

Attraction & Retention

QUARTERLY NEWSLETTER
4th QUARTER 2022

Market Recap

Labor Market Remains Competitive as Employers Address High Inflation

Heading into the final months of 2022, the labor market remains competitive and friendly to workers while employers face new challenges. According to the U.S. Bureau of Labor Statistics (BLS) recent Job Openings and Labor Turnover Summary, the reported number of job openings rose to 11.2 million in July, compared with 11 million in June. Openings in July exceeded unemployed workers by around 5.5 million, meaning that openings outnumber available workers by a nearly 2-to-1 margin. Total nonfarm employment also continues to trend up, but despite this inflow of more people entering the workforce, there is still a considerable shortage of workers for available positions.

As employers struggle to hire the workers they need, they also face challenges when retaining existing ones. Employee quits—considered to be an indicator of workers' ability and desire to leave their current employment—trended down to 4.2 million at the end of July from its peak in March. Nonetheless, this number is still relatively high by historical standards. This signals that employers are still struggling to retain workers who continue to seek out better compensation or benefits, workplace flexibility, career development opportunities or the right culture fit. What's more, in addition to employees quitting their jobs outright, employers are also dealing with the "quiet quitting" trend—where workers simply perform work outlined in their job description or only complete work that is directly assigned to them.

While attraction and retention challenges have remained a mainstay during 2022, employers continue to deal with the realities of high inflation rates, with some economists now warning of a recession. According to the BLS, the U.S. consumer price index (CPI) rose 8.5% year over year in July 2022. This number is slightly slower than June's record 9.1% reading but remains near the 40-year high. In turn, competitive compensation has become increasingly important for workers, while employers are challenged to keep up with this high rate of inflation.

Due to fears over market uncertainty, many employers are now exploring layoff options or have even already conducted layoffs. In other cases, organizations are exploring other strategies to cut costs, such as furloughing employees, offering voluntary separation programs or instituting hiring freezes.

These employment metrics and workplace trends signal that employers continue to navigate a competitive and ever-changing labor market. Despite these challenges, savvy employers can explore strategies to better meet the desires of today's workforce and help attract and retain workers.

MARKET
RECAP



Securing Talent

Trending Employee Benefits That Strengthen Attraction and Retention Efforts

As attraction and retention remain top workplace challenges, many employers are expanding or enhancing their benefits offerings to become more desirable to employees. Here are some trending benefits that may be advantageous to attraction and retention efforts:

Telemedicine

Easy access to health care is very important to employees. Throughout the COVID-19 pandemic, many people turned to telemedicine, and it's not going away anytime soon. Especially as health concerns surrounding COVID-19 linger, it's essential that employers ensure workers can access health care services in ways that are convenient for them. Otherwise, employees are likely to seek out employers who will help them do so.

Competitive Compensation

Recent months have reported the highest year-over-year inflation in 40 years. As such, the prices of daily essentials have greatly increased. As a result, many employees are looking for more competitive compensation packages to help them afford the increased cost of living. To meet this worker priority, employers may want to consider how their compensation strategies impact their respective attraction and retention efforts.

Career Development Opportunities

Employees are not just interested in securing a job for which they already have the skills; they also want to develop new skills. If employees feel they are unable to advance their professional development within their current roles, they are likely to seek out new ones. Thus, many employers are now offering more career development programs and opportunities for employees to develop new and existing skill sets.

Student Loan Assistance

Student debt is a growing issue among newer members of the workforce, such as Generation Z, and employees are looking for help. Some employers are introducing repayment assistance; many companies already offering the benefit are increasing contributions and expanding eligibility. Because student loan debt is a significant issue for many employees, especially as inflation drives up the cost of living, employees are prioritizing employers who help alleviate this added burden.

Takeaway

Various labor market trends are driving employees to demand better benefits packages. There are several benefits employers can offer to entice and keep workers, many of which became popular during the pandemic. Employers should consider expanding benefits offerings such as these to improve their overall attraction and retention efforts.

SECURING
TALENT



Securing Talent

University and College Recruitment Strategies

Employers have an opportunity to expand their recruiting reach by pursuing candidates at universities, colleges and trade schools. As new generations enter the workforce and everyday job skills change, savvy employers can secure candidates who have the potential to grow in a new career.

University and college recruitment can provide a number of benefits. These institutions provide a continuous supply of candidates, as multiple groups of students graduate in a given year. That means employers can connect with new graduates several times throughout the year. The BLS reports that in 2021, 1.3 million graduates (ages 20 to 29) earned a bachelor's degree between January and October, and 371,000 completed an associate degree. Keep in mind that these statistics don't include other age ranges. Such recruitment can benefit organizations by attracting prospective talent with fresh skill sets and a desire to innovate. Recruiting and hiring students can also help an organization to expand its talent pool to new candidates that may not have applied otherwise.

The type of talent an organization hopes to secure may impact the type of educational institution from which to recruit. Universities generally refer to higher education research institutions that offer both undergraduate and graduate programs, whereas colleges are often smaller and usually refer to community colleges, technical schools and liberal arts colleges. They typically only focus on undergraduate studies. A trade or vocational school offers programs that can be completed within one or two years and focus on a career-intensive curriculum with hands-on experience.

Employers looking to build or expand their university and college recruitment can consider the following strategies:

- Attend in-person events (e.g., career fairs) to engage and connect with candidates on campus.
- Actively recruit virtually, leveraging online tools or portals to engage with candidates and bolster employer branding.
- Participate in virtual recruiting efforts (e.g., virtual career fairs, virtual events and webinars).
- Build relationships with stakeholders, such as career centers and professors.
- Establish an internship or apprenticeship program to get talent in the door early and provide candidates with real-life experience.
- Offer learning and professional development opportunities to attract talent.

Recruiting from higher education institutions relies on establishing effective relationships with educational institutions and identifying and engaging with suitable candidates who can bring value to the workplace. Recruitment can be a mutually beneficial opportunity for both employers and these schools, and organizations may find that students and faculty will be eager to engage with and learn more about their employment opportunities.

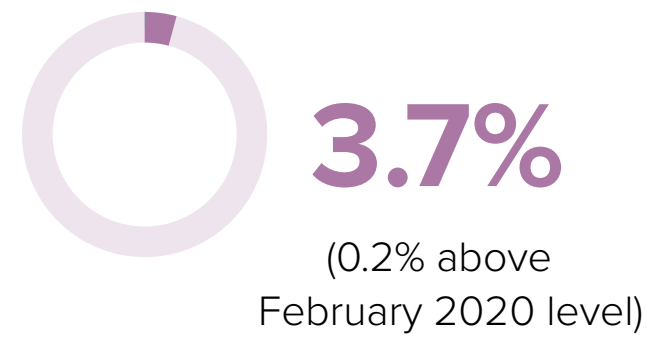
SECURING
TALENT



Workplace Outlook

Each month, the BLS surveys businesses and government agencies and publishes the data from the following month's findings. This information offers a snapshot of the country's employment health and growth. Below is the data for August 2022, the most recent month available. Note that the BLS contextualizes its data with February 2020's pre-COVID-19 figures.

Unemployment rate*:



Total nonfarm** payroll employment:

+315,000
(+244,000 above February 2020 level)

Primary job gains:

Professional and business services, health care, retail trade and manufacturing

Professional and business services:

+68,000

Retail trade:

+44,000

Health care :

+48,000

Manufacturing:

+22,000

*The BLS does not count furloughed individuals as "unemployed."

**Nonfarm: goods, construction and manufacturing companies in the United States. The data excludes farm workers, private employees and nonprofit organizations.

Source: Bureau of Labor Statistics

**WORKPLACE
OUTLOOK**

