



Properly Maintain Your Corporate Culture to Retain Your Top Talent



The New Now: A Virtual CPE Conference

Today's Presenter



Tim Lietz

National Practice Leader – Risk & Compliance

Jefferson Wells

3 Focal Points Today

1 Current Data and Trends

2 Emerging Human Capital Risks

3 Health Check on Your Culture

4 Retaining Talent and Mitigating Departure Risks



Current Data and Trends

I QUIT!!



4.0 million US employees resigned their position in April 2021



4.2 mil in August 2021, 4.4 mil in September and 4.8 mil in November



More than 20 mil US workers resigned in the 2nd half of 2021 alone

National Labor Market Trends



Parents on the Sideline

2 million mothers of young children left the workforce during the Pandemic and are still not back working



Remote Work – the New Normal

Pre-Pandemic, only 1-6% jobs were remote. Today, 1-7% jobs are remote



Relocation on the Rise

Significant metro areas like San Francisco, Chicago, Atlanta and New York City are seeing workers leave for smaller cities such as Austin, TX, Greenville, SC, Raleigh, NC and Appleton, WI



MANPOWERGROUP U.S. EMPLOYMENT OUTLOOK SURVEY

**Strongest Hiring Outlooks Reported Since
Beginning Of The Pandemic – *Talent Shortages
Remain at 15 Year High***

Net Employment Outlook Data



6,000 US employers surveyed about their hiring intentions in 4Q'21



Hiring is **STRONGEST** since this survey began in 1982



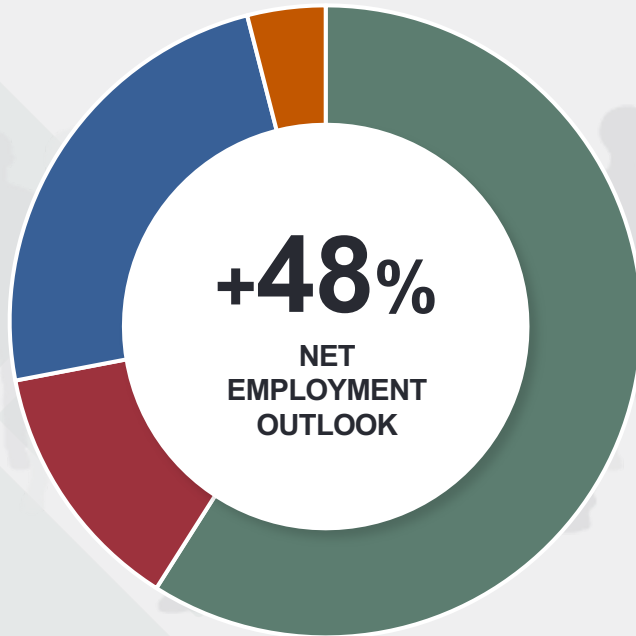
Hiring prospects increased in all 4 Regions across the US



MEOS 3Q'21 – 32%
MEOS 4Q'20 – 14%

Employer Hiring Expectations for October - December

U.S. employers expect a booming labor market in the final quarter of 2021, reporting a **Net Employment Outlook of +48%**. Hiring intentions strengthen both quarter-over-quarter and year-over-year, increasing by 23 and 34 percentage points, respectively.



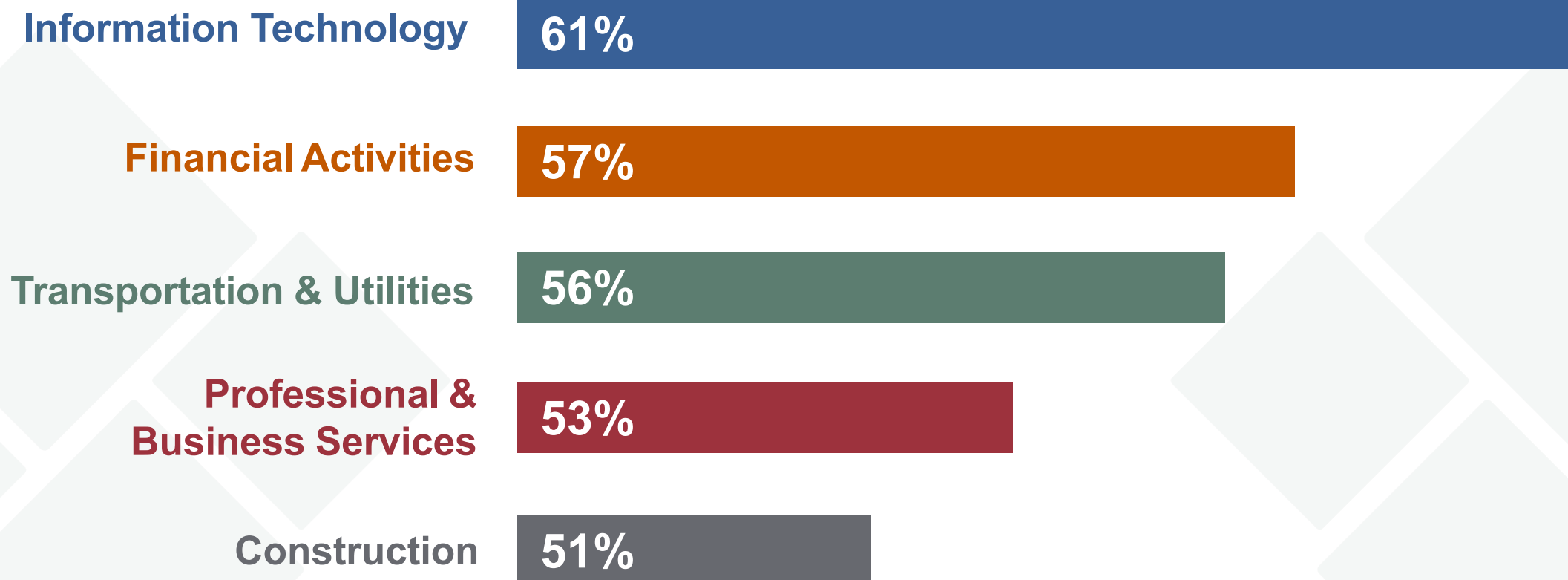
59% PLAN TO HIRE

13% EXPECT TO LAY OFF WORKERS

24% PLAN TO KEEP WORKFORCE LEVELS STEADY

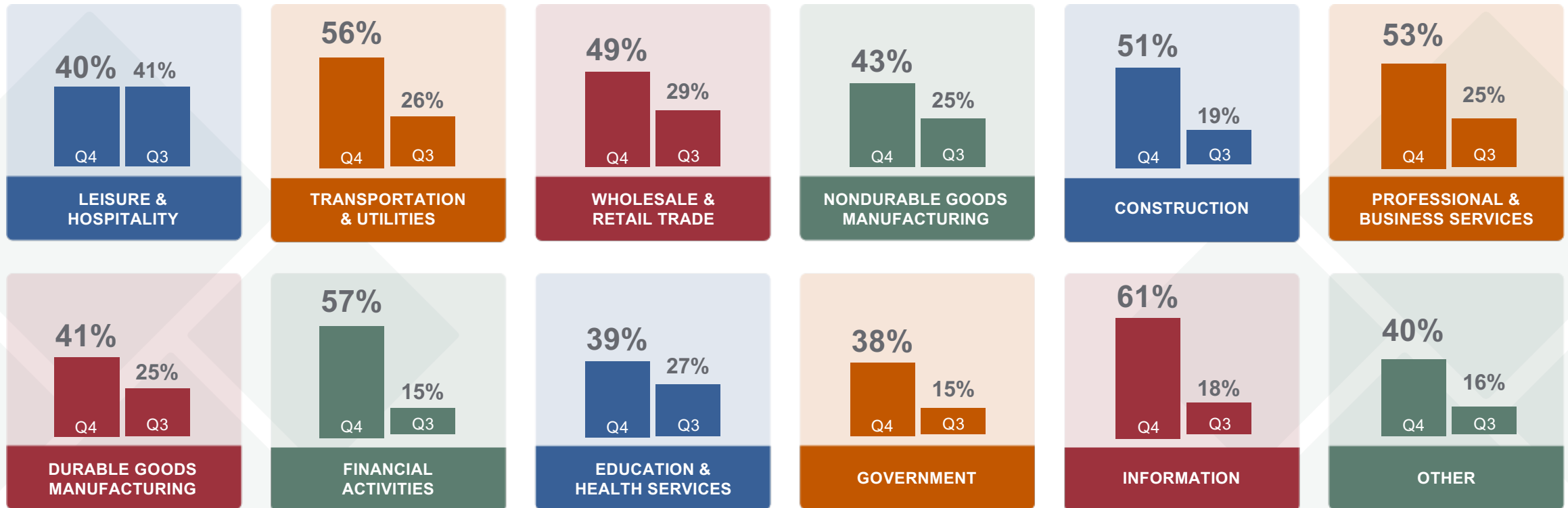
4% UNDECIDED

Which U.S. Industries Have The Most Optimistic Hiring Outlooks?



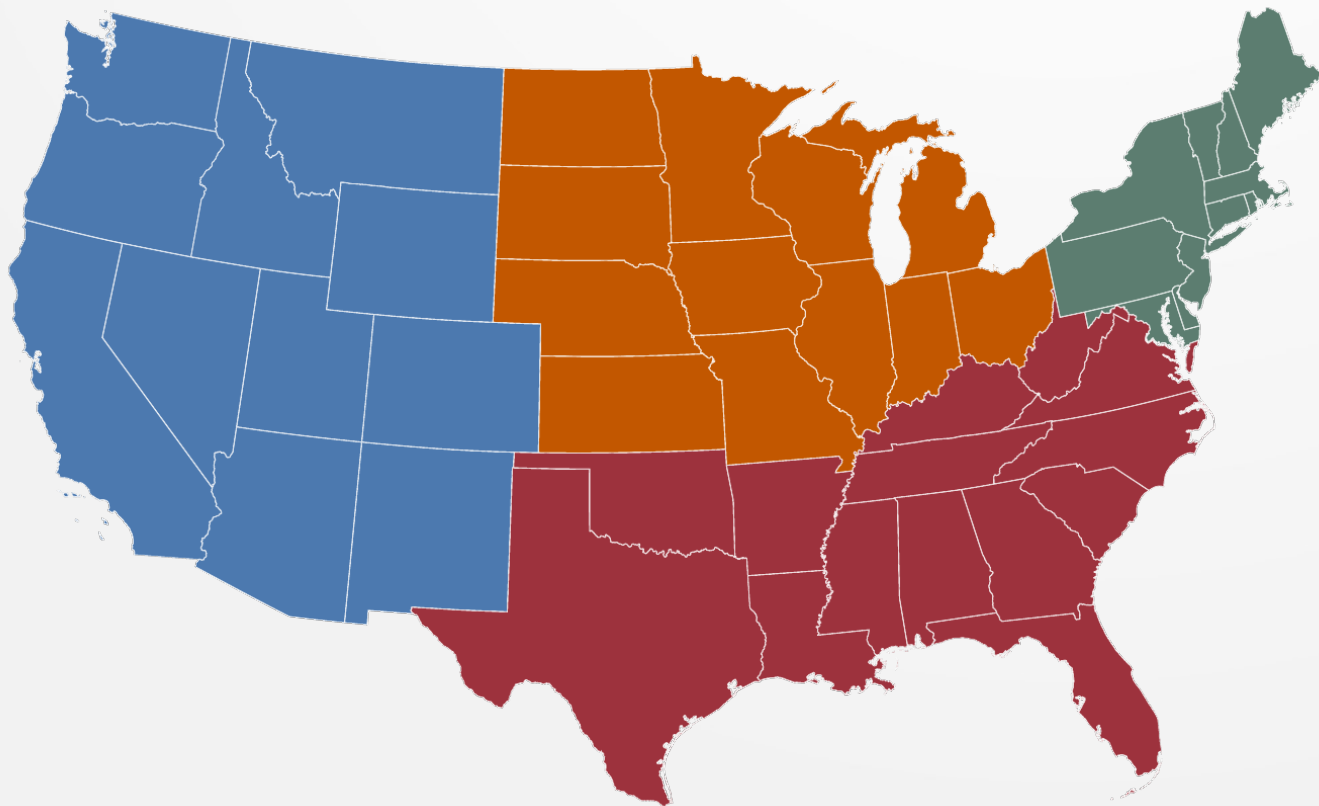
Historical Growth Across All 12 Industries

Hiring prospects are the strongest since analysis by sector was introduced – 1982 for five original industry sectors (Construction, Transportation & Utilities, Wholesale & Retail Trade, Durable and Nondurable Goods Manufacturing) and 2009 for the remaining seven sectors.



Strongest Hiring Outlooks Across All Regions Since the Survey Began

Workforce gains are anticipated in all four U.S. regions during the final quarter of 2021, strengthening in all four when compared with both 3Q 2021 and last year at this time.



51% NORTHEAST

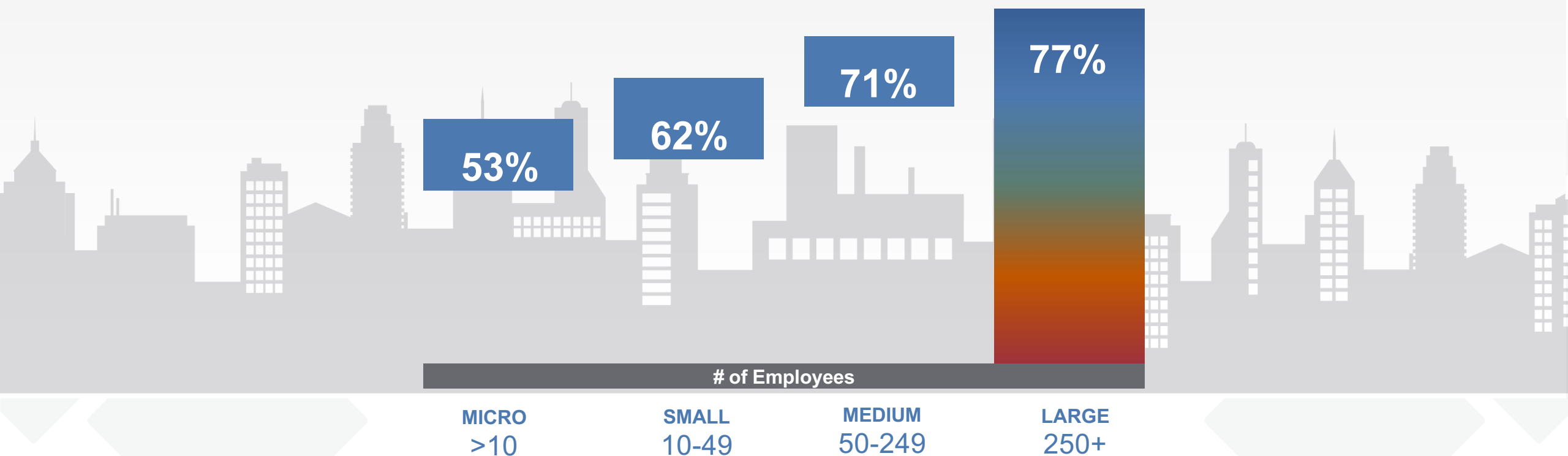
51% WEST

45% MIDWEST

48% SOUTH

Large U.S. Organizations Face the Most Difficulty Filling Roles

Difficulty Filling Roles by Company Size





TALENT SHORTAGE

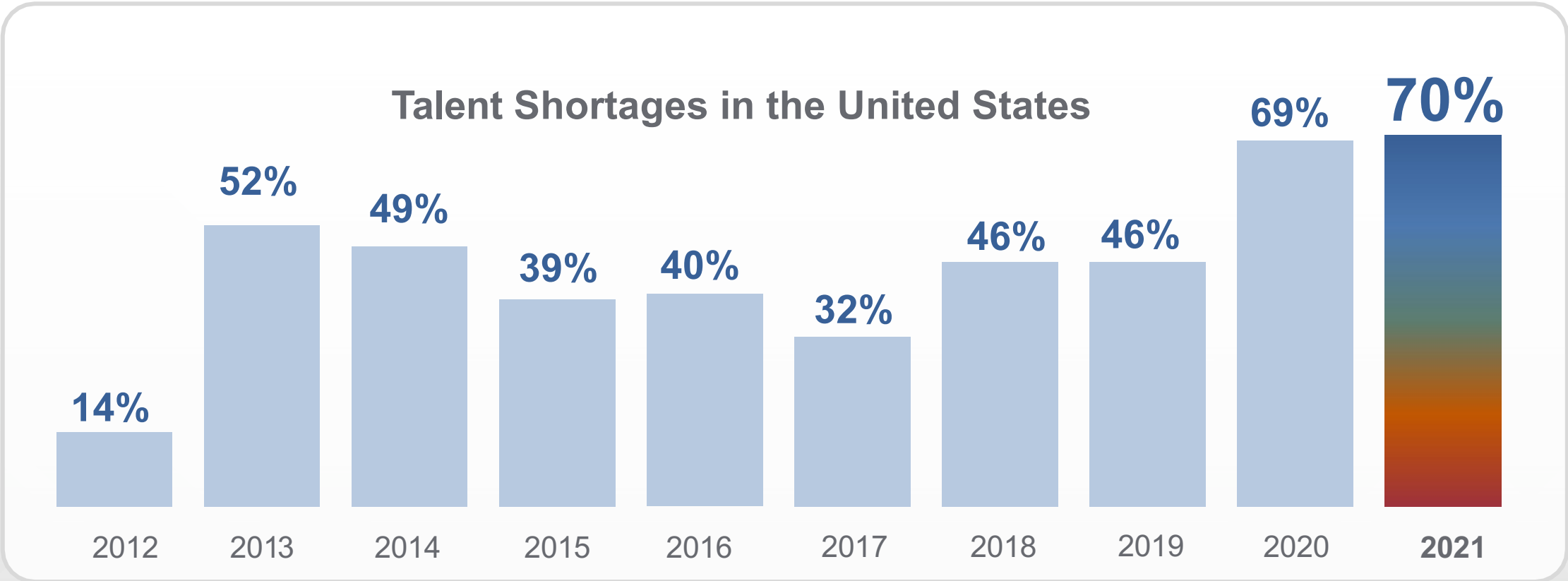
THE U.S TALENT SHORTAGE SHOWS NO SIGN OF SLOWING DOWN



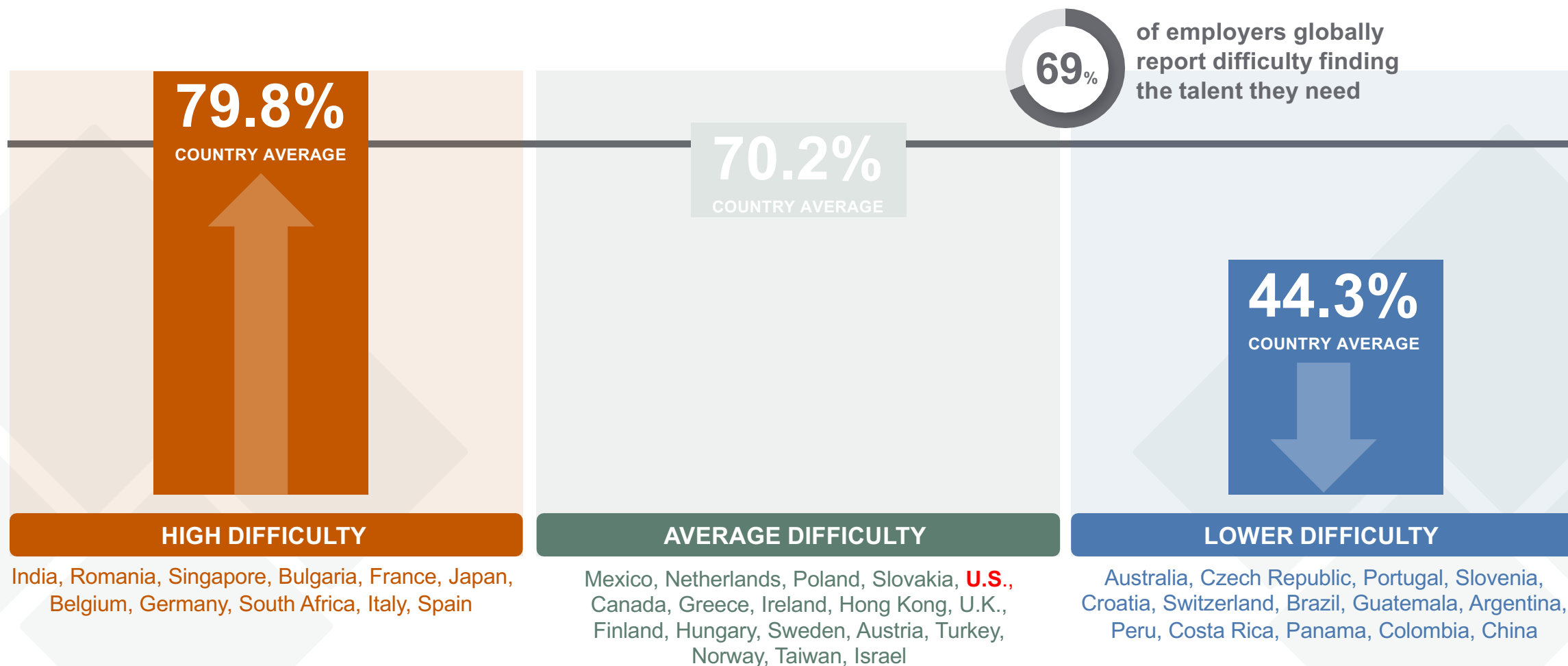
70% of U.S. employers cannot find the skills that they need. This figure is a 15-year-high, now running for 2 consecutive quarters.



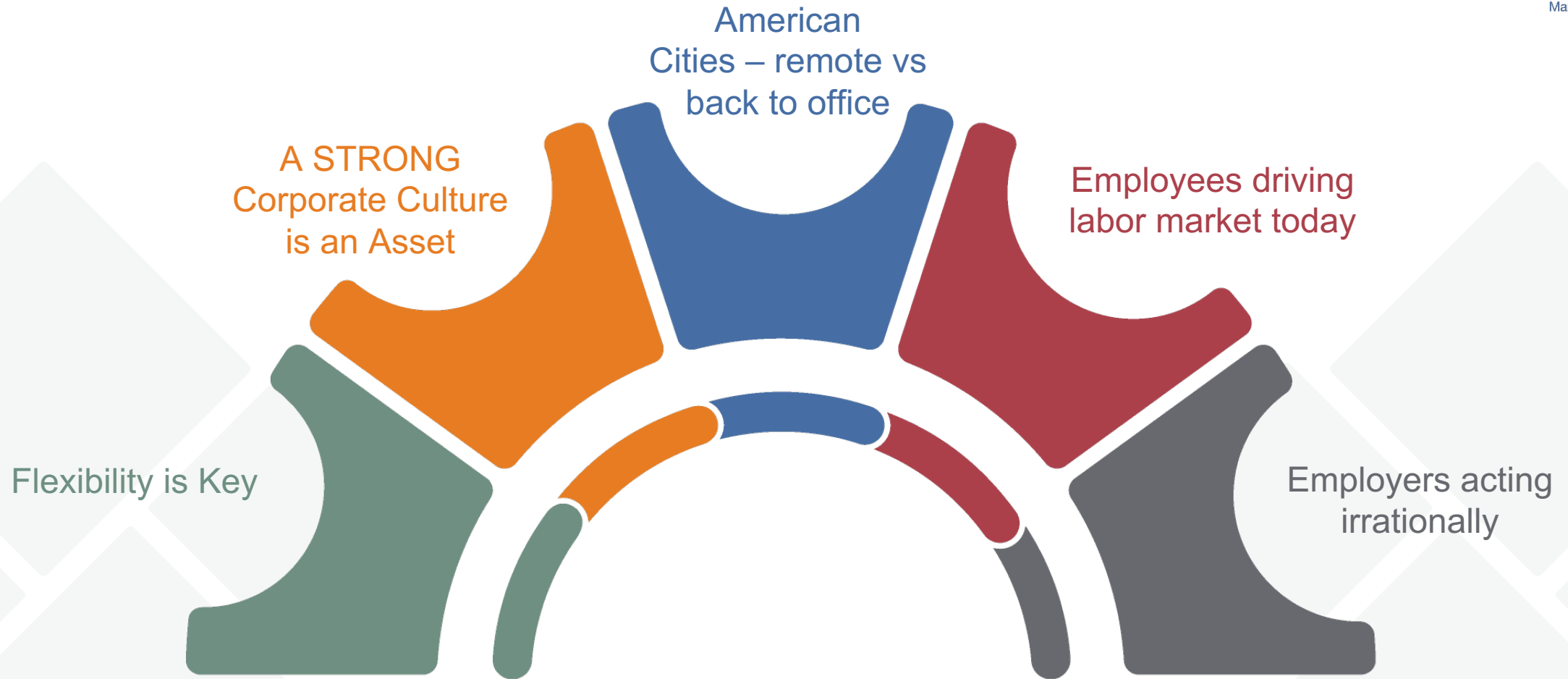
COVID-19 is reshaping in-demand skills



The global talent shortage remains high as employers still face hiring challenges



National Labor Market Trends



National Labor Market Trends



Great Reallocation

Biggest workforce shift since WW11 – some industries shut down overnight, others saw immediate demand



Great Restart

Demand bounced back, employers act fast to boost hiring and bring people back into the market



Great Reawakening

The pandemic has fundamentally changed how we view the world - including how people engage with work. Now we see the sun emerging from the clouds as the crisis begins to clear and one thing has become eminently clear: we aren't the same. 41% of workers are considering quitting their jobs, rising to 54% for Gen Z. – *source Microsoft*



Emerging Human Capital Risks

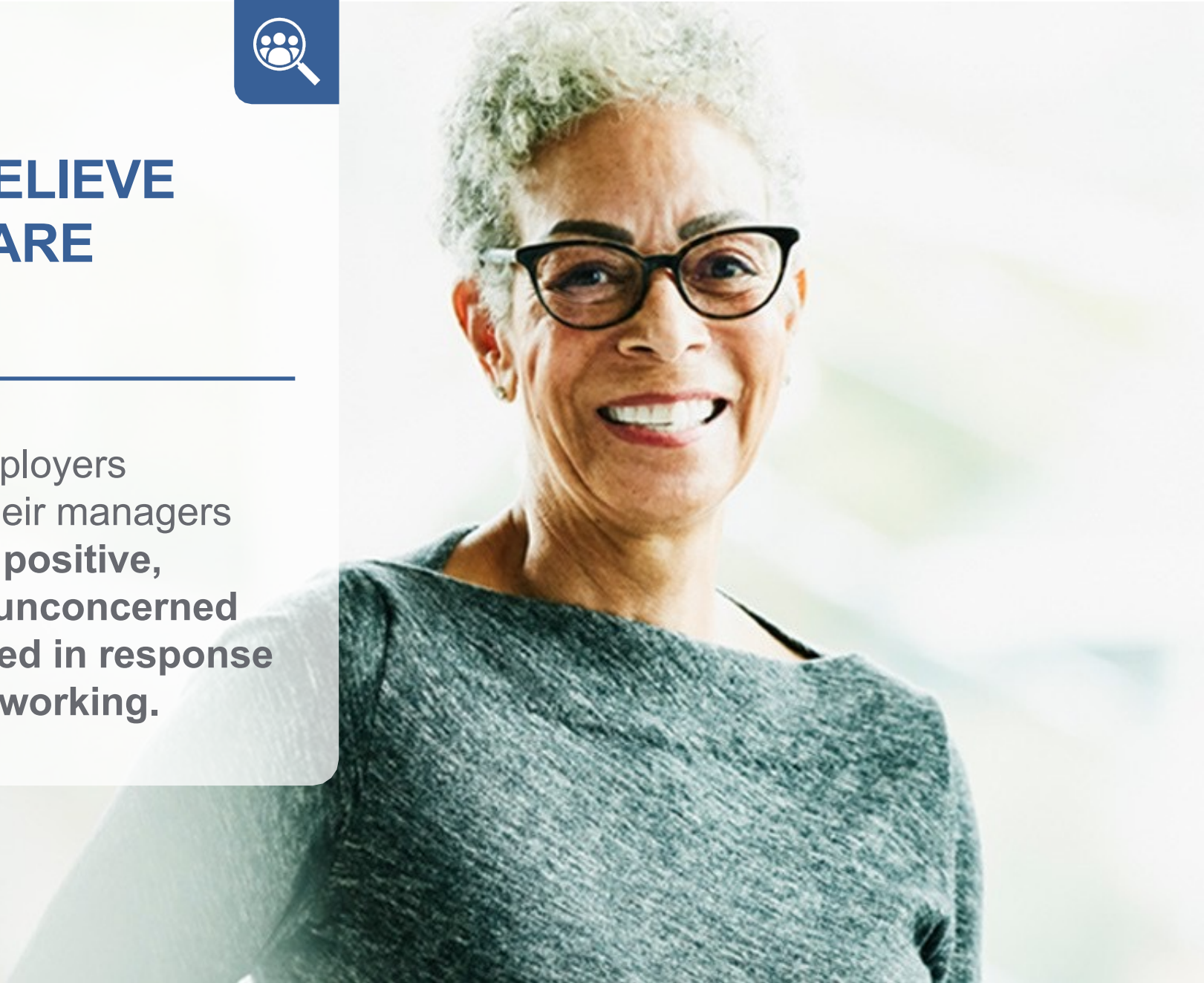
MANAGER MOOD



U.S. EMPLOYERS BELIEVE THEIR MANAGERS ARE FEELING POSITIVE

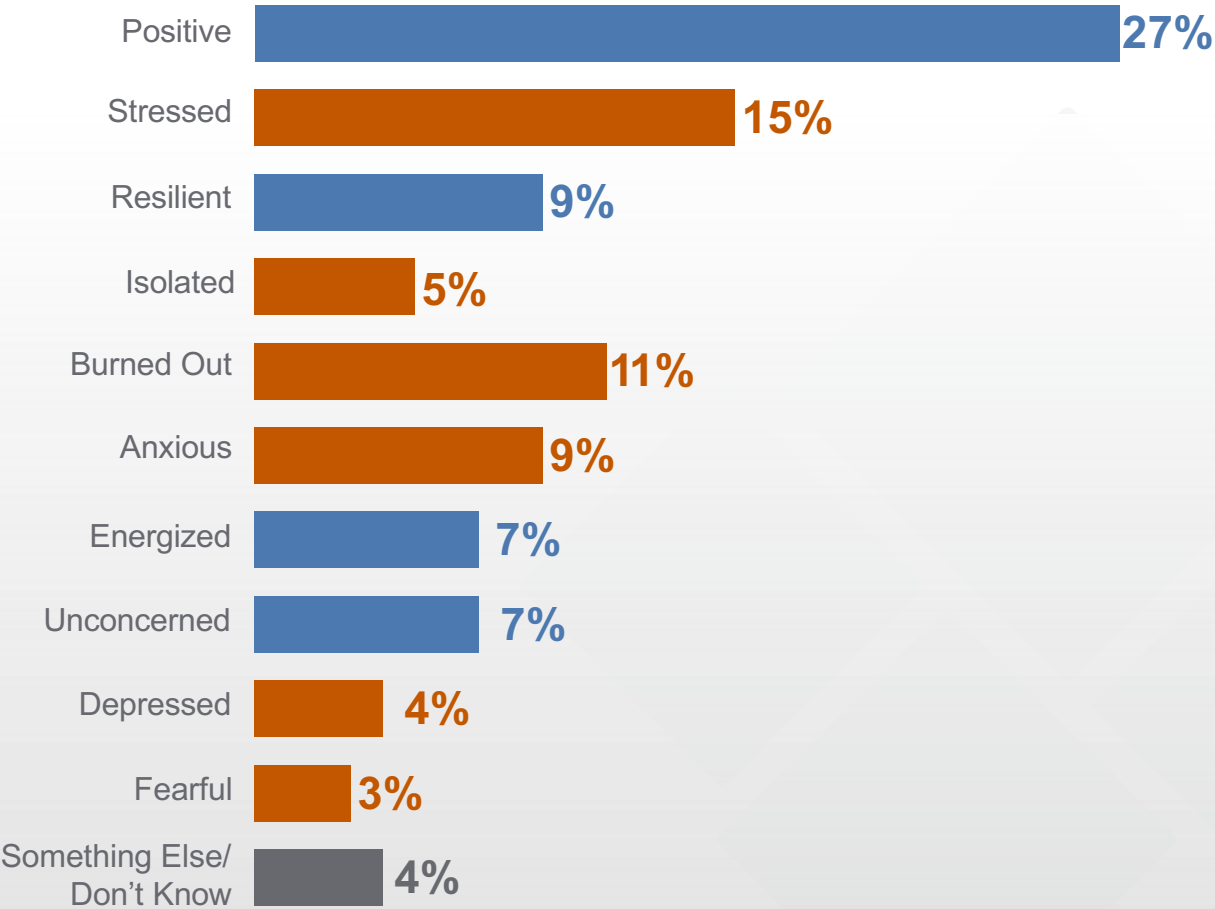
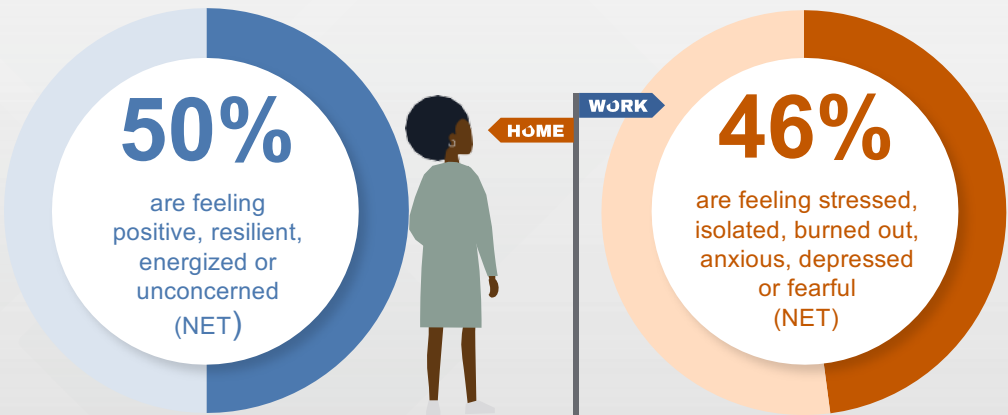


50% of employers
perceive their managers
are feeling **positive**,
resilient, **unconcerned**
or **energized** in response
to remote working.



U.S. employers have mixed feelings about the continuation of remote working

As hybrid and remote work continue to be the norm, despite the pandemic easing in many markets, U.S. employers report **differing moods** from their senior managers.



Labor Market Today

Accounting and Professional Services Firms are all scrambling for talent, especially IT Auditors, IT Security Professionals

Multiple Options

Candidates have multiple options, and they are off the market again in as little as a day or two

Wages

Wages have increased significantly over the past year in this candidate driven market

Variant Concerns

Hesitancy to return to the office with rising virus variant concerns as we enter traditional flu season

High Demand Applicants

To remain competitive, companies are re-evaluating what they can offer high demand applicants in the form of added benefit options, work/life balance schedules and sign-on bonuses to name a few

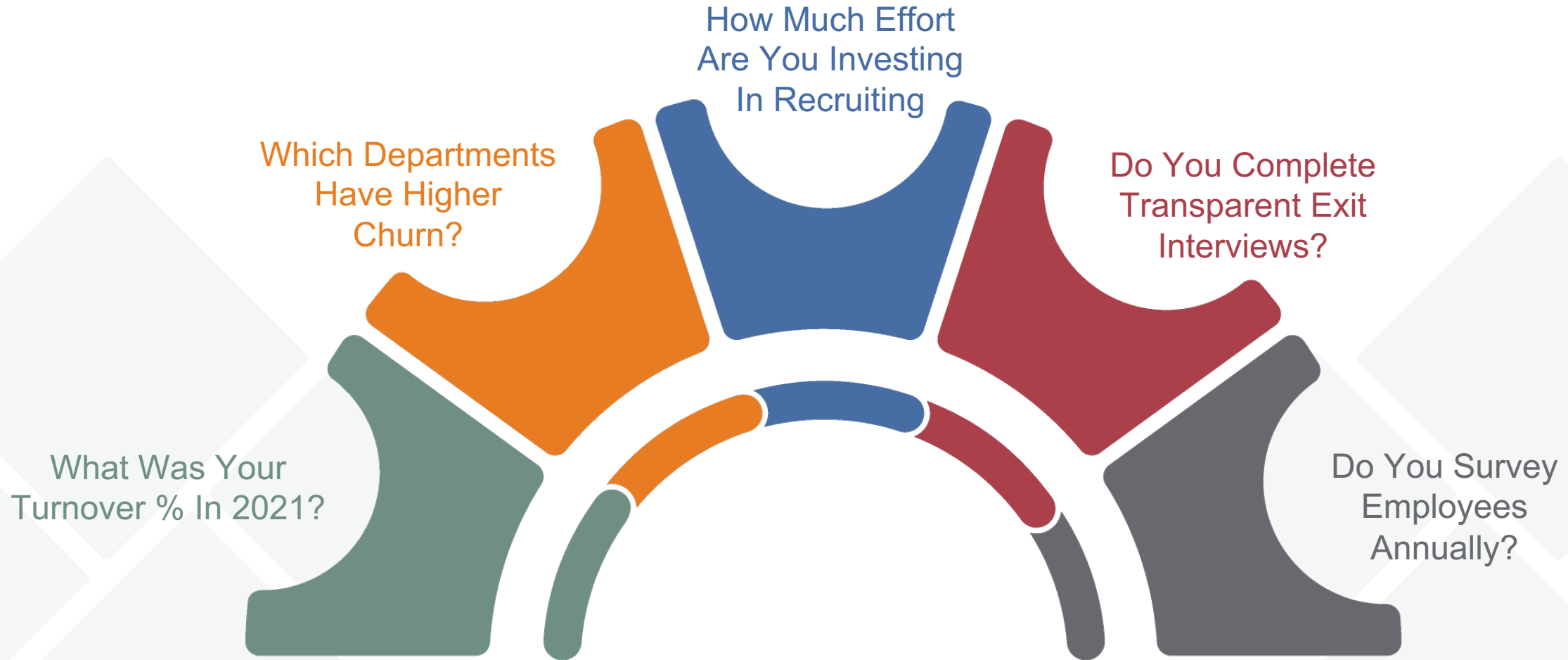
Human Capital Risks Increasing

- 
- 1 Large increase in resignations YTD
 - 2 Post pandemic shift in employee priorities
 - 3 Succession plans up to date
 - 4 Replacement costs are staggering
 - 5 Length of time to replace talent is lengthening
 - 6 Moonlighting incidents increasing
 - 7 Survivors become envious and disgruntled w/increased workload
 - 8 Senior experienced employees see significantly less experienced people making as much or more than them
 - 9 Counter-offers are on the rise



Health Check on Your Culture

How Strong Is Your Culture?



Potential Audit Projects – Next 12 Months





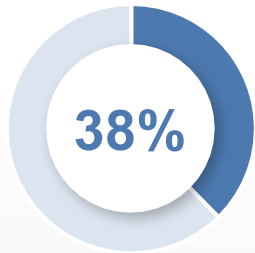
Retaining Your Talent & Mitigating Your Risks



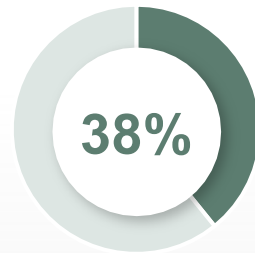
EMPLOYER INCENTIVES

**SKILLS DEVELOPMENT,
INCREASED WAGES AND
GREATER WORK FLEXIBILITY**

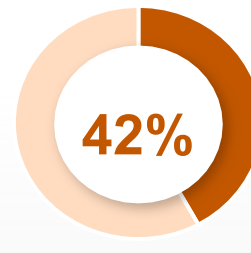
U.S. companies are offering multiple incentives to attract & retain In-demand talent



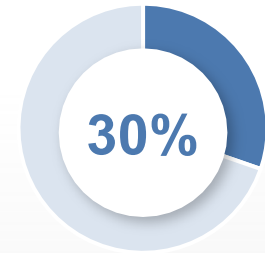
 OFFER TRAINING,
SKILLS DEVELOPMENT
OR MENTORING



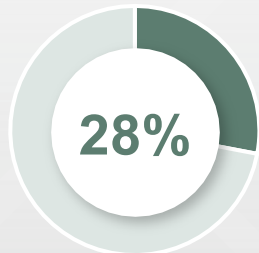
 OFFER MORE
FLEXIBLE WORK
SCHEDULES



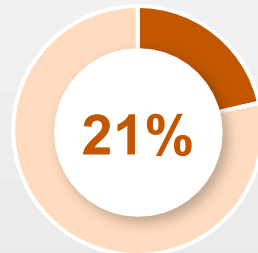
 INCREASED
WAGES



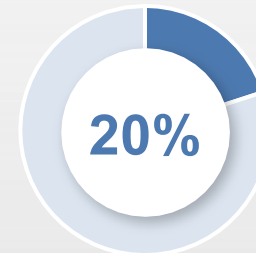
 OFFER MORE
FLEXIBLE WORKING
LOCATIONS



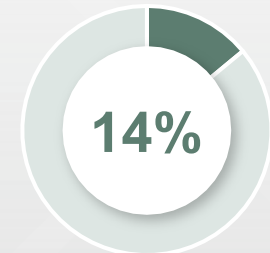
 OFFER INCENTIVES
(JOINING BONUSES)




 OFFER MORE NON-
FINANCIAL BENEFITS
(VACATION)



 LOWER JOB SKILLS
OR EXPERIENCE
REQUIREMENTS



 ELIMINATE JOB
SCREENING



**WHEN SKILLS DEVELOPMENT
MATTERS MOST, EMPLOYERS
ARE PRIORITIZING LEADERSHIP
DEVELOPMENT AND DIVERSITY
& INCLUSION**

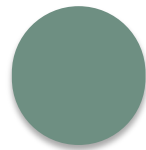


Best Practices to Keep Your Team Engaged



Importance of Remote Work to Employees Today

What would employees give up to work remotely?



Social Media



401k Contributions



\$35k in Salary

A Holistic Workforce Strategy Includes Build, Buy, Borrow and Bridge



Invest in learning and development to grow your pipeline



Go to the external market to attract the talent that cannot be built-in-house



Cultivate communities of talent outside the organization



Help people move on or move up to new roles within the organization

Polling Question #1

What US Industry has the HIGHEST Outlook for 4Q'21

- A. Construction
- B. Transportation
- C. Professional Services & Business Services
- D. Information Technology

Polling Question #2

Which of the following are companies NOT offering High Demand Employment Candidates:

- A. Increased flexibility
- B. Sign-on bonuses
- C. Decreased training opportunities
- D. Expanded benefit offerings

Polling Question #3

Which of the following are best practices to keep your team engaged:

- A. Offer a flexible work environment that meets THEIR needs
- B. Show them appreciation frequently
- C. Give them challenging and rewarding work assignments
- D. Provide a professional, welcoming and supportive culture
- E. All the above

Questions



Thank you for attending!

Tim Lietz

Regional Practice Leader – Risk & Compliance

336-706-2030

timothy.lietz@jeffersonwells.com

www.jeffersonwells.com