

Extraordinary Employee Incentives Still In Play Amidst Possible Labor Market Cool Down

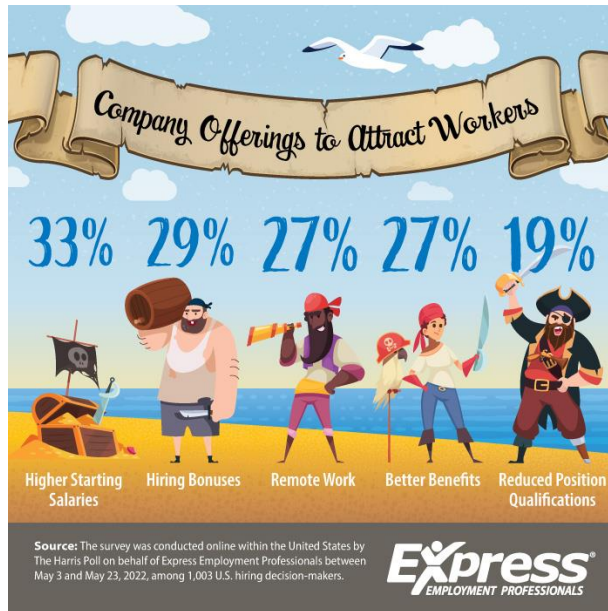
80% of Businesses are Taking Steps to Make Hiring Easier

Latest Results from The Harris Poll

OKLAHOMA CITY, Aug. 24, 2022—While some segments of the U.S. labor force have started to eliminate positions amid labor market and economic instability, a recent survey indicates competition for top talent is still fierce as 80% of companies are taking steps to make hiring easier.

This is according to a new study from The Harris Poll commissioned by Express Employment Professionals.

Four in five U.S. hiring decision-makers (80%) say their company is taking steps to make hiring easier—including offering higher starting salaries (33%) and hiring bonuses (29%). More than a quarter report they are offering remote work (27%) and/or offering better benefits (e.g., more paid time off, flexible hours, etc.) (27%). Around 1 in 5 say their company is expanding the geographic area where they advertise open positions (e.g., other cities, states, etc.) (21%), offering more internships (19%) and/or reducing qualification criteria for open jobs (19%).



Seventy-one percent of businesses also report they have modified benefits in the hopes of retaining current employees or attracting new ones. Further, 3 in 10 say they have increased the amount of paid time off offered to employees (32%), increased the amount of sick leave offered (31%) and/or offered additional healthcare incentives, such as a gym membership or mental health resources (28%).

Mismatch between Employers and Workers' Expectations

However, despite the strides companies are making to compensate workers, delivering on all employees' compensation expectations can be complicated.

Roughly 71% of U.S. hiring decision-makers say it is impossible for them to offer all of the benefits that employees want now—a sentiment that has held steady since 2021 (69% both in the first and second half of 2021).

In line with these sentiments, approximately 3 in 10 say their company has experienced an increase in employee turnover so far this year due to better pay/benefits being offered elsewhere (31%). Twenty-six percent of employers report better perks being offered elsewhere (e.g., summer Fridays and unlimited vacation days) as a contributing factor to the higher turnover.

Companies add that their lack of competitive pay (16%) and/or benefits (16%) are among the biggest hiring challenges they will face over the next year.

Elevated Wages

In Florida, Express franchise owner Mike Brady says the only employee incentive he's noticed

decrease is hiring bonuses.

“This is the only small change I have seen in our market,” he said. “Despite that, there are still many jobs out there to choose from for job seekers and those ready to make a change. The market is still a job-seekers market!”

A majority of candidates accept positions because of pay or incentives, which is why companies are keeping pay rates at historic highs along with other benefit offerings, adds Georgia Express franchise owner John Culpepper.

“Recession is inevitable, but unlike previous ones, a low labor force participation rate, low unemployment and the rising cost of goods have left job openings extraordinarily high,” he said. “Companies must differentiate themselves and attract talent by using compensation incentives.”

Company Culture’s Role in Recruiting and Retention

With the high demand for wage increases and other perks, companies are struggling to keep up with costs and are starting to evaluate the quality of some hires.

“I have had several business owners who tell me they do not want to pay more for less qualified talent, work ethic and experience,” Brady says.

But beyond pay scale, Culpepper contends a healthy company culture and community reputation are what attract workers and make them stay.

“Strong ‘employee-first’ companies have been shown to withstand the challenges of today’s market,” he said. “These companies find that they do not have to increase pay and benefits to attract and retain. While this sounds simple, it’s not. It has to be genuine and from the C-Suite down.”

Labor Market Predictions

Looking six months down the road, both Culpepper and Brady don’t anticipate much shift in the tight labor market.

“I am concerned about the escalating costs due to inflation and the need for workers to make more to keep up,” Brady said. “The rising costs will cause businesses to hit a breaking point, and what the impact will be as a result is a guessing game.”

If market conditions shift to a recession with slower business demand, Culpepper says the outcome will force a change in employee tenure.

“Employees are currently treating our market like a buffet, opting to go to and from companies

at their leisure because they know it will always be there,” he said. “Once access is limited, employees will ‘pile more on their plate’ (i.e. stay longer) for fear of depletion. This does not change who the employee is or their work ethic; it just forces commitment. Great companies with employee-focused cultures are ‘reservation only’ exclusive dining, attracting the most favorable ‘taste buds.’”

Investing in quality employees who bring value to the table is imperative to the success of any company, according to Express Employment International CEO Bill Stoller.

“Not all businesses can offer everything job seekers desire for employment, but oftentimes, reasonable pay and benefits coupled with a healthy work environment will attract the right workers at the right time,” he said.

Survey Methodology

The survey was conducted online within the United States by The Harris Poll on behalf of Express Employment Professionals between May 3 and May 23, 2022, among 1,003 U.S. hiring decision-makers (defined as adults ages 18+ in the U.S. who are employed full-time or self-employed, work at companies with more than one employee, and have full/significant involvement in hiring decisions at their company). Data were weighted where necessary by company size to bring them into line with their actual proportions in the population.

If you would like to arrange for an interview with Bill Stoller to discuss this topic, please contact Sheena Hollander, Director of Corporate Communications and PR, at (405) 717-5966.

About Bill Stoller

William H. "Bill" Stoller is chairman and chief executive officer of Express Employment International. Founded in Oklahoma City, Oklahoma, the international staffing franchisor supports the Express Employment Professionals franchise and related brands. The Express franchise brand is an industry-leading, international staffing company with franchise locations in the U.S., Canada, South Africa, Australia and New Zealand.

About Express Employment Professionals

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