

Employee trends ● 2022

What support do employees need to navigate another turbulent year?



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No one can be in any doubt that 2022 is going to be another turbulent year for employees and their employers.

Having worked and lived through the worst effects of the pandemic, many people across the UK are now facing a new cost-of-living crisis that will mean that every organisation needs to prioritise how they are going to support them in the coming months.

At the same time, organisations are still feeling their way towards a workable long-term model for hybrid working and trying to balance out new employee expectations for better work/life alignment with the needs of the organisation as a whole.

There is also still talk in the media of a 'Great Resignation' that is likely to be further fuelled by cost-of-living issues and a skills shortage that is seeing more job opportunities opening up across many sectors.

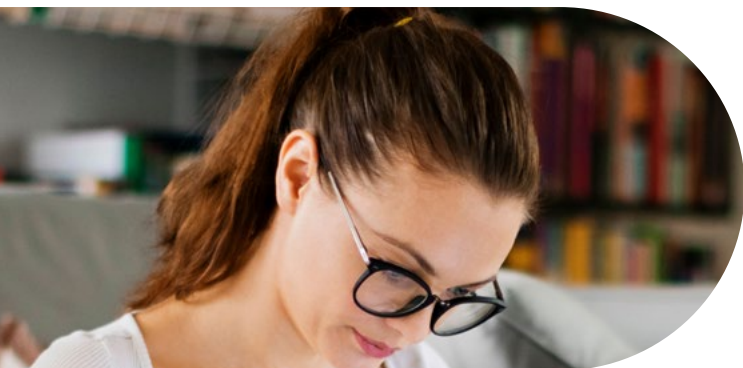
Whether this happens or not, employers have an urgent need to know how employees are feeling about work so they can create responsive strategies that will meet short-term crisis-driven needs while driving long-term motivation and loyalty.

To help you plan, we asked 2,000 UK workers how they feel present circumstances are impacting the way they work and what help they want in the year ahead.

In this report we share the findings of the research and offer advice on how the key issues can be addressed.

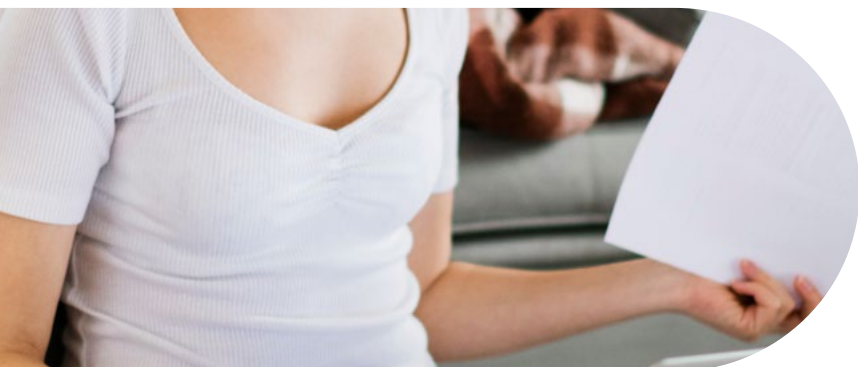
The message for employers is that the aftershocks of the initial phases of the pandemic are by no means over and that this will be the year, more than ever, when employees need more support and more clarity on what their future holds.





1. The looming cost-of-living crisis

One of the biggest stories so far this year has been the cost-of-living crisis caused largely by, soaring energy and food costs, a hike in National Insurance contributions, and high inflation outstripping average wages.



Not surprisingly this is prompting many employees to seek more support from their employers. Our research found that 38% of employees want help from their employer to improve their financial wellbeing. Many are also rightfully concerned that salaries in the UK are failing to keep up with the cost of living and 47% say that a rise would encourage them to stay in their job.

The concern for employers is that if they don't act to address financial wellbeing in at least some way, employees will seek alternative employment for a salary more in line with rising costs.



What this means for HR:

“Past research by the CIPD has shown that financial wellbeing tends to be neglected by some organisations compared to physical and mental wellbeing. In 2022 that needs to change, not least because all these elements are interlinked. Even though many people find it culturally difficult to talk about personal financial issues, employers can start by being more proactive and asking employees what’s troubling them – even if that’s via an anonymous survey. This will help to take the pulse of the workforce (so important right now in what is a fast-moving situation) and help inform any changes that might need to be made to financial wellbeing policies.

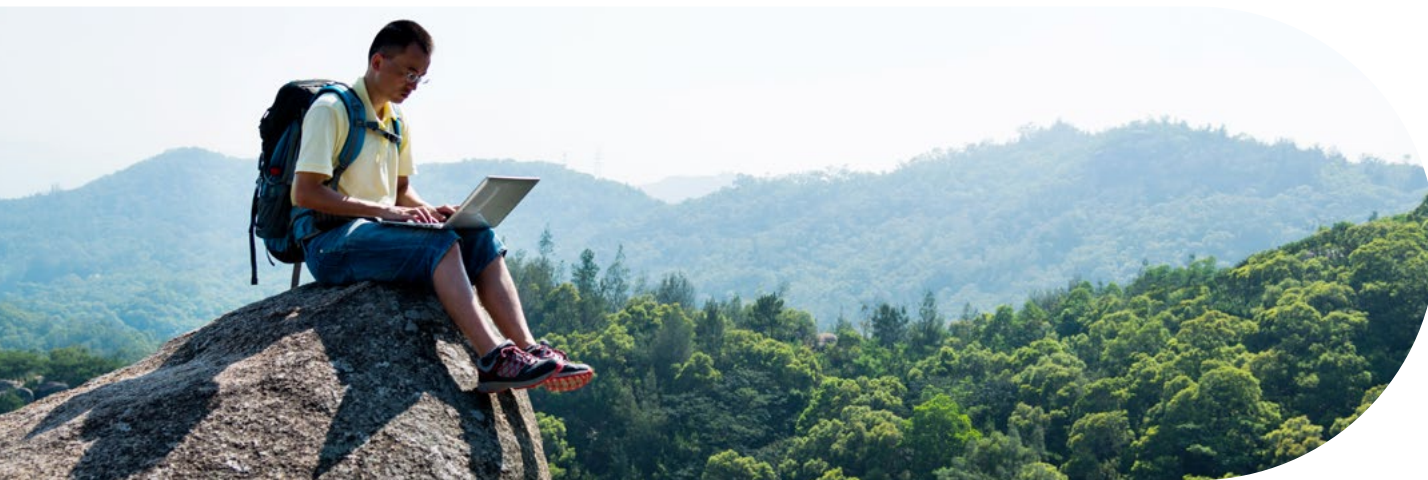
Employers should also be engaging with employees about how they can be more financially savvy – for example, by offering financial education through workshops or webinars on how to protect themselves from financial shocks. Tactical tools can be plugged in such as workplace savings (pensions, ISAs, share plans) or in some cases workplace loans. This year it will also pay to remind staff of any reward and employee discount schemes that you offer. You may be already providing help with gym memberships, savings at retail outlets, eyecare vouchers or perhaps a cycle-to-work scheme – all benefits that can help people to stay motivated and save money.

Employees who feel supported through troubling times are more likely to stay around and deliver results. Many reports in the past such as those by the Money and Mental Health Policy Institute have highlighted that a poor financial situation will have a direct impact on an individual’s mental health and work performance – something that any responsible employer wants to avoid.”



38%

of employees want help from their employer to improve their financial wellbeing.



2. Employees rethink what they want from work and life

Perhaps the most significant workplace change of the last two years was the great 'work from home experiment' which saw many organisations stress-test remote and hybrid working models.

Now it seems the practice is here to stay. In 2021, Accenture revealed that 63% of high-growth companies have already adopted a hybrid model and 83% of workers prefer it that way.

Our research reveals that this shift is prompting employees to reassess what they want from their jobs. The figures show that 64% of employees want their employer to support better work/life balance and 31% who have the opportunity want the flexibility to work from anywhere. Another 37% of those who have to attend a place of work are looking for alternative benefits such as flexible working hours.



64%

of employees want their employer to support better work/life balance



What this means for HR:

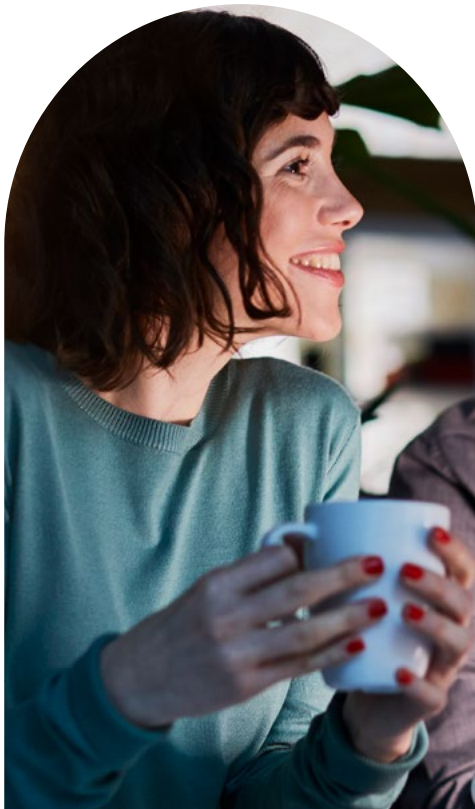
“The pandemic has been an inflection point for many employees who are reassessing their jobs and what they want from a work/life balance.

Between lockdowns and guidance to work from home, HR has not really had the opportunity to work out long-term hybrid and flexible working arrangements that meet employee expectations and that work for the business. There is also a risk that the initial sense of freedom that many people got from home working will start to wane. Employees could easily start to feel isolated and disengaged from both their colleagues and their employers – particularly if they don’t get the right support they need to meet the ongoing challenges they face.

Still in pilot phase, HR now has the opportunity to continue to rethink work and employee experience for a hybrid work environment. Firstly this needs to be based on a clear understanding of what’s working and what isn’t. It may be that a regimented system of three days in the office and two at home doesn’t work for everyone and flexibility is required to allow some people to flourish. We also need to be mindful that some hybrid workers are also now working longer hours as they try to juggle work with family life, so in those cases clear boundaries need to be set to proactively manage the hours that people are working.

Sustained recognition strategies also need to be deployed to keep workers who have limited face-to-face contact motivated and engaged. One of the best mechanisms for doing this for a hybrid workforce is by using digital reward and recognition platforms that give people the flexibility to choose the rewards they want, wherever they are working from, and that suit their changing lifestyles the best.”





How important is work/life balance to happiness in a job?

Very important	64%
Somewhat important	29%
Not important at all	4%
Not very important	3%

How well do employees feel their employer supports work-life balance?

I have a good work/life balance with my current job	51%
My current employer understands the importance of a good work/life balance	42%
My ideal working situation is hybrid – e.g. some days from home, some days in my place of work	25%
None of the above	18%

3. Health and wellbeing continues to be a priority

It's been well documented over the past two years that the pandemic has caused issues with mental health in employees. Many people have also become more concerned about their physical health and their access to healthcare resources.

Both these issues are likely to be exacerbated by the cost-of-living crisis as well as the backlog in the NHS and see employees looking more to their organisations for help.

According to our research, 46% of employees currently want their employer to improve mental wellbeing support. Another 30% want better support for their health.

The good news is that the majority (64%) of employees do feel they have been well supported by their employer through the pandemic so far. However they also want and expect this support to continue as the pandemic continues to rumble on.



Covid will continue as the chief health concern this year, but as the threat subsides a backlog of other health concerns are likely to come to the fore.



What this means for HR:

“Although concern over financial wellbeing is rising, health continues to dominate employee concerns both for themselves and their loved ones. It is likely that Covid will continue as one of the chief health concerns this year, but as the threat subsides a backlog of other health concerns that have built up during the pandemic are likely to come to the fore.

While some employees are likely to need help with major health issues, many more will want better access to routine treatments such as dental and eyecare and more sensitive services like counselling. It's important that HR teams monitor this issue closely to make sure they understand how issues with mental and physical health are impacting performance and wellbeing and signpost what support is available, whether that's internally or externally.

It is also a good time to review and reassess employee benefits schemes to ensure they reflect employees' concerns over wellbeing.”



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of employees currently want their employer to improve mental wellbeing support.

4. 'The Great Resignation' hasn't happened in the UK...yet

In 2021 there was a lot of coverage in the media around 'The Great Resignation'. However so far there appears to be more evidence for this in the US than the UK, meaning that HR has all to play for when it comes to retention.

Our research found that 65% of employees have not resigned and say they don't want to resign. The other 35% said they wanted to resign during the pandemic but couldn't.

There's little room for complacency though. The picture may yet change with 6% saying they plan to leave their jobs in the next month and 12% in the next six months.

Of those that did quit, 15% said they were unmotivated, while 14% said they had suffered a poor experience, were feeling overworked, or that management didn't care about their wellbeing.



What this means HR:

“There’s no doubt that HR needs to keep a watching brief on retention and turbulence in the job market – especially with the cost-of-living crisis set to bite harder from April and through the remainder of the year.

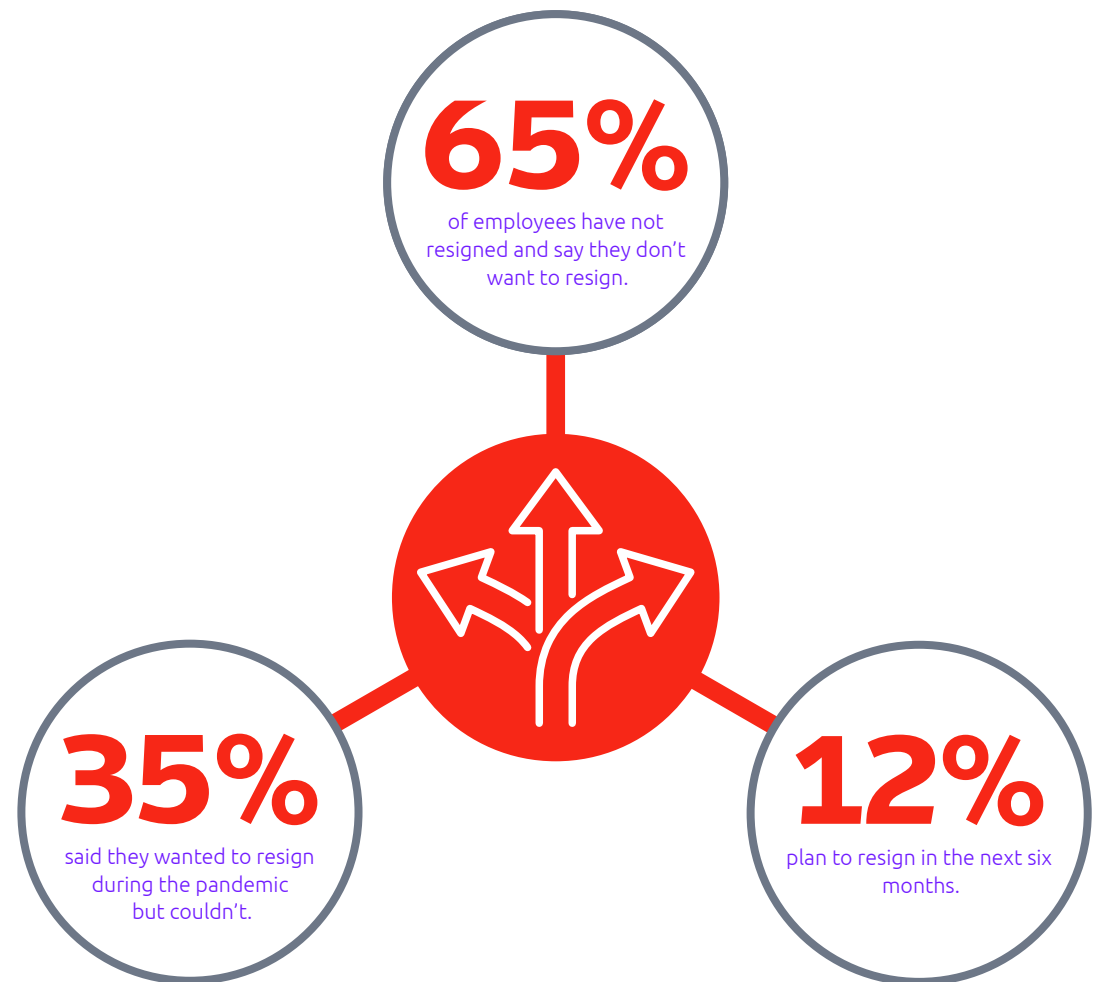
While most employers are unlikely to consider pay rises, stability in the short-term rests on providing a good employee experience and ensuring employees are fully aware of and using any employee rewards, discounts, incentives, benefits, recognition schemes and flexible working options you have in place.

Even if resignations have been low, as HR teams we also need to check off the list of reasons why people have left – is it because the wrong kind of people have been promoted to management roles, or because the management style is not geared towards delivering the right levels of empathy?

Pay rises aside, the positive is that most employers still have it all to play for because it is in their power to deliver a positive working experience that is flexible and where employees feel recognised and rewarded.

The fact that the majority of staff felt well supported by their employer through the pandemic and this has had an impact on their decision to stay shows that the majority of organisations are already getting this right.

The employers who continue to listen to employees’ concerns about the cost-of-living crisis and work-life balance and then do something about it will be the ones who will stand apart from the competition.”



What will stop 'The Great Resignation'?

Employees ranked their reasons for quitting and what encourages them to stay in a job

I quit	%
Unmotivated	15
Overworked	14
Management don't care about wellbeing	14
Poor atmosphere	14
Less pay than I wanted	13
Rude boss	11
No room to progress	11
Boring work	10
Not the career I wanted	10
Been there too long	10
Hours didn't suit my lifestyle	10
Didn't like daily tasks	9
Commute	9
Didn't feel welcome	9

Happy to stay	%
Pay-rise	47
Flexible hours	37
Flexible work location	31
More perks and benefits	30
Appreciation from line manager	25
An annual bonus	24
Increased holiday allowance	24
A boss who is easy to talk to	19
More engaging tasks	16
A new boss	16
A new style of management	11
New team-mates	10
An approachable HR team	9
A new office	5



5. Line managers are also critical to employee experience

As the experience of hybrid working has developed over the last year, it's become increasingly clear to HR teams that employee experience isn't and shouldn't be their responsibility alone.

In particular line managers have a new role to play in reaching out to remote workers and helping to retain and motivate employees.

In many cases this currently isn't happening though – our research found 50% of employees don't feel their line manager appreciates the work they do.

More worryingly only half say their employer says thank you for a job well done, even less (38%) receive recognition for going above and beyond, and only 35% think their line manager understands them or offers progression (37%).





50%

of employees don't feel their line manager appreciates the work they do.



What this means for HR:

“More needs to be done to reskill line managers to lead, motivate, show empathy and engage staff in a hybrid or remote working environment. Previously line managers were used to monitoring people in a physical situation and to some extent relied on the camaraderie and spirit of teams. Now all that has changed.

HR teams need to first listen to their managers to uncover whatever challenges they face and put appropriate training in place to help them overcome them.

They also need to provide line managers with the tools and mechanisms that will enable them to show regular appreciation and provide rewards and benefits without it becoming a burden on their time.

Looking forward to the rest of the year, this will be a crucial piece of the jigsaw that HR teams can't lose sight of if they want to create a fully rounded employee experience that will help power employees through a challenging period for us all.”

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A blueprint for 2022

While no one can claim everything was perfect, one of the biggest revelations of the pandemic was how organisations still managed to function effectively in the face of wholesale disruption. This was a success that should be celebrated.

As we plan ahead for 2022 and beyond though, new challenges are now emerging and it's clear there is still plenty of work to do if organisations are to retain happy and motivated workforces that feel engaged and cared for.

The way we support our people will need to change in both the short and long-term if our organisations are to thrive - and the time to start planning those changes is now.



Here are the actions that we think every organisation should take to put the best plan in place for 2022.



1. Listen

Establish what your employees need

You can't support your employees effectively if you don't know what help they need. It's important to spend time taking the temperature of your organisation and the welfare of your employees.

To plan ahead, you need to understand:

- What are employees feeling and what are the blocks to productivity, motivation and satisfaction at work?
- What expectations and concerns do they have about the year ahead – especially about the cost-of-living crisis?
- What support would make a difference to them?

For each of these areas, your aim is to establish any potential changes you could make to policy, performance management, employee benefits and tools required to work effectively.



2. Learn

Identify the performance areas you need to improve

After two years of shifted working patterns, every organisation should now have sufficient data around productivity, hours worked, absence levels and other patterns of performance.

This insight, coupled with what your employees tell you about what they're feeling now, will form the foundation of a well thought out strategy.



3. Look

Research outside of your organisation for trends and best practice

Your employees won't just judge you on what you do to support them, they will look at how that compares to your competitors and other organisations.

Looking beyond your organisation will provide you with insight about what a realistic level of support looks like and ideas about how you can provide it.

Firms in other sectors that are further ahead with formalising hybrid working policies can help you in your planning.

In particular understanding what is realistic to improve financial, mental and physical wellbeing at work will help ensure you meet evolving employee expectations.



4. Lead

Clearly communicate the support you will put in place

In times of uncertainty, clear proactive communication about the support you will provide to your people will allow them to focus on work and reduce anxiety about the cost-of-living crisis and the support they need to achieve a good work/life balance in a hybrid working environment.

Employees want and expect good communication, so a key part of your planning will be to ensure they know the steps you are taking to support them in the year ahead.

It's also important to review the engagement programmes and reward, recognition and benefits technology platforms you have in place to make sure they are meeting the changing needs of your employees and are relevant to the challenges of the coming months. To find out how you can boost engagement and performance, visit edenred.co.uk



Ready to connect?

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