



The Pulse of HR 2022: A Comprehensive View of the State of HR in U.S. Businesses

Discover how HR leaders are helping their companies thrive in a new era of work.



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Discover How HR Leaders Are Helping Their Companies Thrive In a New Era of Work

The current business and hiring environment has redefined what it takes to succeed as an HR professional. Sustained economic volatility, a reshaped workplace, and a dramatic shift in the employee-employer power dynamic are just some of the factors contributing to this environmental shift — and HR leaders are being forced to adapt and innovate at lightning speed to help their organizations remain competitive.

At the heart of many of these changes is a recognition that **better business starts with happier, healthier, and more engaged employees**. The link between employee experience and better business outcomes creates not only opportunities for today's HR professional, but also additional stressors, including the pressure to deliver more, faster, in order to avoid the business implications of a slow or poor execution of new HR policies.

Across the board, employee acquisition and retention are at stake, presenting a clear opportunity to improve talent management, boost operational efficiency, and support employee well-being through increased investment in the right tools and technology.

The sixth annual Paychex Pulse of HR report provides an in-depth look at how HR professionals are achieving ambitious goals in this new era of work.

In this report, you'll discover the trends, policies, and tools that HR leaders are using to deliver on both HR and business objectives — faster and at scale — while serving the needs of employees, including:

- The most time-consuming task for HR leaders today
- What's working now to attract and retain top talent
- The tool that's saving HR teams 120 hours per year
- The new definition for good employee performance
- The close link between employee well-being and company success
- How the right remote work policies are improving employee engagement
- The benefits and technology that HR leaders are leaning on most



Top Challenges: HR Leaders Face an Intensified Time Crunch

Tracking staff hours is now the most time-consuming task for HR professionals and their teams, even ranking above compliance and data management, which have topped the list in previous years. New tasks around return-to-office policy creation and devising workplace health and safety guidelines are also notable additions to the workloads of HR professionals.

Most Time-Consuming HR Tasks ¹			
	Current	2021	2020
No. 1 Task	Chasing down employees' time worked/hours	Researching/ trying to keep up with the latest federal, state, and local regulations	Merging data from separate HR systems to make informed decisions
No. 2 Task	Researching/ trying to keep up with the latest federal, state, and local regulations	Chasing down employees' time worked/hours	Rekeying data into multiple HR systems

Other tasks that may not have taken precedence in previous years are now taking up considerably more time, according to one in five respondents, including:

- Developing and implementing return-to-office policies
- Devising workplace health and safety guidelines

¹ Among respondents with 50-500 employees. Technology troubleshooting with vendors also continues to occupy a significant number of hours for HR leaders.

Tracking only the increased scope of responsibilities for HR leaders understates the depth and breadth of the challenges they face. It's not just more work, it's more complex work — with no real precedent. The result is an increased cognitive load on HR professionals who are both creating and continually updating policies in response to rapidly changing external dynamics, workforce demands, and mandates.

HR leaders reveal that HR technology and payroll tools have helped them streamline tasks and manage new and ongoing responsibilities more efficiently, helping to alleviate some of this burden.

- **Half of all HR leaders** surveyed say that HR software/technology helped boost their company efficiency.
- Close to **40% of HR leaders** say HR software/technology has made it easier to manage payroll and benefits administration.

1/3 of HR leaders say changing to their current payroll solution or technology has **saved** their company between **60 and 120 hours** a year in both preparing **payroll and fixing payroll issues**.

1/2 of all companies say that HR software/technology has **boosted company efficiency**.

“Using HR software/technology has improved the process of administering our employee benefits, and that is what is needed now to retain employees and sustain loyalty – a top priority for our company.”

— New York-based HR professional at a 3,000-person manufacturing company

In short, HR software/technology is saving time — time that is **absolutely priceless** for HR teams who are strained.

Specifically, companies that have adopted a new payroll solution or technology to automate this process report saving significant time for their company or department:

- **37%** save between 60 and 120 hours annually in tax preparation time
- **36%** save between 60 and 120 hours annually in creating and analyzing reports
- **36%** save between 60 and 120 hours annually entering information into multiple systems
- **29%** save between 60 and 120 hours annually by giving employees self-service capabilities

“Having the right technology in place to support employees’ physical and mental health needs is an important part of our HR strategy.”

— Michigan-based HR professional at a 65-person retail company

“Having the right tools for effectively managing payroll and benefits administration can help HR leaders clear a path for more critical strategic endeavors. Ultimately, finding a way to balance these responsibilities helps increase their focus on employee engagement, which in turn will benefit their overall business.”

— Alison Stevens, Director of HR Services at Paychex

Finding and Attracting Talent: The Tools and Tactics That HR Leaders Are Using to Boost Results

HR leaders admit that their companies are struggling with critical hiring and retention goals. Half of respondents say their organizations are not effective at hiring, onboarding, and retention.

HR technology is helping to accelerate key parts of the talent acquisition journey, including broadening and deepening visibility for open positions. It's also instrumental in supporting the work arrangements required to boost application acceptance.

Top talent acquisition tactics that HR leaders are using include:

- **Using third-party job sites** to boost the visibility of open positions/increase the number of job applicants
- **Offering remote work and higher pay** to encourage candidates to accept job offers

1/2 of respondents say their organizations are not effective at hiring, onboarding, and retention.



The top five tactics that currently work best to boost the visibility of open positions and increase the number of job applicants are:

1. Using third-party job sites and employee referrals
2. Hiring remote workers
3. Emphasizing diversity
4. Posting on industry-specific sites/platforms
5. Increasing recruiting budgets

The top five most effective tactics that HR leaders have deployed to encourage candidates to accept job offers include:

1. Offering higher pay
2. Offering remote/flexible work
3. Emphasizing company culture
4. Making offers quickly and using salary/compensation benchmarking to create competitive offers
5. Emphasizing career advancement/development paths

“Offering a flexible schedule is essential for us to attract people. We’ve also implemented a sign-on bonus program to encourage candidates to choose us.”

— New Jersey-based HR professional at a 35-person retail company

“Our company uses job referral boards to find job candidates, and hybrid-work options and flexible schedules to attract them. We need this tool more than ever to support our business plans.”

— Pennsylvania-based HR professional at a 1,000-person transportation and warehousing company

Engagement and Retention: How HR Leaders Are Keeping Up With the Demands of Their Workforce

The all-important responsibility of engaging employees requires HR professionals to track what matters most to employees and then continually address those needs.

This is a 24/7/365 requirement for HR professionals, and they report that HR tools and technology have enabled them to better listen and respond to the needs of their workforce, starting from day one of employment, in order to:

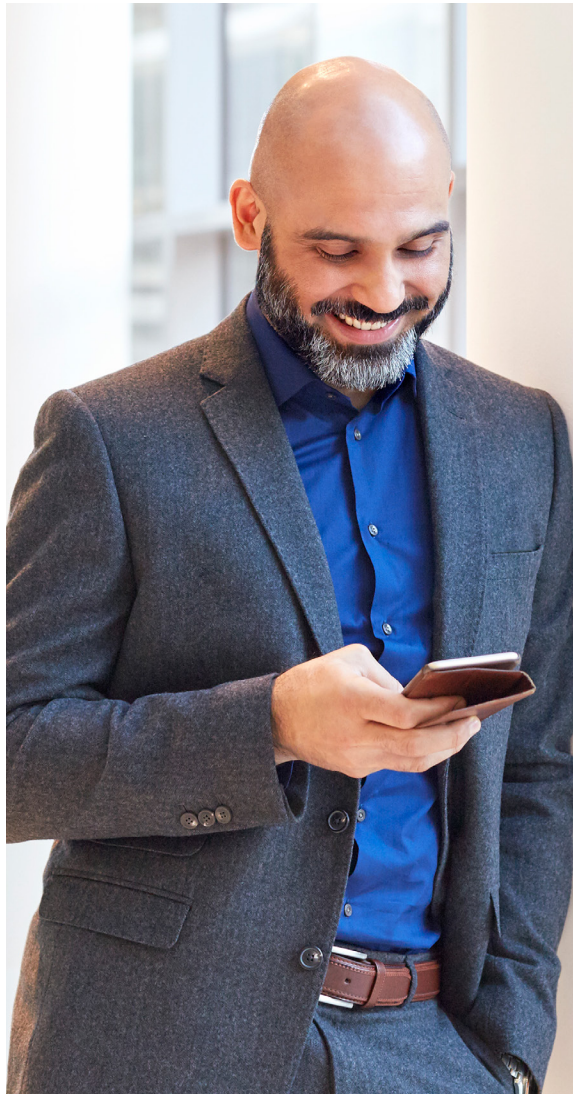
- Improve engagement
- Boost their ability to train and build skills
- Enhance communication and collaboration

Specifically, what currently works best for HR professionals when it comes to fostering employee engagement is:

Regularly surveying employees about job satisfaction	41%
Offering training to boost job and leadership skills	37%
Encouraging more communication between employees and managers about advancement/career development	36%
Actively encouraging peer-to-peer recognition and developing and emphasizing company culture	35%
Improving the onboarding process to help new hires feel engaged and be productive right away	35%

The top tactics HR professionals use to improve employee retention include:

Increasing work flexibility via flexible hours and remote work	41%
Increasing compensation	36%
Focusing on employee engagement	35%
Demonstrating a commitment to diversity, equity, and inclusion	31%
Providing pay transparency and having “stay” conversations/interviews to learn more about employees’ needs and aspirations	27%



The tactics being used by companies that are currently hiring many people — which, right now, are disproportionately those with 500 or more employees — are providing a look into what businesses of all sizes may need to do in order to find and keep top talent.

For example, these larger companies are **33%** more likely than their smaller counterparts to provide pay transparency — something that is increasingly desired by American workers — and **42%** are more likely to have “stay” conversations with staff.



“Improving our onboarding process and putting a focus on diversity and equity have helped our employee retention efforts, since we’re communicating that we care and are listening right from someone’s first day.”

— California-based HR professional at a 1,500-person computer hardware/electronic equipment company

“We’ve heard from employees that they need work/life balance support and we are now offering perks to support team members’ morale and work/life management. For our team so far, that’s lunchtime yoga classes and flexible schedules, but we’re still listening.”

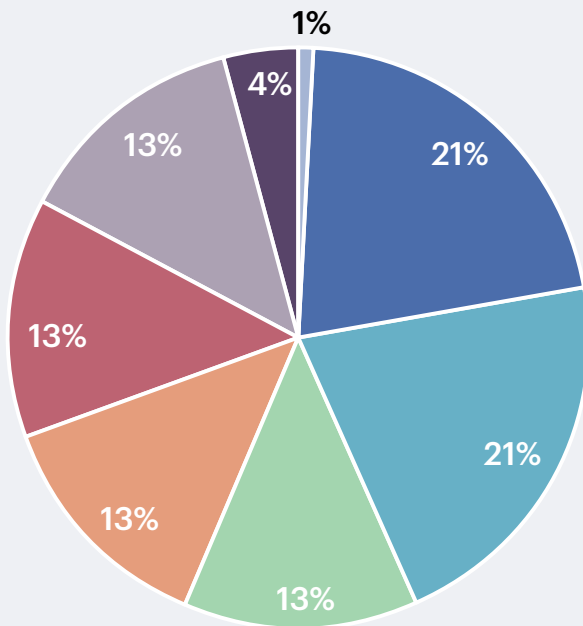
— Connecticut-based HR professional at a 28-person personal services company

The Secret to Hybrid Work Success: Tactics That HR Leaders Say Are Helping Employees Thrive

Among HR professionals with employees working remotely, 95% are planning to bring at least some staff back to the office. Only 15% of companies have staff working exclusively on-site at the time of this research.

Perhaps unsurprisingly, HR leaders' plans for remote and flexible work vary widely, with no single policy clearly dominating.

Hybrid & Remote Work Plans



- Each department, location, or business unit sets or will set its own remote work policies
- Remote work is or will be an option for people whose job allows for it
- Remote work is or will be an ongoing option on set days
- Remote work is or will be an ongoing option on days of an employee's choosing
- Staff at a certain level in the organization are or will be allowed to work remotely
- Remote work is or will be an option for people who can demonstrate a need
- The entire team works or will work permanently from home
- N/A – the entire team has always worked remotely

As the performance management process changes to adjust for the hybrid/remote workforce, HR leaders emphasize the role technology is playing and will continue to play in supporting communication, training, and career development. This needs to happen quickly and at scale so employees feel confident that they can succeed in this new era of work where performance, and the performance management process, might look different than it has historically.

HR leaders say they will use the following approaches to better manage remote or hybrid employees:

A system to plan and track regularly scheduled manager/employee check-ins to ensure opportunities for remote and on-site employees	41%
Technology to optimize remote employee productivity	39%
A secure method for employees to receive confidential answers to HR questions without meeting in person	37%
Increased training to optimize remote employee productivity	36%
Online communication tools to keep managers and employees connected	35%



As more teams are dispersed and adopt flexible schedules, tools and more opportunities for training and career development will be an essential support for remote/hybrid employees and managers, including:

Technology to support communication around goal setting, career advancement, and development between employees and managers	45%
Employee training/skill building	41%
Training for managers on how to support employee career advancement/development	35%
Employee leadership training	33%
Job rotation/cross-training to encourage exposure to new roles/skills	33%

For those with employees permanently working in a hybrid or remote fashion, HR leaders revealed they are updating their employee performance evaluation plans in the following ways, in order to be more accommodating:

Performance reviews will ignore employee location	59%
The ability to learn new skills will be increasingly important in the review process	53%
There will be more emphasis/importance placed on an employee’s ability to communicate effectively online	51%

Companies adding many new employees — which are disproportionately those with 500 or more employees — are providing insight into what all organizations may need to do to succeed when it comes to sustained remote/hybrid work. A full **60%** of these larger businesses say they will use employee training/skill building to support career advancement and development of remote/hybrid employees.

Four in 10 HR leaders

with remote workers say that remote/hybrid work improves employee emotional/physical/financial well-being, boosts retention, enhances quality of work, and increases productivity.

More than half of all HR leaders say the ability to learn new skills and communicate effectively online are going to be more important than employee location during employee performance evaluations

The number of companies offering remote or hybrid work has increased by **124%**, and those offering flexible scheduling have increased by **50%**.





“Offering increased employee training and a hybrid work environment has helped us attract more people and given them the support needed to be successful in our company.”

— Texas-based HR professional at a 45-person banking/mortgage/insurance company

“We created a talent identification and development program so that we can provide our team with a clear path to career advancement. This approach is good for our team and our business.”

— Washington-state-based HR professional at a 400-person computer services/consulting company



Hybrid work plans vary significantly by industry:

Organizations Offering Hybrid Work

Professional services	48%
Manufacturing	30%
Personal services/education	23%

Avoiding Burnout: How Supporting Employee Well-Being Has Become the Keystone of Better Business

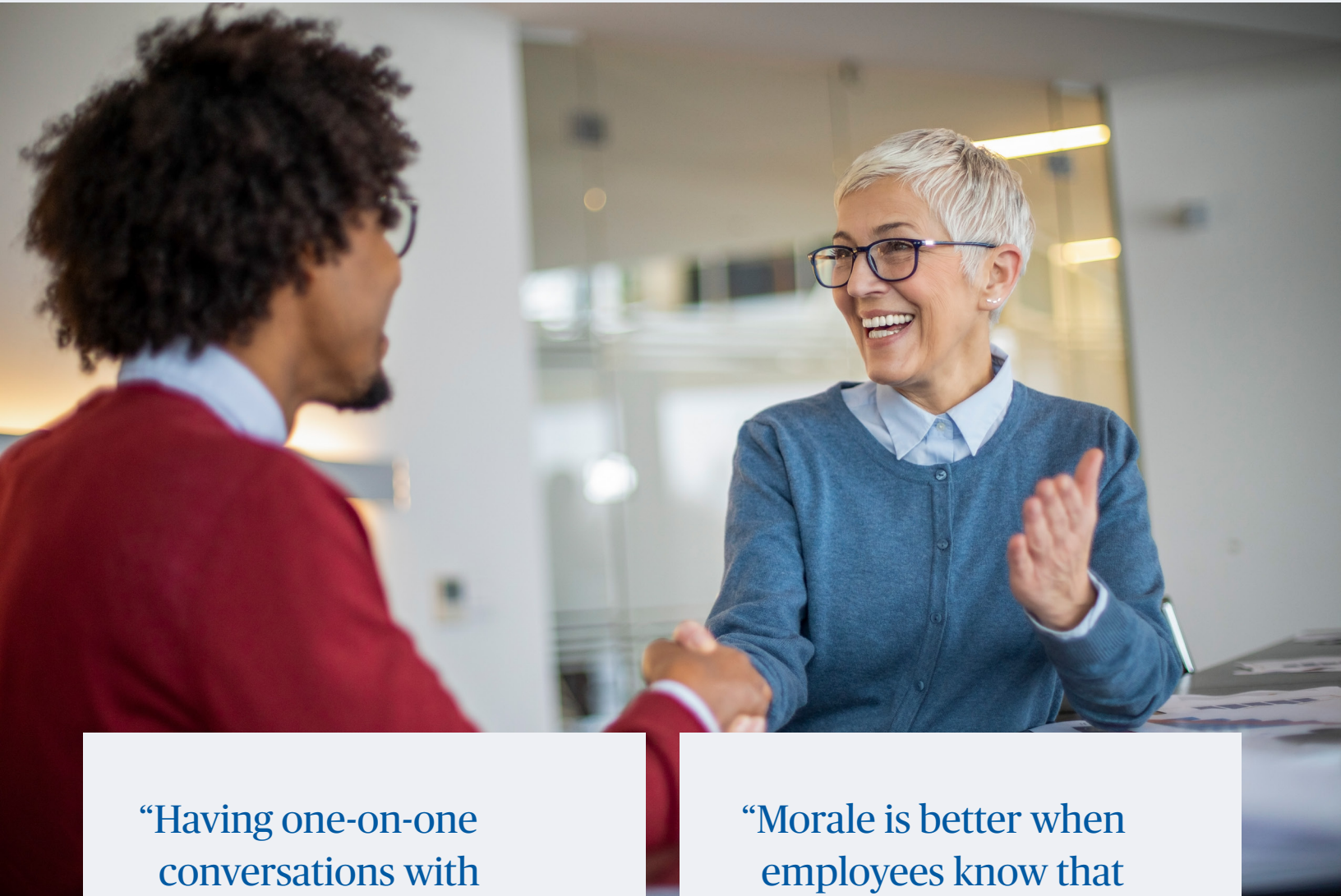
Roughly **one in three** HR leaders say the competitive hiring environment and its associated high turnover is putting stress on their team members who are responsible for filling open positions, and on current employees who are working to compensate for staff shortages.

This is being addressed, in part, by an increased focus on helping employees avoid burnout. Sixty percent of HR leaders are concerned about employee burnout currently, an increase of 18% from before the COVID-19 pandemic.

HR leaders are trying many different tactics to address burnout. HR tools and technology are helping HR professionals gain a better understanding of which tactics are working and which aren't, so they can adjust accordingly.

Offering flexible work options is used most often by HR teams as a tactic to address employee burnout:

Offer flexible work schedules	41%
Emphasize work/life balance as part of company culture	31%
Encourage managers to create clear job descriptions and expectations to make work feel manageable	29%
Provide training for employees and managers on avoiding burnout	26%
Create confidential ways for employees to communicate questions and concerns	26%



“Having one-on-one conversations with people about their needs and their future with the company has helped us improve our relationships with employees.”

— Virginia-based HR professional at a 200-person computer services consulting company

“Morale is better when employees know that someone will follow-up if they express a concern, and we consistently follow through on that. We’re also providing tactical help – like subscriptions to meditation apps – to support our team.”

— Illinois-based HR professional at a 48-person education/training company

“HR leaders are focused on employee well-being and are using all the tools at their disposal to stay tuned-in to employee priorities. HR technology plays a huge part in enabling HR leaders to demonstrate a strong understanding and action plan for addressing employee needs.”

— Alison Stevens, Director of HR Services at Paychex



60% of HR leaders are concerned about employee burnout, an increase of **18%** from before the COVID-19 pandemic.

Building a Diverse Workforce: How HR Leaders Are Prioritizing DEI

Many employees are seeking a workplace that better reflects the population of the U.S. as a whole. This is especially true for Gen Z, Millennials, and Gen X, with 57% of 18-to 39-year-olds and 52% of 40-to 55-year-olds reporting that diversity in the workplace is extremely or very important to them.¹

But diversity, equity, and inclusion (DEI) policies, guidelines, and training need to do more than just communicate a commitment to creating a diverse workforce — they need to empower employees to implement DEI strategies and foster an environment where everyone is a DEI advocate.

71% of HR leaders are doing at least one of the following:

Offering bias and other DEI-related training	33%
Ensuring that vendors and partners have a proven commitment to DEI	33%
Making DEI guidelines and documents easily accessible to employees	30%
Getting help from an HR or DEI consultant to create a plan	28%

¹ A survey of 1,000 total randomly selected U.S. respondents from U.S. companies (employees and employers) with 10 to 500 employees. Fielded from July 30, 2021 to August 22, 2021.





“We look for a diverse range of candidates when recruiting new hires. Internally, we hold team meetings often to give workers opportunities to voice their concerns and suggestions for how we can foster diversity.”

— New York-based HR professional at 405-person retail company

“Being able to offer hybrid work has enabled us to attract a more diverse team of employees and we’re communicating our commitment across all departments to be sure it’s widespread in our organization.”

— Indiana-based HR professional at a 47-person personal services company



Some industries are leading the way in insisting that vendors and partners have a proven commitment to DEI: **42%** of retail/wholesale businesses have a DEI policy, compared to just **31%** of professional services companies, and **25%** of manufacturing and personal services/education companies.

Why Now Is the Time to Expand and Optimize Benefits

A fundamental element of HR success is offering robust benefits that are tailored to employees’ needs and priorities. Organizations have increased the benefits they are offering **by an average of 22%** compared to the year before the COVID-19 pandemic.

As companies offer more benefits to remain competitive in today’s marketplace, benefits administration has also increased in scope and volume.

Benefits Offered By Companies With 20-500 Employees		
	Currently offer	Offered before the COVID-19 pandemic
Health insurance	72%	61%
Retirement plan	67%	57%
Remote or hybrid work	61%	27%
Dental insurance	60%	38%
Life insurance	60%	56%
Maternity/paternity leave	59%	57%
Vision insurance	57%	41%
Flexible scheduling	56%	37%
Short-term disability insurance	54%	43%
Health savings account (HSA)	51%	39%

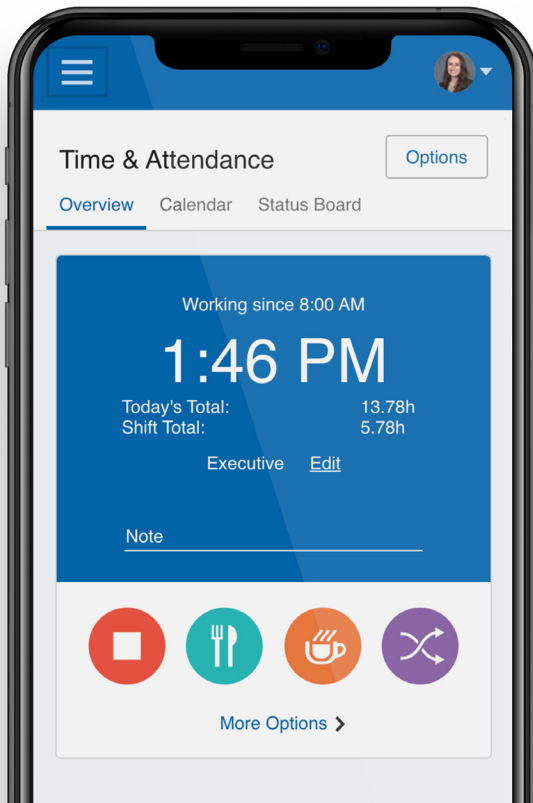
Fortunately, HR software/technology has improved HR’s ability to manage the increasing demands of benefits administration. And not only that — HR leaders revealed that HR software/technology has proven to be an important tool for reaching other major HR and business goals.

HR Software/Technology Impact on HR Objectives

Increased employee productivity	38%
Improved ability to manage HR processes such as payroll, benefits administration, and other processes	37%
Improved engagement	37%
Improved ability to train and build skills	36%
Improved ability to attract/hire candidates	35%
Improved onboarding	34%
Improved retention	33%
Enhanced communication and collaboration	33%
Improved career advancement/development efforts	30%

HR Software/Technology Contribution to Attaining Business Objectives

Boosted company efficiency	50%
Improved customer service	45%
Increased profitability	40%
Improved competitiveness	40%
Increased sales	39%
Reduced costs	37%



“Employees want more choice, so we’ve responded by increasing the number of options offered for benefits.”

— Minnesota-based HR professional at a 550-person manufacturing company

“Providing daycare services has been very popular with our employees. We’ve also increased the number of annual mental health days.”

— Florida-based HR professional at a 74-person travel/hotel hospitality company



Summary

This year's Pulse of HR report reveals a closer-than-ever link between meeting the needs of employee and business success, and the important role that HR tools and technology play in doing this effectively.

Close to **40% of HR leaders say that HR technology is helping them reach** their HR objectives, such as increasing employee productivity, having more efficient payroll and benefits management, and fostering greater employee engagement. And, **between 40% and 50% of HR leaders say** that having these tools helps them to support business goals such as increased company efficiency, better customer service, **and increased profitability.**

In short, HR leaders are leaning on HR tools and technology in larger numbers than ever before to effectively manage their ever-growing day-to-day tactical responsibilities. They're also using it to ensure that employees are heard, empowered, and engaged so they can focus on — and succeed in achieving — their ultimate HR and business goals.

Survey Methodology

The 2022 Paychex Pulse of HR Survey was conducted via an online survey from April 15 - May 6, 2022, among 1,000 HR decision-makers at U.S. companies with 20 or more employees. It is the sixth in an annual series of benchmark surveys investigating HR leaders' challenges, priorities, and use of technology.



The Power of Paychex

Paychex is committed to providing HR professionals the tools, resources, and guidance they need to contribute effectively to their organizations. Our unique combination of innovative, award-winning products and world-class service is designed to meet the evolving needs of employers and their employees. Whether your company is looking to fully outsource human resources or you're simply looking for ways to improve your business, our team of certified HR professionals is here to help.

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