

HR Insights

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Attracting and Retaining Employees During the Great Reshuffle

The labor market is a bit unpredictable at the moment. Economists previously warned of a “Great Resignation,” a time when employees were expected to quit in record numbers and leave considerable vacancies in the workforce. This actually happened somewhat—according to the Bureau of Labor Statistics (BLS), there were a record number of resignations at the end of 2021. Although the number of quits dropped at the beginning of 2022, the employment market is back to experiencing record-high quit rates.

However, while mass resignations still took place, the concern about massive numbers of workers leaving the workforce hasn’t come to fruition. Rather, instead of quitting the workforce entirely, employees have simply been finding better jobs. Economists have begun referring to the situation not as the Great Resignation but as the “Great Reshuffle.”

This article explains how employers can focus their attraction and retention efforts to capitalize on this moment of worker fluidity.

Overview of the Employment Situation

During the COVID-19 pandemic, many workers became disillusioned with their positions. Some were concerned about having to work in person despite fears of infection; others struggled to manage both work and child care responsibilities. Many of these workers were entry-level and also lacked basic employee benefits.

Summarily, worker grievances became more salient even as working conditions became less safe due to COVID-19. Finally, toward the end of 2021, many workers hit their breaking point and opted to leave their current employers. Employees’ key decision factors revolved around compensation, benefits and the flexibility of remote and hybrid work.

Economists initially feared these employees would stay out of the workforce, living instead off savings accumulated during the pandemic. But in recent months, that hasn’t happened. According to the BLS, employee quits reached a record high of 4.5 million in March 2022. However, total employment has trended up, with total nonfarm payroll employment rising by 431,000 in March.

This means that workers who left their unfulfilling positions seem to be seeking more rewarding careers. Sectors hit hardest by mass resignations include food services, health care, transportation, warehousing and utilities, according to BLS data. Effectively, industries that employed large numbers of in-person workers throughout the pandemic appear to be struggling the most to retain talent.

Employer Attraction and Retention Tips

It’s impossible to make every employee happy with a single workplace solution; there is nuance to every resignation. However, there are some common strategies employers can explore when trying to attract and retain workers who want something more from their careers.

Invest in Worker Career Growth

One of the best ways to figure out what perks employees want is to simply ask them. According to LinkedIn’s Global Talent Trends survey, employees say they want more professional development (59%), workplace flexibility (48%), and mental health and well-being resources (42%).

Investing in workers by expanding professional and well-being opportunities is the opposite of what employees participating in the Great Reshuffle are used to doing. Employers can simultaneously enhance their staffing levels and worker skill levels by offering these workers a chance to enrich their careers via upward mobility. Pairing these programs with additional mental health resources can also help employers scale their operations while reducing cases of burnout.

Offer Flexibility

As previously mentioned, LinkedIn's survey shows that 42% of workers are looking for greater workplace flexibility. This could mean allowing employees to work from home in some situations, letting employees choose their working hours, permitting employees to take time off unexpectedly or allowing any number of workplace arrangements.

Essentially, a "flexible" workplace compromises where, how and when employees work. Given the desire for flexible working conditions, adding such opportunities could be an easy way for employers to attract and retain workers. However, this is really only an option for sectors that don't rely on in-person workers.

Provide Stability and Safety

Mental health and general well-being are now commonly discussed in employment conversations. After enduring the COVID-19 pandemic for so long, workers refuse to compromise their well-being for a paycheck. Employers can help demonstrate how much they value their workers by expanding mental health and well-being resources. Providing such assistance can reduce potential burnout and help retain employees longer.

Reach Out Directly

At the end of the day, the most worthwhile workplace offerings will be the ones employees desire. While some solutions are generally universal, such as increased compensation, employers may uncover additional options by reaching out directly to employees. In other words, employers can ask employees what perks or benefits would convince them to stay with the organization longer. This could even uncover overlooked solutions that might make employees just as happy as other more costly options.

Conclusion

There's no one solution to the current labor market issues. But, the good news is that there still seems to be a high number of potential workers available; it's just a matter of attracting and retaining them. By listening to employee desires and offering tangible perks, employers can help maintain their staffing levels.

Reach out to MST Insurance Solutions, Inc. to discuss your attraction and retention strategy or request additional workplace guidance.

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