



THE **QTI** GROUP

2024 HR TRENDS SURVEY



OCTOBER 25, 2023
QTIGROUP.COM | © 2023

WELCOME

Agenda

- What's Happening in the World Around Us
- Top 3 HR Challenges for 2024
- Panel Discussion
- Q&A
 - Please use the Q&A feature in Zoom to submit your questions



Londa Dewey
CEO, The QTI Group



The World Around Us Impacts People Strategies



The World Around Us Impacts People Strategies



ECONOMY

- Wisconsin Unemployment: 2.9%
- Inflation easing but still relevant
- Increasing interest rates



WORKER DEMANDS

- Pay
- Total Rewards
- Flexibility
- Strikes

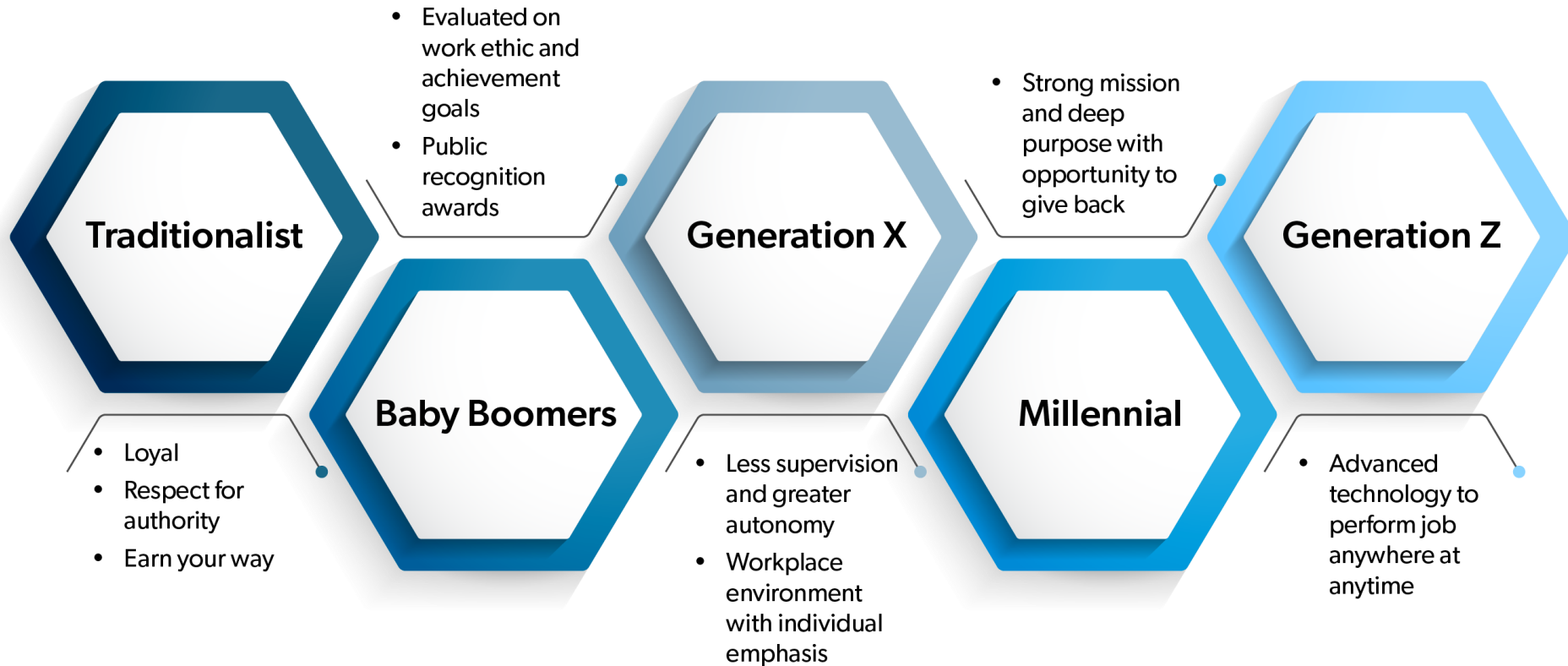


AI

- Efficiencies
- Challenges
- Opportunities

Generational Differences

Generations have different motivators and respond to different communication styles.
Managers need to have cross-generational skills to be effective.



Supply & Demand



Job Openings

8.8 million



Unemployed Workers

6.3 million

Since the pandemic, job openings have steadily increased while unemployment has slowly declined.



1.3 million fewer
Americans participating in
the labor force compared
to Feb. 2020

Decrease in labor force participation related to:

- Health concerns
- Childcare
- Desire to add new skills before returning to the job market
- Early retirements
- Continued low immigration
- New business starts

Key Findings from Two Surveys

QTI Worker Experience Survey

- Survey dates: June 14-July 12, 2023
- 342 respondents

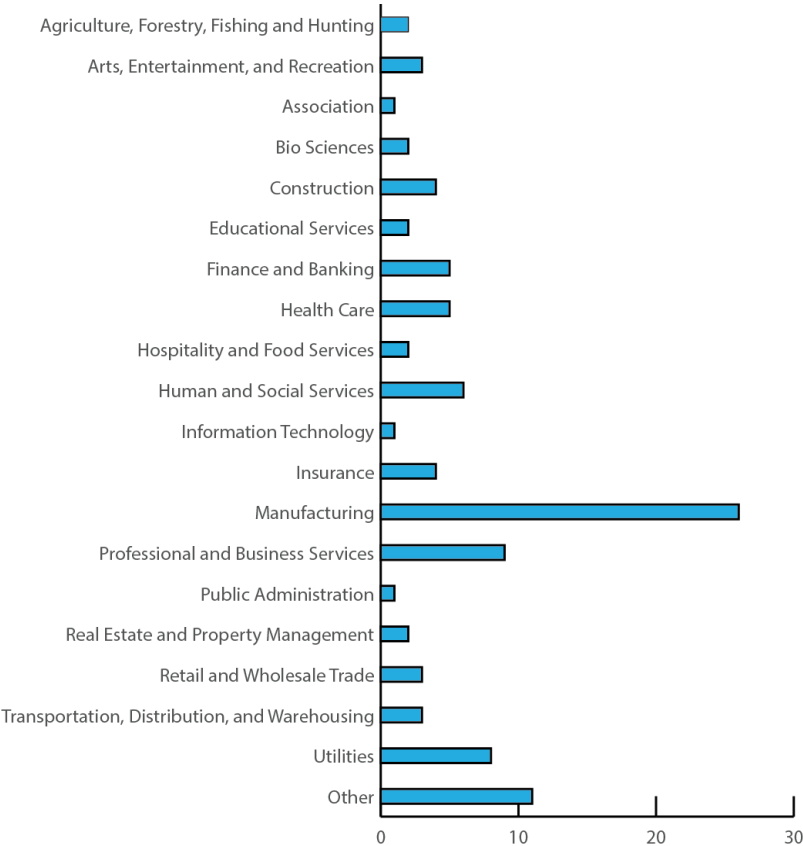
HR Trends Survey

- 225 primarily Wisconsin-based respondents
- Survey dates: July 17-August 14, 2023

2024 HR TRENDS PARTICIPANT PROFILE

225 Primarily WI-Based Respondents

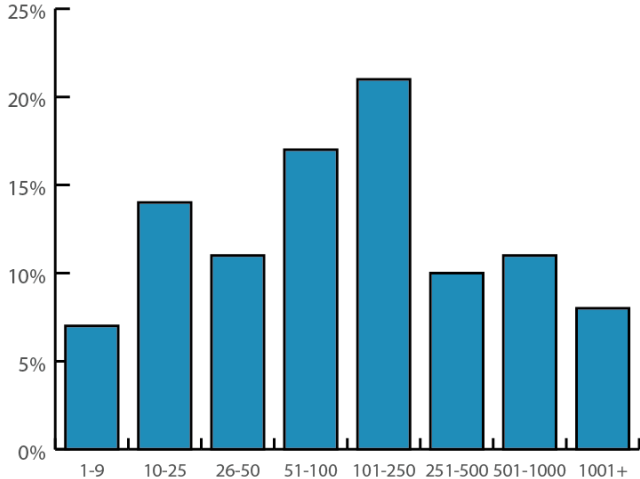
Industry



Ownership



Organization Size





**Top HR
Challenges
2024**

- | | | |
|-----------|--|-------------------|
| 1. | Attracting the Right Talent | 2023
#1 |
| 2. | Improving Leadership Development | #6 |
| 3. | Meeting Higher Total Rewards Demands | #2 |
| 4. | Enhancing Employee Engagement | #7 |
| 5. | Training and Developing the Workforce | #8 |
| 6. | Improving Performance Management | #10 |

2023: #3 Retaining Key Talent



#1 HR Challenge for 2024: Attracting the Right Talent

3rd
*consecutive year as
the
#1 HR Challenge.*

92%
*of HR Trends survey
respondents rate it
as a moderate to
significant challenge
for 2024.*

61%
*of HR Trends survey
respondents ranked
recruitment or
retention as their top
priority for 2024.*



Attracting the Right Talent

STRATEGIES

- ◆ Retention and engagement
- ◆ Employee expectations and flexibility
- ◆ Attraction strategies



Retention and Engagement

RETAIN EMPLOYEES THROUGH CULTURE & ENGAGEMENT

46%

of employees would leave a job due to the work environment or organizational culture.

41%

of organizations are experiencing higher turnover than the previous year.

37%

of HR Trends survey respondents state their employees are highly engaged.

Retention and Engagement

Top Resignation Reasons

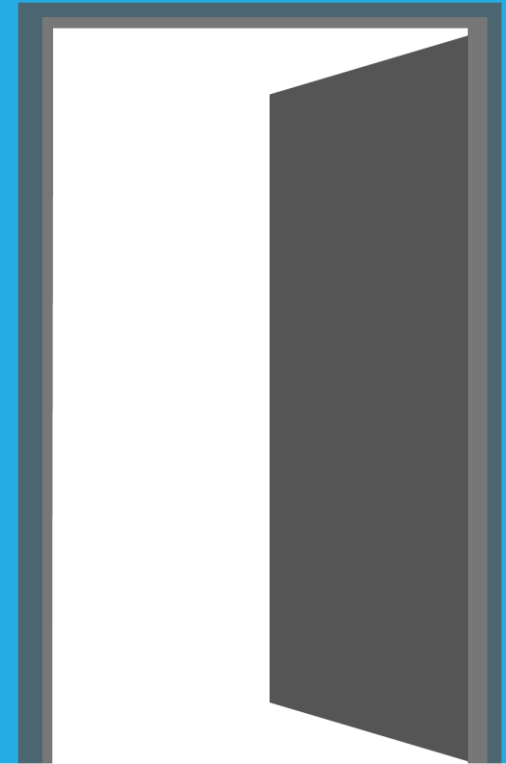
Employee Perspective


1. Work/Life Balance
2. Work Environment, Organizational Culture
3. Compensation

Employer Perspective


1. Career Development
2. Compensation
3. Retirement

EXIT





**70% of the variance in team
engagement is determined
solely by the manager.**



Retention and Engagement

What Can a Manager Do?

- ◆ Make recognition a regular agenda item
- ◆ Show employees you care
- ◆ Advocate for employees' ideas
- ◆ Commit to and provide feedback and employee development
- ◆ Understand barriers and work to eliminate



Employee Expectations and Flexibility

Focus on the Key Drivers of Employee Engagement









Employee Expectations and Flexibility

PRIORITIZE AND COMMUNICATE THE EMPLOYEE EXPERIENCE



25% of organizations have a defined Employee Value Proposition.

-  Yes, and it was implemented in response to current labor conditions.
-  Yes, and it has been prior to current labor conditions.
-  No, and there are plans to implement this.
-  No, and there are no plans to implement this.



**90% of HR Trends Survey
organizations have and will
continue to offer remote
work arrangements.**

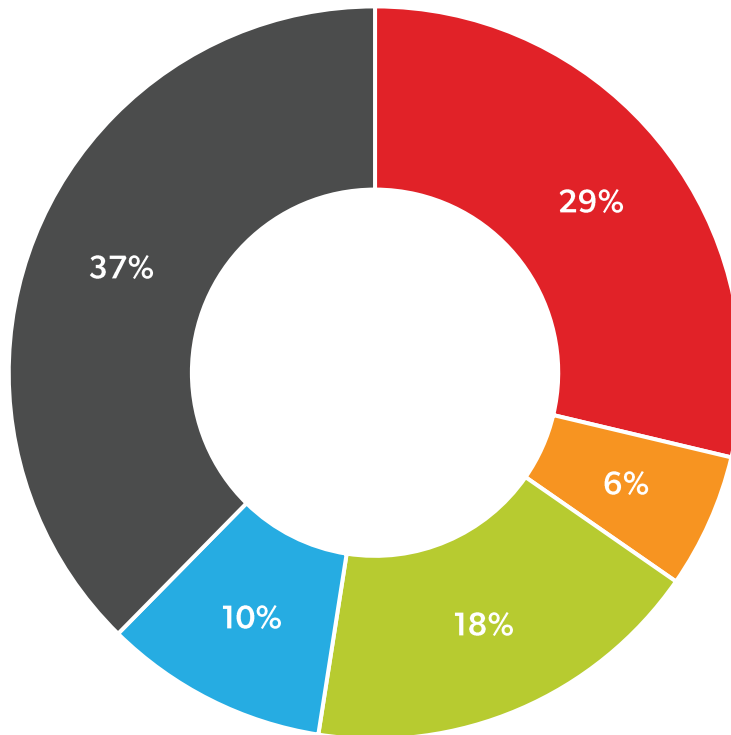




Employee Expectations and Flexibility

UNDERSTAND WHAT EMPLOYEES WANT: FLEXIBILITY

Remote Work Policy



- Employees will only be allowed to work remotely on a periodic /as needed basis
- Most/all employees will be required to work remotely
- Most/all employees will have choice in whether they regularly work remotely or at a worksite location
- No remote work will be permitted
- Select jobs/employees will be allowed to work remotely

Making Flexibility Successful

1. Embrace flexibility

2. Ask employees:

- What do you like about remote work?
 - What gets in your way?
- What do you like about being in the office?
 - What gets in your way?
- Adjust based on results

3. Set expectations and give purpose for coming into the office.





Top reasons for having a physical work location:

1. Enabling employees to successfully collaborate (73%)
2. Enabling organization culture (67%)
3. Business operations require a physical location (60%)

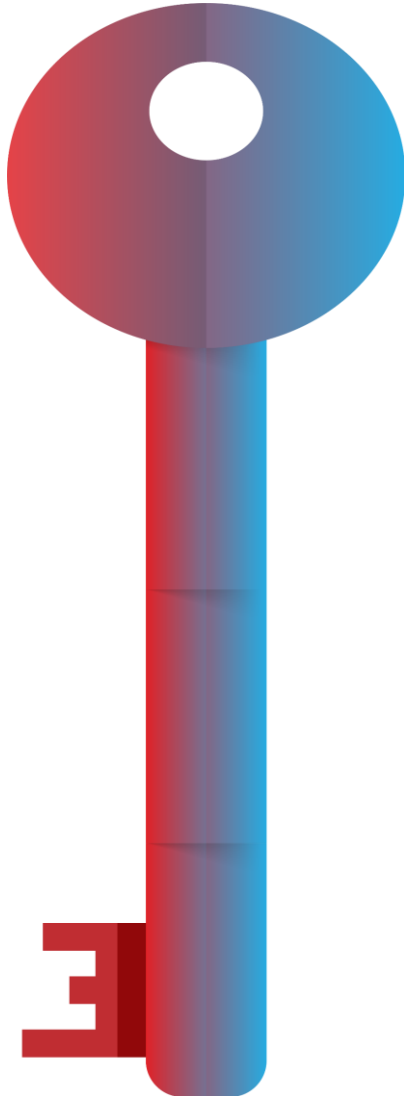
Flexibility is Important for Retention & DEI



90%

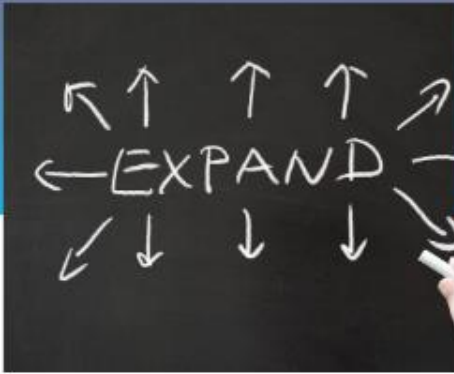
90% of employees who identify as female, caregivers, LGBTQ+, or as having a disability consider flexible work options an important factor when deciding whether to stay in or leave their job.

Keys to Attracting Higher-Quality Candidates



- ◆ Be prepared before you recruit.
- ◆ Align your communication to your mission and purpose.
- ◆ Have a user-friendly application process; many people are reviewing and applying for jobs via their phones.
- ◆ Provide prompt and personalized communication – let all candidates know their status in the process.
- ◆ Act fast.
- ◆ Provide clear instructions for interviews.
- ◆ Be respectful.
- ◆ Use technology to create efficiencies without losing personalization.
- ◆ Keep the process consistent.
- ◆ Remember that the candidate experience continues through the employee experience.

Additional Recruitment Strategies



- **Expand talent pool** by forgoing education/experience requirements and assessing skills
- **Consider upskilling and reskilling** current employees
 - Nearly 100% of HR Trends survey participants support upskilling, and 83% support reskilling



- Ensure your recruitment practices support **DEI initiatives** – it can't just be a buzzword
- **70%** of organizations reported finding qualified, diverse candidates as their biggest obstacle to a more diverse workforce
 - Consider **reclassification of requirements** to increase the diversity of the talent pool.



- Use a **contingent workforce** to help with seasonality, coverage for leaves, and related
- **67%** of organizations have some percentage of their workforce comprised of contingent workers

#2 HR Challenge for 2024: Improving Leadership Development



84%

Rate improving leadership development as a moderate to significant challenge for 2024.

+12%

Improving leadership development climbed from the #6 (72%) spot in 2023 to #2 (84%).

70%

C-suite executives are stressed with nearly 70% considering resigning (Hogan).



Improving Leadership Development

STRATEGIES

- ◆ Assess Potential and Performance
- ◆ Formal Training
- ◆ Strategic Action Projects
- ◆ Coaching and Mentoring

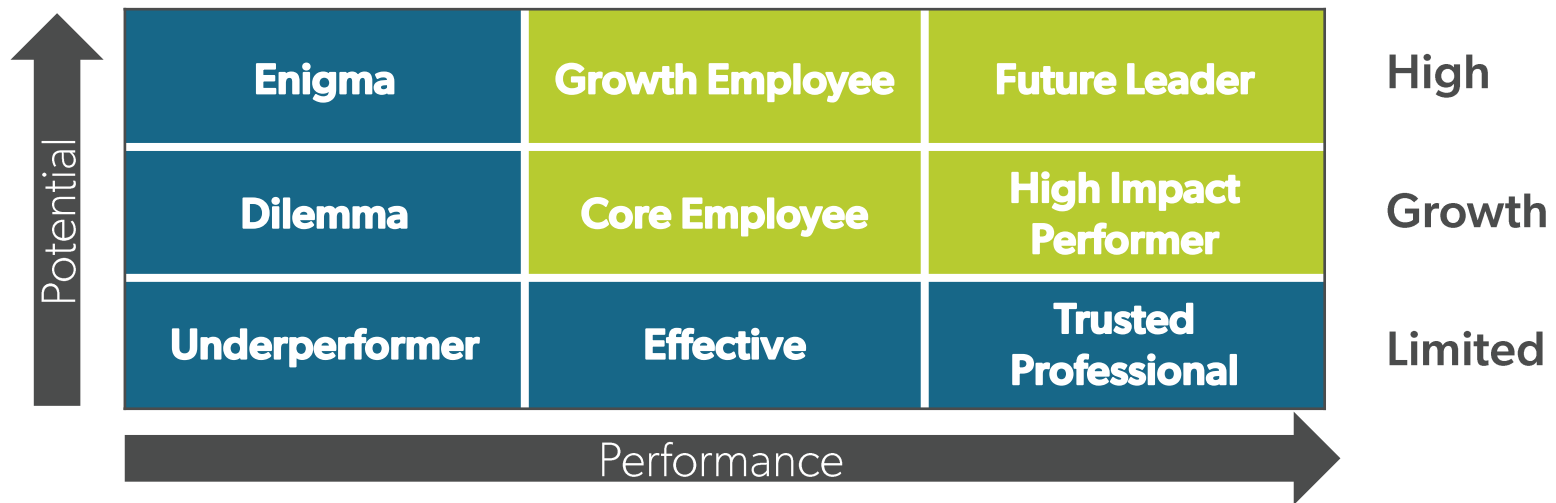


**Leadership Development helps
improve financial performance,
attract and retain talent, drive
strategy, and increase success
in navigating change.**



Assess Potential and Performance

9-Box Performance and Potential Grid



Commonly used to evaluate an organization's talent pool and identify potential leaders.

Assess Potential and Performance

Hogan High Potential and Leadership Forecast Reports

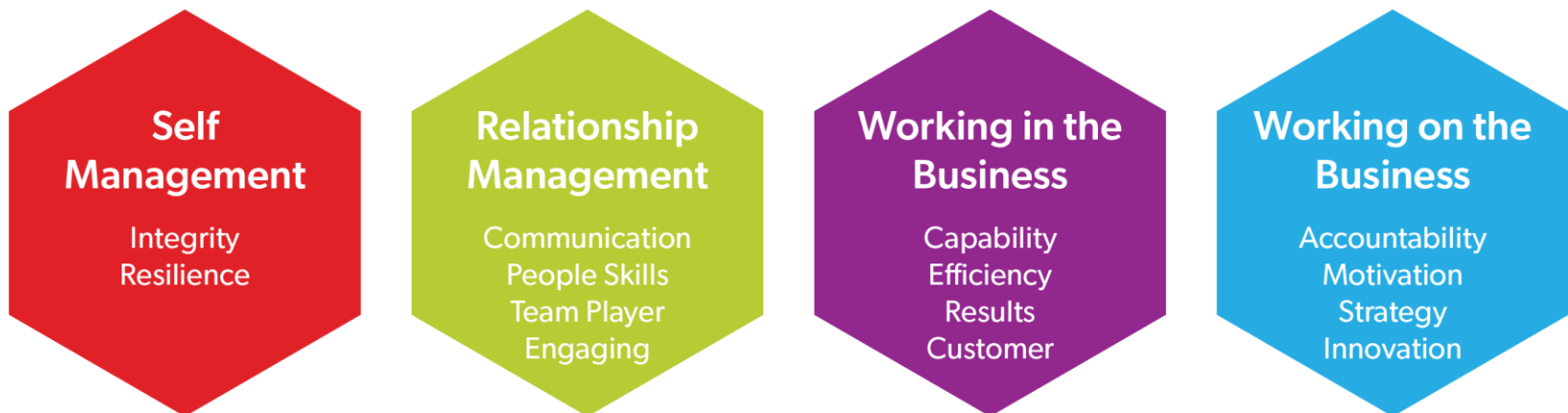
- **Leadership Forecast Series** gives leaders the developmental insight they need to succeed by gaining strategic self-awareness to leverage their strengths, avoid behaviors that get in the way of success, and gain insight into the culture they create for their teams.
- **High Potential Report** helps employers determine who will be most successful in establishing a leaderlike reputation, guiding teams toward productive outcomes, and delivering results.
- **Trusted by 75% of the Fortune 500** for leadership selection and development, Hogan's Leadership Development Assessments cultivate strategic self-awareness so employees, leaders, and businesses can all reach their highest potential.



Assess Potential and Performance

360 Feedback

- The best leadership development programs give leaders a snapshot of where they're at now and a motion picture of where they need to develop in the future.
- Multi-rater feedback tool to help individuals and leaders at any level gain a better understanding of how they are perceived in the organization.
- Offers other managers, peers, and direct reports an avenue to provide their perspective -- ultimately creating a holistic, 360 view of the leader.



Most effective when coupled with individual Hogan Assessment Report.

Assess Potential and Performance

Formal Training

- ◆ Industry gatherings to learn and adapt based on industry trends
- ◆ Certification programs
- ◆ For emerging leaders
 - Train on foundational skills: communication, problem-solving skills, decision-making skills

Put the most effective parts into practice and reinforce.



Strategic Action Projects



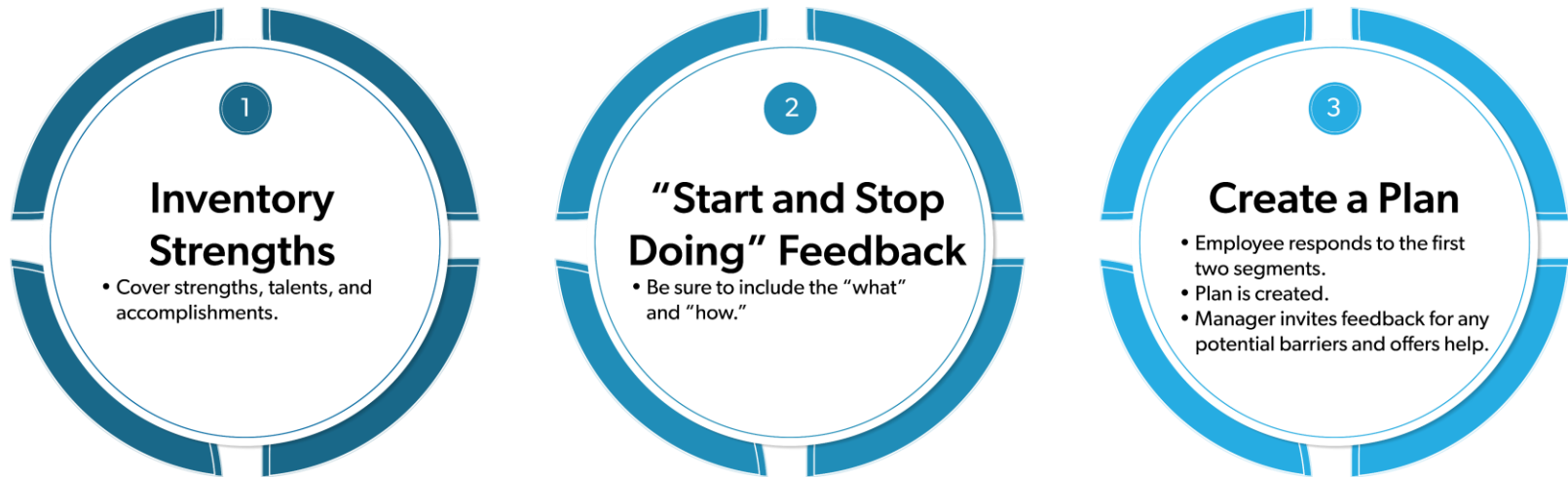
- *When an employee takes on a new role or responsibility within their company due to a need.*
- *80% of workers report being "quiet hired."*

What do Employees Think About Quiet Hiring?

- 63% see it as an opportunity to try out a new role or gain a new skill.

Performance Review

Rethink the performance review, breaking it into 3, 20-25 minute segments.



Followed by ongoing check-ins to reinforce progress on the plan.

#3 HR Challenge for 2024: Meeting Higher Total Rewards Demands

3rd
*year as one of the
top three HR
Challenges.*

82%
*of HR Trends survey
respondents rate it
as a moderate to
significant challenge
for 2024.*

46%
*of HR Trends survey
respondents rank
compensation /
benefit planning as
one of their top three
priorities for 2024.*



Managing Higher Total Rewards Demands

STRATEGIES

- ◆ Compensation
- ◆ Benefits
- ◆ Well-being



Compensation

TOTAL REWARDS: EMPLOYER VS. EMPLOYEE PERSPECTIVE

THE FULL TOTAL REWARDS PACKAGE

Employer Perspective

Compensation

- Base Pay
- Guaranteed “bonuses”
- Short-term incentives
- Long-term incentives
- Spot bonuses
- Sign-on bonuses
- Referral bonuses
- Retention bonuses
- Deferred compensation

Benefits

- Retirement
- Savings
- Medical/dental/vision, prescription drug, etc.
- Life insurance
- Short-term and-long-term disability
- Accident coverage
- Discount programs
- Supplemental insurance offerings

Careers

- Performance & accountability
- Career opportunity & pathing
- Mobility
- Leadership and manager quality
- Talent development
- Learning & education
- Mentorship
- Equitable access

Work-Life

- Time off
- Wellness programs
- Dependent care
- Flexible work environment
- Concierge services
- Experiences
- Recognition & award programs
- Workplace facilities
- Diversity & inclusion
- Purpose

Employee Perspective

My Value Today

My Financial Security

My Future Value

My Quality of Life

Compensation

Top 3 Total Rewards Trends



Paying a living wage
rose from 43% to
51% year-over-year



Compensation

PAY BUDGET INCREASES

Year	Overall Median	Overall Average
2023 Actual	4.1%	4.1%
2023 Planned	3.5%	3.9%
2024 Planned	3.5%	4.0%

41% of respondents indicated that the 2024 base pay increase budget is "to be determined"

Median Base Pay Increase Budgets

	2023 Actual	2024 Planned
Agriculture, Forestry, Fishing and Hunting	3.0%	4.0%
Arts, Entertainment, and Recreation	3.8%	4.0%
Association	5.0%	3.0%
Bio Sciences	4.0%	3.9%
Construction	3.8%	0.5%
Educational Services	2.2%	2.8%
Finance and Banking	4.3%	3.5%
Health Care	2.9%	2.6%
Human and Social Services	2.9%	3.0%
Information Technology	4.0%	4.0%
Insurance	4.5%	3.8%
Manufacturing	4.5%	3.8%
Other (please specify)	3.6%	3.3%
Professional and Business Services	5.4%	4.9%
Real Estate and Property Management	3.5%	0.5%
Retail and Wholesale Trade	2.7%	1.8%
Transportation, Distribution, and Warehousing	6.8%	3.3%
Utilities	4.9%	3.9%
Grand Total	4.1%	3.5%

Compensation

69% of HR Trends Survey

respondents are experiencing

PAY COMPRESSION due to new

employee base pay demands.



To address these inequities, 60%

have granted pay increases to

existing employees.



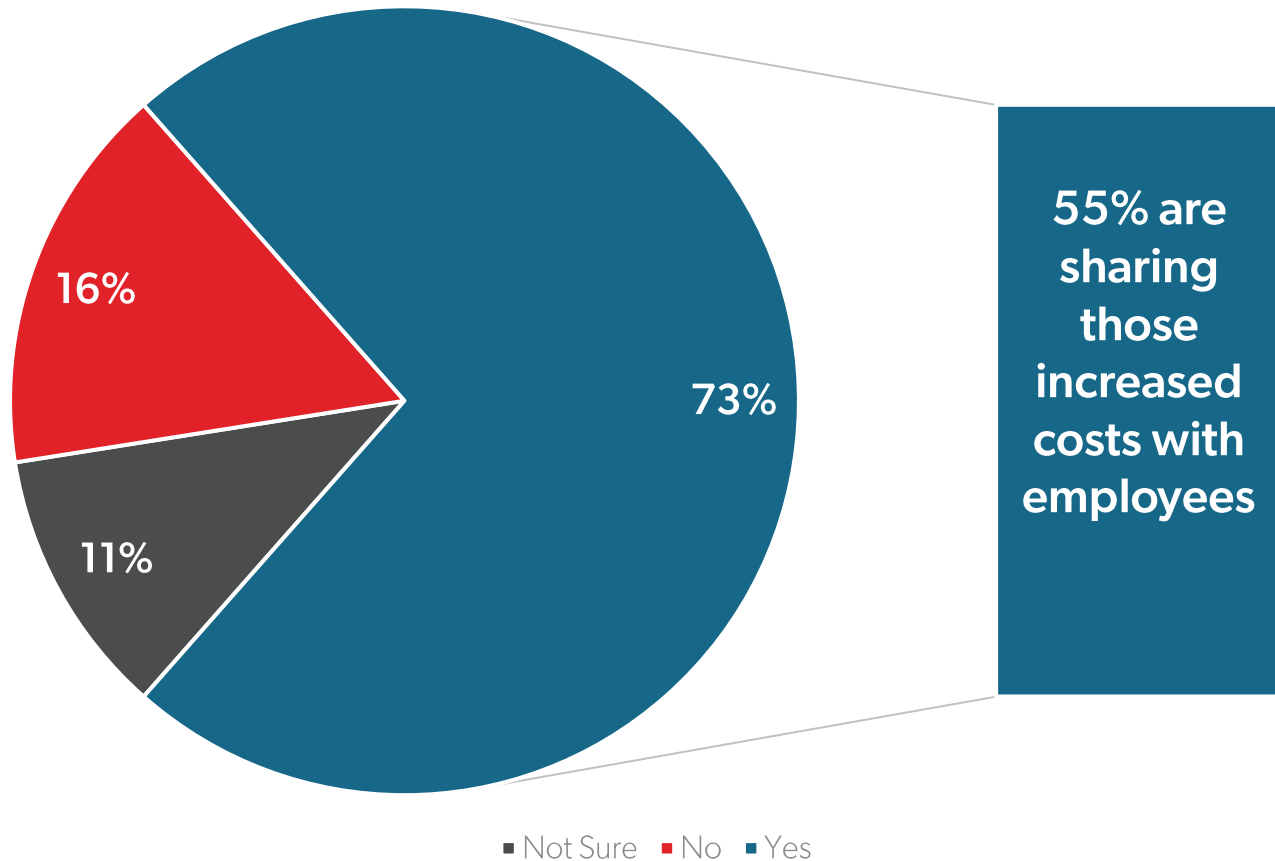
Core benefits are still the most important to employees.



- ◆ Health Insurance
- ◆ Paid Time Off
- ◆ Retirement / 401k
- ◆ Disability
- ◆ Dental / Vision
- ◆ Life Insurance
- ◆ **NEW:** Flexibility

Inflation's Impact on Benefits

20% more employers are experiencing an increase in benefits cost year-over-year than our 2023 study.



Modern Trends

Dream Bonus

E.g., \$1500 per year that is used to find a dream/experience. Employees with 1+ years of service best connect with an organization values/purpose.



Life Enablement Subscription

E.g., Care.com, Blue Apron, Task Rabbit, Amazon Prime, Disney+, etc.

Paid or Unpaid Sabbaticals



Paid Fertility Treatments

Pet Insurance



Long term Care Insurance

Paid Caregiver Leave



Company Supported Community Involvement

Flat Day Rate Arrangement

Establish a flat day rate arrangement based on the number of days worked in the year for employees to dedicate more time to personal projects or family.



Robust Employee Recognition that is Genuine

Well-Being

More than 1 in 3 companies have or plan to increase their **MENTAL HEALTH PROGRAM** investment, an increase of 8% year-over-year



Most Prevalent Health & Wellness Program Offerings:

EAP

Mental health education

Immunization clinics

Wellness & Work/Life Balance

The line between work and home is blurred; 60% of workers were more stressed in 2022 than they were at the peak of COVID.

-Harvard Business Review



Top HR Challenges 2024

1.

Attracting the Right Talent

- Retention and engagement
- Employee expectations and flexibility
- Attraction strategies

2.

Improving Leadership Development

- Assess Potential and Performance
- Formal Training
- Strategic Action Projects
- Coaching and Mentoring

3.

Meeting Higher Total Rewards Demands

- Compensation
- Benefits
- Well-being

Meet the Panelists



Jamie Krenz

Human Resources
Manager



Dawn Webber

Director of Human
Resources



Lauren Doorlag

Director of Client
Relations



Jessica Grann

Chief Culture and
Communications
Officer



THANK YOU

- The summary of participant survey results and the HR Trends Webinar slide deck will be sent to participants.
- If you have any questions, please call or email Keri Allard keri.allard@qtigroup.com | 608.888.8127

