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challenges in the months ahead: recruiting qualified workers and retaining existing ones; adjusting to a world where a large share of employees work primarily remotely...

Isaac M. O'Bannon • Jun. 02, 2021



Amid a rapid reopening of the US economy and a huge increase in demand for workers, a new survey from The Conference Board found that businesses are having immense difficulty finding qualified workers. In fact, 80 percent of organizations hiring mostly industry and manual services workers report difficulty finding qualified workers, with 25 percent reporting it is *very* difficult. This compares to 74 percent before the pandemic, with 4 percent reporting it was *very difficult*.

The results of the survey suggest human resources departments will face four main challenges in the months ahead: recruiting qualified workers and retaining existing

ones; adjusting to a world where a large share of employees work primarily remotely;

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Both attracting and retaining qualified workers is a growing challenge, especially for organizations employing mostly industry and manual services workers.

- Industry and manual services workers—a hot commodity: 80 percent of organizations hiring mostly industry and manual services workers report it is somewhat or very difficult to find qualified workers, up from 74 percent before the pandemic. Organizations report it is *very* difficult to find qualified workers at more than six times the rate (4 percent prepandemic vs. 25 percent now).
- Retaining workers also a challenge: 49 percent of organizations with mostly industry and manual services workers report that it is also somewhat or very difficult to *retain* workers, up from 30 percent before the pandemic. Among those employing professional and office workers, 28 percent report difficulty retaining workers, up from 23 percent before the pandemic.

"Before the pandemic, industry and manual services workers were high in demand and short in supply. While this changed at the onset of the pandemic, as the economy reopens this trend is resurfacing—and fast," said Frank Steemers, report co-author and Senior Economist at The Conference Board. "This poses a growing challenge to companies that are looking to attract and retain this cohort of the US workforce. On the flip side, it bodes well for the workers themselves, accelerating wage growth and offering more employment opportunities."

Expect workplaces to be emptier and more diffused as remote work remains the norm postpandemic.

• The remote work boom is here to stay: Nearly 40 percent of human capital executives said that they expect a significant number of their employees (40 percent or more) will still work primarily remotely one year after COVID-19

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however. Higher productivity and increased working hours have taken a toll:

- 76 percent of respondents said that they had seen an increase in employees identifying as burned out;
- o 72 percent said that more employees had sought mental health support;
- o 60 percent said the number of vacation days used decreased;
- o 55 percent reported a decrease in work-life balance.

"During the pandemic, employees were often working longer hours in crisis conditions. While that may have boosted productivity, that level of performance is most likely unsustainable. Deteriorated levels of employee well-being are also likely related to increased anxiety and stress resulting from multiple factors, such as the global health crisis, the economic crisis, and the lack of childcare," said Robin Erickson, PhD, report co-author and Principal Researcher at The Conference Board. "As some of these situations are resolved or stabilized and organizations make long-term decisions about a future with more remote work, they will need to continuously monitor their employee experience and holistic well-being."

As workplaces widely reopen, a "hybrid model"—part in office, part remote—will gain steam.

- More than 70 percent of surveyed organizations plan to reopen their workplaces in the next six months (May through October). Most of that will take place in the fall, with 50 percent saying that they plan to open back up between August and October.
- More than 40 percent of respondents expect their organization to sponsor a hybrid workforce where returning will be required for some and voluntary for others.

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