



HR TRENDS & ISSUES SURVEY, FALL 2022

- 53% OF COMPANIES EXPECT A RECESSION; 31% ARE ACTIVELY PLANNING
- 17% EXPECT ATTRITION DUE TO RTO, BUT ARE CUTTING COSTS; 60% EXPECT ATTRITION AND WANT TO RETAIN
- 61% OF COMPANIES OFFERING MENTAL HEALTH CARE OPTIONS, UP 40% FROM SPRING

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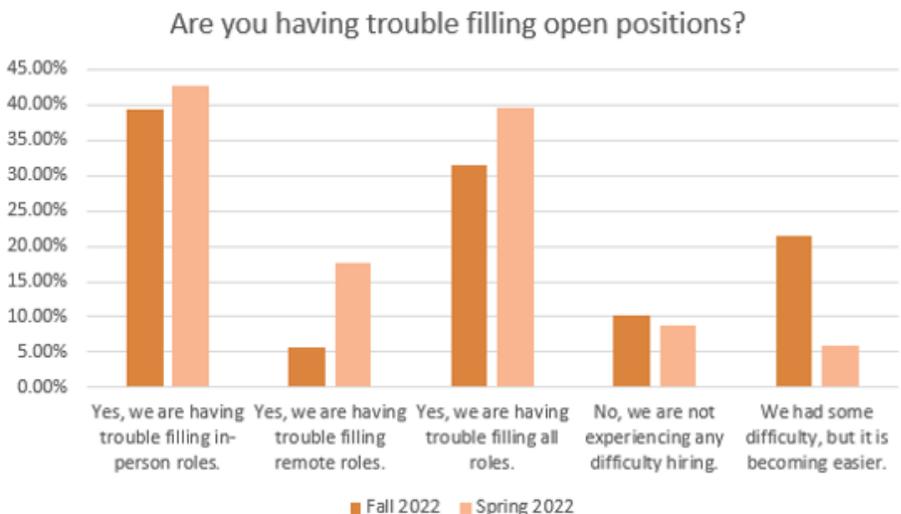
In a still-tight labor market, 85% of companies are actively hiring, up from 81% in the spring of this year. Despite the need for workers, 53% of companies expect a recession and 31% are taking actions to prepare for a slowdown, according to new survey results from global outplacement and executive leadership coaching firm Challenger, Gray & Christmas, Inc.

The survey was conducted online in September among Human Resources professionals at 182 companies of various sizes and industries nationwide, [an update to a survey conducted in March among 169 respondents.](#)

How's Hiring

Companies report having an easier time finding workers than in the spring of this year. According to respondents, 31% of companies are not having issues filling open position, with 21% saying they had some difficulty previously, but it is becoming easier. That is compared to 15% of companies who were not experiencing issues filling roles in the spring. Companies are having the most trouble filling in-person roles, as 39% of companies reported this challenge, down from 43% this spring.

Companies overwhelmingly reported technology professionals are the most difficult talent to find, followed by talent to fill in-person roles.

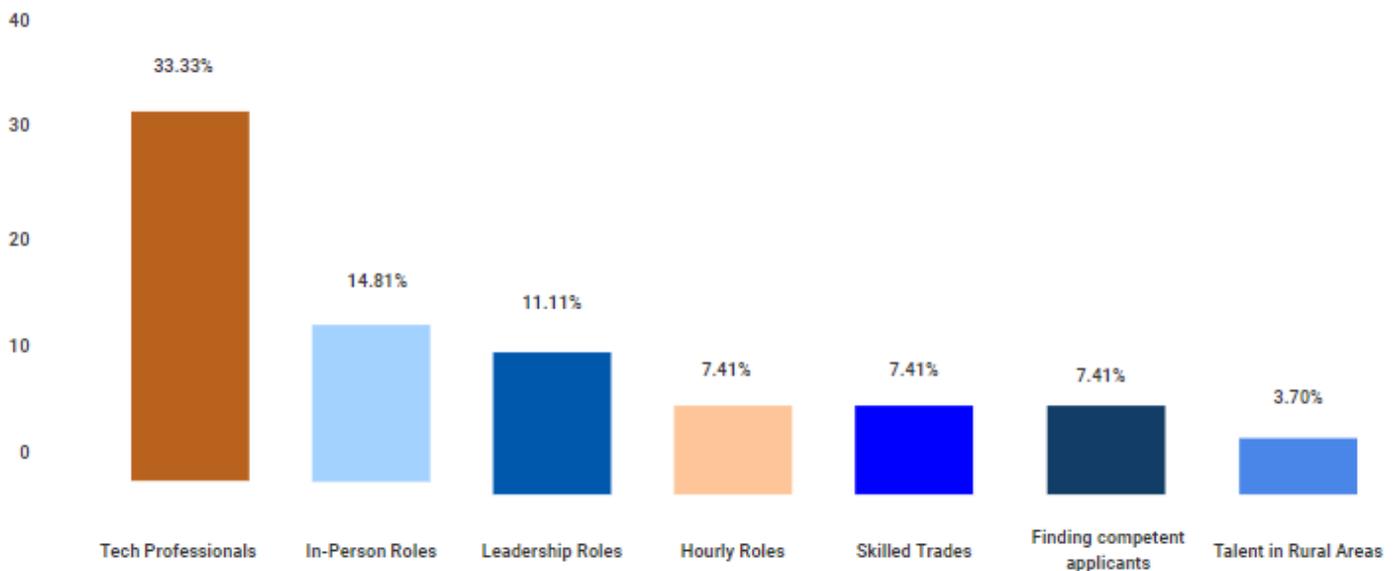


Another 11% reported leadership roles were difficult to fill.

“Leaders are absolutely not immune to the burnout and pull of other opportunities that are impacting talent at all levels,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

[Find more information about leadership trends in Challenger’s CEO Turnover Reports](#)

Most Difficult Talent to Find



Job Ads

In order to find talent, 21.4% of respondents reported after an audit of job ads, they softened requirements. Another 4.5% reported they plan to stiffen requirements, while 1% reported they would take it on a position-by-position basis. The majority (67%) reported they did not remove or lower requirements to find talent.

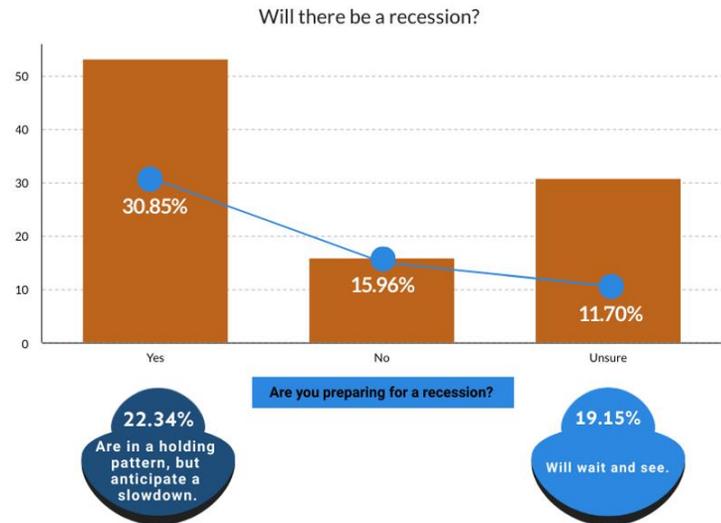
Recession Planning

Meanwhile, 31% of companies expect a recession and are actively planning for one, while another 22% expect a slowdown to occur, but have not made any plans.

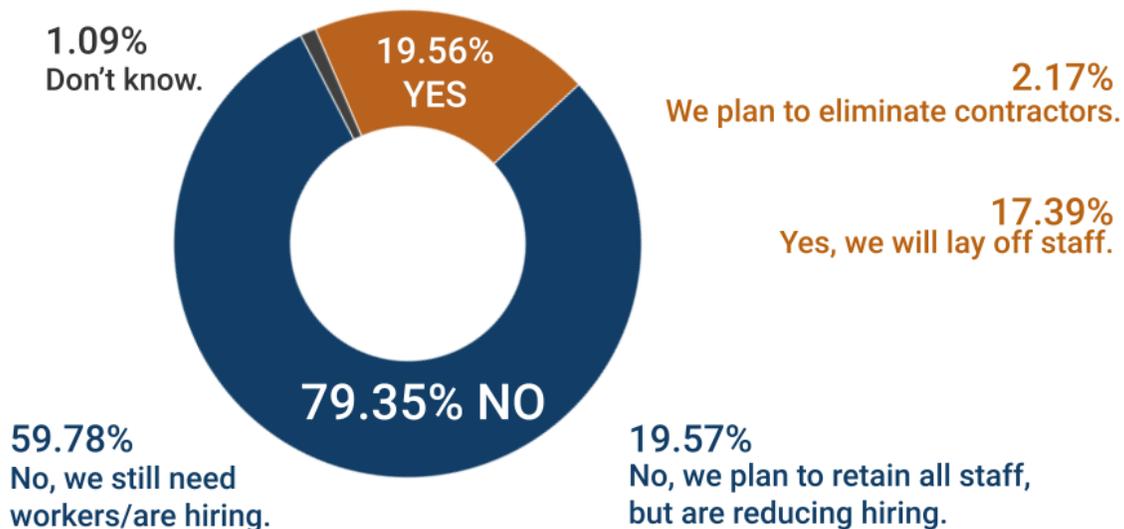
Over half of the 31% of companies who are preparing are reducing business travel (52%) and laying off staff (52%). Another 48% have implemented a hiring freeze, 44% are cutting contract workers, 41% are renegotiating vendor agreements, and 11% are closing locations.

When asked if layoffs are in the future if a downturn continues, 79% of all respondents indicated that was not the case, with 60% stating they were still hiring. Another 20% will slow hiring, but plan to retain workers.

“Companies know the pain of finding talent in a tight labor market, and want to avoid getting into a situation where the economy bounces back or is not as bad as is forecasted, and they are left with too few workers to keep up with demand,” said Challenger.



Are you considering laying off workers if the economy continues a downward trend?



Return-To-Office (RTO)

Over 47% of respondents indicated they have implemented a remote or hybrid model for their teams and have no plans to bring them back to the office full-time, and zero companies that have a remote or hybrid model plan to return all workers back to the office full-time. That said, 16% of companies report that while this hybrid and remote model exists, leadership wants all workers back in the office full-time.

“There is a disconnect between leaders and workers on the return-to-office issue, and human resources executives are right in the middle of it. Some are attempting to get workers back at least a day or two a week in order to foster collaboration, but they are not pushing the issue for fear of losing talent,” said Challenger.

What is your organization's current remote work environment? (Please choose the best option).	Responses
We have a hybrid or remote model for most employees, and HAVE NO PLANS to bring everyone back to the office full-time.	47.19%
We have a hybrid or remote model for most employees, but leadership WANTS to bring all workers back to the office full-time.	15.73%
The vast majority of our employees are back to the office, but we have allowed remote and hybrid options on a case-by-case basis.	13.48%
Other	7.87%
We've converted to a fully-remote model, giving up most or all of our physical office space.	5.62%
We have a hybrid or remote model for most employees, and HAVE PLANS to bring many workers back on certain days.	5.62%
All our employees are back to the office.	4.49%
We were never remote nor do we have remote work options.	2.25%
We were always remote.	1.12%
We have a hybrid or remote model for most employees, but leadership HAS PLANS to bring all workers back to the office full-time.	0.00%

When asked if companies expect to lose or have lost talent due to RTO, 77% said they have lost or expect to lose talent, with 17% reporting they are attempting to cut costs through attrition anyway. The other 60% reported they are trying to retain talent.



“The 17% who are cost-cutting and using RTO to do so are following high-profile models from Elon Musk or Mark Zuckerberg. Their companies forced workers back as a way to implement reductions in their workforces,” said Challenger.

Employee Priorities

While some employee priorities have changed over the course of the last six months, “Flexibility” remained the number one priority by weighted average. Outside of remote or hybrid work options, this typically means workers feel free to take care of things around the house, pick up their kids from school, go to doctor appointments, or have time with family and friends, even if that impedes on their work hours, as long as they complete their work.

Relatedly, “Empathetic Leadership” moved up in position to the second highest priority.

“A company’s culture begins with its leader. As employees navigate the post-pandemic normal, new routines, and possibly mental health needs, they are looking to their supervisors and C-Suites for space to find this balance,” said Challenger.

“Higher Salaries” jumped from the sixth spot to the third in the most recent survey, as costs rise for food and housing and inflation concerns remain. Many workers likely received raises in early 2022 or at the end of 2021, so higher salaries were not as important to them in the last survey conducted in the spring.

Top 5 Priorities by Weighted Average in Fall 2022 + (Spring Position)

- Flexibility (1)**
- Empathetic Leadership (3)**
- Higher Salaries (6)**
- Upward Career Trajectory (4)**
- Remote/Hybrid Work Options (2)**

Source: Challenger, Gray & Christmas, Inc.

Employee Priorities: How important are the below issues to your employees? (please rank the topics below)

	Not Important	Somewhat Important	Important	Very Important	Highest Priority	Weighted Average
Flexibility	0.00%	6.45%	13.98%	55.91%	23.66%	3.97
Empathetic Leadership	1.08%	2.15%	20.43%	58.06%	18.28%	3.9
Higher Salaries	0.00%	3.19%	28.72%	47.87%	20.21%	3.85
Upward Career Trajectory	1.06%	3.19%	24.47%	58.51%	12.77%	3.79
Hybrid Work Options	9.68%	4.30%	13.98%	45.16%	26.88%	3.75
Meaningful/Purposeful Work	0.00%	8.60%	30.11%	50.54%	10.75%	3.63
Bonuses (Retention, Performance, Signing etc.)	2.15%	7.53%	32.26%	48.39%	9.68%	3.56
Leadership Development	1.08%	15.05%	38.71%	37.63%	7.53%	3.35
Diversity, Equity, Inclusion, Belonging	5.32%	12.77%	32.98%	44.68%	4.26%	3.3
Mental Health Care/Burnout Concerns	2.13%	15.96%	43.62%	28.72%	9.57%	3.28
Mentorship	3.19%	21.28%	48.94%	23.40%	3.19%	3.02
Fully Remote Work Options	14.89%	20.21%	23.40%	31.91%	9.57%	3.01
Career Development (Employer sponsored degrees/certifications)	10.75%	21.51%	34.41%	25.81%	7.53%	2.98
Child Care	21.28%	39.36%	23.40%	13.83%	2.13%	2.36
Student Loan/Tuition Assistance Reimbursement	24.73%	41.94%	22.58%	10.75%	0.00%	2.19

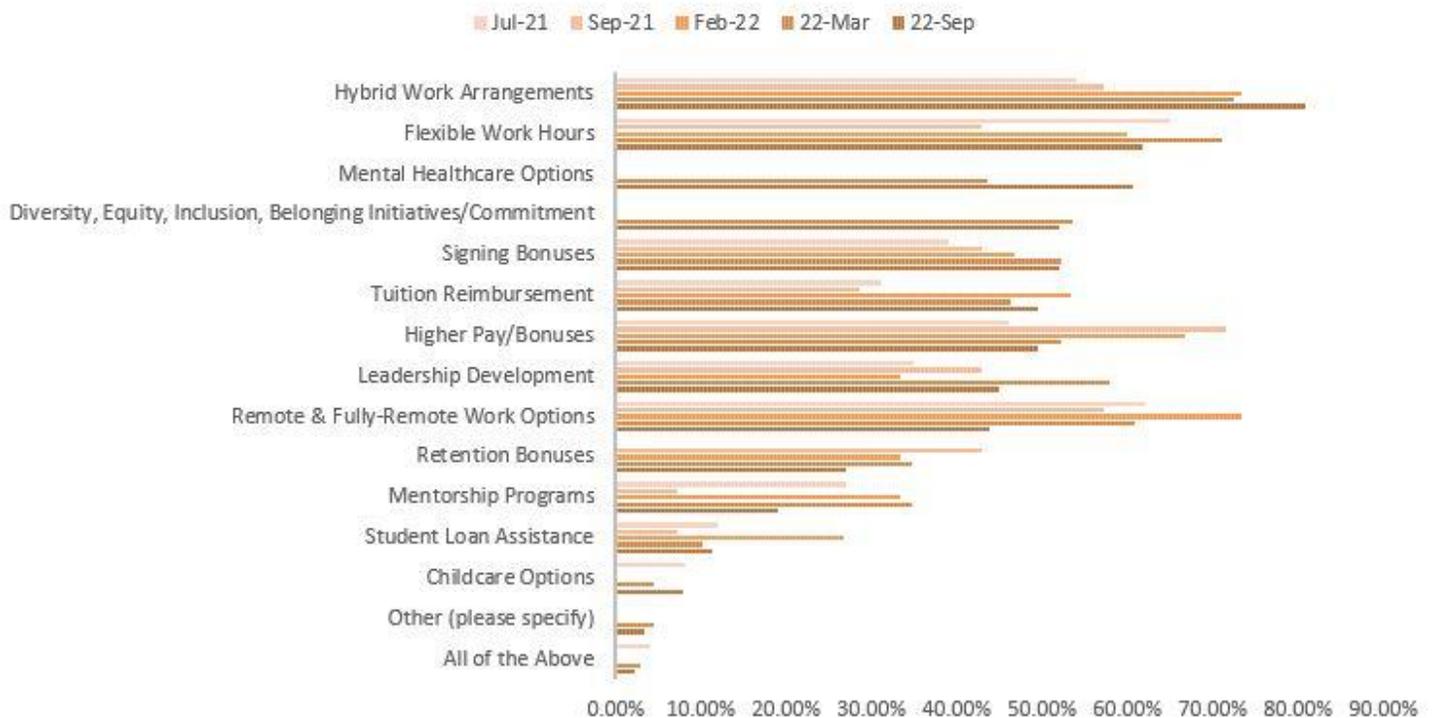
“Upward Career Trajectory” maintained its position in the top five.

“Just as workers want flexible and empathetic leaders, they want to know their skill sets can develop, and their companies will recognize them via promotions,” said Challenger.

What Are Companies Offering?

Employers continue to offer hybrid work arrangements and flexible work hours to their teams. In the most recent survey, 81% of companies reported they are offering hybrid work options, up from 72% in the spring, and 57% a year ago.

WHAT ARE YOU OFFERING TO RETAIN/ATTRACT TALENT?



In response to burnout and mental health needs, 61% of companies said they are offering mental health care options, up from 43% who did so in the spring. Diversity, Equity, Inclusion, and Belonging commitments (52%) remained high in offerings, as did signing bonuses (52%). Another 45% of companies reported offering leadership development, down from 57% in the spring.

“Leadership development was high on the employee priorities list, with 77% of respondents reporting it was ‘Important’ or ‘Very Important.’ This offering would surely help retain workers, as it develops skill sets, creates more team cohesion, and gives a sense of belonging to a company,” said Challenger.

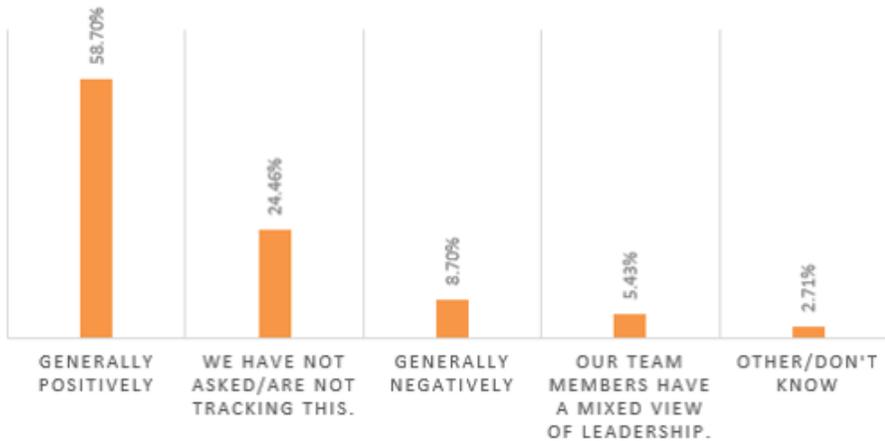


View on Leadership

In the most recent survey, Challenger attempted to gauge how employees viewed leadership.

“It’s no secret that employees most often leave managers and not jobs or even companies. With the labor market tight, and many employers trying to attract and retain workers, knowing the overall view on leadership is crucial,” said Challenger.

HOW DO YOUR EMPLOYEES VIEW LEADERSHIP?



Nearly 59% of respondents said employees have a generally favorable view of leadership. Another 24% are not tracking it, and 14% have a negative or mixed view of their leadership teams.

When asked why employees may have a negative view of leadership, respondents cited lack of effectiveness and communication, increased change within the organization, and burnout.

“Leadership has a huge impact on how their talent engages with their work. If workers do not think their leaders are effective, capable, or communicative, it leads to disengagement and the ‘quiet quitting’ many HR leaders are observing,” said Challenger.

- 1 Workers see leadership as lacking effectiveness.
 - 2 Workers do not think leaders are communicating well.
 - 3 Our organization is undergoing a lot of change.
 - 4 Workers are burned out and attribute it to leadership.
- Why do your workers have a low opinion of leaders?**

Survey Demographics

n=182

