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WORKFORCE SOLUTIONS

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Prepare for More Hiring Competition in 2022 – Here’s How to Stay Ahead

While many employers are seeking relief from the hiring difficulties of 2021, hiring and retaining talent in 2022 will likely be even more challenging. The majority of companies are also looking to ramp up hiring and add more employees this year, increasing the demand for limited talent.

Why will 2022 be a demanding year for hiring new employees? Consider these three main factors.

1. Most companies expect to rebound to pre-COVID operational levels. This means they will need to fill additional positions to build their workforce. In a recent survey by [Monster](#), 93% of companies said they were planning to hire more talent—and around half of those positions would be new roles.
2. The available workforce continues to decrease. Following the Great Resignation of 2021, more people are leaving their jobs, and not all are returning. Fewer applicants searching for work magnifies hiring competition. Employers need to find creative ways to hire and retain talent.
3. With fewer job applicants on the market, candidates have more bargaining power. Employers must raise the bar to remain competitive. This may mean seeking out different solutions to hiring challenges.

Employee compensation expectations escalated by talent scarcity

Simply put, this is an case of supply and demand. Due to the lack of available talent, candidates are raising their expectations for accommodations, benefits, and compensation.

While candidates’ salary expectations rise, [salary budgets](#) are not increasing fast enough on average. The 2022 median total U.S. salary increase budgets are projected at 3%, the same as 2021 and the previous ten

years. While many employers may have held strong to their traditional wage assumptions, with factors like [inflation](#) and rising competition, they may have to readjust their standards and expectations.

Throughout 2021, employers who held to their historical pay rates struggled to find talent—while their competitors who adapted experienced more success. The rush for talent has uncovered the simple fact that employers who stay ahead on wages and accommodations are more successful at attracting, hiring, and retaining talent.

Increased efforts to retain employees

According to Salary.com's [2021 HR Metrics Survey](#), 96% of companies [reported](#) that they were hiring in 2022. Companies are also placing greater emphasis on retention efforts, such as:

- Promotions
- Pay equity and pay transparency
- Professional development and training programs
- Remote and hybrid work flexibility
- Recognition and awards
- Employee engagement initiatives

Even with rising demand, turnover [decreased](#) to 8.6% in 2021 (from 10% in 2020). This drop signals that employers, especially those who originally resisted pandemic-induced changes, are beginning to embrace the “new normal.” Expect this trend to continue and increase the competition for talent as these late-adopter companies continue to raise the bar.

Shifting values and work-life balance in the pandemic's wake

The COVID-19 pandemic shook up the working world well beyond wages and turnover. Even as flexible companies shifted to adapt to remote work and changes in childcare or living situations, the pandemic inspired a collective sense of self-reflection. People reevaluated what they value in their lives and at work. A fresh spotlight shined on work-life balance.

In a recent [survey](#), Monster reported the top five career-driving choices, and three on the list related to **work-life balance**:

1. Salary protection and fair compensation
- 2. Flexible work schedules**
3. Financial compensation beyond salary
- 4. Paid time off**
- 5. Remote flexibility**

As work-life balance takes on more importance, employees are also leaving jobs in record numbers. In November 2021 alone, a record [4.5 million](#) people left their jobs. Throughout the year, on average more than 3.9 million workers quit their jobs each month. That topped the 2019 record-breaking average of 3.5 million.

There's no single factor contributing to this turnover. Restaurant and retail workers, for example, are leaving jobs due to the increased [health risk](#) in later stages of the pandemic. There are also [fewer people entering the workforce](#) in [younger age brackets](#). Older workers, on the other hand, have experienced an increase in home equity and are selling their homes to exit the workforce—sometimes [retiring altogether](#), sometimes with plans to return.

How can employers stay ahead?

Even before considering the widening gap between qualified and available talent, the current labor market puts workers in a powerful position. In the 2021 Association for Talent Development (ATD) [survey](#), 83% of organizations said they're facing a skills gap in their workforce. Additionally, 78% told ATD they expect to face a skills disparity in the future.

To stay competitive, employers should make meaningful connections with both existing and potential employees. Discuss accommodations and create opportunities that align with each employee's needs. Turn towards peers and managers to increase engagement among colleagues and applicants. Continue reading for additional strategies to make your workplace stand out to candidates.

Recognize great work

Managers play a critical role. Through all the pandemic-induced challenges, good bosses got better and bad bosses got worse. That trend could prove costly. According to [Gallup](#), manager quality explained 70% of the variance in team engagement across business units.

Leaders were also under pressure during the pandemic. In a matter of weeks, managers had to adapt to the new challenges to retain talent and keep their businesses running. A few months later, they had to shift back to hiring talent as job openings soared and available talent declined. Somewhere in between, as a product of scrambling to hire, many companies [failed to invest](#) in their existing talent.

Now, as leaders rush to figure out how to increase employee engagement, changing the focus to acknowledge and prioritize great work yields better results. Put the historical KPIs and SMART goals on the back burner—instead, management should prioritize celebrating great work done by their teams.

Companies that emphasized great work over engagement experienced 63% growth in revenue (compared to 43% otherwise), according to [research](#) by the [O.C. Tanner Institute](#). Further, combining public recognition from peers and managers with monetary recognition increased the probability of employees doing great work by 18 times.

According to Institute VP [Gary Beckstrand](#), “When employees feel a strong sense of ownership in their work, a connection to others, and a sense of achievement and expertise in their role, they're far more likely to do their best work.” Celebrating great work boosts the health of both your company culture and your talent retention rates.

Foster connectedness in hybrid work environments

In addition to establishing a culture that acknowledges great work, competitive companies will also work to foster connectedness, especially with remote workers. Fostering connectedness is challenging—but in the midst of Zoom burnout, essential.

Remote work is here to stay. More than [50% of employers](#) say they will continue to promote remote working conditions into 2022. While the number of remote workers has decreased slightly, the number of employers stating they have [remote workers](#) is consistent at 46%.

Companies that emphasized great work over engagement experienced 63% growth in revenue, 20% more than companies that didn't.

To create new ways to balance work expectations and foster connectedness, some employers are embracing employee resource groups (ERGs) as another way for employees to connect and promote [diversity, equity, and inclusion](#) (DE&I). These groups can create additional opportunities for one-on-one interactions between employees who may not normally collaborate during work projects—everyone from C-suite employees to managers and individual contributors stands on equal footing in these settings.

ERGs are an excellent way to foster peer-to-peer engagement so employees develop deeper and more meaningful connections. Meanwhile, the more interactions employees have with peers and managers, the more opportunities they have to receive positive reinforcement and recognition.

Increase utilization of contingent workers and staffing agencies

Job openings are already at a high of [10.6 million](#). As workers quit in record-high numbers, alternative hiring practices will play a major role in 2022. One solution to bridge the talent shortage is utilizing more contingent or [temp workers](#).

Contingent work, or temporary engagements, already increased at the end of 2021—and should increase further from a [current low](#) of around 20% below pre-COVID levels. The number of temporary assignments as a percentage of all assignments also points to a shift in temporary roles, coming back from a [12-year low](#) of 1.5%, but still under the [average](#) of 2.1%. At the end of 2021, Eastridge clocked the highest number of temporary hours since the start of the pandemic.

The turnaround in the number of temp assignments signals a shift in candidate mindset. Perhaps still sorting out their post-pandemic work-life values, people are proving less likely to jump into direct-hire roles. Instead, they are motivated to find project-based assignments before making a full-time commitment.

Since reskilling and upskilling were a major trend in 2021, prepare to see a rising wave of contract positions as those new skills are put to use in the real world. With [60% of active job seekers](#) looking to change their career path, job seekers are more likely to consult a staffing agency to assist with their new direction. In turn, organizations will partner more with staffing agencies to fill their openings with these ambitious candidates.

In addition to filling open roles, companies are also challenged with skyrocketing [pandemic-related absences](#). Contingent workers can help fill this gap for employers, keeping businesses open while regular employees are out sick. Partnering with a staffing agency allows employers to build a backlog of contingent workers who can fill vacancies as needed.

Staffing agency recruiters have access to a variety of candidates and client companies, allowing them to educate each party about the various opportunities, ideal candidate profiles, and career pathing for each position. The recruiters become vested matchmakers who advise eager applicants on which opportunities align best with their goals. Companies who engage a staffing agency gain two advantages: a team of talented recruiters with a career-coach mentality, as well as a large, vetted candidate pool to match top talent with the best opportunities.

An estimated 52% of workers plan to look for a new job in the first half of 2022, and close to 90% of employers state that operations will return to pre-pandemic levels by the end of 2022. The number of open positions and hiring companies will make and break records throughout the year.

How to identify the right staffing partner

Temporary workers are at an inflection point: two key figures, *tenure in weeks* and *turnover as a percentage*, are at [their 20-year low and high respectively](#). This means that temporary workers stay on assignments for less time and turn over faster than in the past. To stem these trends, staffing agencies must equip their employees with proper tools, provide ongoing training, and be authentically vested in cultivating growth opportunities.

Identifying the right staffing partner requires knowing what characteristics to look for and prioritize in your search. The right staffing partner

- invests in employee development and growth,
- reports on transparent hiring metrics,
- and continuously pipelines new candidates.

Investing in employee development and growth

Partner with a staffing agency that invests in developing their employees and supports their growth by providing opportunity and enrichment. Eastridge created career-pathing programs for both recruiters and sales associates in order to hire talent at various skill levels, train based on specific needs, establish a clear path for promotions and offer endless opportunities. In 2021, Eastridge also provided leadership coaching—more than 50 of our managers completed a 12-week training program.

Reporting on transparent hiring metrics

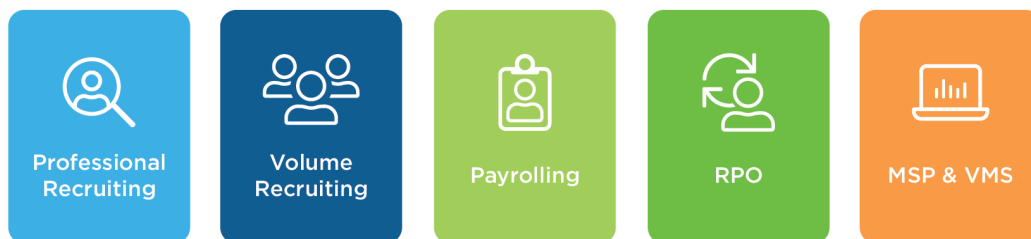
Competitive staffing agencies also have transparency in their hiring metrics. Eastridge has invested in technology solutions for tracking KPIs related to candidate acquisition, recruiter performance, and marketplace shifts. Additionally, Eastridge launched a dedicated Client Experience department to gather meaningful feedback from clients and candidates. This creates growth opportunities and real-time visibility into the effectiveness of our recruiting process at any time for any client.

Continuously pipelining new candidates

Hiring competition is high across regions, industries, and all levels of employment. In the last quarter of 2021, anticipating increased demand for agency-sourced workers, Eastridge ramped up efforts to attract new candidates and *tripled* the number of weekly applicants to more than 3,000. In December 2021, Eastridge added more than 17,000 new candidates to its database.

To kick off the new year, we added an additional 22,000 candidates in January 2022. Throughout the rest of the year, Eastridge expects to have more than 200,000 new active job seekers partnering with our agency in search of their next career move.

Ready to supplement your recruiting efforts and beat the hiring competition? [Contact our recruiters](#) today.



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