

Attraction & Retention

QUARTERLY NEWSLETTER
3rd QUARTER 2022

Market Recap

Employee Quits Remain High While Job Growth Continues

The current state of the labor market remains challenging for employers to navigate. While key employment metrics show that employers continue to struggle to compete for talent in a worker-friendly employment landscape, other measures show that organizations have gradually been able to fill open roles and find the workers they need.

The U.S. Bureau of Labor Statistics (BLS) recently released its April [Job Openings and Labor Turnover Summary](#). This month's reported number of employee quits fell from a record high of 4.5 million in March to around 4.4 million in April. April marks the 11th consecutive month that more than 4 million workers left their jobs.

The BLS defines employee quits as a "voluntary separation initiated by the employee"—experts commonly use "quits" to measure workers' willingness or ability to leave jobs.

Despite the slight decrease in total employee quits, the April report reveals that the employee-quit rate held at 2.9%. Industries like real estate and rental leasing saw a slight increase in employee quits, while state and local government education decreased somewhat. Additionally, total job openings fell from a record high of 11.55 million in March to 11.4 million at the end of April.

As total job openings begin to trend down, the size of the workforce continues to trend up. According to BLS' release of the May [Employment Situation Summary](#), total

nonfarm employment added 390,000 in May. This number has trended up every month for over a year and is now only down by 822,000, or 0.5% from its peak in February 2022, before the pandemic.

These trends indicate that while workers are available, the demand for talent remains high, and employers continue to face challenges retaining employees. Many factors influence the high quit rate, including the ongoing pandemic, inflation and a strong market for candidates. These trends demonstrate that workers likely feel confident enough—due to record-high job openings—to switch jobs for better pay or working conditions.

While the labor market remains competitive, experts largely expect talent challenges to continue. As such, employers should monitor employment trends to stay informed on the evolving market.

MARKET
RECAP



Securing Talent

Attracting and Retaining Employees During the Great Reshuffle

As employers monitor current labor trends, it's apparent that many employees have simply been finding better jobs instead of quitting the workforce entirely. Earlier in the pandemic, employers were concerned about employees leaving the workforce altogether in what economists called the "Great Resignation." Now, in what is being referred to as the "Great Reshuffle," workers are seemingly leaving one job for another that more closely aligns with their needs. Crucial decision factors for employees seeking better jobs generally revolve around compensation, benefits, career advancement, culture and workplace flexibility.

In today's competitive labor environment, employers are worried about meeting workers' demands and losing employees to other organizations that may offer the employment opportunities they desire.

Considering these shifts within the workforce, employers should consider exploring the following attraction and retention strategies:

1. Invest in workers' career growth. Employers can simultaneously enhance their staffing levels and workers' skills by offering employees the chance to enrich their careers via upward mobility. Profession-

al development resources can help meet workers' demands for career growth opportunities.

- 2. Offer flexibility.** A "flexible" workplace offers flexibility as to where, how and when employees work. It could mean allowing employees to work from home, letting them choose their working hours, permitting them to take time off unexpectedly or authorizing any number of alternative workplace arrangements.
- 3. Prioritize employee well-being.** 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 boost retention rates.
- 4. Reach out directly.** The most worthwhile workplace offerings will be those that employees desire. As such, employers should ask workers what perks or benefits would convince them to stay with their respective organizations longer.

There's no one solution to the current labor market issues. But, the good news is that there are still a high number of potential workers available.

Contact us today to discuss further attraction and retention strategies.

SECURING
TALENT



Securing Talent

Developing an Employee Retention Strategy

The costs of reviewing applications, processing candidates, conducting interviews, training and purchasing equipment for new hires aren't only monetary; they also result in lost time and productivity and can negatively impact company culture. Given the high cost of losing an employee, retention should be a top priority for every organization.

Employee retention is even more of a concern as the world continues to be impacted by the pandemic and its ripple effects. Almost 60% of employers report that their organization at least somewhat struggles with retaining current employees, according to Zywave's 2022 Attraction and Retention Benchmarking Overview.

A thoughtful and holistic employee retention strategy can play a critical role in attracting and retaining top talent and reducing turnover. The most impactful actions will vary by workplace, as employers are challenged to meet the desires of today's workforce while pursuing feasible strategies that make sense for their organization.

Consider this process to develop an employee retention plan:

1. Audit. Calculate your employee retention and turnover rates to understand benchmarks. A retention

rate refers to an organization's ability to retain employees over a specified period of time, whereas a turnover rate measures the percentage of employees that leave. Employers can even go a step further and track turnover rates specific to voluntary or involuntary employee separations.

2. Plan. An assessment should reveal what your organization is doing right and opportunities for improvement. Once armed with intel and facts, you can get specific with a retention strategy.

3. Implement. Successful teams break down the strategy into actionable tactics and measurable goals. It's also helpful to identify a complete timeline, responsible individuals, required resources and desired outcomes.

4. Evaluate. Any solid and effective strategy should be continuously evaluated. Celebrate the success and address any issues or gaps. Openly communicate all findings and changes being made across the organization.

The pandemic has brought about many unique challenges for employers, but forward-thinking employers can adjust to ensure the organization continues to retain employees and meet business goals.

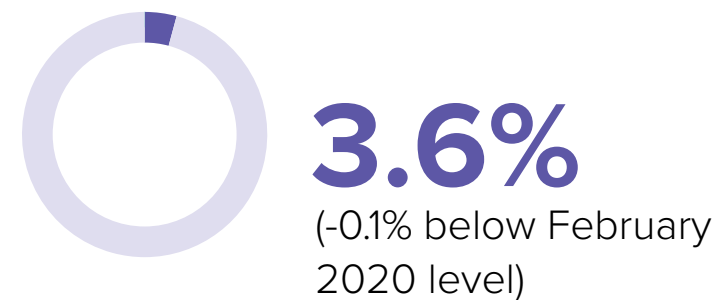
SECURING
TALENT



Workplace Outlook

Each month, the BLS surveys around 149,000 businesses and government agencies and publishes the data the following month. This information offers a snapshot of the country's employment health and growth. Below is the data for May 2022, the most recent month available. Note that the BLS contextualizes its data with February 2020's pre-COVID-19 figures

Unemployment rate*:



Total nonfarm** payroll employment:

+390,000
(-822,000 below February 2020 level)

Primary job gains:

Leisure and hospitality, professional and business services, transportation, and warehousing

Leisure and hospitality:

+84,000
(-1.3 million below February 2020 level)

Professional and business services:

+75,000
(+821,000 above February 2020 level)

Transportation and warehousing:

+47,000
(709,000 above February 2020 level)

Construction:

+36,000
(40,000 above February 2020 level)

*The BLS does not count furloughed individuals as "unemployed."

**Nonfarm: Goods, construction and manufacturing companies in the United States. The data excludes farm workers, private employees and nonprofit organizations.

Source: Bureau of Labor Statistics

WORKPLACE
OUTLOOK

