



Challenger Survey Results

OVER A THIRD OF COMPANIES SEE A DROP IN PRODUCTIVITY DUE TO DISENGAGEMENT; EMPLOYEE MENTAL HEALTH A CONCERN

Over three-quarters of employers report they are struggling to engage their employees, and 34% are seeing an actual cost to business in the form of low productivity, according to new survey results released Wednesday from global outplacement and executive leadership coaching firm Challenger, Gray & Christmas, Inc.

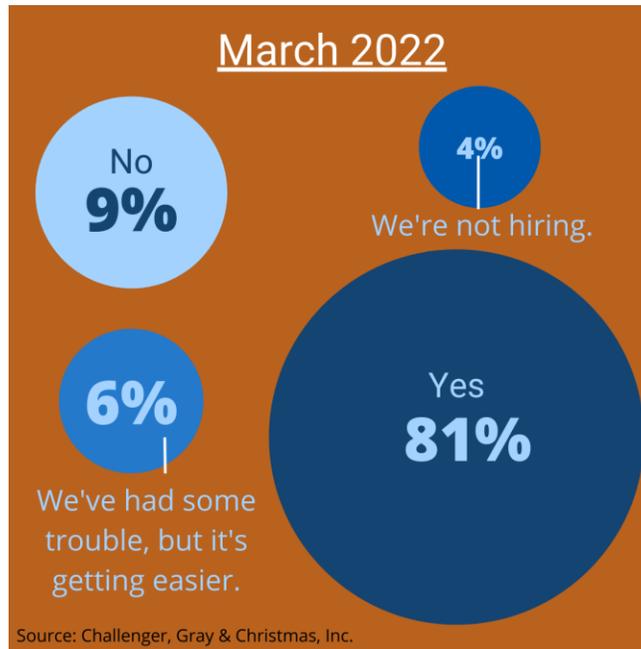
While the engagement issues companies are experiencing are of no surprise, the measurable drop in productivity is a shock. Particularly as workers navigate the ebbs and flows of a pandemic, a brutal war in Ukraine, rising prices at home, and burnout that comes with all of it, it's more important than ever to connect to employees with good communication and lead with empathy.

The survey was conducted online in late March among 169 companies of various industries and sizes nationwide.

Of the 77% of companies who are experiencing engagement issues, 22.8% are investing in programs and policies to combat disengagement. Another 24.3% report engagement issues but have not measured a cost.

Despite the engagement issues, in a virtual event hosted by Challenger on April 5th and 6th of over 140 HR professionals and practitioners, 79% did not have a formal, written retention strategy.

Survey respondents of Challenger's March survey overwhelmingly reported trouble hiring. Over 80% of companies said they were having trouble filling roles, with 42% of all respondents having issues filling in-person roles. Another 17% reported they were having issues filling remote roles, up from 5% who said this in July 2021. Meanwhile, 6% of companies reported they had had difficulty hiring, but the difficulty has eased recently.



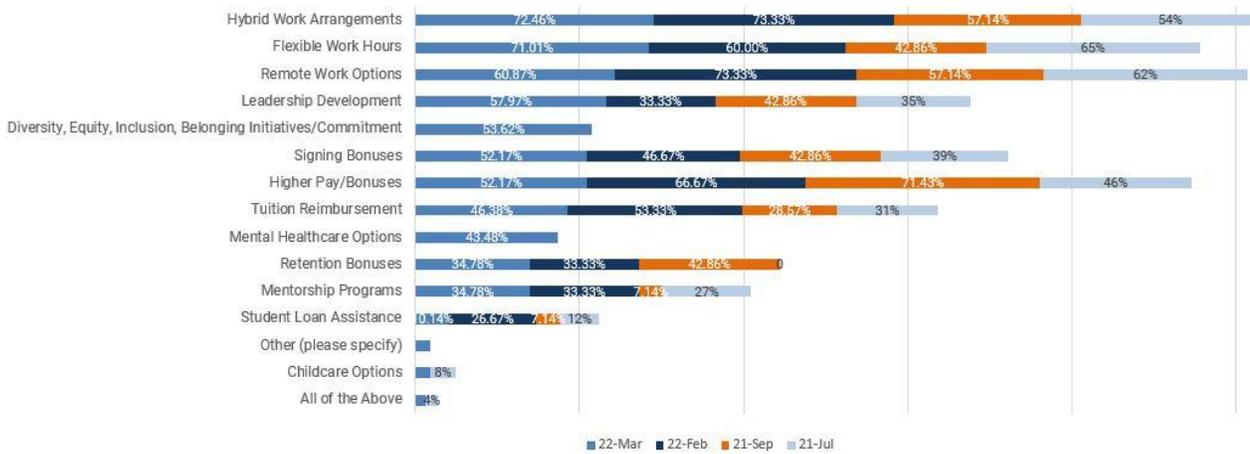
What Are Employers Offering?

To retain and attract workers, employers are increasingly offering more intangible benefits to entice new hires and current workers to stay.



In the most recent survey, 72.5% of companies reported they are offering hybrid work arrangements, up from 57% of companies who offered this in September 2021, while 71% are offering flexible work hours, up from 43% who offered this last September.

Over the last two years, we have asked this question four times. Money has fallen out of the top 5 benefits employers are offering to attract and retain workers for the first time in that series. While pay is absolutely still important, employers seem to be focusing on building culture and solid leadership.



What Do Workers Want?

These offerings – flexibility, career development, and diversity, equity, inclusion, and belonging initiatives – are in response to what HR professionals believe workers are prioritizing. **When asked to rank employee priorities from not important to highest priority, flexibility was the top priority by weighted average, followed by remote or hybrid work options, empathetic leadership, career trajectory, and meaningful work.**

The next five priorities by weighted average were higher pay; leadership development; mental health care and burnout; diversity, equity, inclusion, and belonging; and bonuses.

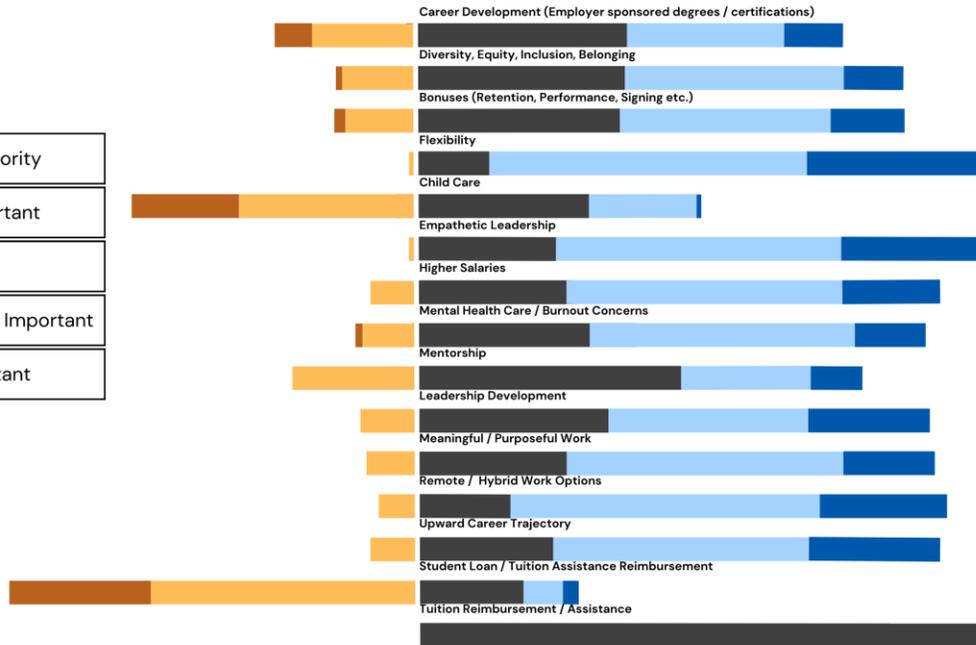
Employers are shaping their offerings directly around what they see their teams prioritizing. They are aware that money is only a piece of the overall picture, that employees want autonomy and flexibility. It's no longer about work/life balance; workers want to prioritize their lives over work.

With the quits rate at near-record high of 2.9% in February and job openings at 11.3 million, according to the Job Openings and Labor Turnover Survey (JOLTS), employers know they have to respond to these priorities to keep their talent from finding other opportunities.

In fact, according to a quarterly survey of over 3,000 job seekers conducted by Challenger, 10.8% of candidates had multiple job offers in the first quarter of this year, compared to 6.8% of job seekers in 2021 and 4.9% in 2020.

THIS ISSUE IS IMPORTANT TO OUR EMPLOYEES

Highest Priority
Very Important
Important
Somewhat Important
Not Important



Top 5 Priorities by Weighted Average

Flexibility

Remote/Hybrid Work Options

Empathetic Leadership

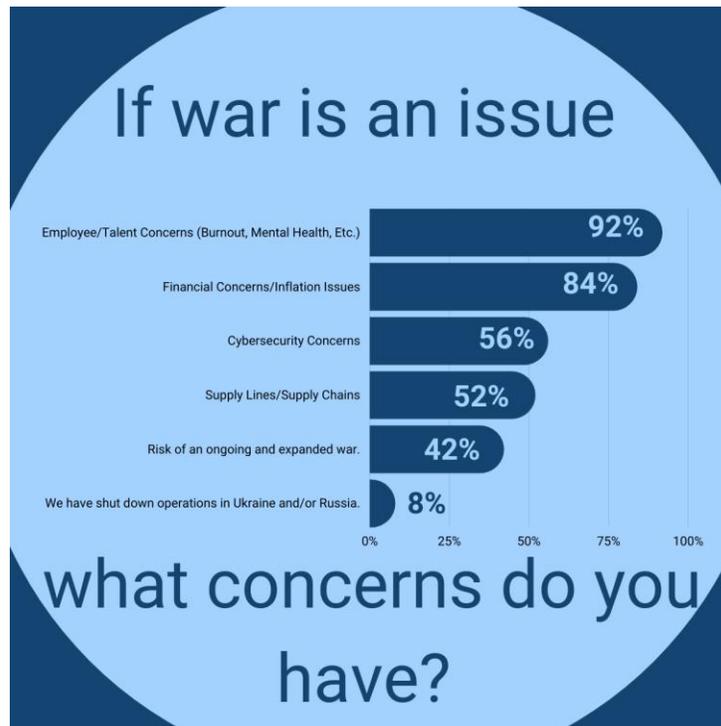
Upward Career Trajectory

Meaningful/Purposeful Work

Source: Challenger, Gray & Christmas, Inc.

Impact of Russian/Ukrainian War

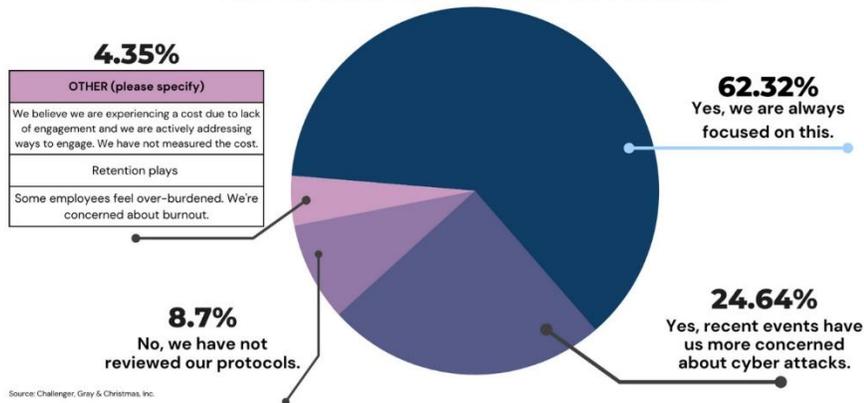
When asked if the current war in Ukraine is impacting business, 31% of respondents indicated it was, with 92% of those stating employee mental health concerns is the biggest impact. Another 84% pointed to inflation and financial concerns, while 56% pointed to cybersecurity concerns.



For many workers and their employers, the war in Ukraine is another hit to Americans’ mental health. That along with financial and inflation concerns, cyber threats, and supply chain interruptions will only worsen as the fighting continues.

When asked if respondents have reviewed cybersecurity protocols in light of recent events, 63% reported they are always reviewing and updating protocols, while a quarter of companies did so specifically due to the war.

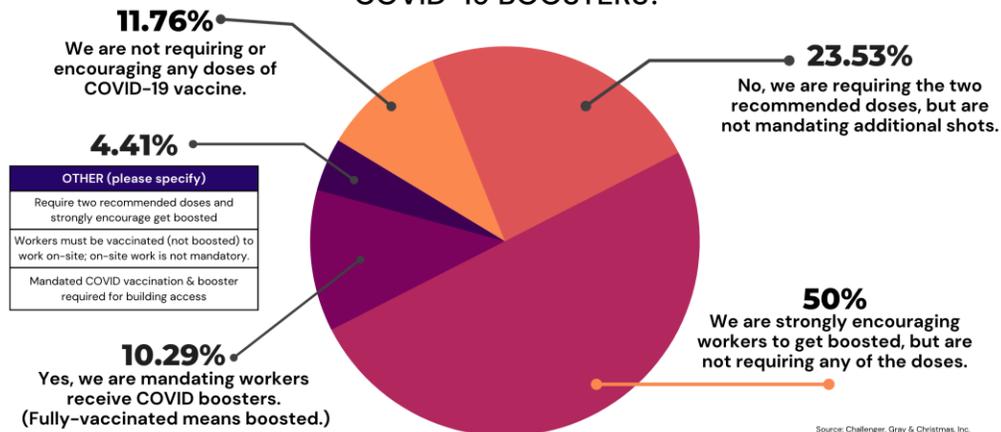
HAVE YOU UPDATED YOUR CYBERSECURITY PROTOCOLS DUE TO RECENT EVENTS?



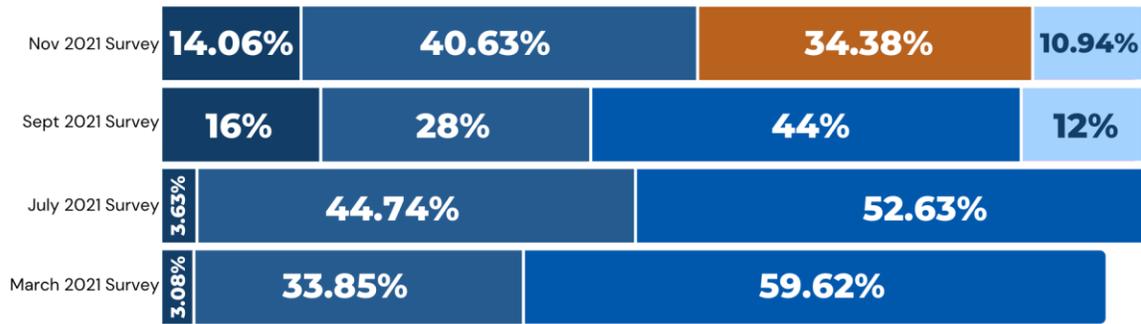
COVID-19 Boosters

Challenger’s most recent survey asked employers whether they were requiring the COVID-19 booster shots. Half of companies are strongly encouraging workers to get vaccinated and boosted, but are not requiring any of the doses. That is up from 44% of employers who said they were encouraging workers to get shots in November 2021. Another 10.3% of companies are requiring two vaccine doses plus a booster and 24% of employers are requiring the original two doses of the vaccine. That is up from 14% who were requiring two doses last November.

HAVE YOU IMPLEMENTED POLICY AROUND COVID-19 BOOSTERS?



ARE YOU REQUIRING WORKERS TO BE VACCINATED?



Yes.	We are awaiting guidance from OSHA.
No.	We are requiring the vaccine for team members to work in-person, or they will be subject to testing and masking.
We are strongly encouraging team members to get vaccinated.	

Source: Challenger, Gray & Christmas, Inc.