



PERSPECTIVE

Top 2023 HR Trends: Financial Wellness, Employee Morale, and Know-How



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Many of the financial challenges we saw in 2022 have carried over into 2023. Signs of inflation have led to higher costs both inside and outside the office. The cost of eggs and energy has some people worried about day-to-day living costs and what price may rise next. Meanwhile, organizations around the country are trying to keep business as usual while facing financial stressors that have sometimes led to hiring slowdowns, hiring freezes, and even workforce reductions.

Stresses like these can be far-reaching, affecting businesses, employees, and their families. In employees, this stress could lead to decreased job performance, burnout, quiet quitting, and even actively seeking new employment.



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HR teams often end up sharing the stress and burnout caused by external factors. According to the recent HRE survey 'What's Keeping HR Up at Night?', [more than 76%](#) of HR professionals said their stress levels had increased dramatically or somewhat in the last year. With such great challenges and potential dips in employee morale, 2023 will be asking us to be mindful of the humanity of our co-workers. Great challenges can sometimes bring great opportunities for us to learn, re-evaluate, and improve.

This year is also calling us to put greater focus on the employee experience, from recruitment to retirement. [Nearly 72%](#) of HRE's 'What's Keeping HR Up at Night?' survey respondents said they were somewhat or extremely concerned about losing talent over the next 12 months. Employees who feel listened to, respected, and fulfilled tend to be more loyal and engaged. So, while you are working to find the right new talent for your available roles, you will also want to be listening and gauging the needs of your company's teams and employees to help cultivate the right blend of culture and compensation to retain talent. With an eye on optimizing the employee experience and an ear to the ground, here are some of the HR trends we are seeing and hearing about so far in 2023.



FOCUS ON FINANCIAL WELLNESS

Knowing how taxing financial stress can be on productivity, retention, attendance, morale, and overall engagement, you and your HR professional colleagues will be smart to investigate financial wellness programs and benefits that can help empower employees. Benefits like emergency savings, tuition forgiveness, and retirement accounts with a corporate match can be attractive to prospective hires and current employees. A survey by ADP showed that [75% of employees](#) want to work for a company that cares about their financial well-being. So, offering retirement benefits along with financial advising or identity protection services could be a good way to stay more competitive with prospective candidates and demonstrate your commitment to your current employees' financial well-being.

Of course, for employees to get the most out of these perks, you should also be considering including options that help educate them on how to participate in and use these benefits. Many of us would leap at the chance to learn more about how to better budget our money, invest it, and manage our debts (especially credit cards). Education on if and when to remove money from a 401(k) or how to use a Health Savings Account (HSA) can help illustrate to your employees the value of engaging with their benefits and also help them become more confident and comfortable with their finances.



LEANING INTO FLEXIBILITY

Remote and hybrid work is not going anywhere. For many employees, the genie is out of the bottle and not going back in. Organizations built the infrastructure and processes to support a remote workforce during the COVID-19 pandemic and employees have taken to it. A survey of remote employees found that nearly [7 in 10 \(68 percent\)](#) said they would rather look for a new job than return to the office. This is something HR teams will need to consider with the push to bring employees back into the office. Hybrid work schedules may ultimately lead to a compromise that can help placate both management and employees, but the demand for flexible work options and an attempt at true work/life balance will continue to take center stage in 2023.

Flexibility for employees may not just be defined by location. More and more employees are also looking for flexibility in the days they work from home or come into the office, as well as with what hours or the day they work. It will be important to find the balance between mandated in-person collaboration and the flexible work arrangements that employees seek to minimize their commuting stress or cater to their family obligations.





OVEREMPLOYMENT

With flexibility and remote work already on the mind, let's look at a somewhat recent trend that could put a damper on flexibility positivity. Overemployment, or the working of two or more full-time jobs simultaneously, will continue to be something to be aware of in 2023. Some employees, usually remote workers, are seeing an opportunity in the flexibility of their jobs to take on a second, third, or even fourth full-time position. Overemployment has become common enough that there are online forums that discuss holding multiple jobs and a website with advice on how to successfully maintain such a workstyle. While it can certainly seem to be financially advantageous to the practitioner, it may have the opposite effect on their employer(s). Overemployment may potentially lead to more disengaged employees and co-workers, lower team morale, and subpar work. With more than 50% of overemployed employees working in the same industry, there may even be competitive, data security, and network security risks.

These risks may set off alarms for some employers to batten down the hatches. Hopefully, this phenomenon will also provoke you and your colleagues to examine your organization's employee experience and consider how you can better cultivate a culture for employees that inspires greater loyalty and career fulfillment. While compensation is likely a piece of an overemployed employee's motivation, it could also be a reaction to issues they have with work and team culture, feeling a lack of opportunity for career growth, not finding training and skill development opportunities, or their way of creating a safety net to placate their fear of losing their job. While it may appear only as a breach of trust to some, it could be a catalyst to discuss that employee's experience and what can be done to make it more engaging and more fulfilling.



¹ Equifax Data Study - The Work Number, October 2022.

HIRING SKILLS, UPSKILLING, AND RESKILLING

In an environment where some organizations have some real gaps and calls to do more with less are becoming louder, there will be an even stronger direction for you to attract and hire candidates with the right skills, provide resources and training for employees to develop and learn new skills, and to help employees develop their skills for greater career development and mobility. In the short term, this may help cover some of the skills and resource gaps. In the medium to long term, cultivating such a culture built on learning, development, and career growth may help develop organizational efficiencies, improve employee engagement, and help with the recruitment and retention of talent.


A good mix of training and career development resources can help mitigate potential burnout and subvert the idea that the grass may be greener somewhere else. Employees tend to be more loyal and engaged when they are presented with opportunities to learn, grow, and develop their skills. Likewise, industrious job candidates tend to want to work for companies that care about their career trajectory and growth. Adopting such a people-first approach that goes beyond corporate training and offers a range of self-development tools that allow employees to choose their learning adventure can benefit both the employer and the employee.





With financial uncertainty ahead of us in the near-term, we need to nurture our employees throughout the employee lifecycle with people-first programs that can help them overcome their stress and quench their thirst for development. 2023 can be a year where communication and innovation can help lead us closer to our own personal work-life balance that inspires us to thrive in the office and at home.

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