



2022 State of HR: The Link Between Morale and Revenue

Our Presentation
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2022 State of HR: The Link Between Morale and Revenue

Presented by:

ICW Group & our HR *OnDemand*[®]
partner, Mineral[™]

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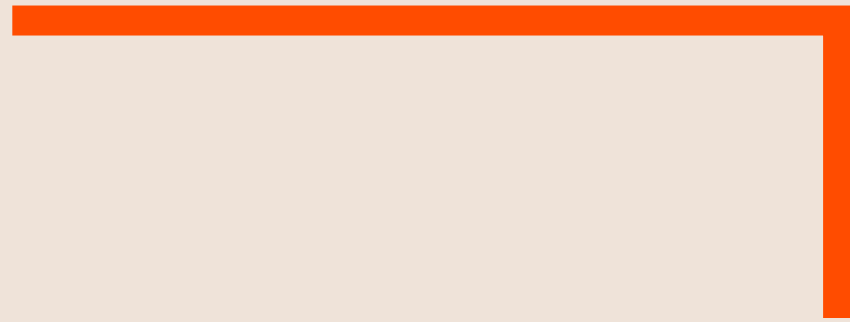
- Use the Question box throughout the presentation.
- The deck and webinar recording will be posted to the ICW Group Policyholder website 24 hours after presentation.
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Presenter

Suzame Tong
VP of Corporate Marketing, Mineral™



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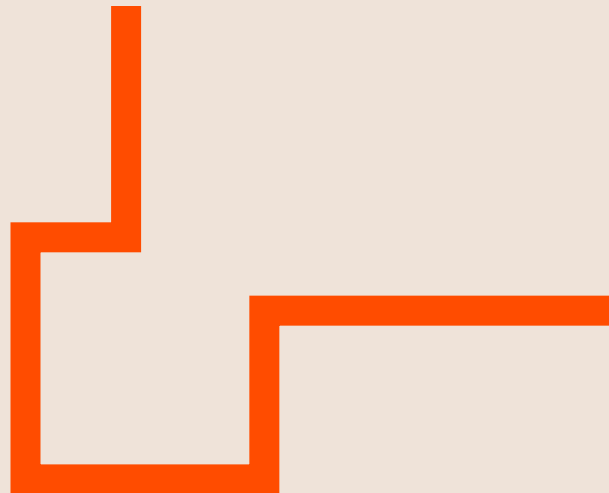


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Agenda

- About the survey
- Teasing out performance differences
- Key findings & Healthy HR framework
- HR challenges and priorities
- 8 things that separate the weak from the strong
- Companion guide

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SPECIAL REPORT

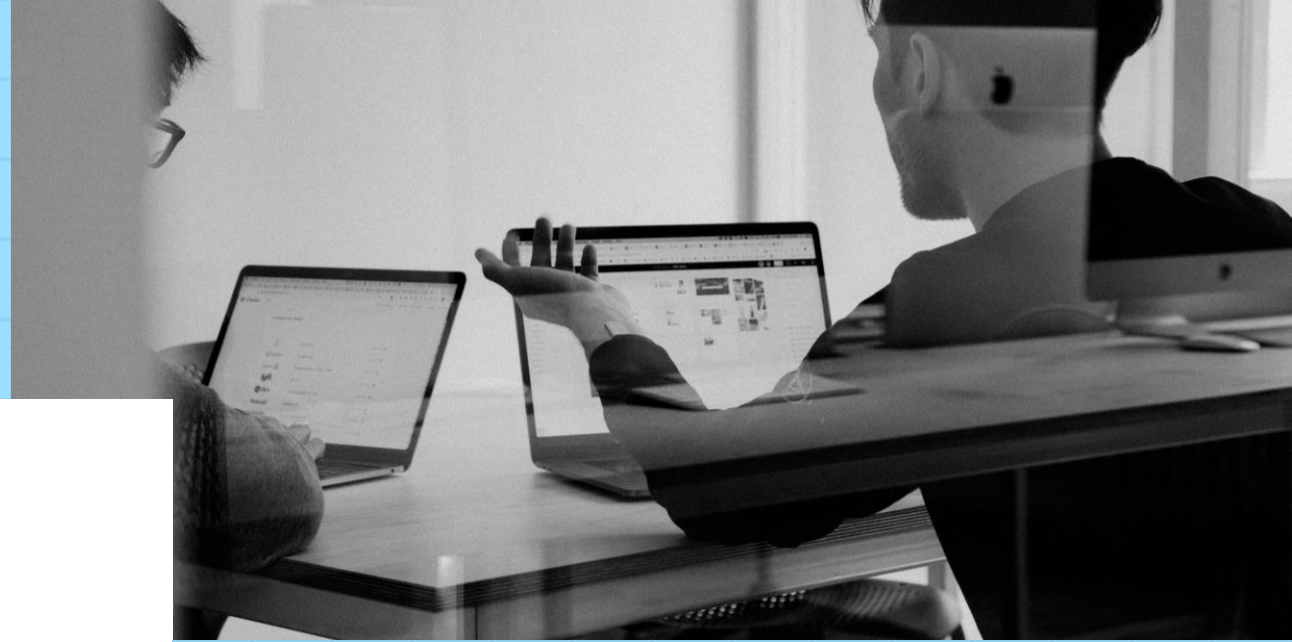
The 2022 State of HR Report

Mineral's survey results prove that strong employee morale measurably increases revenue and productivity.



THE 2022 STATE OF HR REPORT | VERSION 1.0

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Objectives & methodology:

- In February 2022 we surveyed 2,644 HR leaders from companies of all sizes in the U.S.
- We sought to understand why some companies grew in revenue and productivity despite the pandemic, and what role HR played in their business outcomes



Respondents were:

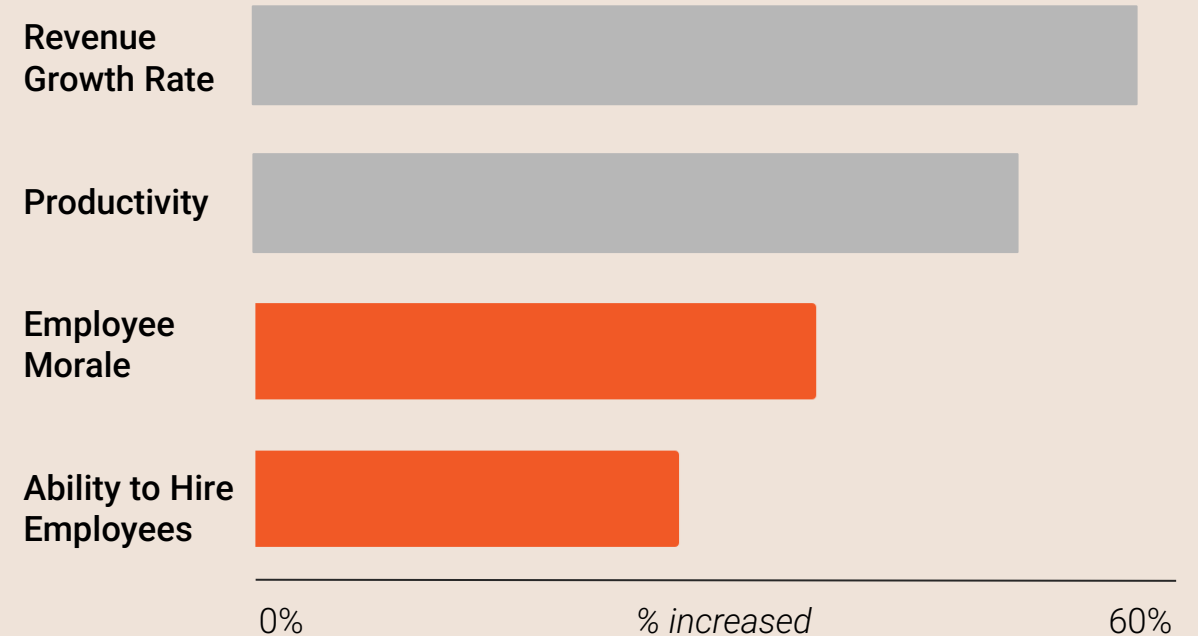
- ✓ Gathered through a mix of professional panels, Mineral clients, and social media channels.
- ✓ Predominantly executive leadership and involved in their organization's HR function.
- ✓ From companies of all sizes, ranging from organizations under 50 employees through to enterprise-sized organizations.
- ✓ The sample composition was balanced between five sectors:
 - Consumer Goods & Services
 - Energy & Resources
 - Financial Services & Insurance
 - Life Sciences & Healthcare
 - Technology, and Media & Telecom



Organizations are starting to recover financially, but morale and the ability to recruit remain weak.

The bottom line is bouncing back, but employees are not.

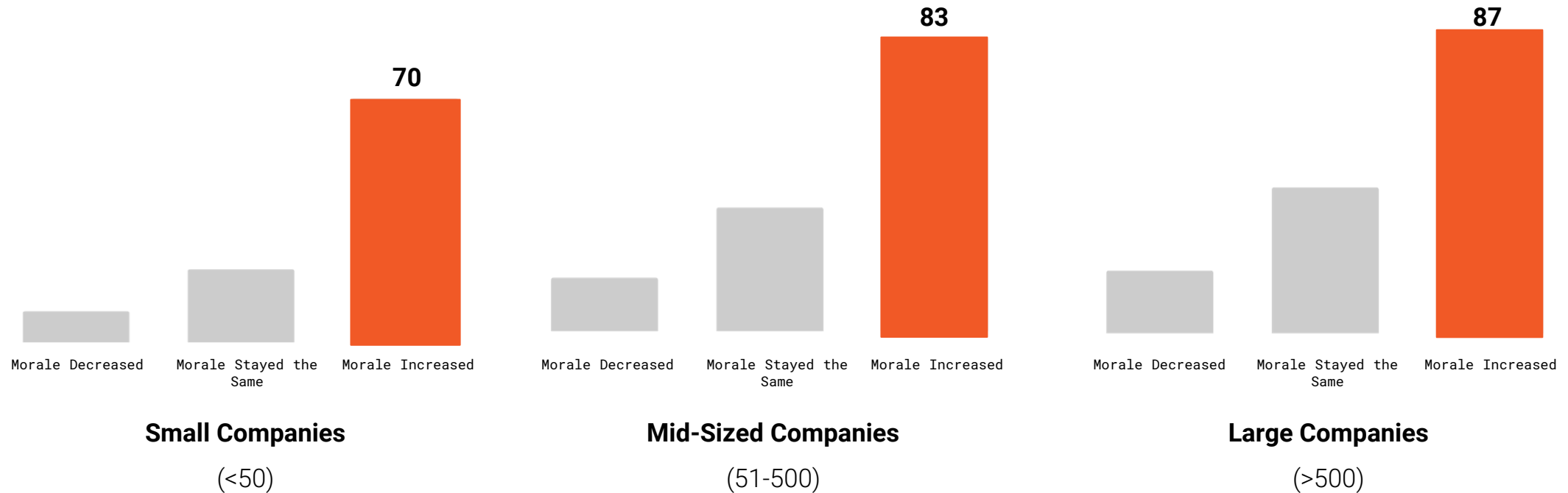
Reported Organizational Metrics Over the Past 12 Months



Organizations that increased morale saw financial benefits

Across industries and from companies of all sizes, we see a strong relationship between improving morale and financially thriving during the pandemic.

% of organizations who increased productivity over past 12 months



The key finding:

There's an ROI on employee morale.

- 83% of companies that increased morale throughout the pandemic also reported increased revenue. This was 2.8x higher than those who experienced decreased morale over the past year.
- On top of that, companies with increased employee morale were also over 5.5x more likely to have seen increases in productivity.
- Only about 1/3 of companies improved employee morale in the last year. An equal number reported decreased morale.

We discovered 4 drivers of employee morale:



Thoughtful Compensation

- “Our employees are very satisfied with their compensation and benefits packages.”



Good Work-Life Balance

- “Our employees are very happy with their day-to-day work-life balance.”



Potential for Career Growth

- “Our training and development programs have successfully enabled employees to transfer into new areas of the business and pursue new careers.”



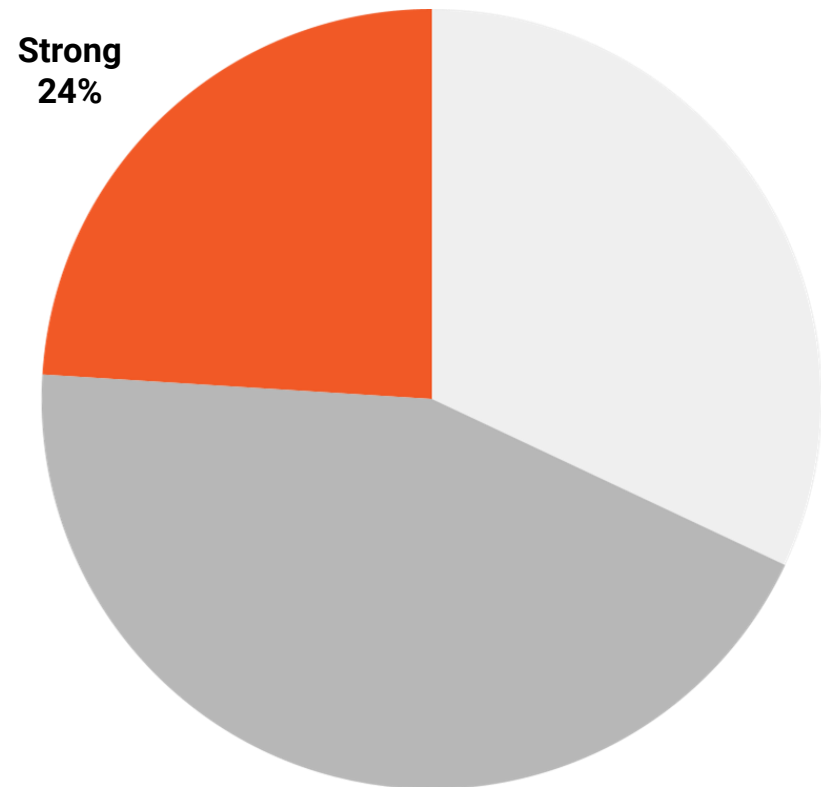
Appropriate Workload

- “Our employees are unburdened by vacant positions on our team.”

The Healthy HR model

- We refer to these 4 drivers of morale as Healthy HR
- We've classified survey respondents on a scale Weak, Average and Strong on the Healthy HR scale
- Our study finds that Strong performers – the companies that have achieved growth in revenue and productivity despite the challenges of the pandemic – score strongly on all 4 of these dimensions of Healthy HR

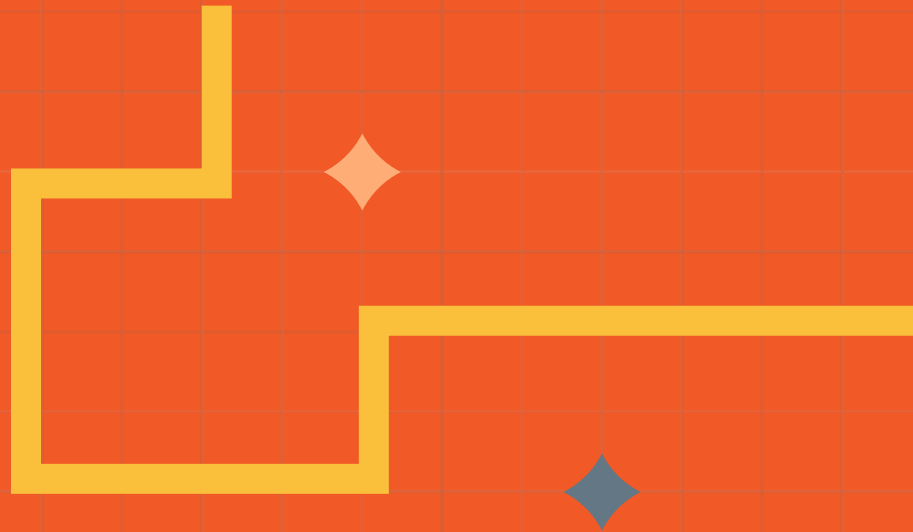
Few organizations are achieving Healthy HR...



The 4 components in practice:

- 🔗 **Strong** organizations were likely to strongly do well in the majority of the four dimensions of Healthy HR
- 🔗 **Average** organizations tended to do well in 1-2 dimensions
- 🔗 **Weak** organizations were not likely to perform well in any dimension of Healthy HR

...but those that did are reaping the benefits.

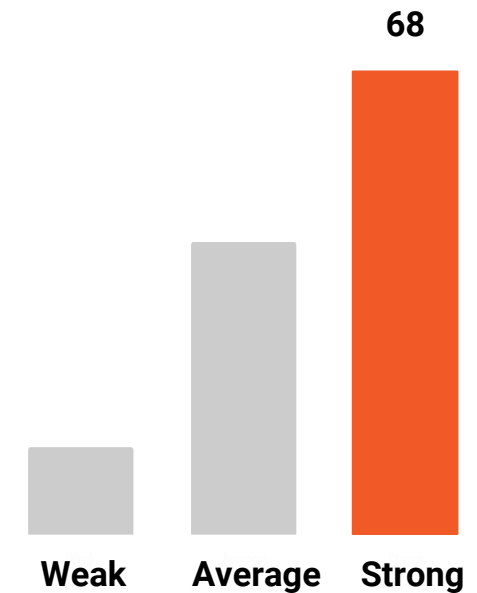


Those strong performers are significantly more likely to have thrived during the pandemic

% of Organizations that Increased Productivity



% of Organizations that Increased Morale



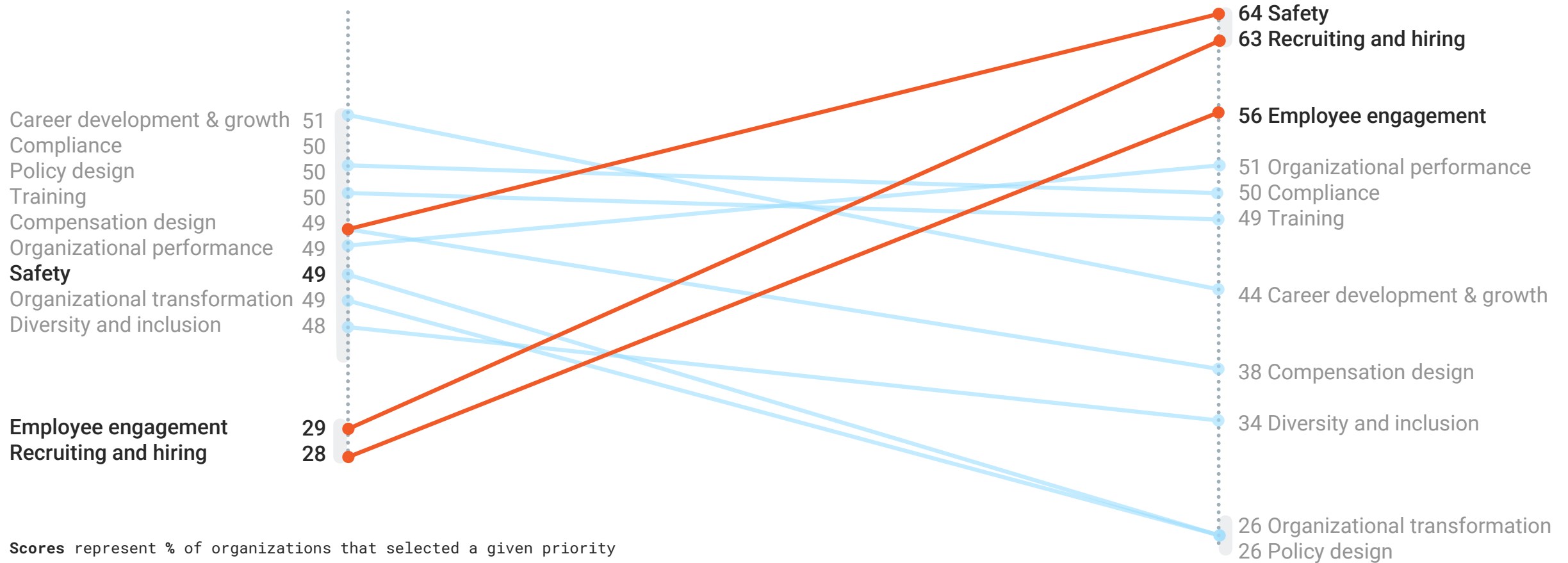
HR challenges and priorities



Top 5 HR Priorities: Before the Pandemic to Now

Before the pandemic

Now (2022)



Top 3 HR Challenges

Weak performers were more likely to report direct business challenges posed by HR, specifically around attracting and retaining talent. On the other hand, **Strong performers** recognize that the real challenge is in the hearts and minds of their employees.

Those with Weak HR reported

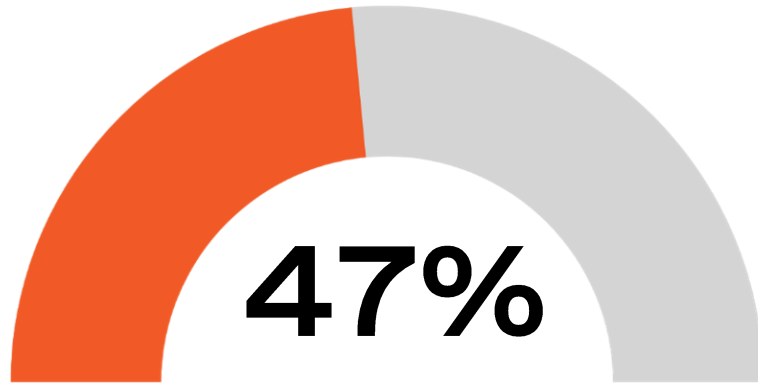
- 67%** Attracting top talent
- 67%** Maintaining employee morale
- 60%** Retaining top talent

Those with Strong HR reported

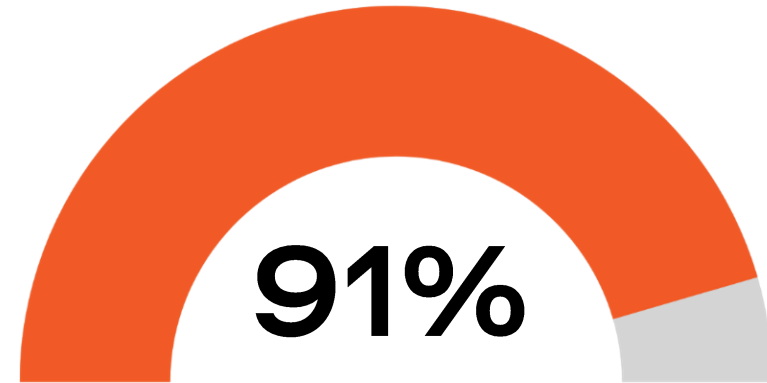
- 44%** Employee mental health and safety
- 40%** Maintaining employee morale
- 39%** Employee training and development

Employee Mental Health: The bedrock of Healthy HR

Healthy HR is underpinned by a focus on how employees feel, so it is no surprise that a Mental Health focus is a prerequisite to becoming a Strong performer.



Less than half of Weak performers placed mental health of their employees as their highest priority.



The majority of Strong performers placed mental health of their employees as their highest priority.

**Healthy HR doesn't
happen by accident —
it requires a culture of
investment in HR.**

54% of all organizations increased their HR spend during the pandemic

64% of all organizations report that HR has buy-in from executive leadership

Strong performers are 1.9X more likely to leverage HR safety vendors compared with Weak performers

Strong performers are 1.4X more likely to leverage vendors for HR training

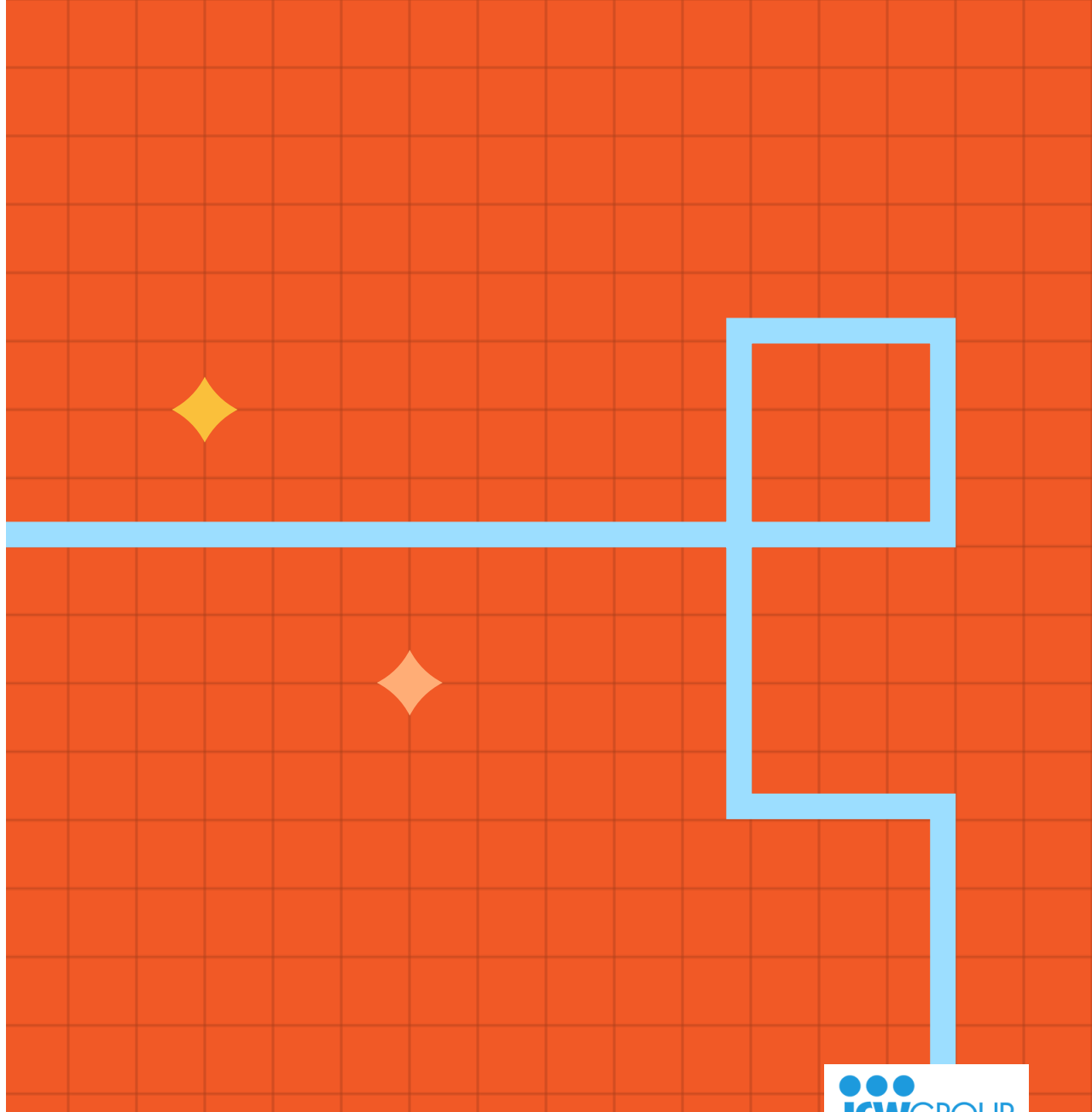
HR Employee Morale

HR Teams need support too!

- 66% of respondents (HR Professionals) from Weak organizations reported that they are worried about burnout in their current role, compared to just 26% of HR Professionals from organizations with Strong posture.
- 46% of respondents from organizations with Weak posture reported that their role does not have clearly defined growth plans/potential, compared to just 18% of those from organizations with Strong posture.



8 things that separate the weak from the strong



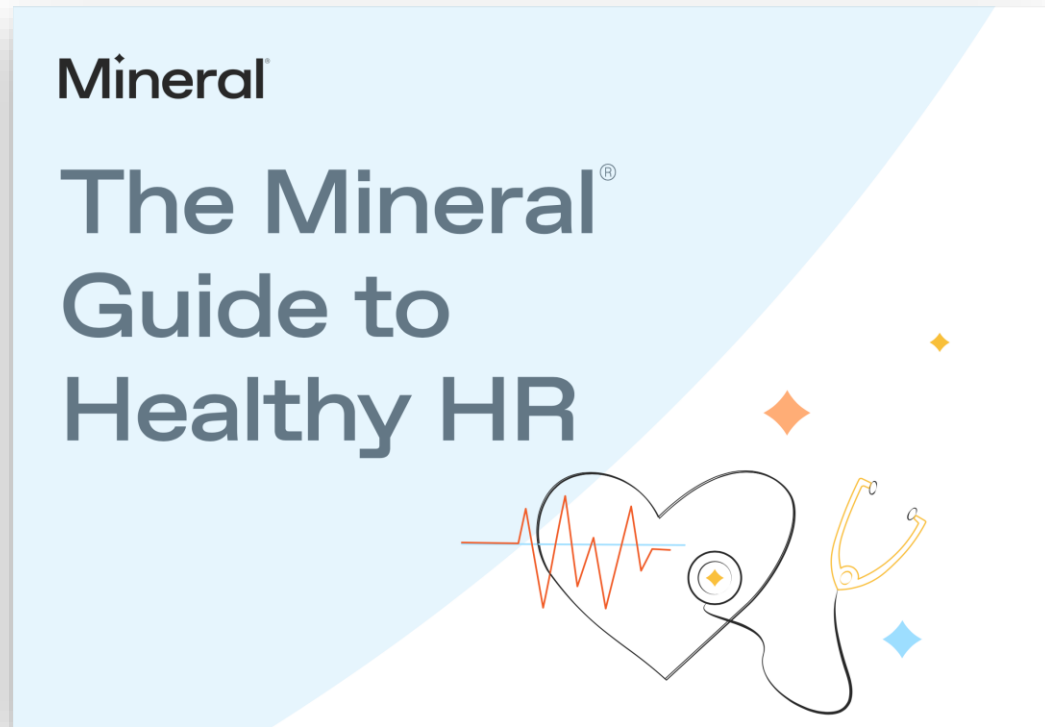
What separates the weak from the strong?

Companies with Healthy HR are significantly more likely to do the following:

- **Tailored Benefits:** Over 10x more likely to tailor benefits to specific employee situations
- **Mental Health:** 11x more likely to place mental health as its top priority
- **Hybrid/Remote Work Flexibility:** Over 5x more likely to offer flexible remote and hybrid work
- **Schedule Flexibility:** Over 7x more likely to offer flexible working hours and scheduling
- **Safety Resources:** 5x more likely to have the resources to keep up with changing safety guidance
- **Defined Career Ladders:** Over 10x more likely to have built well-defined career ladders
- **Opportunities for Advancement:** 6x more likely to have created new roles to give employees the room to grow
- **Role Flexibility:** Over 8x more likely to be very flexible in how they design job roles

NEW: Companion Guide

Practical, actionable advice for each of the 4 aspects of the Healthy HR framework



- Written with small and mid-sized companies in mind
- Incorporating all of the best guidance available from our HR experts

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Get the Guide and Report from HR OnDemand®

From the home page use the search bar on the top right of the screen

Type "The Mineral Guide to Healthy HR" in the search bar and select the guide



Type "2022 State of HR Report" in the search bar and select the report



AUDIENCE QUESTIONS

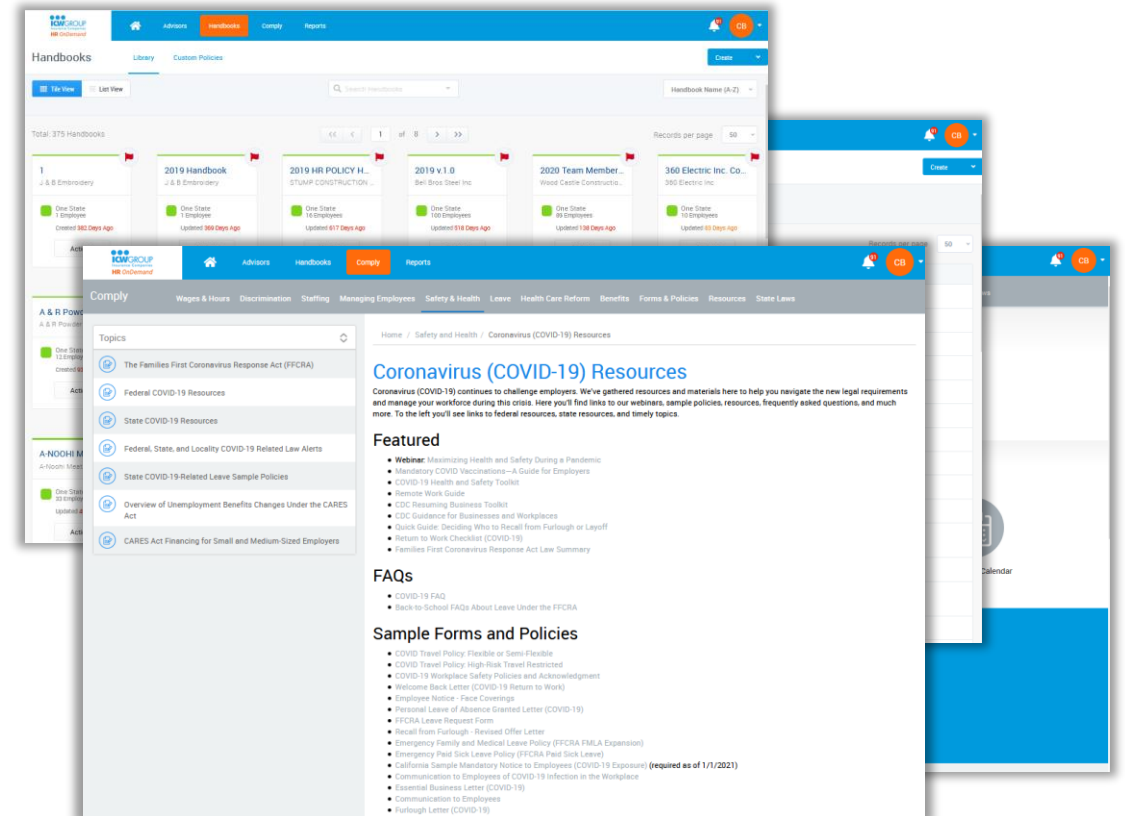
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