



Employee Expectations in Hiring Report

**Rethinking Compensation Strategies to
Attract Talent in the Post-Pandemic Job Market**

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Introduction

In July of 2021, beqom surveyed 1000 job seekers in the US to understand how the pandemic has impacted employee views of compensation, benefits, and work arrangements, and to discover what prospective employees now expect from their future employers and what employers need to do to attract top talent in this candidate's market.

By being aware of the changing expectations of the workforce, as revealed in this survey, HR leaders can take steps to ensure they can secure the talent their companies need. In addition to the key results from this survey, we have provided tips to guide you in attracting and retaining talent in today's market.

The Great Resignation

The Washington Post reported in October 2020 that more than **2 million women had dropped out of the labor force**. The percentage of American women working is the lowest it has been since 1988. Eagle Hill Consulting predicts a **turnover tsunami**, with their research revealing that one in four (25%) employees plan to leave their organization once the COVID-19 pandemic is over. That number jumps to one in three (33%) for employees with children remote learning at home and for Millennials. The Society for Human Resource Management (SHRM), along with many news outlets, calls it "**The Great Resignation**".

“Four million Americans quit their jobs in April alone.”

According to the US Bureau of Labor Statistics, US job openings at the end of June 2021 stood at 10 million, the highest number ever recorded. Four million Americans quit their jobs in April alone. The record number of available jobs, combined with higher than ever rates of quitting and retirement, has given job seekers added leverage and created a challenge for Human Resources professionals: how can companies attract and retain the talent they need?

Job expectations have changed

Job candidates evaluate companies through a different lens now. They are demanding flexible work arrangements, higher pay, and support for a balanced life. They also care about company values and policies, like how a company responded to the pandemic and their Corporate Social Responsibility (CSR) efforts.

The post-pandemic workplace

Remote work and flexible hours are now expected

More than four in five American job candidates (80%) now expect their prospective employer to provide the ability to work remotely multiple days a week. They also are looking for flexibility in the hours they work (82%), with two-thirds (67%) expecting paid parental leave.

“Due to the pandemic, I expect my prospective employer to offer...”

80%

The option to work remotely multiple days per week

82%

More flexibility in the hours that I work

67%

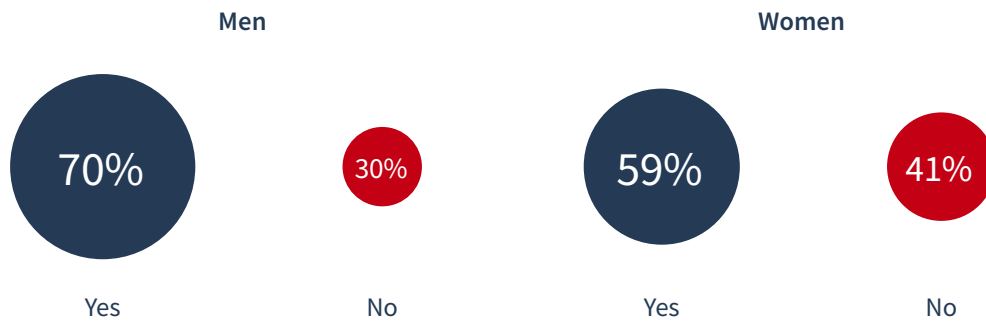
Paid parental leave as part of the benefits package



Hiring Tip: Organizations still operating in the pre-pandemic environment (i.e., mandating to work from the office or requiring fixed hours) are likely to lose out on attracting talent. Find out how your employees feel about remote work and adapt work arrangements to the needs of employees.

Nearly two-thirds (65%) of Americans would take a pay cut to work remotely. Even more men (70%) would take a pay cut to be able to work remotely than women (59%).

“I would take a pay cut to work remotely”



Candidates are holding companies to a higher standard

Candidates are evaluating companies based on their corporate citizenship, as 76% of Americans say how a company responded to the pandemic is a factor in applying for and accepting a job. Furthermore, two-thirds (66%) of Americans do more research into a company’s Corporate Social Responsibility (CSR) efforts than prior to the pandemic.



Hiring tip: Invest in your employer brand and image. Be the kind of company that people are proud to work for, and that cares about the needs of employees.

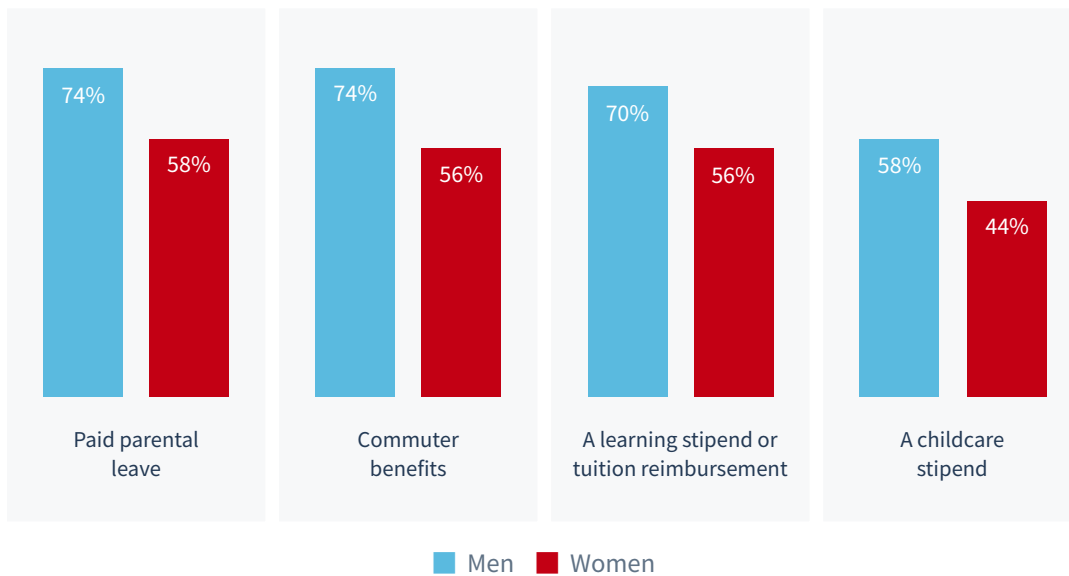


Work-life benefits

Employees want lives that work

Perhaps the pandemic got people more in touch with what matters in life, but in any case, job candidates want benefits that support them in having an easier family or personal life. A majority expect their prospective employer to have paid parental leave (67%), commuter benefits (66%), and a childcare stipend (52%).

“Due to the pandemic, I expect my prospective employer to offer..”



Employees also are attuned to the changing nature of jobs in an era of increased automation and technology-driven work, trends likely exacerbated by the pandemic. 63% of those surveyed expect a learning stipend or tuition reimbursement to invest in upskilling.



Hiring tip: Stay attuned to the needs and aspirations of your employees. Support them in having balanced lives now, and preparing themselves for growth. The result can be more productive and loyal employees, who will be able to contribute more to the organization now and in the future.

Not all benefits are providing a benefit

Three in five (60%) Americans have received benefits from an employer that they didn't use, with men (70%) much more likely than women (48%) to not use their benefits. Why? The reasons are fairly evenly divided amongst not knowing about the benefits (33%), not remembering them (30%), or not needing them (33%).

"I have received benefits from an employer that I have not used."



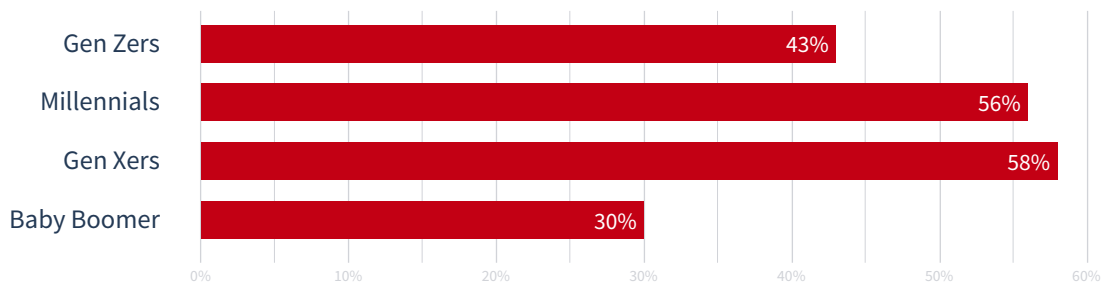
Hiring tip: Implement a flexible rewards policy to ensure that the benefits provided to each employee are relevant to that individual.

Pay and priorities

Americans prioritize pay but are willing to work for less in exchange for flexibility

Just over half (52%) of Americans expect their salary will be higher in a new job due to the pandemic. This is particularly true for Gen Xers (58%) and Millennials (56%), compared to Gen Zers (43%) and Baby Boomers (30%).

“I expect my salary to be higher in a new job as a result of the pandemic.”



Nearly two-thirds (64%) prioritize pay as the most important factor when considering a job offer—either salary alone or total cash compensation (salary, bonus, commissions, etc.). That’s especially true for boomers (71%), with Gen Xers and Millennials at 61% and Gen Z at 59%.

Benefits and lifestyle choices come second to money in importance to candidates, with just 17% saying they care most about benefits, and 16% giving the highest priority to lifestyle factors like flexible hours, remote/hybrid work options, or work-life balance. When it comes to flexibility, women (13%) were more than twice as likely as men (6%) to say flexibility in hours or work-life balance were most important.



#1 Salary



#2 Total compensation



#3 Benefits



#4 Flexible hours



Hiring tip: Make the best offers you can to acquire the talent you need, don’t count on perks like pool tables or lunches to do the job. At the same time, endeavor to understand the priorities of your employees and candidates so you can offer the benefits and work structures that will make the most difference to them, and tailor your rewards accordingly.

But...salary isn't the only factor

While pay is still the top criteria for selecting a job, and salary expectations are high, that doesn't mean that salary is the only consideration. Nearly two-thirds (63%) of Americans say they are aware of the current industry benchmark pay for their desired role, and as noted above, money is still the key driver in job acceptance. However, if something could convince a candidate to take a lower than market salary, according to the survey, the most likely would be flexible work arrangements or more time off.

“Over 75% of Americans would accept a lower salary if the job offered flexible working hours.”

Respondents named some benefits for which they might be willing to take a salary that is lower than the market average, and these included: flexible working hours (77%), remote work options (71%), and a higher number of PTO days (70%). Over two-thirds (68%) might take a lower salary as long as there was transparency about salary benchmarks at the organization, suggesting that fairness of pay within the company is meaningful to candidates. Still, some other factors may be influential in lieu of a market salary: 60% might settle for a learning stipend or tuition reimbursement to invest in upskilling, and 58% might trade some money for a higher title.



Hiring tip: Make sure you have the data and tools needed to benchmark market pay for your positions, and to ensure pay equity while factoring in locations and remote work. Keep abreast of competitive trends regarding PTO, work structure, and innovative benefits.



Pay transparency and equity

Pay transparency is expected, right from the start

More than one in four (27%) Americans believe employers should provide pay transparency in job postings, and six in ten (61%) are more likely to apply to a job that shares a salary in the job posting. The preference for jobs that share salary range in the posting is greater among Millennials and Gen X – less amongst the younger Gen Z and older Boomers – suggesting that it is less of an issue for entry level and senior jobs, more of an issue for mid-range positions.



“I believe employers should provide pay transparency in job postings.”



“I am more likely to apply for a job that shares a salary in the job posting”



“I feel comfortable discussing compensation in the initial screening”

Candidates expect pay transparency throughout the interview process, but only four in ten (41%) feel comfortable asking about compensation in the initial screening or first interview. Many also want to know about pay transparency at the organization, with 38% preferring to discuss pay transparency in the initial screening or first interview. As noted above, 68% say they would even consider taking a lower salary for transparency about salary benchmarks at the organization.



Hiring tip: Consider including pay ranges in your job postings, especially if they are not entry level or senior positions. This could make your job stand out, boost your brand as an employer, and attract more candidates. Establish pay ranges that make sense for your industry and roles and labor markets, with consistent and transparent criteria for assigning pay to individuals. Yet you may want to remain flexible in this market: consider exceptions to get or keep key talent.

Americans hesitated to negotiate salary & benefits during the pandemic

More than two in five (43%) Americans did not negotiate their salary when interviewing for a new job during the pandemic including more than half (54%) of women, and 42% did not negotiate their benefits. The top reasons for not negotiating salary were not feeling like they had leverage for negotiation (24%) and concern that they would lose the offer if they tried to negotiate (19%). Women (32%) were more likely than men (24%) to feel like they didn't have leverage to negotiate benefits.

#1 "I didn't feel like I had leverage for negotiation"

#2 "I have always been happy with the salary provided"

#3 "I was concerned I would lose the offer if I tried to negotiate"

#4 "I thought my role was too junior to negotiate"



Hiring tip: While candidates were shy about negotiating salary during the pandemic when companies were cutting back, they may be more likely to feel they have leverage in a time of labor shortage. Be sure you understand the current market rates for the roles you need.

Employees want more compensation transparency in their next role

More than half (55%) of Americans have been pressured by an employer not to disclose their pay to coworkers. Gen Xers (63%) have been pressured the most, compared to Millennials (54%), Gen Zers (42%), and Baby Boomers (38%). Three in five (60%) Americans say salary transparency across all levels (C-Suite to junior employees) is very important in their next role. Additionally, more than two-thirds (67%) of Americans think companies should disclose their CEO-to-employee pay ratios and 70% believe companies should disclose their overall pay gaps.



Hiring tip: Make sure you have the tools to be able to analyze pay equity at your company and to remediate pay gaps that may be due to bias rather than performance or legitimate factors. Evaluate your compensation management technology to ensure it can enable your compensation strategy.

"3 in 5 Americans say salary transparency across all levels is important in their next role."

Conclusion

The expectations of job candidates and employees have changed dramatically since before the pandemic. They expect companies to meet them where they are, and to structure jobs and rewards to support their lives. That requires more willingness by employers to provide remote work and flexible schedules, support for a balanced work-home life, and meaningful benefits.

With a staffing shortage in many industries since the start of the pandemic, job seekers are expecting more money. And, it's not only about the amount itself, employees also expect fair pay, and the transparency to prove it's fair.

HR and compensation & benefits professionals can improve their companies' recruitment and retention efforts by following the tips outlined in this report, and ensuring they have the right technology to manage compensation and total rewards that are fair, transparent, and competitive.

Companies should make sure their total rewards platform gives complete flexibility in designing compensation strategies that can adapt to local markets and individual needs, to ensure the ability to meet employee expectations and win the war for talent in a changing market.

Survey Methodology

This survey was conducted by beqom in July 2021. The goals were to understand how the pandemic has impacted American employee views of compensation, benefits, salary transparency, and more, and what they now expect from their future employers. A 20-question survey was directed to mobile users across the United States via Pollfish. The results reflect the answers from a total of 1,000 respondents ages 18 and over who are currently employed.

Our generational breakdown is as follows:

- Generation Zers are between the ages of 18-24
- Millennials are between the ages of 25-44
- Generation Xers are between the ages of 45-54
- Baby Boomers are over 55 years of age

10 Tips for Competitive Hiring

- ① Organizations still operating in the pre-pandemic environment (i.e., mandating to work from the office or requiring fixed hours) are likely to lose out on attracting talent. Find out how your employees feel about remote work and adapt work arrangements to the needs of employees.
- ② Invest in your employer brand and image. Be the kind of company that people are proud to work for, and that cares about the needs of employees.
- ③ Stay attuned to the needs and aspirations of your employees. Support them in having balanced lives now, and preparing themselves for growth. The result can be more productive and loyal employees, who will be able to contribute more to the organization now and in the future.
- ④ Implement a flexible rewards policy to ensure that the benefits provided to each employee are relevant to that individual.
- ⑤ Make the best offers you can to acquire the talent you need, don't count on perks like pool tables or lunches to do the job. At the same time, endeavor to understand the priorities of your employees and candidates so you can offer the benefits and work structures that will make the most difference to them, and tailor your rewards accordingly.
- ⑥ Make sure you have the data and tools needed to benchmark market pay for your positions, and to ensure pay equity while factoring in locations and remote work. Keep abreast of competitive trends regarding PTO, work structure, and innovative benefits.
- ⑦ Consider including pay ranges in your job postings, especially if they are not entry level or senior positions. This could make your job stand out, boost your brand as an employer, and attract more candidates. Establish pay ranges that make sense for your industry and roles and labor markets, with consistent and transparent criteria for assigning pay to individuals. Yet you may want to remain flexible in this market: consider exceptions to get or keep key talent.
- ⑧ While candidates were shy about negotiating salary during the pandemic when companies were cutting back, they may be more likely to feel they have leverage in a time of labor shortage. Be sure you understand the current market rates for the roles you need.
- ⑨ Make sure you have the tools to be able to analyze pay equity at your company and to remediate pay gaps that may be due to bias rather than performance or legitimate factors. Evaluate your compensation management technology to ensure it can enable your compensation strategy.
- 💡 ⑩ **Bonus tip:** Make sure the employer brand you project is a reality for current employees as well, and apply the same concepts to your current staff: understand if their needs have changed and what would support them, learn how they feel about work arrangements, be transparent about pay, ensure you are paying competitively and fairly, and communicate total rewards so employees understand their compensation and how it is determined.



Claudio Carnovali, beqom Product Manager

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