# State of HR 2022

New research on HR challenges and insights heading into 2022

### Looking Back At 2021

**COVID-19 Requirements and the Vaccine Mandate** 

The most obvious challenge in 2021 was the ongoing COVID-19 pandemic. Things looked up early in the year as many businesses planned a return to the office, and hopefully, a new normal. But the unfortunate rise in cases led many cities, states, and businesses to revert back to previous safety precautions.

Then the Biden administration and OSHA announced the vaccine mandate for federal workers, federal contractors, and health care employees. Though this situation continues to evolve, businesses need to make sure they're taking steps to ensure their workplace is safe.

#### **Talent Troubles**

The Bureau of Labor Statistics reported an all time high national quit rate of 3.0% in 2021—up 30% from 2020. Georgia, Kentucky, and Idaho were the most affected states, but every employer has felt the impact.

But it's not just retaining employees that became a problem, but also hiring them. Industries in healthcare, hospitality, and foodservice struggled to find workers willing to come into a work location and put themselves at risk of exposure to COVID-19.



Is Your

COVID-19

**Vaccine Policy** 

Up to Date?

Learn More





Unless employers are competitive, they'll have a more difficult time finding and keeping skilled employees. Though not every employee chose to look for a new job, the 'Great Resignation' or 'Great Reshuffle'—whatever you choose to call it—certainly made for an interesting and challenging job market in 2021.

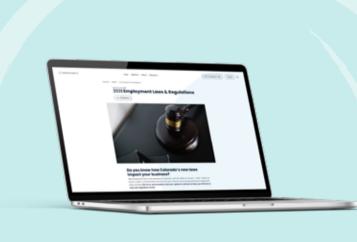


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#### **New Laws and Regulations**

On top of everything else, 2021 was NOT a slow year for new laws and regulations impacting businesses. In many cases, employers had more to contend with in terms of workplace compliance.

In states like Colorado, California, Oregon, Washington, and Connecticut, labor laws became more abundant and strict. Colorado



**Colorado Employment Laws & Regulations 2022** 

enacted new laws such as the Equal Pay for Equal Work Act and the Healthy Families, and Workplaces Act. Some employers are still working to understand these laws and how they impact their business.



#### More Focus On Diversity, Equity, and Inclusion

Possibly the most positive outcome of the ongoing social unrest and challenges of 2021 is the light it has shed on diversity, equity, and inclusion (DEI).

Diversity, equity, and inclusion are critical to combat the unequal treatment of people based on race, ethnicity, income, gender, sexuality, and other differences. Whether intentional or not, ongoing bias and discrimination have limited diversity in our workforce and resulted in underrepresented populations.

With more employers making a commitment to DEI and fostering the right workplace culture—the future is looking bright for this space.

### The State of HR Report

Many of the challenges and trends noted in 2021 will continue in 2022. But to learn more, Obsidian HR conducted a survey among business leaders and HR professionals to understand the challenges and characteristics of businesses' HR operations going into 2022.

The survey was conducted among 100 small to medium-sized businesses—with many located in Colorado. This report highlights some of the key insights and how businesses can address HR challenges this year.





Find HR critical to their business success



Ranked HR as their highest priority for 2022



Of businesses currently have no HR department



Of businesses only have one HR person at their company



Say talent is a top business challenge for next year

# 4 Key Insights for 2022



Securing talent is not just the top HR challenge for 2022, but the biggest challenge for businesses overall

It's not surprising to find that talent troubles will continue in 2022. Though there are many challenges to expect, business leaders and HR professionals agree that talent is a top business priority for the year.

The specific talent challenges mentioned by business and HR leaders include:

- Recruiting
- Retention
- Professional development and training of new hires
- Managing a remote workforce

Employers will need to determine how employee expectations are shifting, and what they can do to their hiring and retention efforts to combat this challenge. Reassessing benefits, wages, culture, and location will be a must to remain competitive in the job market. **Business Challenges** Staffing



### What are your top business challenges for next year?





**Finding and keeping staff** that are engaged and handling new demands from clients.

#### **Respondent Quotes**



Burnout. Difficulties keeping staff motivated and happy during such a challenging year and having our business still at **COVID staffing** when the demands for our products are growing.



**Recruiting** in the current job market. No one wants to work and if they do, they don't want to work in person any longer.



# HR is spending too much time on payroll and benefits administration

Business leaders and HR professionals have their hands full. Unfortunately, time isn't on their side. Businesses will spend most of their human resource management efforts on talent. But there is one area that is getting in the way of that payroll and benefits administration.

Businesses that continue to manage their payroll and benefits in-house may be at a disadvantage because of the amount of time it takes away from other, important HR responsibilities. If your organization is spending too much time on this area, consider ways you can automate and streamline your payroll and benefits administration process—or outsource it.



HR and business leaders want more time to spend on talent, training and development, and HR strategy

What gets left behind when so much time is spent on recruiting new talent, managing payroll and benefits administration, and keeping up with evolving laws and regulations? Your existing employees.

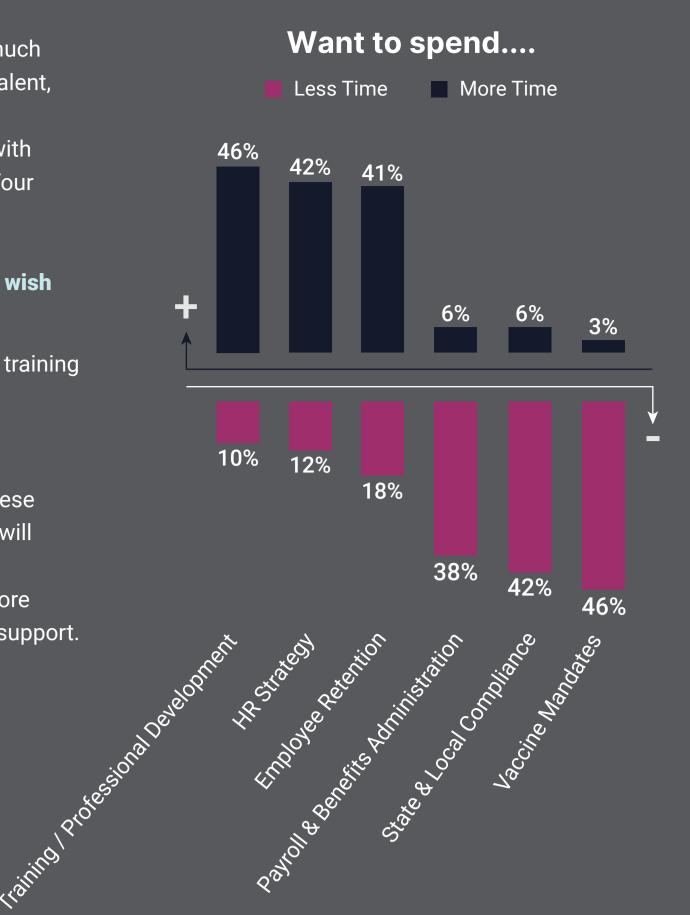
### The 3 HR areas that businesses wish they had more time for:

- Professional development and training
- HR strategy

3

Employee retention

To get more time to spend on these areas, business and HR leaders will have to give up some of their administrative tasks by hiring more internal HR staff or external HR support.



# **4** Small to medium-sized businesses have minimal in-house HR support

It's no wonder that so much of HR's time is spent on administrative tasks. Some small businesses don't have an HR department and are lucky if they have one designated HR professional in their organization.



But HR is the foundation of every business. Since human resources are all about employees, it plays an integral role in making a business successful. Not having HR can cause problems. Higher turnover, compliance issues, and lawsuits are a few examples of the most damaging outcomes when an organization doesn't have effective human resource management.

With all of the challenges and changes occurring over the last year and in 2022, businesses should take a look at whether they have the HR support they need.



### Addressing HR Challenges In 2022

Some of the HR challenges in 2022—such as securing talent—will be something every business has to manage. But other obstacles, like a lack of time or HR support, can be easily overcome.

Obsidian HR offers administrative support to small and medium-sized businesses, freeing them up so they can spend more time on what matters most to them. Where Obsidian HR can help:



We're here to help! If you're struggling with the same challenges as your peers, we can help you overcome them so you can focus on achieving business objectives in 2022.

Learn More

## **Our Methodology**

Responses from this study were collected November 8th, 2021 to November, 22nd 2021. The study surveyed 100 small to medium-sized businesses. Respondents had to be 18 years of age or older and be employed as a business owner, CEO, President, CFO, Finance Director, HR professional, or Office Administrator.



#### Share of Responses by Job Title

**48%** HR Professionals

**36%** Owners / CEOs

**10%** Office Managers / Admins

**7%** Finance / CFOs

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