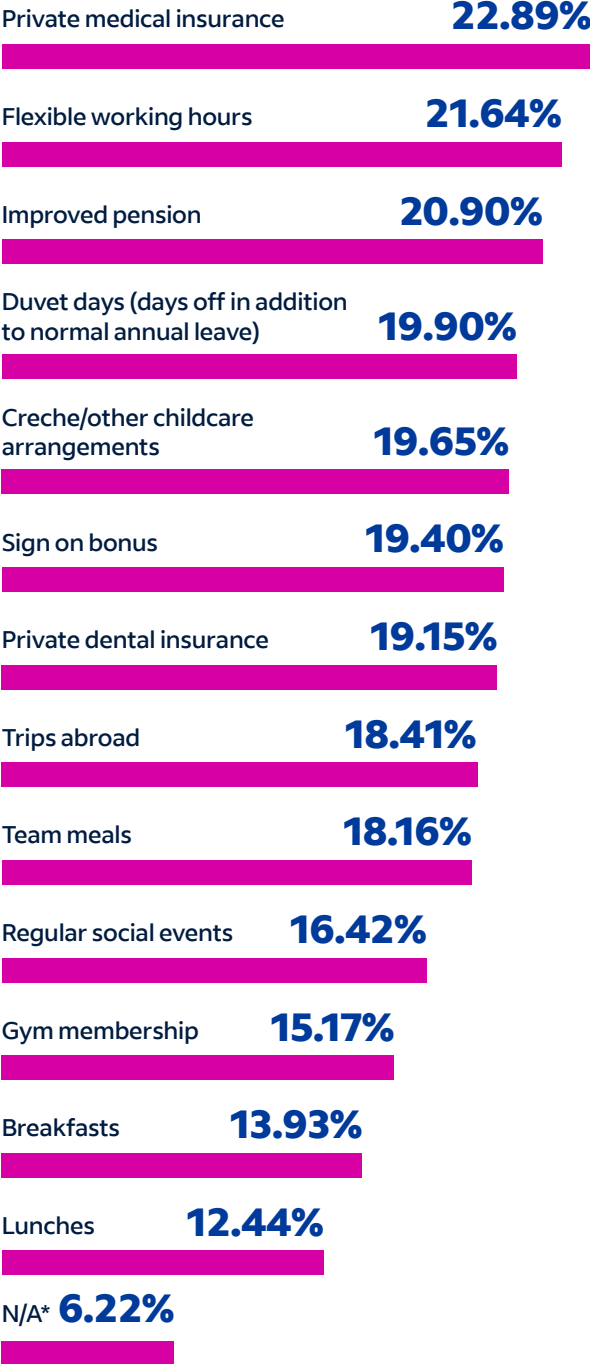
28.86%

Remote Working

In order to attract talent, leaders will need to understand these changes and turn them into action. But there is evidence that this simply isn't being done. While 61% of employers say that they understand flexibility is many workers' highest priority post-pandemic, just 21.64% are actually introducing flexible shift patterns.

The desire to give workers what they want is evidenced by the wide range of perks HR directors reported introducing to help entice new staff:

Question
What non-financial perks are you introducing or have you introduced to entice new staff?
 [TICK ALL THAT APPLY]



*We haven't introduced/ aren't introducing any non-financial perks to entice staff

Such findings demonstrate that businesses are aware they need to expand their ideas about what will most appeal to talent. But our research also suggests that a large majority of HR leaders are still ignoring and systematically underutilisation some of the most vital weapons in their post-pandemic arsenal.

HR directors are missing two key opportunities

There is a clear gap between what our respondents say they believe will benefit their staffing efforts and what they actually report doing. This is inevitable: organizations have finite resources, and not every business can undertake every possible initiative. But our research suggests that leaders may be overlooking two key approaches which may actually be more efficient and effective.

1. Employer branding

We found that 65.67% of HR directors see their employer value proposition as a key reason new talent would join their company. And this view is backed up by a large body of evidence that employer branding and reputation have an extremely powerful impact on workers' willingness to join an organization:

The power of employer branding

96%

of companies believe their employer brand has a direct impact on their bottom line

84%

of job seekers say the reputation of a company as an employer is important.⁴

50%

of candidates say they wouldn't work for a company with a bad reputation – even for a pay increase.⁵

An improved employer brand leads to a:

28%

reduction in the organization's turnover

50%

cost-per-hire reduction

1-2x

faster time-to-hire.⁶

But despite this evidence - and the clear acknowledgement of it from senior HR professionals - just 12.69% of our respondents reported actually focusing on employer branding as a means of enticing talent.

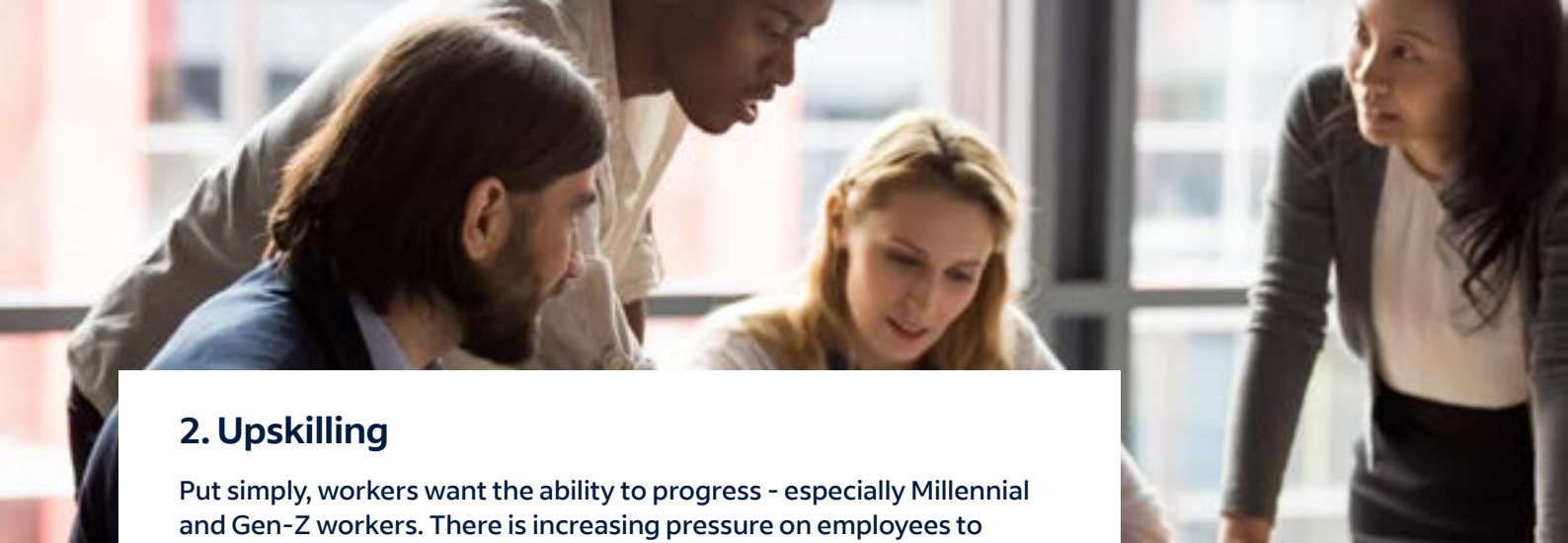
Research from recent years suggests that many businesses believe they do not have the resources necessary to invest in employer branding.⁷ Yet employer branding is actually far less costly than most of the other approaches leaders have reported. It doesn't have to involve large capital expenditure or changes to the operational model of the organization - it can be as simple as a change in communication strategy.

⁴<https://www.talentnow.com/recruitment-statistics-2018-trends-insights-hiring-talented-candidates/>

⁵<https://www.talentnow.com/recruitment-statistics-2018-trends-insights-hiring-talented-candidates/>

⁶https://business.linkedin.com/content/dam/business/talent-solutions/global/en_us/c/pdfs/ultimate-list-of-employer-brand-stats.pdf

⁷<https://business.linkedin.com/talent-solutions/cx/2016/10/global-recruiting-trends-2017>



2. Upskilling

Put simply, workers want the ability to progress - especially Millennial and Gen-Z workers. There is increasing pressure on employees to develop new skills, and businesses that help them do so will win loyalty - as well as producing a higher-skilled workforce.

Between 1950 and 1970, corporations filled roughly 90% of their vacancies through internal promotions and lateral assignments. But today the figure is a third or less.⁸ Upskilling could allow businesses to move back to this far more efficient model of internal development. Yet our research showed that HR directors do not currently appreciate quite how vital even relatively simple upskilling programmes could be on their ability to source and retain staff.

The importance of upskilling⁹

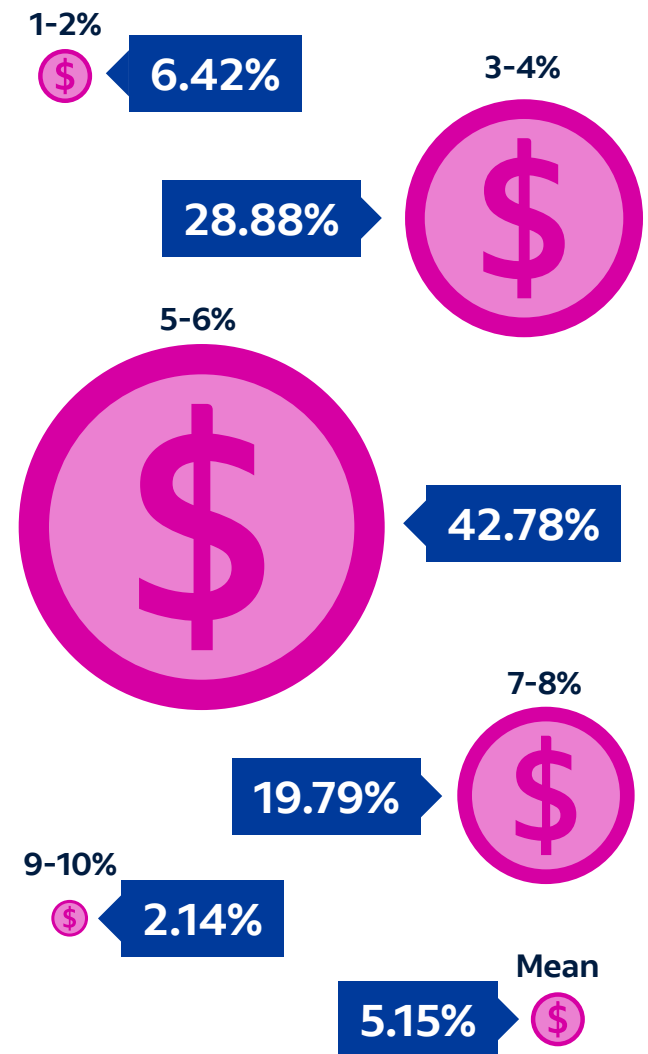
48%
of employees would switch to a new job if skills training opportunities were provided

50%
of employees would quit their job if development opportunities aren't provided

65%
of employees believe employer-provided upskilling is very important when evaluating a job opportunity

Figure 3

Question
How much have you increased wages in order to attract new temp staff?



⁸<https://hbr.org/2019/05/your-approach-to-hiring-is-all-wrong>
⁹<https://www.gallup.com/analytics/354374/the-american-upskilling-study.aspx>



2

HR and Agility

With increasing economic, social and political uncertainty, organizations are focused on developing more flexible ways of operating. HR is a key component of this, as leaders look to re-imagine how their workforce is structured.

At the end of 2020, research from Gartner showed that just 19 percent of HR leaders believed their workforce could effectively change direction based on changing needs or priorities.¹⁰ In response to this, they found that leaders listed organization redesign and change as amongst their highest priorities for the coming year.¹¹

The reasons for this are numerous. First, businesses face greater uncertainty than ever before, with the looming possibility of future lockdowns and changing consumer behavior - not to mention pandemic-related government debts - producing extreme economic volatility. Workers also demand more agile approaches to work in the future, as a majority of employers say they expect workers to want more flexibility post-pandemic.¹²

While such large-scale changes are always going to prove difficult, our research has revealed that some of the major hurdles are not related to resources but knowledge and implementation.

Take temporary staffing, which has become an increasingly promising means of enabling organizational agility through HR. It is a popular solution to talent shortages as it theoretically enables organizations to respond extremely quickly to granular fluctuations in demand and staffing needs. Drafting in temporary workers on a shift-to-shift basis to plug gaps is highly efficient and appeals to the vast majority of HR directors. However, making it happen is not quite so simple.

58% of our respondents said they are using more temporary staff than they were two years ago, in large part as a response to the issues we raised earlier in this report. Though, a slightly startling 35% of respondents still feel they don't understand the needs and requirements of a temporary workforce, and less than 7% of respondents said they were having no issues at all with temporary staffing.

¹⁰<https://emtemp.gcom.cloud/ngw/globalassets/en/human-resources/documents/trends/top-priorities-for-hr-leaders-2021.pdf>

¹¹<https://www.gartner.com/smarterwithgartner/gartner-top-3-priorities-for-hr-leaders-in-2021>

¹²<https://www.acas.org.uk/new-study-reveals-half-of-employers-expect-more-flexible-working-after-pandemic>

To clarify these concerns, we then asked them what the biggest challenges they faced with temporary staffing efforts:

Question
What are your biggest challenges in temporary staffing?
[SELECT UP TO THREE]

✕ Top 5 issues:

27.86%

Poor quality workers

25.12%

Site level Inefficiencies

24.88%

Lack of reporting

24.88%

Time to fill shifts

24.88%

Shift fulfilment



As is evident from these responses, the difficulty is not with temporary staffing in-itself, but with the way these organizations are implementing their strategy. There are mature solutions on the market which help employers avoid the vast majority of the issues mentioned above, yet clearly a solid proportion of businesses are overlooking such solutions - and losing out because of it.

There is also a knock-on effect to such misimplementation. In response to our findings, we polled the large pool of temporary staff we work with, and 30% agreed that businesses they temp for don't properly understand the needs and requirements of a temporary workforce. This likely reduces employee engagement and reduces the likelihood of a positive, mutually beneficial relationship forming between employee and employer.



3

HR and Technology

COVID-19 forced businesses around the world to embrace technology in bold new ways - often at high-speed. HR departments are keen to catch-up on this, by introducing solutions that will aid their efforts at improving staffing and increasing agility.

The pandemic has accelerated many inevitable changes in the business world.

According to IBM,

66%

of organizations have been able to complete digital initiatives that previously encountered resistance because of the pandemic.¹³

And McKinsey has found that more than half of all organizations say they are investing in technology for competitive advantage or refocusing their entire business around digital technology.¹⁴

Given the 'Human' part of 'Human Resources' though, it is unsurprising that HR departments have been relatively slow in their embrace of technology. There has often been a fear that technology will create impersonal processes and alienate individuals -

causing damage to retention, engagement and the organizational culture as a whole. Yet our research suggests this fear is subsiding: when we asked HR directors what their focus for 2022 would be, the most popular answer was 'Streamlining procurement processes'. And it may surprise some quite how far many are willing to go in this pursuit.

Over half of our respondents said that they expected automation technology to replace their manual hiring processes in the future [See Figure 4.] This suggests that many HR departments are anticipating quite a radical shift in how they operate in the coming years, trusting technology to take over large amounts of the administrative and manual tasks HR professionals are responsible for.

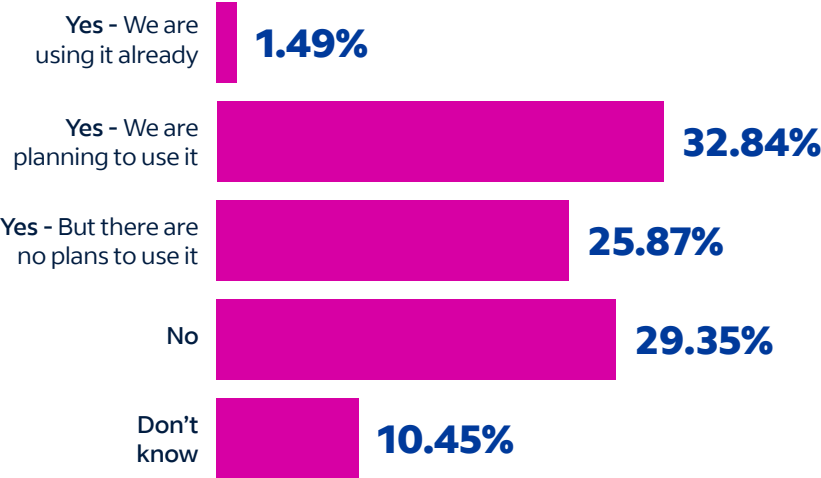
Such a shift presents the possibility of a more 'Human' HR approach - where individuals are free to engage more with the cultural and interpersonal aspects of their job. But it should also be noted that our research points to another trend which is common amongst organizations attempting to embrace technology: a gap between intention and implementation.

¹³<https://www.ibm.com/thought-leadership/institute-business-value/report/covid-19-future-business>

¹⁴<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/how-covid-19-has-pushed-companies-over-the-technology-tipping-point-and-transformed-business-forever>

HR leaders must act fast on technology

Question
Do you see workforce management technology as a way of improving flexibility for your employees and business?

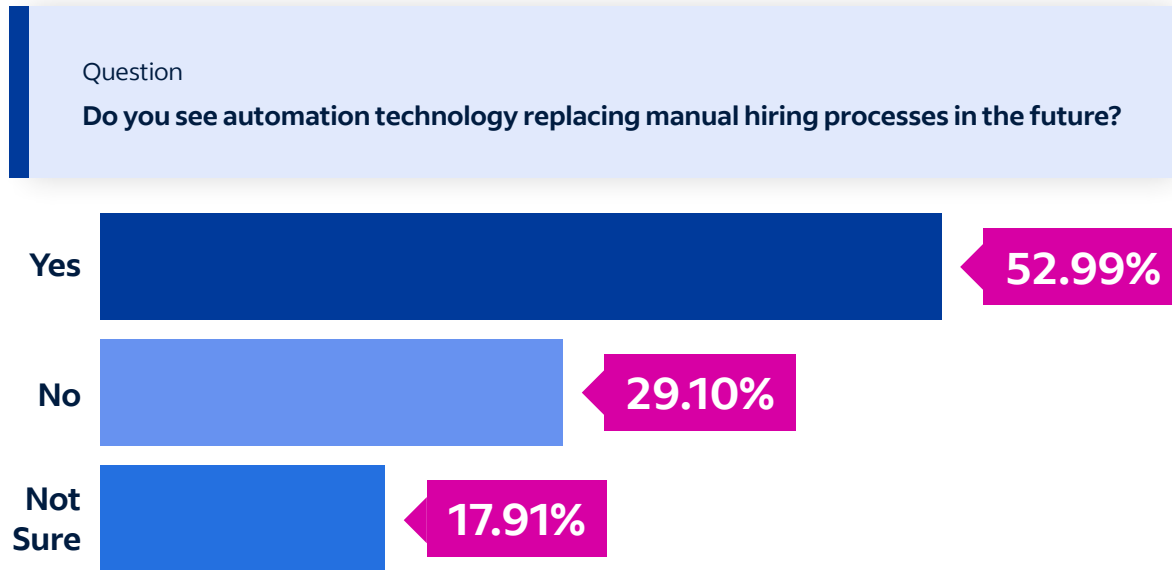


What is striking in these findings is not the headline stats, but the implicit discrepancies. For example, while over 60% of respondents said 'Yes', just 1.49% of those are actually already using such technology, and 25.87% have no concrete plans as to when or how they will use it.

We can surmise that - similar to employer branding - there is a huge gap between what HR directors know to be important and what they are actually prioritizing or funneling resources towards. The problem with this is implementing technology is not always easy: it often requires a transition period for organizations to adjust to a new solution. This is particularly true if the technology is widely dispersed across employees, as they likely need educating in how best to make use of it.



Figure 4



Reasons to be optimistic

While this report has focused on the challenges HR faces, there are many reasons to be highly optimistic heading into 2022.

While businesses have been stretched to the limit, there is reason to believe things will continue to improve in the coming months. Christmas 2021 surpassed predictions, with consumer spending returning to pre-pandemic levels and beyond.¹⁵ Out of 1894 respondents we surveyed, 96% of Indeed Flex workers said they were excited to work peak season last year.

So as we move into 2022, businesses can anticipate a festive boost that will carry them through. Successive lockdowns saw private savings skyrocket, and this is inevitably going to result in increased consumer spending across the economy.¹⁶ So the challenge for businesses is going to be how to stand out - and how HR can help them do that.

¹⁵<https://www.retailtimes.co.uk/brits-set-to-spend-200bn-on-black-friday-and-christmas-research-shows/>

¹⁶<https://www.theguardian.com/money/2021/jun/30/covid-savings-britain-built-up-second-highest-level-on-record-in-early-2021>



Three key ways to stand out from the crowd



Be flexible

Remove unnecessarily rigid structures in your workforce. This will enable your staff to feel empowered, as well as increasing organizational agility and ultimately preparing you to embrace a wider variety of temporary workers when needed.



Train and up-skill workers

Provide your staff with the opportunity to develop. This will make your businesses more attractive to candidates, as well as boosting loyalty and eventually reducing the cost of sourcing new talent.



Boost your employer brand

Invest in building a strong employer brand. Rather than funneling all of your resources into expensive wage increases or benefits, build an image and culture that makes workers actively want to work for you.



Struggling to attract and retain workers?

At Indeed Flex, we help organizations source temporary workers in a smarter, more efficient and more flexible way. Our cutting-edge technology allows you to hand pick the best candidates and source them as soon as you need.

We've built a community of over 17,000 temporary workers, giving you access to the widest range of skills and the most diverse talent pool possible. With automated HR and compliance, we make the process of hiring temporary workers seamless. And using our simple rating system, you can build up a pool of preferred candidates that you keep coming back to.

We help our clients achieve a true digital transformation and re-imagine the way they source their staffing. This saves them money; frees up leaders' time; creates greater visibility of their staffing; enables far more operational flexibility; and ultimately prepares them for the future of work.

Indeed Flex offers a suite of services to help businesses at every stage of the recruitment process:



Vendor Management System (Indeed Flex+)



Managed Service Provider



Workforce Management



Permanent Hiring



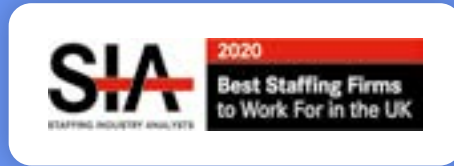
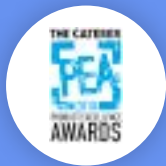
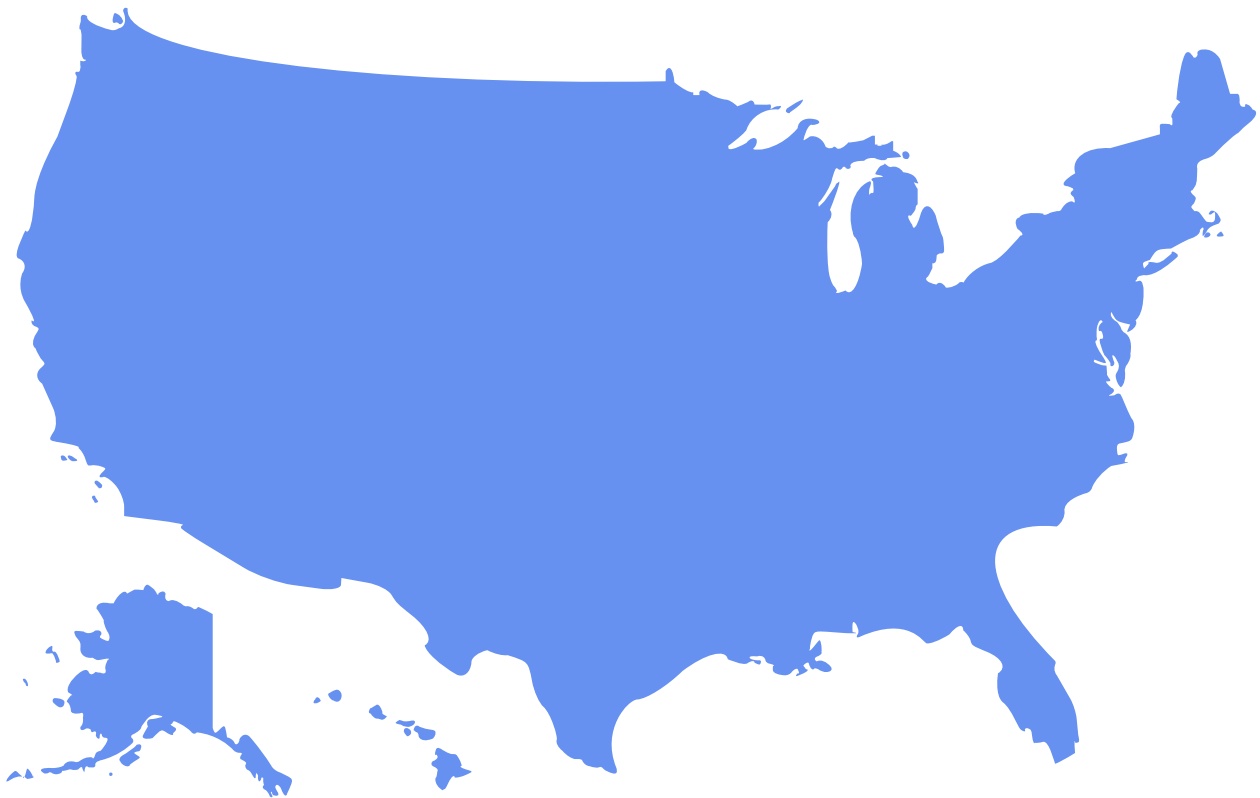
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