As we enter 2022, we will continue to see a redefinition of how work gets done and a growing emphasis on delivering a superior employee experience. HR will continue to have a significant influence on helping to chart, champion, and manage important change efforts, as the war for talent intensifies and employees rethink their relationship to work.

- Amid labor shortages and high turnover, the employee-employer relationship is shifting in favor of the employee.
- Employees are demanding flexibility and an equitable work experience regardless of where they work.
- HR, IT, and Real Estate will be collaborating like never before to enable a new way of working.
- Rapid advances in technology continue to drastically reshape the way work gets done.
- Talent management is focused on retaining employees, sustaining DEI&B efforts, and upskilling the workforce.
- Employers will continue to invest in holistic well-being with an emphasis on preventing burnout, destigmatizing mental illness, and promoting financial wellness.

**Related BCCWF Resources**
- Tips for Managers: Making Hybrid Work
- New Work Models: Evaluating in Four Dimensions
- Mental Health in the Post-Pandemic Workplace
- Managing Employee Burnout
- Strategic Framework for Women’s Career Advancement
- 2021 Trends: Reimagining the Workplace
- Workplace of the Future: Company Spotlights

www.bc.edu/cwf
Amid labor shortages and high turnover, the employee-employer relationship is shifting in favor of the employee.

Overwork, burnout, and a quest for purpose and values-driven work have set into motion a “great reshuffling” with more than 4.5 million people in the U.S. leaving or changing jobs in November 2021 alone. Many employees are taking advantage of a plentiful labor market for skilled workers and moving to organizations that can offer a better fit with their values and work/life expectations. This has also translated into a boom in entrepreneurship and self-employment.

**KEY DATA**

- According to the Institute for Corporate Productivity (i4cp), 67% of employers cite burnout as the top factor driving talent loss in 2021.
- As of August 2021, 55% of adults were looking to switch jobs; GenZ (77%) and Millennials (63%) were nearly twice as likely as Baby Boomers (33%) to be looking for new employment. (Bankrate)
- According to a ManpowerGroup survey, talent shortages in the U.S. have more than tripled in the last ten years, with 69% of employers struggling to fill positions, up from just 14% in 2010.
- A record 5.4 million new business applications were filled in 2021 up from the previous record of 4.4 million in 2020 and 3.5 million in 2019. (US Census Bureau)

“The ‘Great Resignation’ is, as a former marketing manager put it, a great repudiation of suboptimal work arrangements. And so companies are being forced to be better as cultures, as places for people to go to. That’s what the ‘Great Resignation’ is about.”

— Tsedal Neeley, The New World of Work (HBR 2022)

**Top 10 Factors Driving Talent Loss:**

- Burnout: 67%
- Lack of advancement opportunities: 48%
- Compensation: 46%
- Requirement to return to workplace: 34%
- Lack of development: 31%
- Dissatisfaction with work/projects: 29%
- Not offered flexible work options: 28%
- Lack of recognition: 21%
- Disengagement due to remote work: 19%
- Social disconnection due to remote work: 19%

Source: i4cp, 2022 Priorities & Predictions
Employees are demanding flexibility and an equitable work experience regardless of where they work.

As talent shortages and high turnover continue to plague organizations, employers are focused on “re-recruiting” their current employees and creating a compelling employee value proposition (EVP). A key piece of this EVP is flexible work that enables autonomy, collaboration, and an equitable work experience for all employees. Rather than a “one size fits all” approach, new work models will fall on a wide spectrum that factors in the nature of the work, employee preferences and skills, team needs, and organizational culture and norms.

New work models must provide equally good physical and digital employee experiences, which do not exacerbate or introduce “proximity bias” depending on where employees work. Everything from conducting meetings, to onboarding, to recognizing and appreciating employees should be re-built for inclusivity and belonging and actively monitored for imbalances. If poorly managed, flexible work models have the potential to create deeper inequities, particularly for women and people of color, who have been shown to prefer a work from home arrangement and are already at a higher risk for facing bias and exclusion.

Productivity-enabling technology and training managers on how to lead virtual and hybrid teams effectively — with a focus on soft skills like empathy and building social connection — are critical components.

“The most important principle is to lean into inclusion in everything we do — and that includes how we collaborate. No matter where or how you work, your ability to contribute to a project, speak up in a meeting, or brainstorm with a co-worker should be the same.”

— Eimear Marrinan, HubSpot, BCCWF Corporate Spotlight

### KEY DATA

- Remote job listings grew by 357% in 2021. ([LinkedIn 2021](#))
- Coming out of the pandemic, nearly three quarters (73%) of workers globally want flexible work options to stay. ([Microsoft 2021](#))
- According to a 2021 Visier report, flexible work would help alleviate burnout, more than any other benefit or initiative.
- Over one-third of employees say that going back into the office full-time would make them more likely to look for a new job. ([Qualtrics 2022](#))
- A recent Atlassian survey on teams found that healthy teams are found across all work models — in fact, hybrid and remote teams had “a small leg up” over office-based teams.

### Healthy teams are found across all work models:

<table>
<thead>
<tr>
<th></th>
<th>Office</th>
<th>Hybrid</th>
<th>Remote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy</td>
<td>15%</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>Partially Healthy</td>
<td>54%</td>
<td>52%</td>
<td>55%</td>
</tr>
<tr>
<td>Unhealthy</td>
<td>31%</td>
<td>28%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: Atlassian
HR, IT, and Real Estate will be collaborating like never before to enable a new way of working.

Employees are demanding the freedom to determine when and where they work, with the office re-designed to support collaboration, innovation and social connection. Employers should be intentional about in-office time and, as Tsedal Neeley from HBS recommends, think of the “office as a tool.” According to an Avison Young survey, the majority of employees feel most productive when working in a quiet, private space and prefer the office for team-building and social activities. In addition, a Qualtrics survey finds a strong link between the physical and digital workplace experience and key metrics like engagement and likelihood to recommend.

KEY DATA

► 59% of workers feel productive when working in a quiet, private space compared to 35% who prefer a collaborative space where they can work with colleagues. (Avison Young)

► 92% of employees who feel their physical workspace allows them to be more productive are engaged compared to only 23% whose physical workspace does NOT allow them to be more productive. (Qualtrics)

► The Future Forum outlines 6 modes of work which organizations and their spaces must support: focused, experimenting, information sharing, coaching, community building, and recharging.

"If your goal is to bring people together in real life at work — sometimes, all the time, or anytime — you need to design a day employees won’t want to miss. At the very least, it’s critical to be intentional about how you plan your company’s days in the office, not only to add incentive, but also to make it worth your employees’ and your company’s time."

— Erica Keswin, In the Hybrid Era, On-Sites Are the New Off-Sites (HBR 2022)
Rapid advances in technology continue to drastically reshape the way work gets done.

The World Economic Forum has dubbed this current period of exponential technological transformation the “Fourth Industrial Revolution.” In 2022, robotics, artificial intelligence (AI), and automation will continue to greatly impact the labor market and HR. People analytics will continue to be a critical skill for everything from talent acquisition and performance management to measuring DEI&B progress, employee sentiment, and well-being. Digital fluency will be a key competency, as employers seek to optimize efficiencies and manage increasingly distributed workforces with collaboration tools and on-demand resources.

Employers will need to be mindful of the impacts of technology, including digital exhaustion and collaboration overload, the ethical implications around using potentially biased AI, and privacy and trust dilemmas inherent in tracking employee productivity and performance.

Changes In Digital Workplace Technology Use:

<table>
<thead>
<tr>
<th>Tools</th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaboration Tools</td>
<td>55%</td>
<td>79%</td>
</tr>
<tr>
<td>Storage/Sharing Tools</td>
<td>64%</td>
<td>74%</td>
</tr>
<tr>
<td>Training or Personal Development Tools</td>
<td>47%</td>
<td>47%</td>
</tr>
<tr>
<td>Real-Time Mobile Messaging Tools</td>
<td>75%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Source: Gartner

“Collaborative work — time spent on email, IM, phone, and video calls — has risen 50% or more over the past decade to consume 85% or more of most people’s work weeks. The Covid-19 pandemic caused this figure to take another sharp upward tick...These demands, which can be invisible to managers, are hurting organizations’ efforts to become more agile and innovative.”

— Rob Cross et. al. Collaboration Overload is Sinking Productivity (HBR 2021)
Talent management is focused on retaining employees, sustaining DEI&B efforts, and upskilling the workforce.

An emphasis on skill-building will be the focus of talent development efforts, as organizations seek to build up their capacity for in-demand skills and create a more agile workforce that can effectively adapt to quickly changing market demands. From a talent acquisition and internal mobility perspective, some organizations will be experimenting with skills-based hiring and internal talent marketplaces, as opposed to more narrowly focusing on preparation and credentials. Upskilling has the potential to be a powerful talent retention tool, particularly for underrepresented groups. Paying attention to women and people of color will be crucial, as they are overrepresented in the types of jobs that will be most affected by automation.

Additionally, organizations will need to develop a better understanding of intersectionality in order to more successfully support an increasingly diverse workforce. Those that maximize the use of listening strategies and people analytics will be better equipped to create a more customized employee experience and retain their high-performing talent. Women, younger employees, caregivers, and people of color are groups that have more acutely experienced the effects of the pandemic and who have higher rates of unemployment, attrition, or intent to leave. Employers will continue to face increasing pressure, both from internal and external stakeholders, to improve their DEI&B metrics and data transparency and to ensure that pledges and statements of support translate into concrete actions that remove systemic barriers.

**KEY DATA**

- 51% of CEOs said retaining talent is among their organizations biggest challenges. (2021 Fortune/Deloitte CEO Survey)
- 48% of American workers would switch to a new job if offered skills training opportunities. (Gallup)
- According to Qualtrics, women's intent to stay has dropped 8% in the past year (compared to 3% for men), with female leaders-of-leaders the most at risk group (21% drop).
- In an October 2021 Catalyst report, 64% of parents with children ages 3-17 are seeking a career change due to COVID, compared to 40% of non-parents.

**High-performing organizations are more effective at:**

<table>
<thead>
<tr>
<th></th>
<th>Low-performance organizations</th>
<th>High-performance organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providing opportunities for employees to attain new skills and capabilities</td>
<td>27%</td>
<td>44%</td>
</tr>
<tr>
<td>Anticipating the impact of digital technologies, automation, and AI on the work of the organization</td>
<td>26%</td>
<td>42%</td>
</tr>
<tr>
<td>Facilitating internal movement of employees</td>
<td>22%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Source: i4cp, 2022 Priorities & Predictions
Employers will continue to invest in holistic well-being with an emphasis on preventing burnout, destigmatizing mental illness, and promoting financial wellness.

Increasingly employees, particularly younger workers, value well-being and expect their employers to provide robust support for themselves and their families. According to Atlassian, GenZ and Millennial employees rank mental health and wellness the most important societal issue but are more likely to say that their employer did not provide adequate support during the pandemic.

With burnout at an all-time high and other more serious mental health issues expected to grow, employers will continue to invest significantly in holistic well-being programs, particularly training managers to lead with empathy and developing programs to build resiliency and destigmatize mental health. According to a Fidelity/Business Group on Health survey of large employers, 63% plan to invest in mental health allies/champions programs in 2022 compared to only 30% in 2021. In addition, financial wellness programs are becoming more universal with increased focus on student loans.

In 2021 average budgets for well-being programs grew 18% with more employers offering voluntary, employee-pay-all benefits due to the pandemic; these trends are expected to continue in 2022 with mental health and emotional well-being ahead of physical health as the leading pillar of global well-being programs. (Fidelity/Business Group on Health)

KEY DATA

- According to a February 2021 HBR study, 89% of workers said that their work life was getting worse, 85% said that their well-being declined, and 56% said that their job demands had increased.

- In a January 2022 BCCWF poll, 88% of respondents ranked managing burnout as their chief concern when it comes to supporting their workforces followed by talent retention (36%) and improving access to mental health support (31%).

- According to Lyra, 84% of workers said mental health benefits are important when considering a new job and 59% said they would stay at a job because it provides robust mental health benefits.

- 92% of large employers expanded support for mental/emotional well-being programs and 28% consider well-being to be a fundamental part of their business strategy, up from 19% in 2020. (Fidelity/Business Group on Health)

Employers are increasing investment in programs to support employees mental health and emotional well-being:

- Sleep improvement programs:
  - 2021: 45%
  - 2022: 68%

- Digital cognitive behavioral therapy programs:
  - 2021: 36%
  - 2022: 60%

- Mental health champions/allies:
  - 2021: 30%
  - 2022: 63%

- Happiness programs:
  - 2021: 30%
  - 2022: 57%

- Pediatric-focused mental health support:
  - 2021: 22%
  - 2022: 42%

Source: Fidelity/Business Group on Health, 12th Annual Employer-Sponsored Health & Well-Being Survey