



**Survival of the Fittest:  
The Biggest People-Related  
Business Challenge of the  
Next 30 Years**





# WORKFORCE & THE LABOR MARKET REALITIES

# Headline News: Familiar and Repeated Themes



Labor Shortages



Wage Inflation



Employee  
Retention



**1.97M**  
workers are missing from the labor force compared to Feb. 2020



**62.6%**  
labor force participation rate



**9.5M**  
open jobs in the U.S.



**5.6M**  
unemployed workers in the U.S.

## Labor Force Participation

There would be 1.97 million more workers today if labor force participation was the same as in February 2020



**1.97M**  
missing workers





# Great Resignation The Great Reshuffle

*High quit rates coupled with even higher hiring rates shows that workers are leaving their current employer for a new one – often in search of higher pay, more growth opportunities, or a change in industry and culture.*

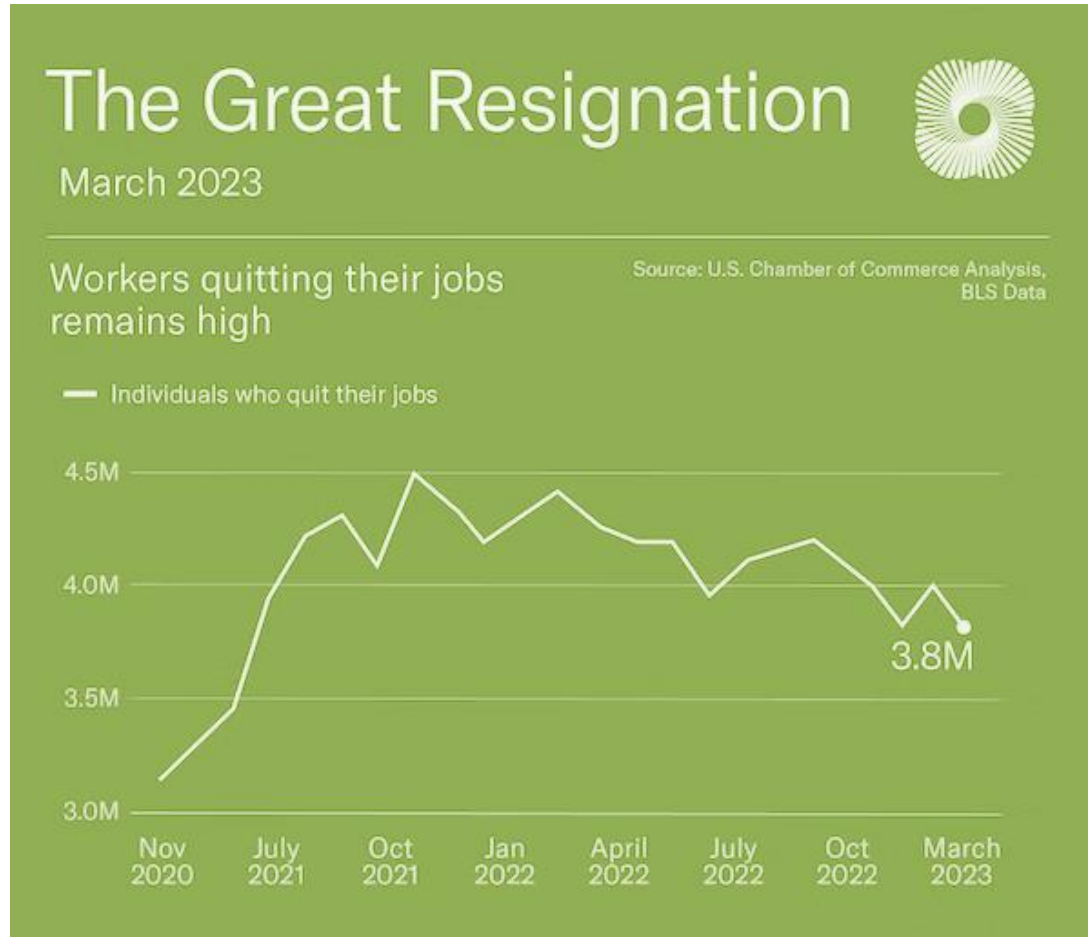
**30% of workforce will quit in next 12 months**

**2.4%**

NATIONAL QUIT RATE

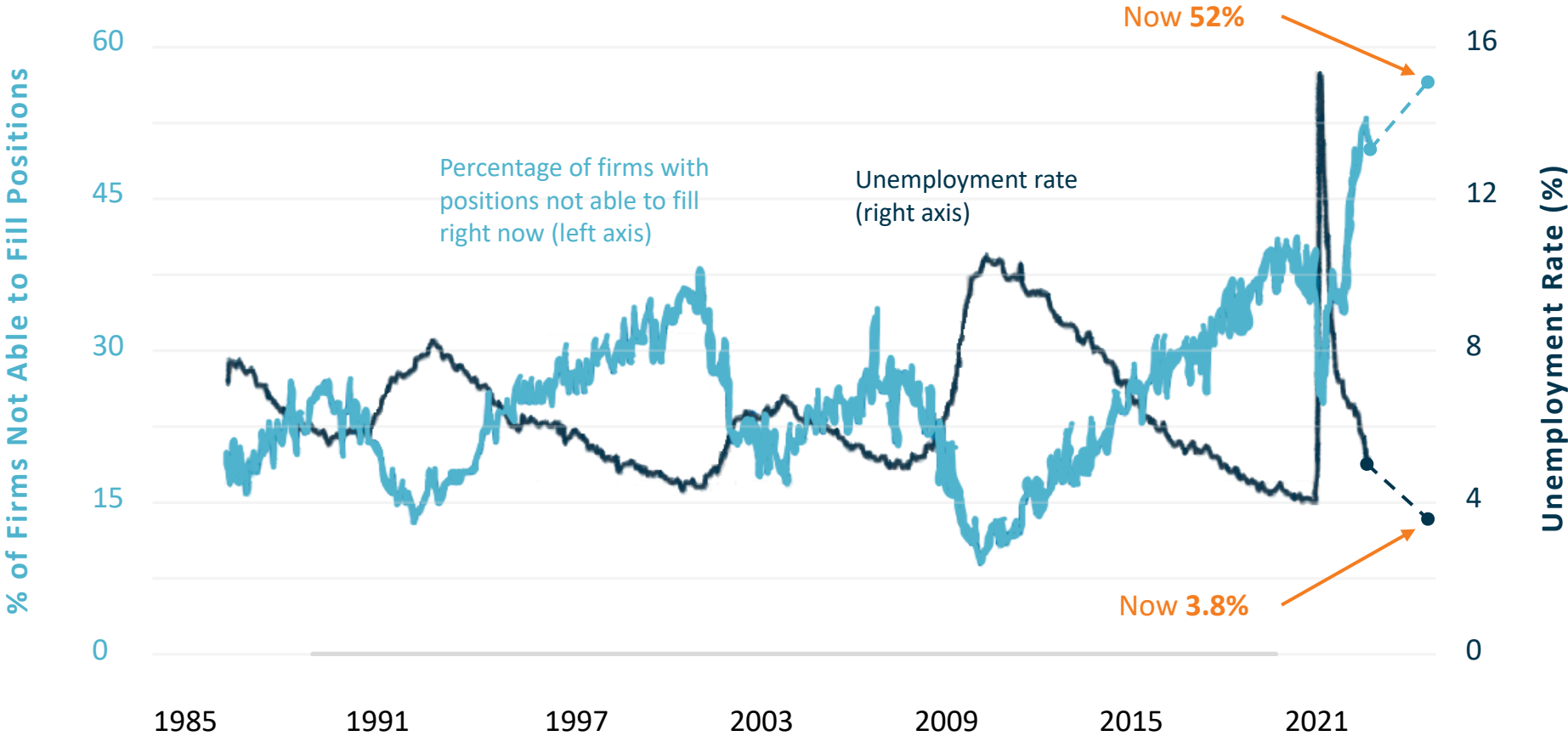
**4.0%**

NATIONAL HIRING RATE

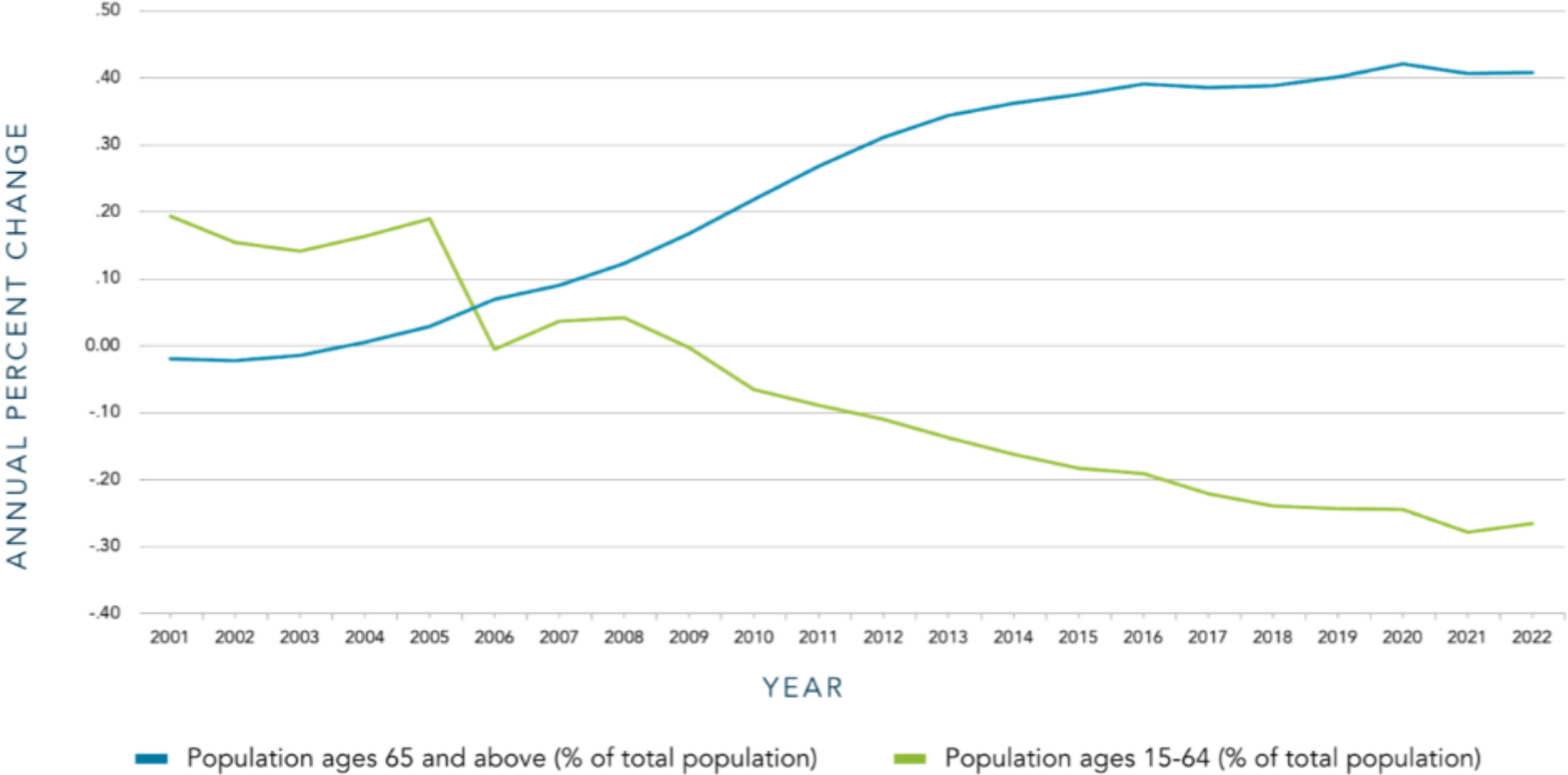


# Largest Hiring Gap Ever

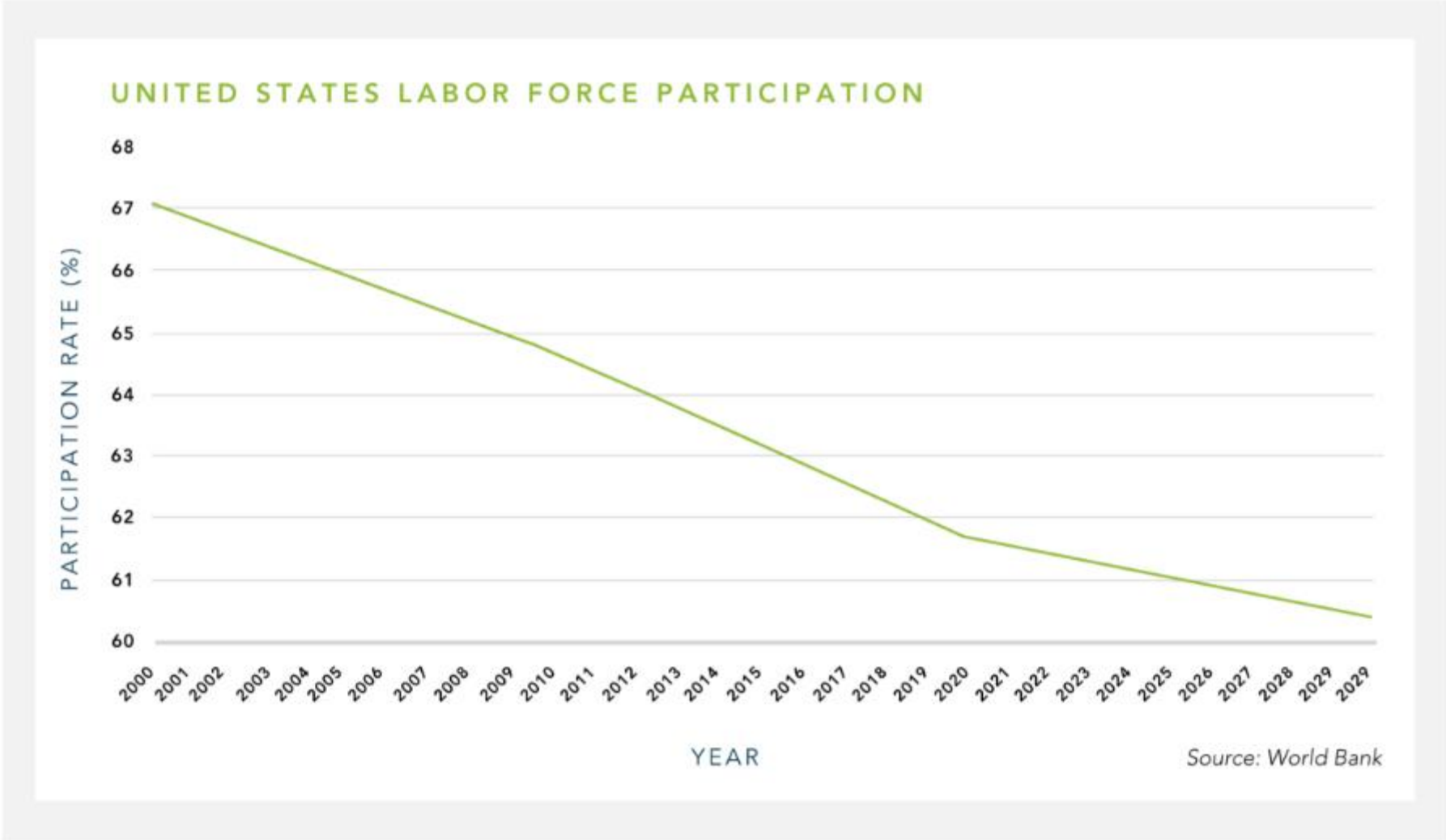
## Firms With Positions Not Able To Fill Right Now And The Unemployment Rate



# Supply of prime-age workers WILL keep shrinking



# Labor force participation has been on a decline for 22 years







# Boomers and Generational Impacts

## Supply Problems:

- > Birthrates down 53% since end of Boomer generation
- > Boomers retiring at 10,000/day. Will largely be gone from workforce within 5-7 years.
- > LEGAL Immigration is a toxic subject and at an historic LOW
- > Opioid Addiction (100k per year)
- > Current young adults stand to inherit ~\$68 TRILLION in next 20 years---

# Impact Of Childcare On Workforce

Absences and employee turnover costs employers anywhere from \$400 million to \$3 billion a year, according to a U.S. Chamber Foundation [study](#).

**50%**

**The number of workers that said they quit their jobs because of childcare issues.**

The nationwide worker shortage crisis is taking a toll on the childcare industry as we are still seeing 7% lower workers than pre-pandemic.

**\$1 Billion**

**The amount of economic activity lost annually due to the breakdowns in childcare.**

Part of the lost revenue comes from parents missing work because quality childcare was not available, or affordable.

**\$11,000 to \$29,000**

**The national average cost of childcare, annually.**

Even when parents can find a childcare provider, high costs prevent many children from being enrolled.

# The New Work Environment



Hybrid Work is here  
to stay.

ARE MANAGERS READY?



Workers crave remote-  
enabling technology and  
leadership.

HOW TECH-ENABLED IS YOUR  
ORGANIZATION AND YOUR  
LEADERS?



Workers value remote  
work financially.

DO YOU MAKE THIS PART OF  
YOUR TOTAL REWARDS  
THINKING?



## How Gen Z employees prefer to work

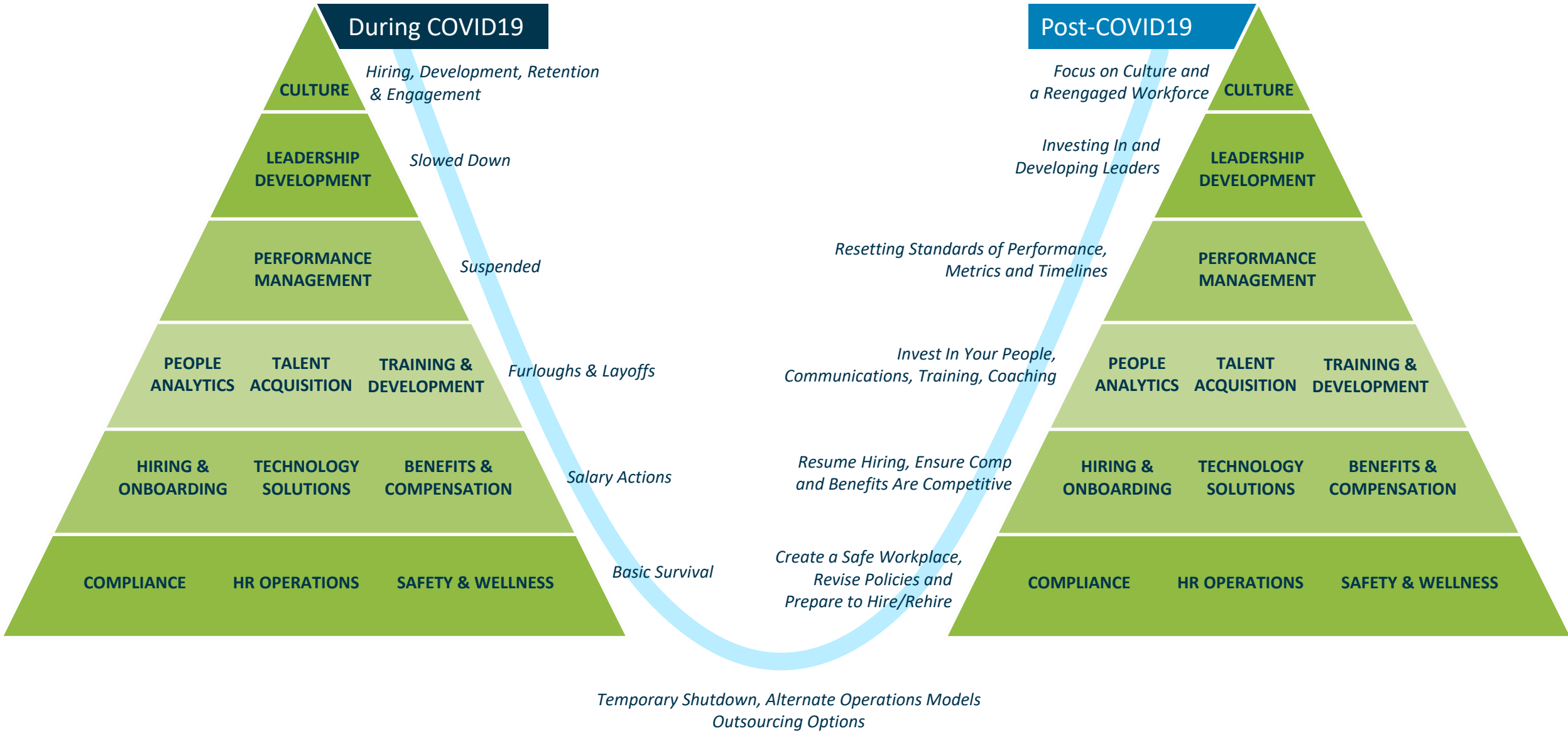


Gen Z in The Workplace | Survey by TalentLMS and BambooHR

A man with a grey beard and glasses, wearing a light blue button-down shirt and jeans, is sitting at a wooden desk. He is holding a blue marker in his hands. Behind him is a whiteboard with mathematical equations and a graph. The whiteboard has  $y=f(x)$  written on it, along with a graph showing a curve and a point labeled 'x' and 'y'. Below the graph, there are more equations:  $y=f(x)+1$  and  $y=f(x)+2$ . To the right of the whiteboard is a potted plant. In the foreground, there is an open book on the desk and a white mug. The scene is set in a well-lit room with a white wall and a window in the background.

# The Great Covid Reset

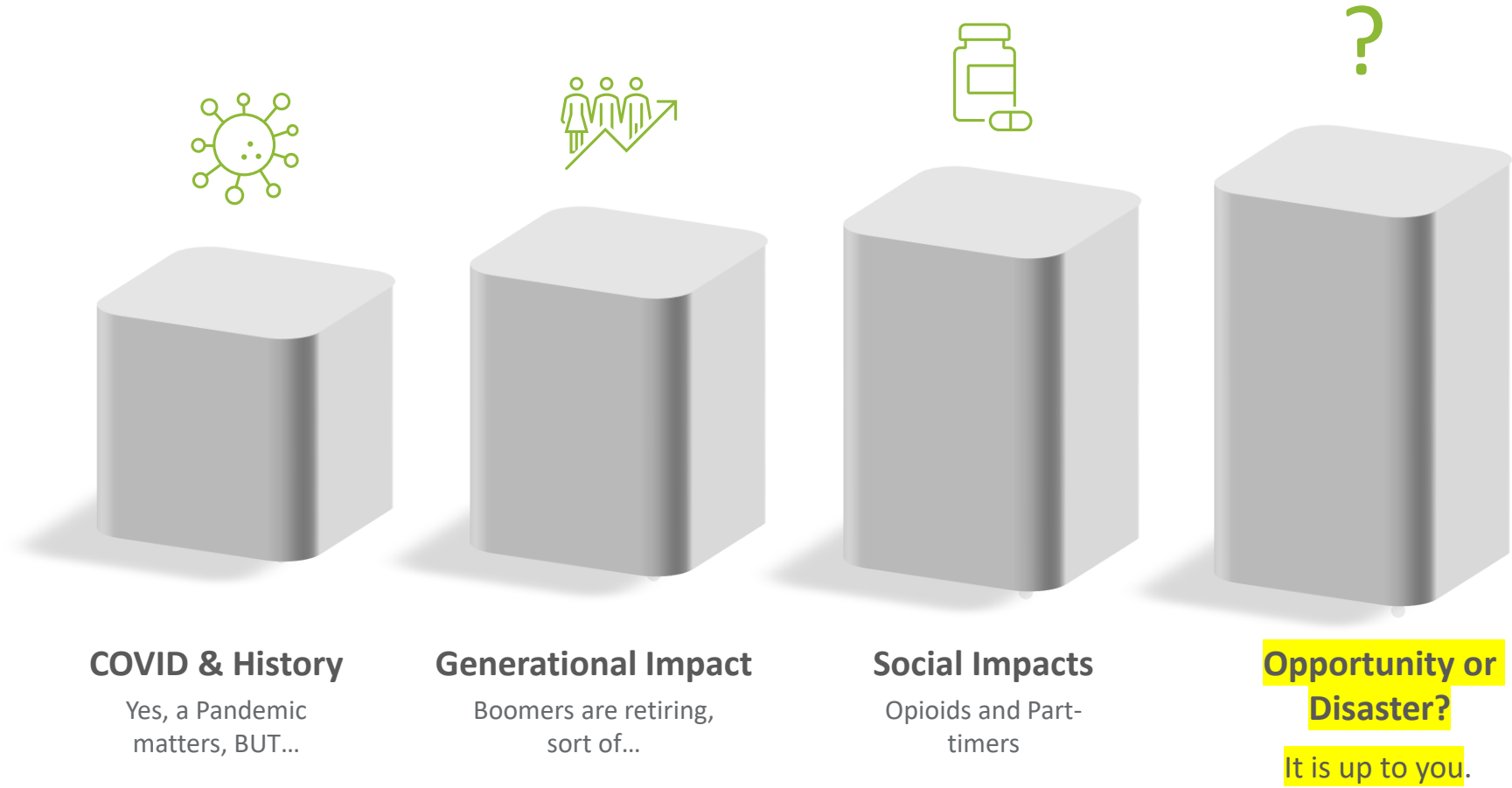
# The Great Covid Reset





# SANSDEMIC – “without people”

## The Causes & Compounding Effect of a Declining Labor Force





There **NOW** exist the **REQUIREMENT**  
of a **DIFFERENT** Approach

*Culture Re-Engineering / Cultural Re-  
Calibration*

“Doing the same thing over and over and expecting a  
different result --- INSANITY”









# 2024 Top Workforce Insights

- Culture is the new currency
- Employers are taking a whole-person approach to benefits
- It's time to connect the bridge between employee experience and the human experience
- Aligning compensation to investment in your people
- Making professional development *personal*
- People are looking to streamline every aspect of their work life. They expect their benefits to follow suit with the latest tech integrations and ease of use

# 2023 Workforce Trends

*Build a Resilient Workforce for the Long-Term*

## MENTAL AND FINANCIAL WELLBEING

*People with debt are three times more likely to have mental health issues including depression and anxiety. Poor mental health and wellbeing can cost employers as much as 25-35% of payroll.*

## EMPLOYEE DISENGAGEMENT

*According to Gallup, a disengaged employee costs 34% of their annual salary. 70% of variance in employee engagement is driven by managers – making an emphasis on the “right” leadership practices vital.*



## RECRUITMENT AND RETENTION

*Almost three quarters (72.8%) of employers are having a difficult time finding skilled candidates.*

## SOARING HEALTHCARE COSTS

*Increasing costs of healthcare are nullifying wage increases for employees and making it difficult for organizations to remain competitive.*

## DEI & B

*Employees with a strong sense of belonging report 56% higher level of job performance. Employees who feel they belong take 75% fewer sick days.*

# 2024 Workforce Trends

*Looking Toward the Future of Work*

## EMBRACING FLEXIBILITY

*One-size-fits-all benefits are becoming obsolete as diversity in the workplace increases. People are now looking for packages that can be tailored to the individual employee needs.*

## PAY TRANSPARENCY

*More and more states are adopting pay transparency laws, which is expected to be the norm in 2024. These laws will present distinct compliance challenges for employers.*



## FAMILY AND REPRODUCTIVE BENEFITS

*In the aftermath of Dobbs vs. Jackson, employers are having to find ways to support employee needs while staying compliant.*

## AI AND TECHNOLOGY

*People are looking to streamline every aspect of their work life. They expect their benefits to follow suit with the latest tech integrations and ease of use.*

## HOLISTIC OFFERINGS

*2023's impact of providing for and engaging the whole employee will carry into 2024 and must continue to inform benefits decisions.*

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# The Mindset Change:

20<sup>th</sup> Century biz reality vs. 21<sup>st</sup> Century biz reality


Then:

*Plentiful Labor*  
*“Managing” people*  
*Clearing out the*  
*bottom*

Now:

*Labor Shortage*  
*“Leading” people*  
*Develop who you*  
*have*



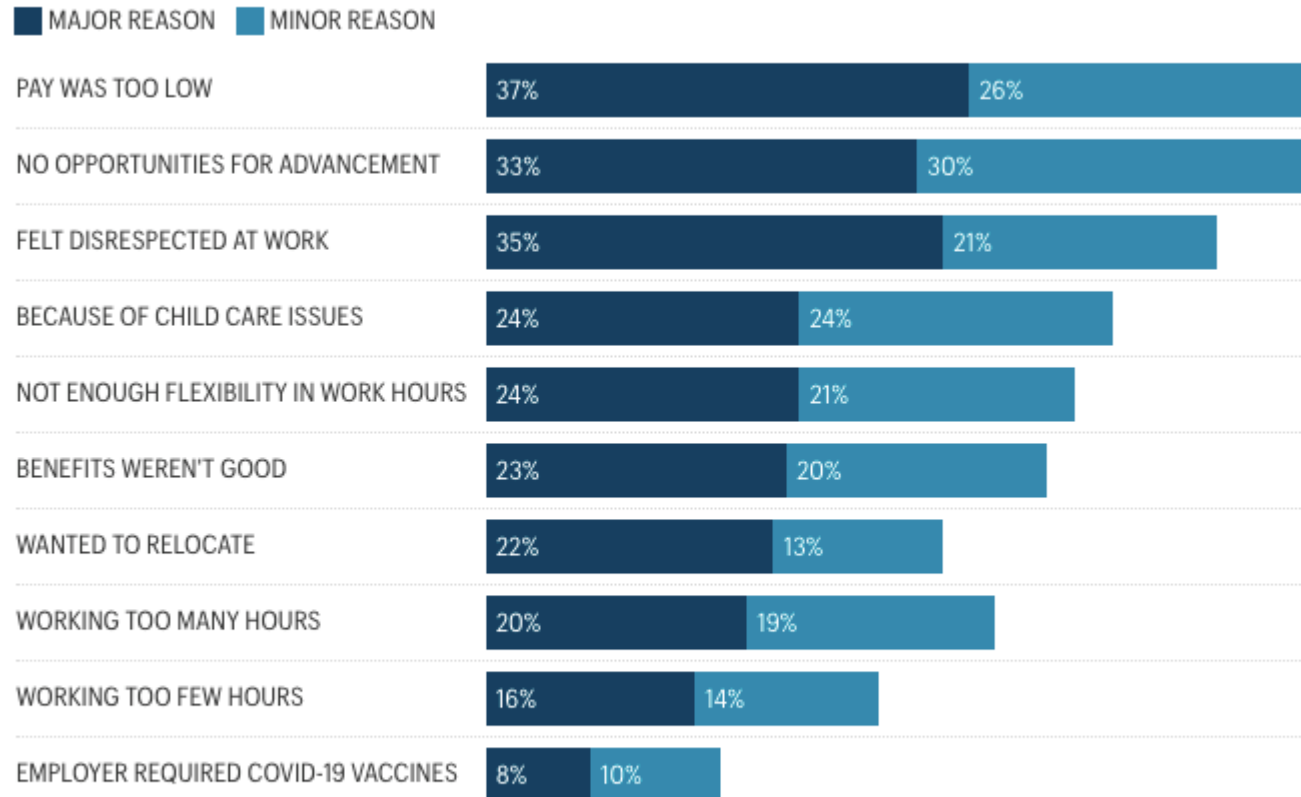
A Black woman with short hair, wearing a white shirt and a dark vest, is smiling while talking on a mobile phone. She is sitting at a wooden table in what appears to be a cafe or office setting. In front of her is a laptop and a white cup of coffee. The background shows large windows with a view of a city.

“Organizations that are trying to secure and attract long-term, high-quality employees, in a margin compression environment, must be prepared to look creatively at total rewards and expand their thinking towards maximum return on investment.”

Low pay **can** drive turnover.

#1 PAY WAS TOO LOW

## Top reasons why U.S. workers left a job in 2021



NOTES: DATA BASED ON A SURVEY OF U.S. ADULTS CONDUCTED FEB. 7-13, 2022. CHILD CARE BASED ON THOSE WITH CHILDREN YOUNGER THAN 18 LIVING IN THE HOUSEHOLD. BENEFITS INCLUDED HEALTH INSURANCE AND PAID TIME OFF.

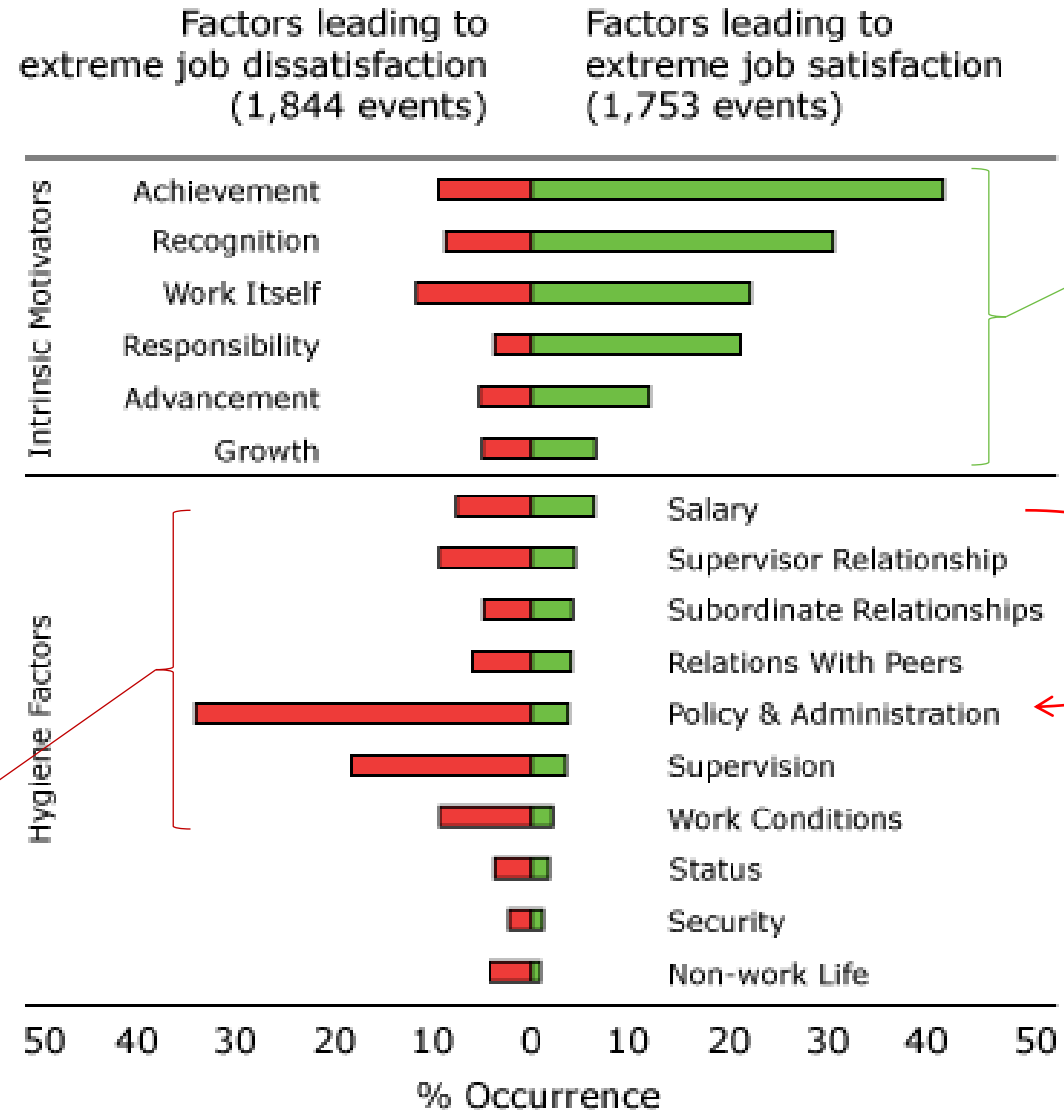
SOURCE: PEW RESEARCH CENTER

# SIMILAR RANKING FOR GEN Z

## Why would Gen Z employees quit their job?



# Retention requires the power of “and”.



...add the SATISFIERS.

Remove the DISSATISFIERS, and...

Frederick Herzberg  
 One More Time: How Do You Motivate Employees?  
 HBR, 2003

Figure 1 - % Occurrence of factors leading to extreme job satisfaction or dissatisfaction. Redrawn from Reference 1.



# The WHOLE Employee

## PHYSICAL



*"I had an unexpected heart attack."*

## MENTAL



*"I'm anxious about my health & worried this will happen again."*

## FINANCIAL



*"I am stressed about money & don't know how I will pay these medical bills."*

## CAREER & PURPOSE



*"Focusing on work is hard when I'm constantly worrying about the future."*

## COMMUNAL



*"I don't feel like myself. I have no energy to enjoy my family & friends anymore."*

# 2023 BENEFIT & COMMUNICATION PREFERENCES



BABY BOOMERS  
1946 – 1964

*Hand me the information  
and walk me through it.*



RETIREMENT & HEALTH

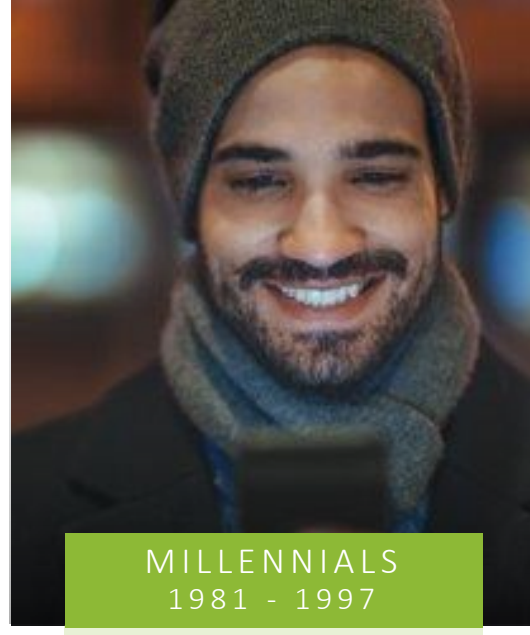


GENERATION X  
1965 - 1980

*Succinct. Get to the Point.*



FAMILY & FINANCES

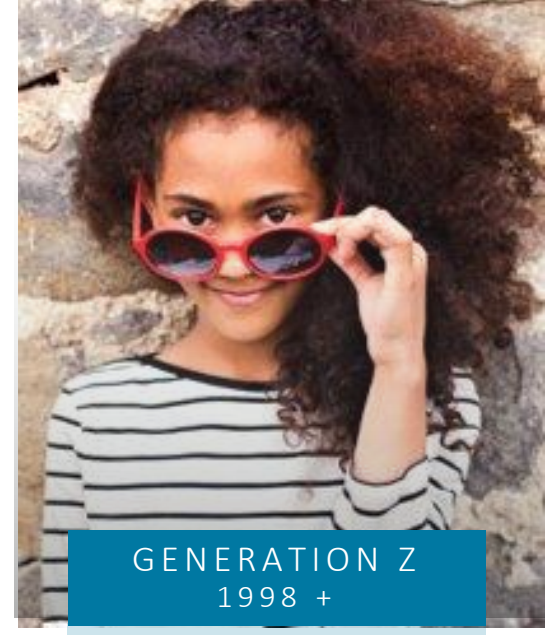


MILLENNIALS  
1981 - 1997

*Bite-sized*



FINANCIAL FREEDOM



GENERATION Z  
1998 +

*Self-directed*



SET UP FOR SUCCESS





A photograph of two people, a woman with curly hair and glasses, and a man with glasses, sitting at a desk in an office. They are looking at a large computer monitor displaying data. The woman is pointing at the screen. The desk has a keyboard, a mouse, a mug, and some papers. There is a clock on the wall and a plant in the background. A semi-transparent green banner is overlaid on the image, containing the text.

# HOLISTIC SOLUTION MINDED

*“Shot Gun versus Silver Bullet”*





How is ***Your Company*** harmonizing its overall total rewards and human capital strategy into an employee-centric experience?



# Create Purpose In Your Workforce

*Boosting the connection between employees and their sense of purpose enhances employee wellbeing and creates an increased sense of loyalty to their employer.*



## COMMUNICATE YOUR POSITION

Refer to your company's purpose and emphasize how each employee plays an important role.



## RECOGNIZE EMPLOYEE GOALS

Find ways to celebrate, recognize, and support personal life events, hobbies, and employee aspirations.



## CREATE OPPORTUNITIES

Make leadership and mentorship opportunities available as platforms for employees to showcase their talents and passions.



## ALIGN CORPORATE OBJECTIVES

Employees are more likely to stay with employers that show a high level of social responsibility.

# Benefits That Empower Employees To Live Their Best Lives

Cutting-edge strategies being considered by today's leading organizations:



## MENTAL HEALTH & WELLBEING

30% of resigning employees cited their employer's **lack of regard for their mental health** as a major reason for their decision to leave.<sup>1</sup>

35% of all workers believe that mental health benefits are **more important** than higher pay.<sup>2</sup>



## FINANCIAL WELLNESS

Financially stressed employees are **twice as likely** to be looking for another job.

**Six times** more likely to say that their financial situation has severely impacted their productivity at work.<sup>6</sup>



## CAREGIVERS & FAMILIES

48% of parents who quit their job in 2021 cited **childcare issues** as a reason for their decision.<sup>3</sup>

27% of all working parents say that they are **more likely** to pick a job based on an employer's support for them as a caregiver.<sup>4</sup>



## CUSTOMIZATION & CHOICE

**Millennials and Generation X are the largest generations** in the American workforce, at 35% and 33% respectively.

Baby Boomers are next at 25%, with Generation Z and the Silent Generation far behind at 5% and 2%.<sup>7</sup>



## HOLISTIC LEAVE & FLEXIBILITY

Employees who are satisfied with their companies' time and location flexibility are **2.6 times more likely to report being happy** and **2.1 times more likely to recommend** their employer to others.<sup>5</sup>



## EXPANDED OFFERINGS

50% of employees who plan to quit their job in 2022 say that they are **seeking better benefits and compensation**.<sup>8</sup>

67% of jobseekers say that **benefits are more important now** than before the pandemic.<sup>9</sup>

Skynova "Rage Quit" survey<sup>1</sup>

SHRM's 2022 Mental Health in America report<sup>2</sup>

Pew Research Center survey of employees who quit during the Great Resignation<sup>3</sup>

2022 Laurel Road survey of college-educated adults<sup>4</sup>

LinkedIn 2022 Global Talent Trends<sup>5</sup>

2022 PwC Employee Financial Wellness Survey<sup>6</sup>

Purdue Global<sup>7</sup>

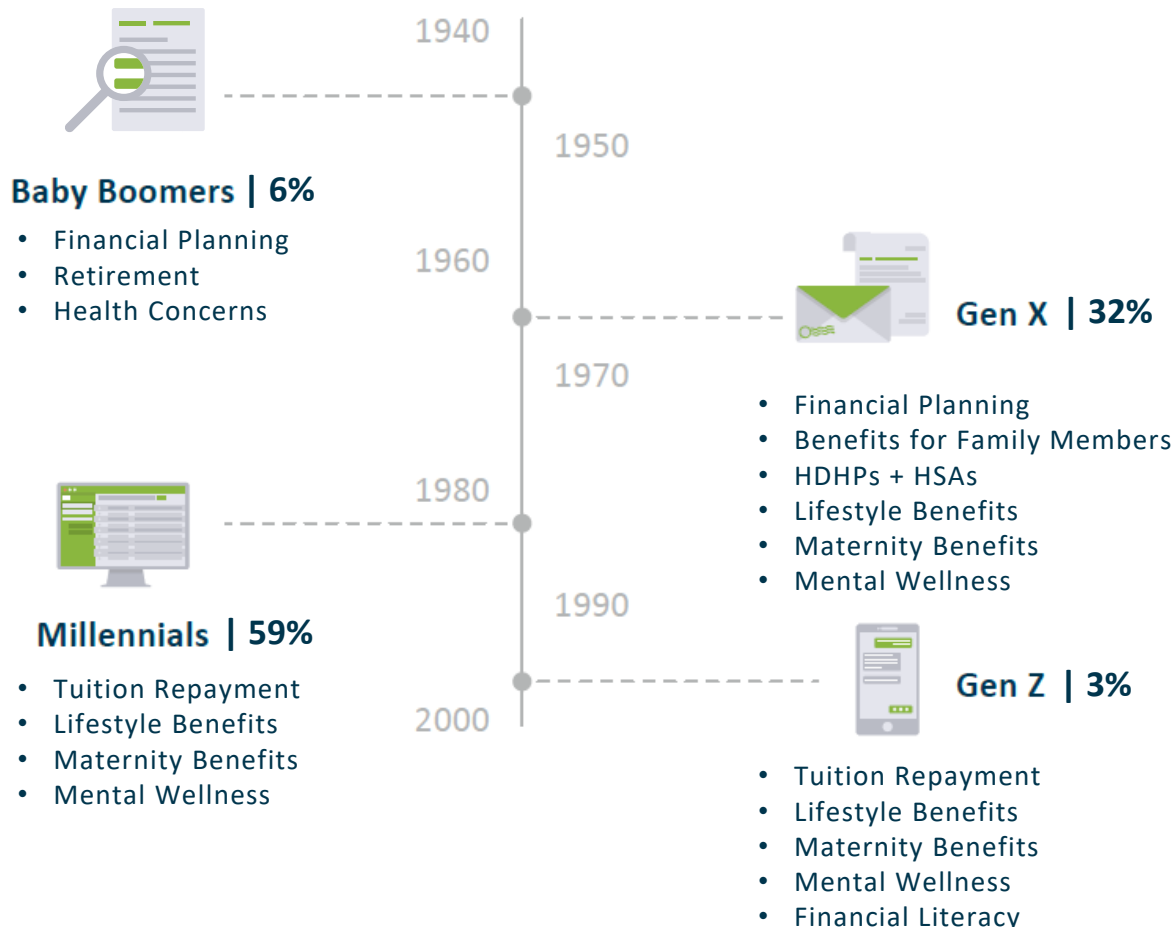
Resume Builder survey<sup>8</sup>

Joblist's 2022 report on trends in the U.S. job market<sup>9</sup>



# Meet Your People Where They Are

## Demographic Analysis



## Individual Employee Analysis



- Establish baseline of employee benefits satisfaction
- Gather data around preferred communication methods
- Identify gaps in knowledge for benefits education
- Collect feedback for renewal strategy

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# Mythbusters 2023

## 5 Myths about Retaining Great People

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# Myth # 1

Retain your people

Instead: Grow your people!



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# Myth # 2

Telling an employee they are  
your biggest Asset

**Instead: Treat their TRUST as the Asset**

TIP: Think of the relationship with your employees as an expensive piece of equipment – take care of it and ensure it stays as long as possible.

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# Myth # 3

Stressing Corporate Values

Instead: Talk Personal Values

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# Myth # 4

## Striving to help employees with Work-Life Balance

**Instead: IMPROVE work AND life.**

TIP: Remove the idea that these are in conflict for better outcomes and higher engagement.

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# Myth # 5

## Offering more training

### Instead: Offer DEVELOPMENT

TIP: Development is proactive, personalized and open-ended. Leverage mentor-mentee relationships, create a budget for holistic development programs and greenlight “stretch” assignments.



# SUMMARY

- The “Sansdemic” has far-reaching implications on the entire economy and our way of life.
- Labor supply will remain scarce in the long-term. Skilled workers will remain hard to find and retaining them will remain difficult.
- Retaining good people is paramount, as they will not be easily replaced. Employers cannot ignore this; those who do are putting their business at risk of extinction.
- For employers to thrive in the years ahead, they need to build resilient businesses that create healthier workplaces, foster healthier work relationships, and craft rewards strategies that result in healthier people – mentally, financially, and physically, within an opportunistic environment.

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# Happy to talk anytime....



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CLIENT EXECUTIVE

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