

The HR SCOOP

NOVEMBER 2021

TOP HR CONCERNS FOR 2022

2022 will continue to bring change to our organizations as employees re-evaluate what is important to them in an employment relationship. Employees and employers across the country grapple with what changes they want to make after the significant upheaval of 2020 and 2021 brought on by COVID-19.

Employees are asking...

- Do I want to work in the office, in the field or remotely at home?
- How much do I want to work?
- What is most important to me in my life and does work support that?
- Does this job have the growth opportunities I'm looking for?
- Is early retirement right for me?

Employers are asking...

- What flexibility can we offer employees and what is inflexible?
- How has the compensation landscape changed and is it permanent or a blip?
- Where can we find qualified and dedicated employees in rural areas?
- How can we retain employees after we train them?



Recruiting talent is the top HR concern looking into 2022, based on Foundations Consulting's October 2021 survey. This Scoop addresses recruiting challenges as well as these top concerns identified in the survey:

- Employee Retention and Turnover
- Compensation
- Legal Compliance
- Knowledge and Skill Gaps

RECRUITING

The U.S. Unemployment Rate was 4.6% in October, the lowest rate since March of 2020. This number is expected to decrease further in the coming months as more people decide to return to the workforce and companies fill many open positions. The tricky part is predicting how many people will return to the workforce. Situations such as vaccine requirements, requirements to return to the office, the lack of leave to care for children who are home sick or quarantined from school or daycare, and non-interest in working at low wages are holding people back from returning to the workforce.

To the extent that your organization can provide clarity in vaccine requirements, flexibility in work location, generous paid time off and a living wage will enhance your ability to attract talent.

Cooperatives have a wonderful story to share that can resonate with candidates. Working towards a mission and vision that's larger than a bottom line and tied directly with the customer is impactful. How cooperatives communicate their employment brand will significantly impact recruiting abilities moving forward.

This is also the time to be creative to get more people to apply for open positions. Rather than list 15 required skills in a job posting, include only the most important components that are required to do the job. This will minimize the number of people who self-select out based on not having a few of the requirements... before you can even review their resume or application.

EMPLOYEE RETENTION AND TURNOVER

Employers that offer flexibility in hours and work location have an advantage with top talent moving forward. HR professionals and recruiters across the country find that workplace flexibility has become a deal breaker. Employees are leaving organizations simply because they do not want to return to an office setting, and work location is often one of the first questions applicants ask during the interviewing process. Turnover has been especially prevalent in IT-related positions, where suddenly, top talent does not need to move to other areas of the country to work for coveted IT positions. But it is not only IT professionals who feel this pull. On the flip side, some employees are frustrated that they are still working remotely – and are looking for jobs that will allow them to return back to in-person work.

There are many reasons for employee turnover, and while there are national trends, there are also specific situations that drive turnover. Organizations that focus on gathering feedback from employees during 1:1 conversations, team meetings and/or formal engagement surveys gain important information on team member engagement. This information gives organizations the knowledge to make more strategic decisions on their culture, expectations, and communication plan -- to help retain the right people and help reduce turnover.



COMPENSATION

According to the [Bureau of Labor Statistics](#), The Consumer Price Index at the end of Sept. 2021 was 5.4% higher than a year ago. While salaries are not expected to increase by the same amount, 2022 salary increase budgets are anticipated to be larger than in recent years. Employees are feeling the pinch, especially at lower levels of the organization where even small increases in the cost of necessities can have a significant impact.

Organizations feel a pressure to help employees understand their total compensation and the benefits provided to them. Organizations that start by educating leaders with information necessary to have meaningful conversations about compensation with employees during year-end performance and merit increase conversations will find themselves in a better place than organizations who ignore the issue.

The pandemic accelerated retirement plans for some Baby Boomers and there are fewer younger employees to replace them. Organizations that hire outside talent may find it significantly more expensive than they anticipate.

Employees who are paid at or close to minimum wage will be looking for increases as inflation at the grocery store and gas station directly impacts their buying power for necessities. Organizations will need to have a communication strategy in place to address these questions in a consistent manner.



LEGAL COMPLIANCE

The Occupational Safety and Health Administration (OSHA) released an Emergency Temporary Standard regarding COVID-19 Vaccination and Testing on November 4. This vaccination mandate has captured the attention of covered employers for the past few months, and will shape how 2022 begins for many employers and employees. Click to [access resources](#).

The general government landscape has also shifted. Rather than have most employment laws come from the Federal government, the trend has shifted towards States and Cities creating their own laws and regulations.

This makes adhering to employment laws for multi-state employers more complicated. In addition, for employers who have decided to expand remote workers into more states, there are specific payroll and legal HR implications to address.

KNOWLEDGE AND SKILL GAPS

The workplace is continuously evolving and the skills needed 5 years ago may not be the same skills needed for 2022 and beyond. Employers are looking to mitigate knowledge and skill gaps by paying for training and development of employees and leaders.

Forward thinking organizations capture knowledge before long-tenured employees retire from the organization utilizing mentoring relationships, formalizing processes, and asking those employees to share knowledge in webinars that are recorded to live on – past when the individual retires.

LOOKING FORWARD

2022 will bring a new set of challenges and opportunities to build relationships with our potential and current employees. Communication has never been more important.

Foundations Consulting recommends employers consider the following questions as you prepare your 2022 action plans.

- Do we understand the 'employee experience' at different locations and within different jobs?
- Are our compensation practices and total rewards philosophy aligned with organizational and employee needs?
- What internal employee and external reputational risks exist if we do not make changes?
- Is our HR communication strategy effective and what can we do to improve communication channels across the organization?

Foundations Consulting is here to partner with you as we look towards 2022. Contact us to learn more about how we can help with your HR initiatives.

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