Employers expect challenges in attracting and retaining talent to continue through 2022

Employers are taking action to improve the employee experience (EX) as challenges in attracting and retaining talent have increased sharply.

Compared with last year:
- Almost 3x as many organizations are having difficulty attracting employees
- 4x as many organizations are having difficulty retaining employees
- 70% of employers are expecting to still have challenges with attraction and 61% with retention, through 2022

Why are employers facing these challenges?
- Increasing demand for labor
  Organizations are hiring more employees; work-from-anywhere policies increase geographic areas of recruitment.
- Limited supply of labor
  Employees are postponing a return to work in favor of collecting unemployment benefits or dealing with childcare/eldercare responsibilities. Some hesitate due to pandemic-related fears.
- Greater wage expectations
  Those who are in the labor market are holding out for higher wages — and often getting them.

Where are these challenges mostly occurring?
Employers are having the most challenges attracting/retaining:

**Attracting**
- 78% Employees with digital skills
- 61% Hourly workers
- 62% Production/warehouse workers
- 57% Hospitality/restaurant workers

**Retaining**
- 63% Employees with digital skills
- 58% Hourly workers
- 60% Production/warehouse workers
- 56% Hospitality/restaurant workers

What are employers doing in response?
To increase both attraction and retention, the most commonly cited action 70% of employers have taken is a broader focus on diversity, equity and inclusion.

For retention, 30% are revising salary-increase budgets upward from original projections.

Most common actions taken by employers

<table>
<thead>
<tr>
<th>Attraction</th>
<th>Retention</th>
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<tbody>
<tr>
<td>Broader emphasis on diversity, equity and inclusion</td>
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<td>Increased workplace flexibility</td>
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<tr>
<td>Increased geographic area of recruitment</td>
<td>Tuition reimbursement</td>
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<td>Greater focus on improving the EX</td>
<td>Employees in certain jobs allowed to work from anywhere</td>
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<td>Greater partnering with schools and universities to identify candidates for roles</td>
<td>Off-cycle promotions with increase</td>
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Guidance for employers
Employers’ ability to attract and retain workers will be tested through 2022 and possibly beyond.

To best be positioned to win and keep talent for sustained success, organizations need to maintain efforts in areas where others have already taken or plan to take action, such as:

- Enhancing the EX
- Increasing starting salaries and base pay
- Revising health and wellbeing programs and training and career opportunities

Source: 2021 Talent Attraction and Retention Survey – NA employer survey conducted in August 2021

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