A Talent Leader's Guide to Navigating 2022

Change has become commonplace for talent leaders over the past two years.

People teams' ability to adapt has helped many organizations survive a rollercoaster of changes. New responsibilities no one could have predicted are now front and center for many talent leaders.

It's safe to say this trend of change will continue into 2022. Employees are burnt out. The Great Resignation isn't slowing down. Tech talent is scarce. Remote work is still evolving. And on top of these continued challenges, reports show that 40 percent of organizations increased their hiring budgets.

There will also be many new challenges talent leaders will face and it is up to them to determine how to stay ahead. So what should be top of mind in 2022? And what will allow them to not only survive, but thrive in another year of change?

Keep reading to understand why these four trends are what people teams should be thinking about in the coming year. Plus, a 2022 Employer Branding Calendar to help talent leaders strategically discuss their offerings with sought-after talent.

Let's get started.

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SECTION I

Compensation Needs an Overhaul

2022 is looking to be the year of compensation. With factors like a tight labor market, soaring inflation and pay transparency on the rise, employers need to keep salaries top of mind. Talent leaders who strive to retain top employees and bring in sought-after talent must make compensation a key focus in the coming year.

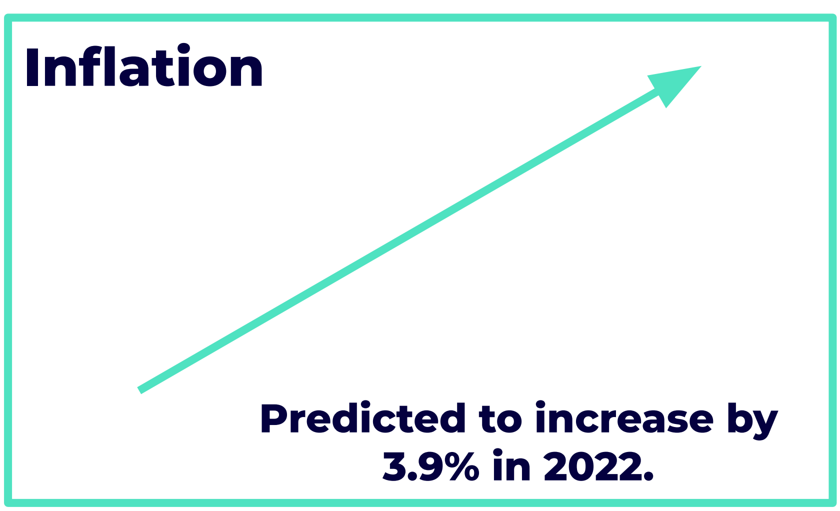
SECTION I

Budget for Higher Salary Increases

Yearly cost of living raises aren't a new revelation, however, employers are headed toward a year where the budgets for these salary increases must be high. Projections for 2022, as predicted by The Conference Board, haven't been this high since 2008, noting salaries could increase by 3.9 percent.

Why is 2022 projected to be higher? Almost half of the employers surveyed attributed the increase to the cost of attracting talent in a tight labor market.

But a tight labor market isn't the only factor pushing the increase behind salary raises this year.



A New Factor: Inflation

Inflation doesn't typically affect salary increases as much as it will in 2022. From October 2020 to October 2021, the average cost of goods and services increased by 6.2 percent for Americans. This sizable increase hasn't happened since the early 90s, causing consumers to look to employers for their response.

The Conference Board found in a survey to employers that 39 percent of them are raising compensation due to this historic rise in inflation. Employers must decide how much they plan to increase salaries to combat inflation and how much cost to pass onto consumers.

A Factor in All Things: The Pandemic

And like most things in recent years, everything leads back to the pandemic. Employers have slowly been working their way back to pre-pandemic success, and compensation rates are a factor in this.

When bonuses and raises were stopped at the start of the pandemic in 2020, employees didn't forget about them. Now that most organizations have gotten back to business as usual from a performance perspective, employees have renewed their expectations of compensation benefits — with interest. And it seems employers, at least within the tech industry, are responding. Salaries within the tech industry have risen on average 9.5 percent since 2020.

Watch out for Wage Compression

Due to the market factors affecting rising salaries, many employers are bringing on candidates with much higher salaries than they have in the past. This is quickly narrowing the gap between what new hires make and what current employees do, which is an effect known as wage compression.

Wage compression is not a new idea, however, its intensity is likely to increase in 2022. Employers must watch this closely and be aware of its impact in order to keep current employees happy.

As this CNBC article notes, “When new hires see faster wage growth than current employees, it can lead to wage compression, or when people feel their experience is no longer valued, and they could seek their pay bump elsewhere.”

It’s not worth losing experienced employees to wage compression as a consequence of trying to meet labor shortages. Employees must find the right balance between compensation increases to retain existing employees and offering higher salaries to attract needed talent.

Implementing Pay Transparency Will Be a Must

Historically, discussing salaries in the workplace was seen as taboo. However, in recent years conversations around compensation have become more commonplace.

There are now a plethora of tools and resources readily available for workers to discover how they are being compensated compared to others with similar skill sets. Most of these resources are provided by third-party organizations, as opposed to a professional's direct employer, but the tools have opened the door to more transparency around pay in the workplace.

"There is a bigger burden on organizations and leaders to articulate with consistency what their approach is to things like compensation. But just not addressing it...you're going to end up having downstream impacts in things like retention and recruitment."

- Shelly Holt, Chief People Officer, PayScale

SECTION I

Pay Gaps Stem From a Lack of Pay Transparency

Whether companies realize it or not, bias often makes its way into decisions around compensation. Oftentimes decision making behind compensation isn't well-defined or is defined in a way that allows bias to creep in. And it's not on purpose. Unconscious bias, or the subconscious attitudes individuals have about others which affects a person's actions toward the individual in question, is often the reason for wage bias.

We know this is true when looking at the racial and gender pay gaps that exist today. According to the Pew Research Center, Black workers earn just 75 percent of what white workers do and women earn just 84 percent of what men earn.

Pay transparency not only offers insight for employees but it requires organizations to define how compensation is determined. It also holds them accountable to a process that is intentionally set up to reduce bias. And research shows it's working. According to Payscale, in organizations where women feel their company is transparent about pay, they are paid between $1 and $1.01 compared to the average of $1 a man is earning. If pay transparency can close the gender wage gap, why shouldn't organizations embrace this change?

SECTION I

Pay Transparency Legislation Has Increased

As more research was conducted around the negative effects of not having pay transparency, states and major cities began to take a stand.

New York City was the most recent government to pass legislation requiring employers to disclose compensation for open roles. They follow suit to states like Colorado, California, Maryland, Washington, Connecticut and others that have similar requirements for employers around pay transparency.

Each of these governments has their own take on what is required. But each one wants to put regulations in place to help employers be more upfront about compensation with both candidates and employees in the hopes of removing bias and closing pay gaps.

> **"It becomes difficult to hide this type of discrimination when it becomes public. And it gives people an opportunity to advocate for themselves."**
>
> - Jessie Danielson, Colorado State Senator (D)

SECTION I

The Positive Impact of Pay Transparency

Being transparent about compensation can often feel daunting to employers. It has been a topic kept close to the chest by employers for so long that the idea of suddenly giving employees a peek behind the curtain seems impossible. But it actually offers benefits to an organization beyond giving employees the insight into pay that they deserve.

The New Standard

If the increase in legislation for pay transparency isn't enough to signal its significance to businesses, maybe this will: 72 percent of the general public believe companies should be legally required at a national level to disclose gender pay gap figures. While this belief is tied to the gender pay gap specifically, research has proven pay transparency can help remove this gap.

Retention

The idea of getting insight into how a company compensates its employees is enticing enough to make employees consider a new job opportunity. More than half (51 percent) of employees noted they would quit their current job to accept a role at a company with more pay transparency. This might just be a benefit employers haven't thought of.

SECTION I

Productivity

Pay transparency isn't just an added benefit for employees, it has a psychological effect as well. Research shows that employees who know their managers' salaries are more productive than those who don't. Transparency builds trust and trust leads to employees who are engaged in their work.

We choose to post the target salary for our jobs. We do this to foster a culture of transparency, correct for historic compensation inequity and set clear expectations with candidates."

TASHA HOCK
HEAD OF TALENT ACQUISITION, CROWDSTREET

SECTION I

How Employers Can Build Pay Transparency

There is no one-size-fits-all approach to pay transparency. Every single organization must decide the best way to approach it. Thinking about employee expectations, candidate demands and how other organizations have built out pay transparency within their company is helpful.

Built In spoke with different organizations on the topic of pay transparency and from those conversations came five general steps on how companies can build better pay transparency within their own organization.

5 Steps For Better Pay Transparency

1. **Determine where your company currently falls on the pay transparency spectrum, and where you want to be.** Survey managers to understand what employees want to know about their salaries.

2. **Develop a pay philosophy that aligns with your talent strategy and culture.** What do you value in new hires? Which behaviors do you want to incentivize?

3. **Clearly define roles and responsibilities, and use market data to set salary ranges.** This helps to eliminate bias and create a less subjective pay structure.

4. **Conduct a payroll audit to identify and resolve salary discrepancies.**

5. **Train managers to have proactive salary conversations with employees.** There's no way to do this right they aren't on board.

SECTION II

Re-Recruit to Retain

In a tight labor market, employers not only have to worry about how to attract great talent, they also need to worry about their great talent being poached. Retention, just as much as recruitment, will be key for talent leaders to succeed in 2022. And one way to make sure your sought-after employees continue working for you: Re-recruiting.

Re-Recruiting

It’s safe to assume that a company’s workforce is actively being reached out to by recruiters at least a few times a week. Employees are being offered new benefits, higher salaries, better bonuses and much more by other companies, just to name a few.

And likely, talent leaders are telling their teams to take the same approach to bring in new talent. However, if that same hard-sell approach is not being used with existing talent, retaining them is less of a guarantee. And turnover is not a cost employers want.

On average, it costs a company one-half to two times an employee's annual salary to replace them and the average turnover rate in the U.S. in 2020 was a whopping 57.3 percent. That’s a lot of money to be spending just on replacing needed talent.

In 2022, talent leaders must re-recruit their own employees to stay ahead of the competitive labor market.

57.3%

AVERAGE TURNOVER RATE IN THE U.S. IN 2020

Start With Stay Interviews

A common misconception with stay interviews is that they are used to convince an employee to continue working for a company — that is not their intent and in fact it's quite the opposite. Stay interviews should be conducted with outstanding employees who a company wants to retain. They help a company double down on the positives and identify areas of improvement they can fix now to keep great employees around longer. It's a skillful way to continue the recruiting mindset with your existing talent.

Want to learn more about stay interviews and the best way to conduct them? Read more about them here.

What Is a Stay Interview?

A stay interview is a conversation with a high-performing employee with the goal of discovering what they like about their role and what they would like to change. Stay interviews are an opportunity to both uncover what motivates that employee and to also build trust with them as a manager.

SECTION II

11 Great Questions to Ask During a Stay Interview

1. What do you look forward to at work every day?
2. What do you dislike about work every day?
3. What do you think of the way employees are recognized?
4. How would you rate our work-life balance? How could it be improved?
5. What do you enjoy about the professional development services offered? What do you dislike?
6. Within the past year, what was a day that caused you anxiety or frustrations?
7. Within the past year, what was a “good day?”
8. What does your dream job look like?
9. What did you love about your last position that you no longer have?
10. What do you think about before starting your work day?
11. What do you think about after you’ve finished your work day?

SECTION II

The Annual Review Is Dead

Waiting an entire year to adjust employees' compensation, discuss growth opportunities and offer feedback will no longer cut it. The annual review cycle needs an overhaul, starting with its frequency.

According to a survey from Officevibe in 2021, 32 percent of employees go three or more months without receiving feedback. And they want more of it: The same study shows more than half (63 percent) of employees feel they don't get enough praise and 64 percent are eager for more high-quality feedback.

Employers must combat the constant opportunities their employees are seeing in their inbox from other recruiters. Doing so requires more frequent feedback and conversations around growth opportunities within their current role, especially for high performers. Making adjustments on an as-needed basis versus annually will help re-recruit existing talent.

Companies also see the benefit of more productive employees. Research from Deloitte shows employers who regularly praise employees' achievements are 14 percent more productive than those that don't.

"Performance should be an ongoing conversation, instead of a twice or yearly event. Team members should never have to wait six or even 12 months to learn where they stand."

ED WESLEY
VP OF PEOPLE, DREAMHOST

Another element of the traditional annual review process that doesn't work is the focus of the conversation. Historically, half of performance review conversations are spent on what employees have done well in the past and what they could have done better, and the other half is spent talking about the future.

Rhiannon Staples, CMO of hibob and a guest on Built In's Technically People podcast, said that modern companies are shifting the conversations during performance reviews to follow the 80/20 rule: 80 percent focused on the future and 20 percent focused on the past.

Research from Prudential shows the following factors cause employees to want to move on from their current roles:

- 34 percent cite a lack of growth opportunities
- 24 percent are tired of working on the same projects
- 23 percent blame a lack of learning opportunities

By re-focusing the conversations in performance reviews to an 80/20 model, many of these reasons for employees wanting to look for new job opportunities are reduced.

SECTION III

The Future of the Workplace Is Still Evolving

As we approach another year of remote work, leaders face new challenges in adapting to the long-term needs of hybrid work environments. While some companies adopted a fully remote model, a lot of employers plan to have offices in some capacity. Talent leaders must invest in future-proofing hybrid work challenges in 2022 in order to keep employee engagement high.

SECTION III

A New Trend: Officism

Brett Wells, Director of People Analytics at Perceptyx, coined the term “officism” which many talent leaders must get ahead of in 2022. Wells defines officism as, “negative attitudes toward employees who continue to work remotely, even though remote employees are not necessarily less productive than their physical workplace counterparts.”

In fact, Prodoscore Research found that during the pandemic productivity increased by 47 percent which was mostly due to the remote workforce.

Companies — and especially company leadership who Wells noted are oftentimes more likely to have an officism mentality — must have plans in place to combat these attitudes before bias is introduced in hiring, promotions, raises and more.

“As we continue down the hybrid work path, my very best advice is to continue to actively seek and act on employee feedback, as it is the recipe for business resilience and stellar performance.”

- Brett Wells, Director of People Analytics at Perceptyx as written in this Forbes article.

A New Leader: Director of Remote Employee Experience

The stakes of creating a culture that engages both remote and in-office employees is high. It's a must to retain great employees and keep them engaged, as well as an important element in recruiting great talent. The stakes are so high in fact that companies are beginning to consider a new leadership role: The Director of the Remote Experience.

Why is there so much pressure?

Employees who are disengaged quit their jobs at a 12 times higher rate than those who are engaged. And don't think a lack of opportunity will stop employees from looking for a new job:53 percent of sought-after talent is confident in their ability to find a comparable job within six months.

12x

THE RATE AT WHICH DISENGAGED EMPLOYEES QUIT THEIR JOBS COMPARED TO ENGAGED EMPLOYEES

However, workforces that have high engagement tend to see a decrease in turnover by 25-59 percent. This is a massive decrease knowing the cost of turnover is between one-half to two times an employee's annual salary.

How engaged a workforce is also has a direct impact on a company's culture, and 86 percent of candidates identified company culture as a key factor in their decision on whether or not to accept a job.

Hiring a leader whose job is to focus on creating a positive hybrid work culture will keep officism at bay and improve employee engagement for all workers — whether in-office or remote.

> **"Those that were hired and onboarded during the pandemic, they are acting, behaving and feeling more like they've been in the role for three to five years. And that's the critical juncture where people tend to decide are they staying or leaving. People we've called the 'pandemic cohort' are most at risk for leaving right now."**
>
> **- Brett Wells, Director of People Analytics, Perceptyx**

SECTION IV

A New Suite of Benefits

More than half (60 percent) of job seekers strongly factor in a company's employee benefits package before accepting a job. In a competitive talent market, benefits can be used as the catalyst to convince a candidate to choose one company over another. However, companies will need to level-up their benefits beyond traditional offerings in order to catch candidates' attention.

Are Sabbaticals the New Norm?

More than half (52 percent) of workers felt burnt out in 2021, a 9 percent increase from pre-pandemic levels. And vacation isn't a viable option as less than half of employees feel vacation offers any reduction in feeling burnt out.

More and more burnout is becoming a serious factor in employees' decisions to stay with a company — 70 percent state they would leave their current employer for one that had resources in place to help reduce burnout.

In a time where retention and recruitment is more important than ever, companies must embrace big ideas to remain competitive. Sabbaticals could be one of them.

The investment in offering sabbatical leave in a benefits package is often met with questions. What if an employee uses the time to find a new job? How would the responsibilities of the employees be covered while on leave? Do sabbaticals actually work? All of these questions have been answered with research.

What if the employee uses the time to find a new job?

Studies have shown that only 13 percent of employees who took a sabbatical wanted to change jobs upon returning.

How would the responsibilities of employees be covered while on leave?

While this is a fair concern, research found that the employees covering the work got the opportunity to learn new skills and gain experiences they otherwise wouldn't have gotten if sabbaticals weren't an option.

Do sabbaticals actually work?

Colleges and universities are a great example of businesses who have found success in offering sabbatical leave — 85 percent of them offer fully paid programs with a median leave time of 20 weeks.

13%

OF EMPLOYEES WHO WENT ON A SABBATICAL CHANGED JOBS UPON THEIR RETURN

&

85%

OF COLLEGES AND UNIVERSITIES OFFER FULLY PAID SABBATICALS

Research also shows sabbaticals reduce stress and burnout for employees, and actually lead to higher levels of positive well-being. A dedicated study on sabbaticals found 75 percent of employees who participated came back from leave with new visions to implement in their organizations and almost half succeeded in making them happen.

Sabbaticals would also help a company stand out with candidates. As of 2019 data, only 5 percent of companies included paid sabbaticals in their benefits package whereas 11 percent offered unpaid options.

“Recruitment of the best employees has become increasingly important in every field. Sabbaticals are proving to be a strong incentive for many top performers looking for workplace flexibility.”

- Researchers at Middle Tennessee State University

SECTION IV

Two for One: Professional Development

Companies often mention professional development as a benefit but most programs end up being lackluster, especially from an employee perspective. In fact, only 29 percent of employers have clearly defined learning and development programs.

However, investing in a formal, well-defined program has a lot of benefits and can be a key player in helping talent leaders achieve success in 2022.

There are five main types of professional development as outlined in this Built In article:

1. Mentorship
2. Group training
3. Online/self-directed learning
4. Workshops
5. Learning stipends

Retain & Attract Talent

As noted throughout this guide, retention and recruitment are more important than ever in order to fill talent pipelines in 2022. Building a robust professional development program will help with this idea.

Retention

94%

OF EMPLOYEES STATED THEY'D BE MORE LIKELY TO STAY AT THEIR COMPANY IF THEY INVESTED IN GROWING THEIR SKILLS.

&

45%

OF EMPLOYEES STATED THEY'D BE MORE LIKELY TO STAY AT THEIR CURRENT COMPANY IF MORE TRAINING WAS OFFERED.

Recruitment

42%

OF MILLENNIALS STATED LEARNING AND DEVELOPMENT OPPORTUNITIES WERE THE MOST IMPORTANT FACTOR WHEN CONSIDERING A JOB OPPORTUNITY.

SECTION IV

Fill Talent Pipelines

As many companies prioritize digitization, the need for tech talent continues to grow. However, the talent shortage makes it near impossible to hire the talent needed. Professional development could be the answer.

A large number of employees (70 percent) do not feel they have the skills needed to succeed in their current roles. That's a large chunk of the workforce needing additional guidance from their employers just to do their jobs. And replacing them isn't a viable option given the competitiveness of the talent market right now, especially since it's costly to do so.

Instead, companies should double down on investing in their current workforce. This practice allows employees to not only get their skills up to par, but have the chance to upskill beyond their current roles. Employers who do this will also see a 24 percent higher profit margin and a 218 percent higher income per employee according to Forbes.

Additionally, upskilling workforces helps companies build a talent pipeline within their own organization. Younger and less experienced talent is more readily available for hire so by bringing them in and investing in them, organizations are able to use this talent as a way to fill their more difficult-to-hire roles.

According to Aaron Skonnard, Co-Founder and CEO of PluralSight in an article for Built In, Home Depot has already succeeded with this model.

> **"Home Depot is a great example, having launched 'Orange Method,' a program that provides technology instruction for workers at all levels, which has led to cashiers literally turning into software engineers. This isn't just about upskilling, it's about becoming proficient in entirely new skill sets. It requires a knowing-not-hoping approach to the workforce to make sure the company has enough qualified technical team members."**

BONUS

2022 Employer Branding Calendar

Despite these trends and challenges, talent leaders still need to bring in talent. An employer branding strategy can help with that. Now more than ever, organizations need to stand out with candidates. They have multiple companies knocking on their doors. Giving candidates an inside look at an organization might be the difference between accepting or rejecting a job offer. Use this 2022 Employer Branding Calendar as the source of what you should be sharing with candidates in the coming year.

January

Topic: Company Culture

86 percent of candidates identified company culture as a key factor in their decision on whether or not to accept a job. Start off 2022 by showing candidates your company culture is a priority.

Starter Ideas:

1. Why Company Culture Is A Top Priority For Us In 2022
2. How We're Keeping Company Culture A Constant In The Coming Year
3. Ways Our Company Culture Has Evolved As We've Grown

February

Topic: Diversity, Equity & Inclusion

Candidates want to know that they can be themselves at work. Make them understand why that's true at your company.

Starter Ideas:

1. How Our DEI Programs Have Evolved
2. Meet Our ERG Leaders
3. Why Inclusivity Is A Top Priority For Our Company

March

Topic: Feedback

32 percent of employees go three or more months without receiving feedback, and they want more of it. Showcase your company's investment in great feedback.

Starter Ideas:

1. Why Our Organization Embraces Radical Candor
2. How Managers Within Our Organization Are Trained to Give Feedback
3. X Times Feedback Helped Our Business Be Better

April

Topic: Remote/Hybrid Work Culture

As we go into another year of remote work, share with candidates how your company plans to invest in making both remote and in-office workers feel included.

Starter Ideas:

1. We Hired A Remote Experience Director To Level-Up Our Work Culture
2. Meet Our Remote Employees
3. Here Are Some Of Our Employees' Favorite Remote Benefits

May

Topic: Professional Development

42 percent of millennials stated learning and development opportunities were the most important factor when considering a job opportunity. Show off what you bring to the table.

Starter Ideas:

1. X Learning & Development Opportunities Our Company Offers
2. Hear How One Employee Benefited From Our Professional Development Program
3. X Ways Our Employees Can Gain New Skills

June

Topic: Support of LGBTQIA+ Employees

While inclusion and education should go well beyond Pride Month, use the month of June to share with candidates how your organization celebrates LGBTQ+ employees every day.

Starter Ideas:

1. X Things We Learned From Our LGBTQ+ ERG Fireside Chat
2. How We Created A More Inclusive Workplace For Our LGBTQ+ Employees
3. Here's How Our Company Is Honoring Pride Month

July

Topic: Unique Benefit Offerings

The talent market is competitive and companies must find a way to stand out. Highlight the unique benefits you offer, like sabbaticals, to help catch candidates' attention.

Starter Ideas:

1. Why We Added Sabbaticals To Our Benefits Package
2. Explore The Benefits That Made Our Employees Work For Us
3. Our Benefits Package Is Shaped Through Employee Feedback

August

Topic: Pay Transparency

More than half (51 percent) of employees noted they would quit their current job to accept a role at a company with more pay transparency. Make your compensation methodologies known before candidates join.

Starter Ideas:

1. How We Decide Compensation At Our Company
2. Here's Why We Embrace Pay Transparency
3. Why We Post Salaries In Job Posts

September

Topic: Work-Life Balance

More than half (52 percent) of workers felt burnt out in 2021. Share how your organization is combating burnout.

Starter Ideas:

1. Why We Enforce A Minimum Number of Vacation Days
2. Our Organization Embraced A 4-Day Work Week, Here's Why
3. X Reasons We Train Our Managers On How To Manage Burnout

October

Topic: Leadership

Candidates want to know and hear from the people who lead an organization. Let candidates understand them before they join.

Starter Ideas:

1. Get To Know Our Leadership Team's Management Styles
2. X Ways Our Leaders Listen To Employees
3. Why We Embrace An Open-Door Policy With Our Leadership Team

November

Topic: Department Spotlight

You likely have hiring goals based on specific department needs. Use this opportunity to shine a light on them specifically.

Starter Ideas:

1. How We Successfully Scaled Our [Department] Team Fast
2. [Role] Shares How They've Advanced Their Careers Without Going Into Management
3. X Ways [Department] & [Department] Improved Collaboration With One Another

December

Topic: Outlook For 2023

January is one of the most popular hiring months. Get ahead of the game by sharing exciting projects to come in the new year to catch candidates' attention.

Starter Ideas:

1. How Our Company Is Scaling in 2023
2. X Exciting Innovations We Have Planned For 2023
3. Grow Is On Our Mind. Help Us Get There in 2023

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United We Tech.

Built In helps tech professionals stay on top of trends and news, expand their networks and carve out futures at companies they believe in.

Let’s work together.

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