

# A Breakdown of Inflation's Adverse Effects on Hiring and Retention

Inflation is impacting many organization's hiring and retention processes, whether it's from more employees resigning or being laid off. According to the U.S. Bureau of Labor Statistics, **these were the amount of US job separations in March 2023\***:

**5.9 million separations, including:**

**3.9** million quits

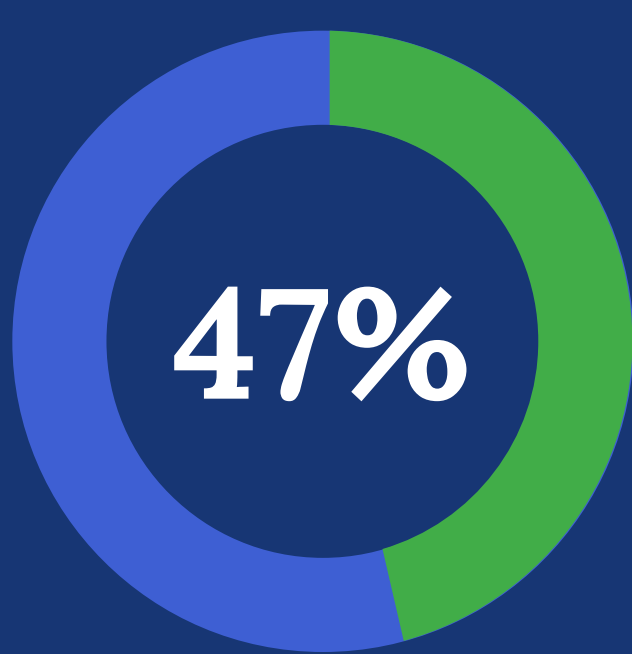
**1.8** million layoffs and discharges

**276,000** other separations

**Let's break down** what employers and candidates think about this market force and some key strategies to overcome it.

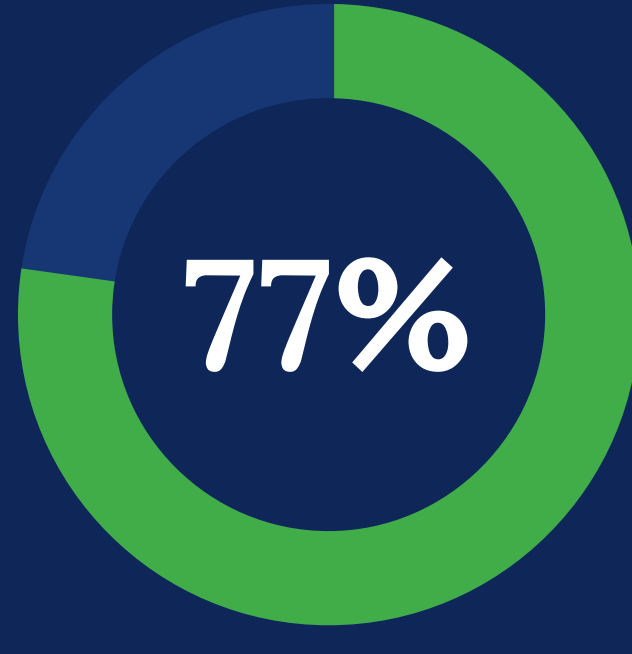
## Thoughts on Inflation's Impact on Hiring and Retention:

### Candidates/Employees



of candidates said they're searching for a new job in 2023 due to inflation.<sup>1</sup>

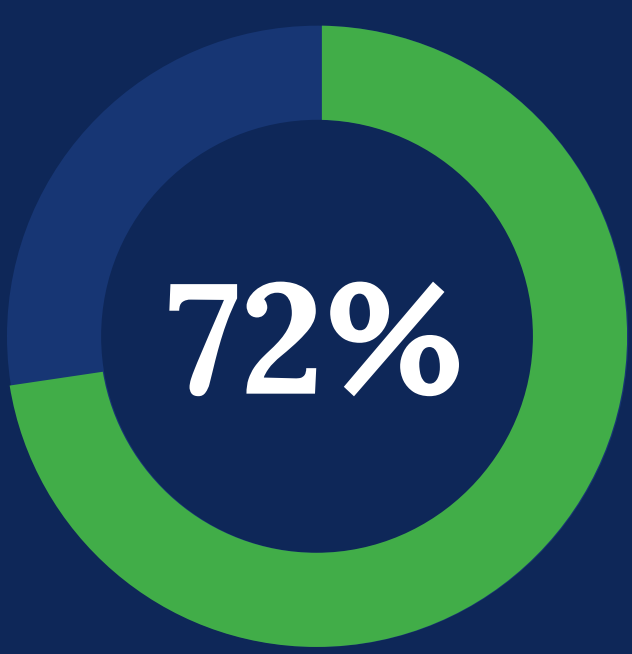
<sup>1</sup>Source: Sparks Group 4/21/23 LinkedIn Poll



of employees surveyed are most worried about inflation's impact on their household budget, followed by **33%** worried about their organization's survival and **32%** worried about their job getting cut.<sup>2</sup>

<sup>2</sup>Source: SHRM, 2022-2023 SHRM State of the Workplace Report. Survey of US employees, HR professionals, and HR executives on 2022 workplace trends and what to expect in 2023.

### Employers/Executives



of candidates said they're searching for a new job in 2023 due to inflation.<sup>3</sup>

<sup>3</sup>Source: Sparks Group 4/21/23 LinkedIn Poll

<sup>4</sup>Source: Resume Builder, 1 in 5 companies are "quiet hiring" contractors to replace laid off workers, January 23, 2023. Survey of 1,000 US business leaders at companies with 50 or more employees conducted on January 11, 2023.

57%

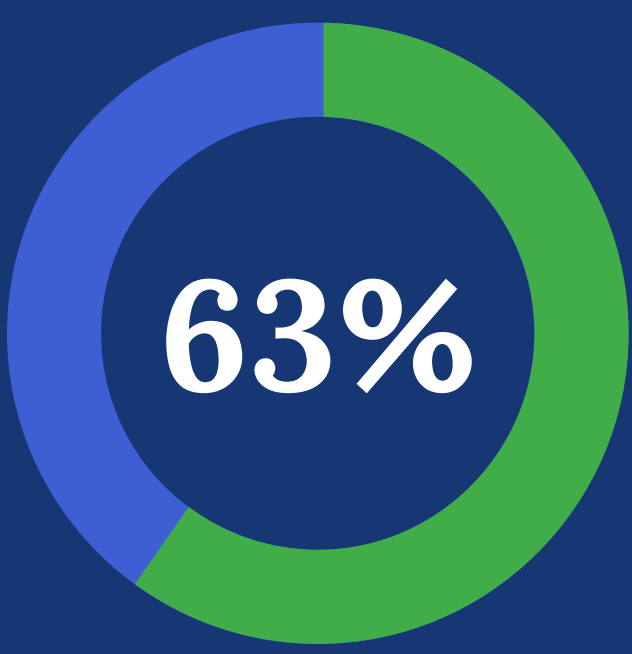
of companies had layoffs in the last three months, and **56%** plan to have layoffs in the next six months.<sup>4</sup>

37%

of companies are replacing laid off staff with contractors, and **53%** of companies requested full-time staff to switch to contract.<sup>4</sup>

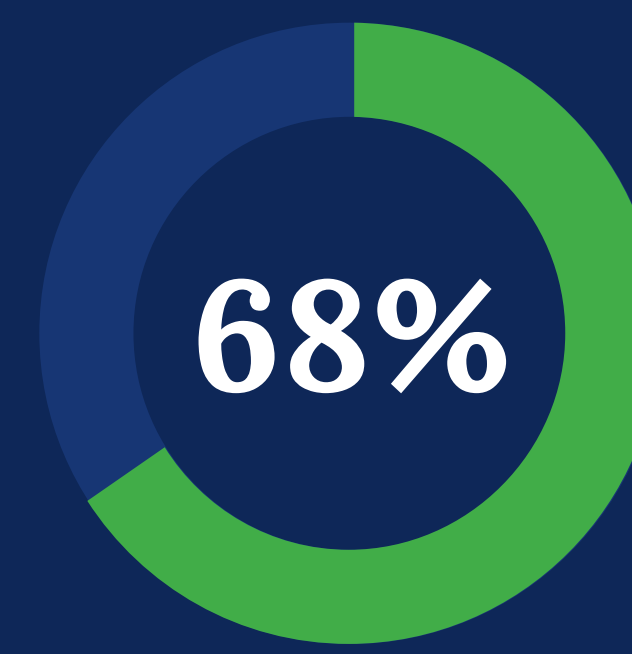
34%

of companies reduced compensations in the last three months.<sup>4</sup>



of executives plan to adjust salaries to be less competitive due to inflation.<sup>5</sup>

<sup>5</sup>Source: Gartner, Gartner HR Survey Finds 63% of Organizations Plan to Make Compensation Adjustments in Response to Inflation, June 1, 2022. Survey of 157 executives.



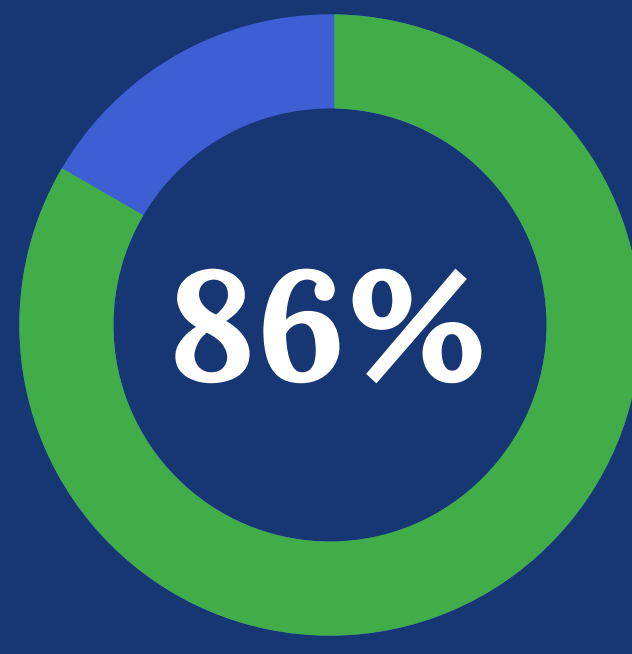
of organizations factored inflation into their salary and cost-of-living updates for 2023.<sup>6</sup>

<sup>6</sup>Source: SHRM, 2022-2023 SHRM State of the Workplace Report. Survey of US employees, HR professionals, and HR executives on 2022 workplace trends and what to expect in 2023.

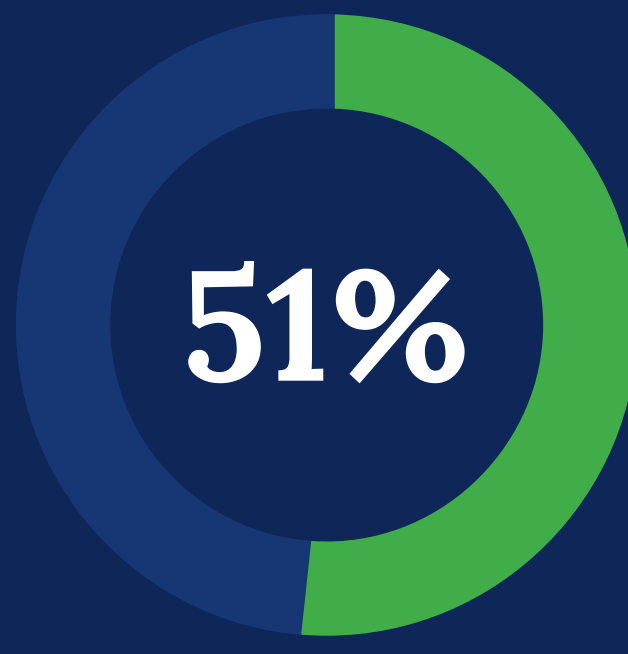
### HR Professionals



of HR professionals surveyed are worried about inflation's impact on their organization.



of HR professionals surveyed are most worried about how inflation will impact their employees, followed by **67%** worried about their clients, and **55%** worried about their suppliers.



of HR professionals plan to do a hiring freeze if there's an economic slowdown.

<sup>7</sup>Source: SHRM, 2022-2023 SHRM State of the Workplace Report. Survey of US employees, HR professionals, and HR executives on 2022 workplace trends and what to expect in 2023.

## Key Strategies to Combat Inflation

### 1 Reassess your budget

- Invest in your most valuable resources.
- Cut unnecessary costs like in-house expenses if all/most of your team is remote.
- This lets you give your employees more competitive compensation and benefits.

### 2 Re-evaluate your salaries and benefits packages

- Conduct research on the average salary for similar roles in your area.
- Ask your employees what benefits they value the most.
- See where you can allocate the funds you saved from your budget audit.

### 3 Revisit your employee retention strategy

- Along with compensation and benefits, there are other ways to retain top talent, **such as:**
- Provide ongoing learning opportunities and clear paths of growth at your company.
- Create a supportive workplace culture that promote a healthy work/life balance.

### 4 Practice open communication with your team

- Be honest about what your company is doing to combat inflation.
- Encourage employees to come to you with any questions or concerns.
- Have conversations with them about how you can best support them.

### 5 Give your employees access to valuable resources

- Access to healthcare resources and medical professionals to prioritize their wellbeing.
- Access to financial resources and advisors to help them budget during a recession.
- Access to professional growth and training opportunities to expand their skillsets.

**Connect with a staffing and recruiting expert today to learn how to create a strategic hiring and retention strategy despite the impact of inflation.**

**CONNECT WITH AN EXPERT**