



Carter Morris

# **SURVEY REPORT**

## **HR EXPECTATIONS FOR 2022**

FEBRUARY 2022

## INTRODUCTION:

The advent of 2022 saw mixed messages for many. Covid variants were once again impacting the health and wellbeing of communities around the world and forcing further strain on healthcare systems, even with many vaccination and booster programs in place. Governments continued to juggle between enforcing health and travel controls whilst re-enabling their economies. Mounting Russia-Ukraine tensions only added to the challenges of volatile global energy supplies, and significant fuel and energy price hikes were directly impacting both costs of living and costs of goods sold. Debate continued on whether companies would or should bring employees back from home working and into the office again; and whether the Great Resignation would be a temporary phenomenon, or not. With so much swirling, we suspect some folks came into the New Year with a built-up pessimism, others with a level of all-round change fatigue, and others again with a cautious optimism that things could only get better.

From a HR perspective, many companies continued to face widely varying pressures; ranging from the accommodation of aggressive M&A plans, accelerated hiring plans, managing significant regretted talent loss, challenges in attracting and retaining hourly paid workers, managing mental health and change fatigue across all layers of workforce, ongoing pressures to attract diverse talent, attempting to stave off disruptive and more agile competitors, overhaul of reward frameworks to drive the achievement of key diversity and environmental targets, and planning for the usual swathes of new legislation. So, with these and other challenges ahead, what do HR professionals think about the 2022 prospects both for the businesses they work in, and their own function?

## EXECUTIVE SUMMARY OF FINDINGS

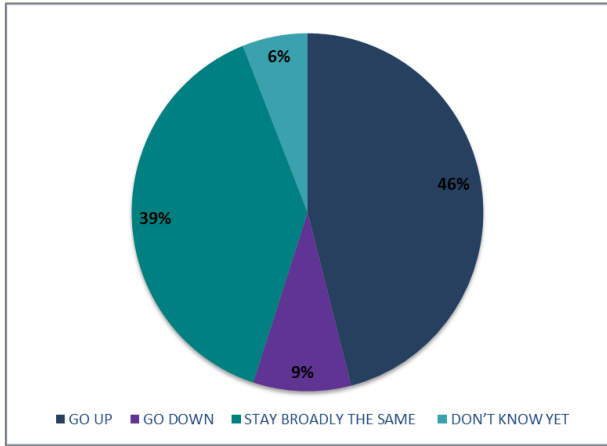
With the advent of the Covid pandemic, and subsequent impacts and changes affecting so many across 2020 and 2021, HR teams around the world have been tested on a scale that has never been experienced before. With no time to rest, regroup and consolidate; 2022 actually looks to be an exciting year for transformation, reimagination, expansion, tech utilisation, and a whole new level of competition for attracting, engaging and retaining talent.

## METHODOLOGY

The survey was sent to a very select group within the Carter Morris international HR community - 6,433 individuals currently working as executive level thought leaders within all specialist areas of the HR profession across 94 countries. The survey was emailed to participants who responded on-line and in confidence. All responses were received over a three-week period in January and February 2022.

## SURVEY RESULTS IN DETAIL WITH NARRATIVE

### 1. The overall HR budget spend for 2022 is likely to....



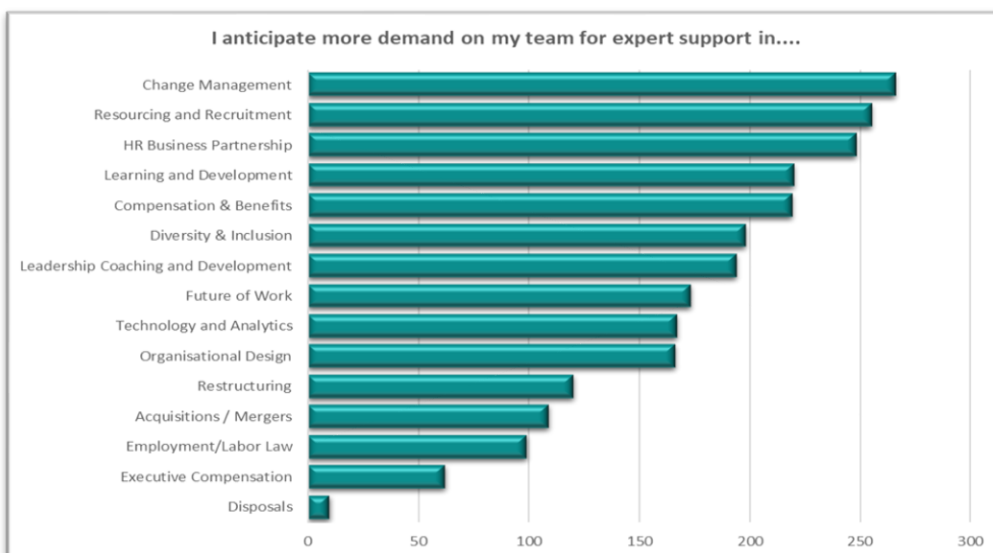
Compared to our results for the past 2 years, it is refreshing to see a sharp increase in expectations that budgets will either increase or at least stay the same. Already we are hearing evidence of this anecdotally, with our network of leaders sharing their plans for HR technology projects, plans for additional hiring of experts to rethink functional strategies, and plans to rework their HR operating models – all of which are arguably a hopeful indicator of companies “buying into” a broader HR agenda.

### 2. Recruitment activity for my own HR team is likely to...

An intent to increase HR headcount levels this year, is significantly greater than last year. This ties with our anecdotal evidence from discussions with our HR leaders who have been advising a need to allocate resource for higher than ever before workloads as a result of current and planned projects inclusive of M&A activity, upgrading HR tech, and aggressive workforce expansion plans for their companies.



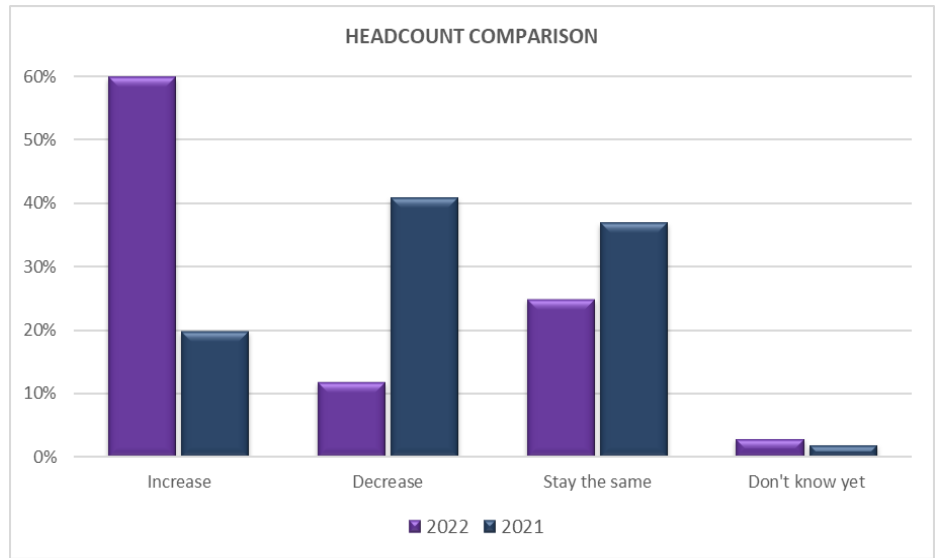
A further analysis of anticipated specialist hiring needs is shown below. Again, anecdotally, we’re hearing our HR executives sharing on plans for capability upgrades for every part of their HR functions, in an effort to increase



service efficiency, provide greater levels of program customisation and support to key workforce groups, and to drive stronger “one company” cultures to help to attract, engage and retain talent. It is no surprise then to see our respondents expecting greater demand for change management expertise.

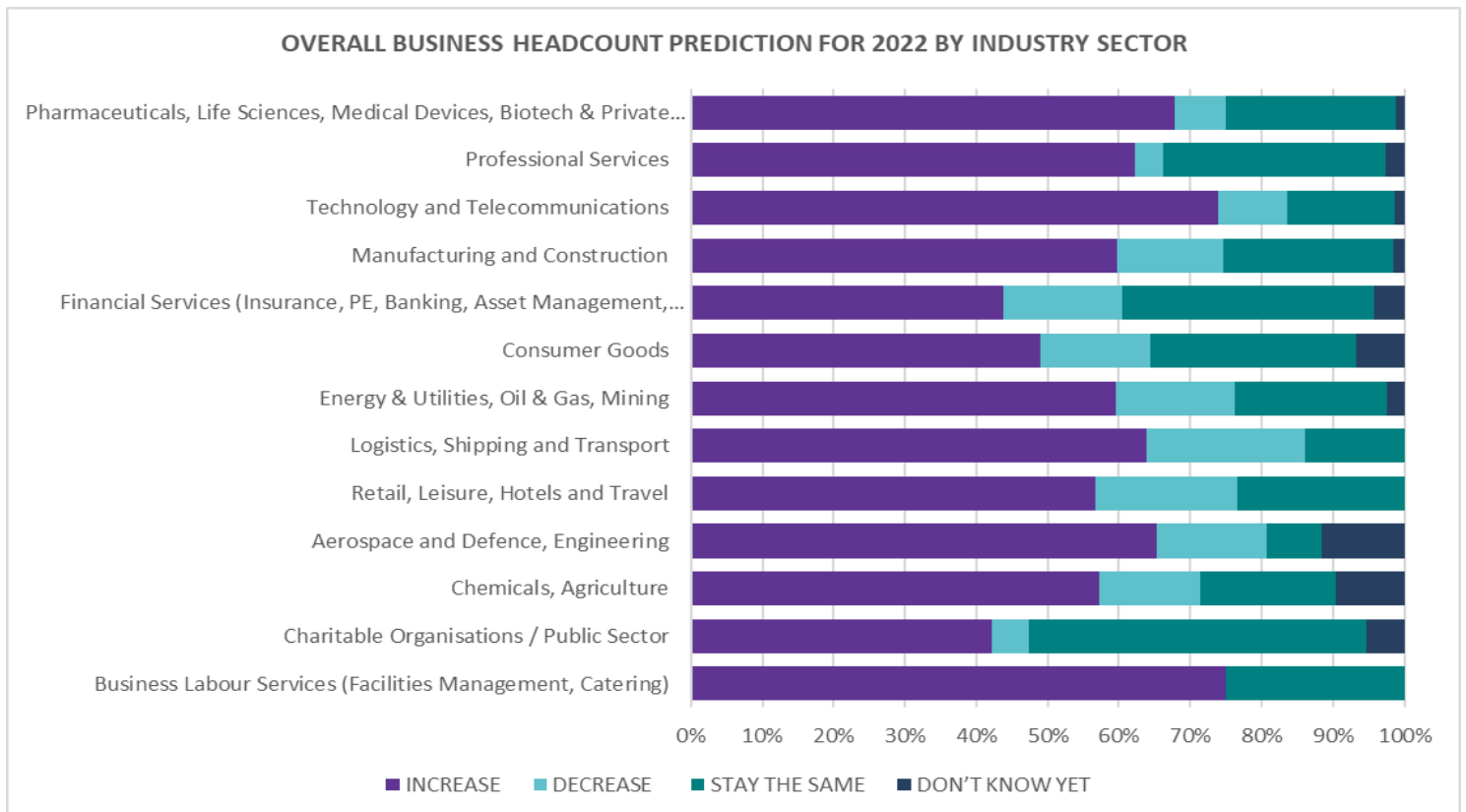
### 3. Overall business headcount is likely to....

Predictions for increasing overall workforce numbers are the greatest we've seen for some years, and tie into the extreme demand we're witnessing for Talent Acquisition experts to help on hires around the world – many internal recruitment teams plus external recruitment agencies and RPO's within our own community are already reporting demand overload. Further



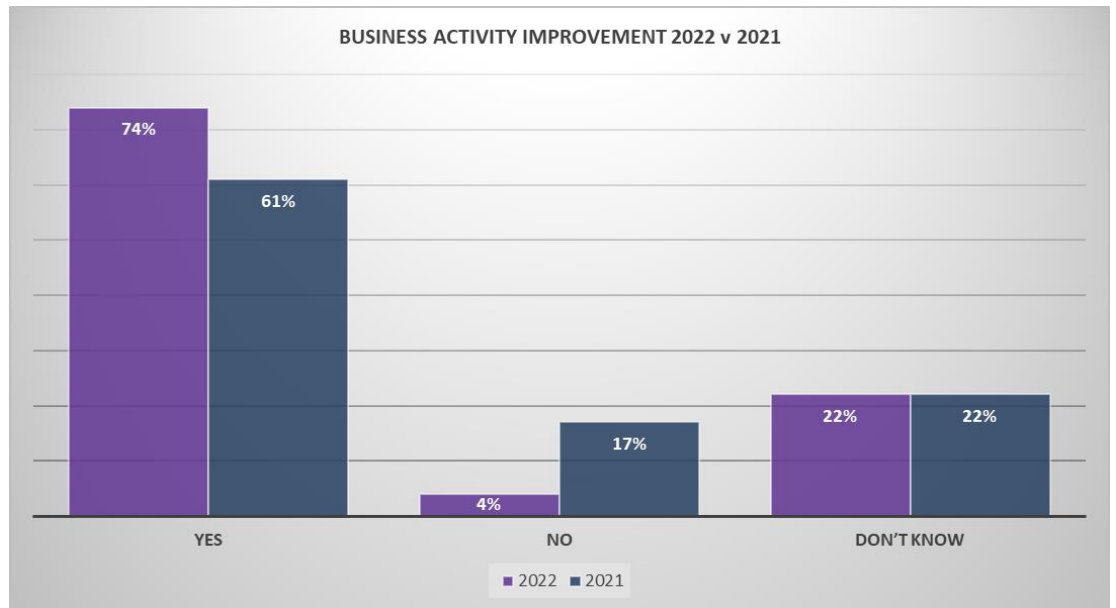
research will be needed to understand whether increases to workforce are due to replacing staff who were laid off during the peak of Covid economic uncertainty, or replacing staff who have left as part of the “Great Resignation”, or whether this is actually hiring for new roles as part of overall expansion plans. We're also hearing anecdotally that many companies are revisiting their strategies on outsourcing production and/or rethinking locations for offshoring production, and if these changes happen en-masse, hiring plans will likely spike further in new or historic markets.

A further analysis of predictions by respondent sectors is shown below. This potentially provides valuable insights to any HR leader contemplating a career move this year.



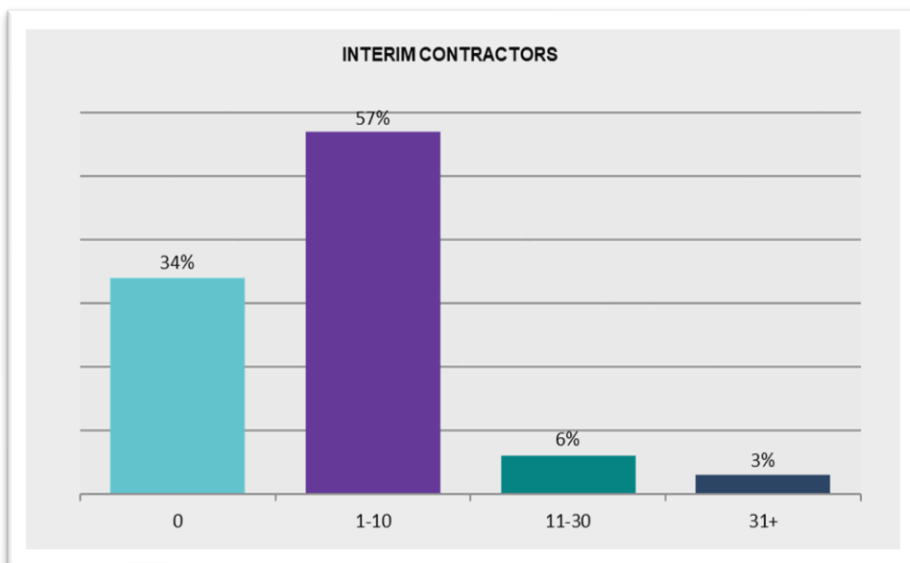
#### 4. I am confident that business activity in 2022 will be an improvement on 2021....

Again, despite media commentary on economic uncertainty, our respondents were mostly positive for their company's success this year, which is consistent with other survey questions covering plans for HR spend, and overall business staffing plans.



#### 5. How many interim contractors or consultants are included in your overall HR team size?

Unlike last year, it is interesting to note that many functional areas of HR have recently and significantly increased their use of contractors / freelance consultants. This is mirrored by the number of contractors in our community, who report having a surge in demand for their services. We suspect this increase is in part a result of many companies having “let go” their consultants during the “Covid crisis” in order to consolidate budgets and to “protect” salaried employees – faced with extreme workloads and projects across this year, those companies will



be needing that additional support now. However, we wonder if this increase is due to companies cutting staff numbers too quickly and deeply across 2020 and 2021 so are now needing to hire people at short notice to maintain core business activities. Across last year we tracked a surge in HR professionals who had reassessed their career and life priorities, and self-elected to leave high profile, well

rewarded corporate roles, opting instead to pursue HR interim careers - given that some key functional areas of the HR profession have had an acute shortage of expert, quality talent for many years, we expect that this has created further shortages for salaried roles, forcing HR leaders to consider utilising freelance contractors to secure the expertise and skills required for key projects.

## 6. What do you think will be the biggest priorities for your company in 2022?

Over half of our respondents noted that recruitment and retention was their biggest priority for this year. Other elements on the priority list included:



## CONCLUSION

Our network of Leaders across the HR profession are overwhelmingly optimistic about the prospects for their functions and employer companies in 2022. Great news for employers, employees, and hopefully economies and communities.

We are however mindful, that this year brings a very different mindset and empowerment for employees, both white and blue collar, especially within “developed” countries, with so many currently getting the luxury of choices for jobs, along with some aggressive total reward offers. So in addition to managing the “day job”, HR leaders need to ensure they have strategies in place to retain and engage high performing, business critical talent despite organisational changes. 2020 and 2021 provided incredible opportunities for HR teams to “step up” as essential partners in protecting business viability, and enabling business success, rather than simply being a “necessary evil” corporate cost centre. If the “war for talent” continues to escalate throughout the coming months, 2022 will be another year of opportunity for HR to prove that it is an integral function of value.