



Employers rethink work and rewards to address labor, inflation worries



Attraction and retention challenges persist in the face of ongoing inflation

66% of organizations have increased recruitment efforts in 2022. Only 6% decreased recruitment activity.

Employers are most likely to experience difficulties attracting or retaining talent in these groups:



71%
Talent with digital skills



66%
Professionals (non-management)



61%
Non-exempt hourly employees

Percentages indicate "to a moderate or great extent"

Organizations use financial and non-financial levers to address talent challenges



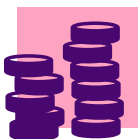
86%
Hiring people higher in the relevant salary range



55%
Increasing/Targeting use of training opportunities



84%
Providing increased workplace flexibility



65%
Offering retention bonuses



81%
Offering sign-on bonuses



47%
Using spot rewards

Percentages indicate "taking action"

Employers use a range of approaches to tackle competitive compensation pressures

On average, organizations have taken one action and are planning/considering two additional actions

	Action taken	Planning action	Considering action
Further increased/Will increase the focal annual salary budget for 2022	23%	14%	30%
Budgeted/Will budget additional funds to make salary adjustments throughout year as needed	22%	13%	33%
Have used/Will use retention bonuses more extensively	21%	7%	30%
Adjusted/Will adjust the salary ranges (minimums, midpoints, maximums) more aggressively	18%	16%	30%
Have increased/Will increase variable compensation	8%	6%	24%
Have/Will deliver more frequent salary adjustments	7%	7%	24%



4.0%
Spent/Will spend*

3.0%
Initial budget*

*Based on respondents who've increased or plan to increase their focal annual salary budgets

Base salary budget increased by about 1% of payroll

75%

of organizations that delivered or are planning to deliver salary adjustments more frequently are doing so for targeted groups

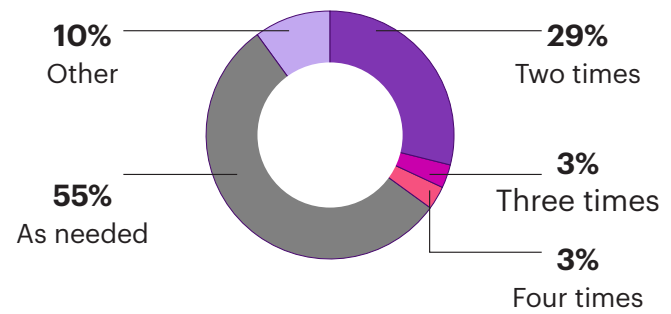
63%
Professionals (non-management)

49%
Non-exempt hourly employees

48%
Talent with digital skills

46%
Managers (excluding executives)

How many times per year are employers delivering increases?*



Organizations that enhanced or are planning to enhance retention bonuses focus on:

82%
Managers (excluding executive)

80%
Professionals (non-management)

52%
Talent with digital skills

Organizations that increased or plan to increase the use of variable compensation focus on:

80%
Managers – off-cycle long-term incentives

76%
Professionals (non-management) – spot bonuses

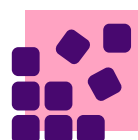
Actions to take now!



Refine your compensation philosophy and outline the purpose of each element of pay



Define the talent and work strategy to optimize compensation spend



Review and update salary structures while assessing internal pay equity concerns



Enhance HR and manager capability to address talent and reward challenges

Source: The 2022 Mid-year Compensation Survey, North America results. A total of 884 employers participated the survey, which was conducted between May 26 and June 7, 2022. Respondents employ 15 million employees across a range of industries.

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