

the next normal:

tomorrow's workforce in focus.



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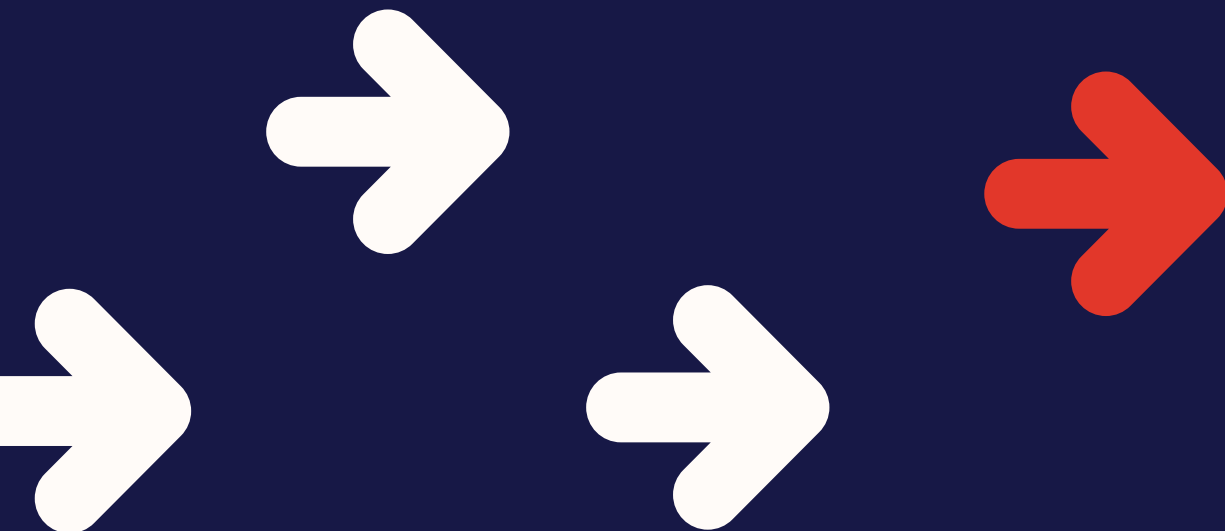
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foreword: the “next normal”

The pandemic has already changed almost everything about how we live and work — and the changes will almost certainly keep on coming. Just a little over a year ago, we had in-person meetings, lunch dates with colleagues and commutes. Today, we’re perhaps inching closer to reclaiming some of those traditions, but the only thing that’s certain is that we can’t be certain about what comes next. We may never fully go back to what we considered “normal” before the pandemic, but we will have to be prepared for even more changes — and for those constant changes to become the norm.

Adapting to this state of flux — constantly changing working conditions and locations, new health and safety requirements, emerging technologies and more — is our next normal. To find out why, how and where these changes are happening, we surveyed 1,213 American workers, along with 1,589 existing Randstad customers.

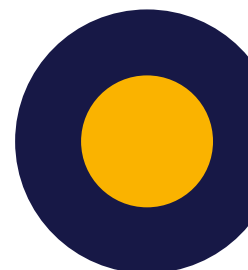
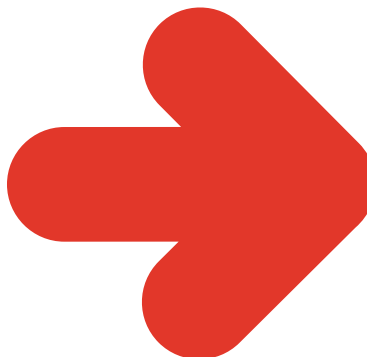
What we discovered is that the world of work is changing more — and faster — than we anticipated.

hybrid workforce models become the norm

While many organizations didn’t — or couldn’t — go remote during the pandemic, many others did. As vaccination numbers climb and new infection rates fall, many companies are puzzling out whether to bring everyone back all of the time, allow those who can work remotely to stay there or something in between. As it turns out, that “something in between” is likely what the workforce of the near future looks like.

This hybrid approach — with some working remotely at least part of the time and some staying onsite — is rapidly gaining popularity. Companies ranging from Ford to Salesforce are adopting this approach, and many more are likely to follow suit.

This approach allows employers to downsize worksites and save on both real estate and utility costs. After all, if only a fraction of the workforce is onsite at any given time, there’s no need to maintain a facility that can house everyone. It also enables employers to hire from a wider talent pool for roles that can be done remotely. And for workers in roles where remote work is possible, it gives them a raft of options about where work can happen.



remote work and technology affect each generation differently

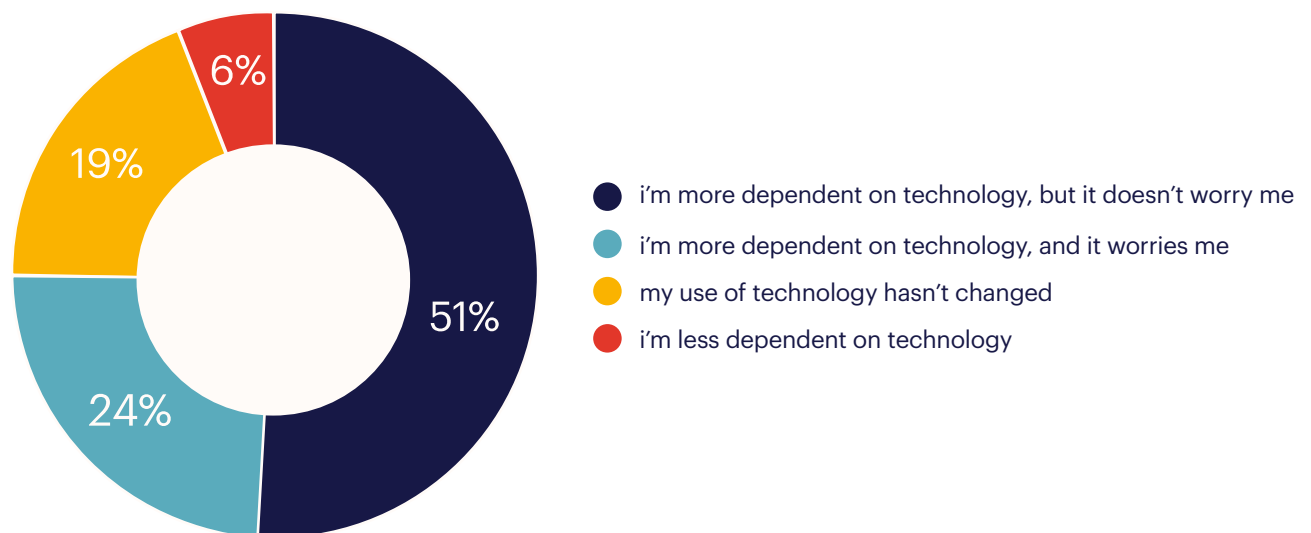
The option to work remotely might feel like winning the lottery for some. But for others, the increased reliance on technology that comes with it, along with the isolation and difficulty turning “off” at the end of the workday, make remote work less attractive than being onsite.

While three out of four remote workers (75%) said they’re more reliant on technology than before the pandemic, just one out of four (24%) said that fact caused concern. It’s most worrisome among those aged 45 to 54 (35%), while those aged 18 to 24 were most likely (60%) to say they weren’t bothered at all by an over-reliance on tech.

But it may not be the tech that makes remote work less attractive for some. This is especially true for Gen Z and older millennials. Twenty-two percent of those aged 18 to 24 said they weren’t able to take breaks during the day, and 18 percent of those aged 25 to 34 agreed. This may be due to the demands of childcare or complications from shared living arrangements, both of which are far more likely to impact younger workers than the rest of the workforce.

For employers, this means providing remote workers with the tools and benefits they need to be productive, rested and focused will be critical down the line. Some employers seem to have already taken this to heart: 27 percent of all remote workers said their employers began offering them work phones during the pandemic, while another 25 percent said their employers gave them monitors. Twenty percent were also given office chairs. These small gestures can mean a lot, especially to those who may not have the space for a proper home office.

how has your use of technology changed as a result of remote work?



increased safety standards are here to stay

Even when — or if — the pandemic ends, today's safety protocols won't end anytime soon, especially for companies whose workforces have or will return at least partially onsite. Among employers that went at least partially remote during the pandemic, 38 percent said they were bringing workers back onsite with modifications like temperature screenings and staggered scheduling. And among employees who weren't able to work remotely, almost three quarters (72%) said their employers had implemented safety standards as a response to COVID-19. Our survey found that these employees considered mask mandates (88%), social distancing (63%) and temperature checks (44%) to be most important as of the end of Q2.

For employers, these findings mean that, when remote work is simply not an option, safety must be priority number one. Companies that understand this and take action will benefit, while those that don't will struggle to hire and retain talent.

In fact, one study found that workers who felt unsafe at work due to COVID-19 were more than three times more likely to say they'd look for new jobs than those who said they felt protected at work.

did your employer change workplace health and safety policies during the pandemic?

my employer implemented new health and safety policies

72%

my employer didn't change health and safety policies

28%

of the health and safety changes your employer has made or is making, which are most important to you?

mask mandate

88%

social distancing

63%

temperature checks

44%

plexiglass dividers

18%

team scheduling (A and B teams)

4%

talent is more mobile than ever

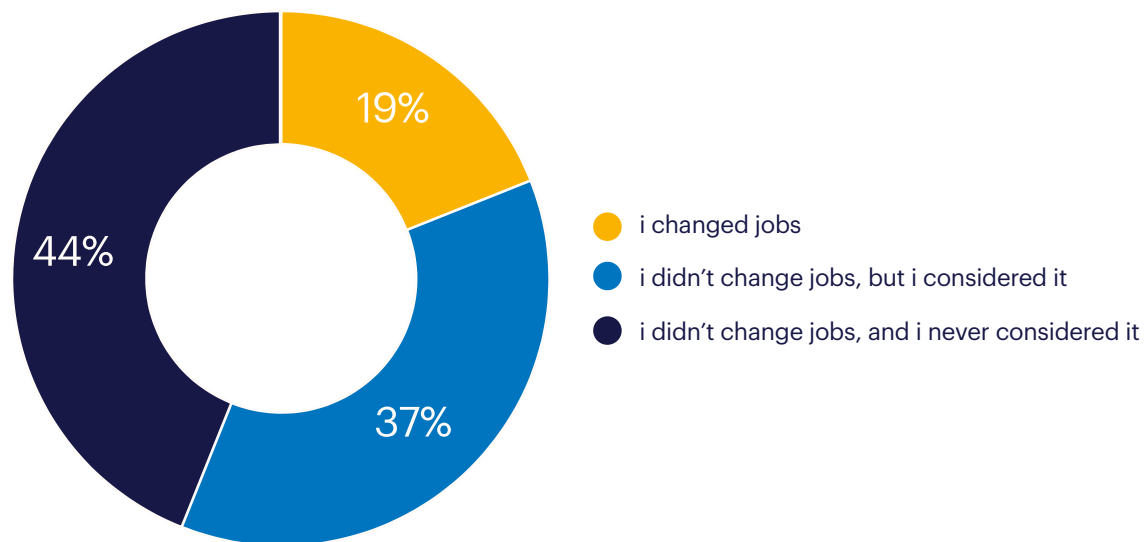
Our survey found that nearly one in five Americans (19%) changed jobs during the pandemic, and another 37 percent considered doing so. The most cited reason for changing jobs was compensation (42%), though many workers also considered perks and benefits (30%), the opportunity to work remotely (23%) and workplace culture (23%) as primary reasons for their switch. Men were more likely to consider compensation (51%) than women (33%), and workers aged 25 to 34 cited workplace culture (33%) and remote work (30%) as primary motivators.

Out of the survey respondents who indicated they are remote workers, one out of four (24%) said they relocated in the past year. Lower cost of living was the leading reason (43%), followed by proximity to family and friends (39%) and access to amenities like schools, parks and shopping or dining.

Taken together, these findings indicate that the U.S. workforce is still motivated primarily by compensation, but they're also enjoying the newfound flexibility of remote work. This often manifests in the form of remote workers decamping from major metro areas for smaller, more affordable locales.

For employers, this can be a potential boon to hiring: If your workforce isn't required onsite, then the whole country — or potentially even the world — is now a viable hiring pool. A company located in Grand Rapids, for example, isn't necessarily limited to finding the best Java developer in town or even one who's willing to relocate. With a remote workforce, they can now hire the best dev on the market, period.

have you changed jobs in the last 12 months?



employee wellness becomes a strategic priority

Our survey also found that employee health became a greater priority during the pandemic — and that it will remain so even after the pandemic wanes. Forty-one percent of workers surveyed told us that their employers began offering new health and wellness-focused benefits during COVID-19. Among them, flexible work hours were most prevalent (20%), followed by general health and wellness benefits (14%) and mental health assistance (12%).

While offering such benefits certainly comes with a cost, it's one employers are increasingly happy to pay — and rightly so. Roughly two in five adults in the U.S. have reported symptoms of anxiety or depressive disorder during the pandemic — four times the rate of those who reported these symptoms in the year previous. Meanwhile, the global cost of poor mental health, resulting from lost productivity, absences and turnover, is around \$2.5 trillion annually. Businesses can expect to receive, on average, just over \$4 for every \$1 spent on effective mental health initiatives for employees.

In short, making an investment in health and wellness isn't just the right thing to do. It comes with measurable ROI for businesses — and our survey found that while many businesses are already making such investments, many more have some serious catching up to do.

has your employer expanded benefits as a result of COVID-19?



looking forward

This report is intended to capture a snapshot of our constant state of “next” — a workplace responding to a life-changing event. Our findings are designed to help organizations and their workforces plan, prepare and pivot to thrive in our next normal. We hope these insights deliver clear, actionable next steps companies can take to hire and retain their employees more effectively and grow strategically in our rapidly changing world of work.



chapter 1

new workforce models bring new challenges.

More workers than ever before went remote during the pandemic, and forcing workforces across the U.S. to rely on technology for business continuity. But while millions of white-collar workers adjusted to Zoom-ing, essential workers — those whose jobs required them to be onsite — were also adjusting to new technologies designed to enable them to work safely. With so much transformation happening so quickly, it was bound to affect different generations in a variety of ways, both positively and negatively.

Our survey found that that was indeed the case — just not in the ways we were expecting.

hybrid models emerge as the new norm

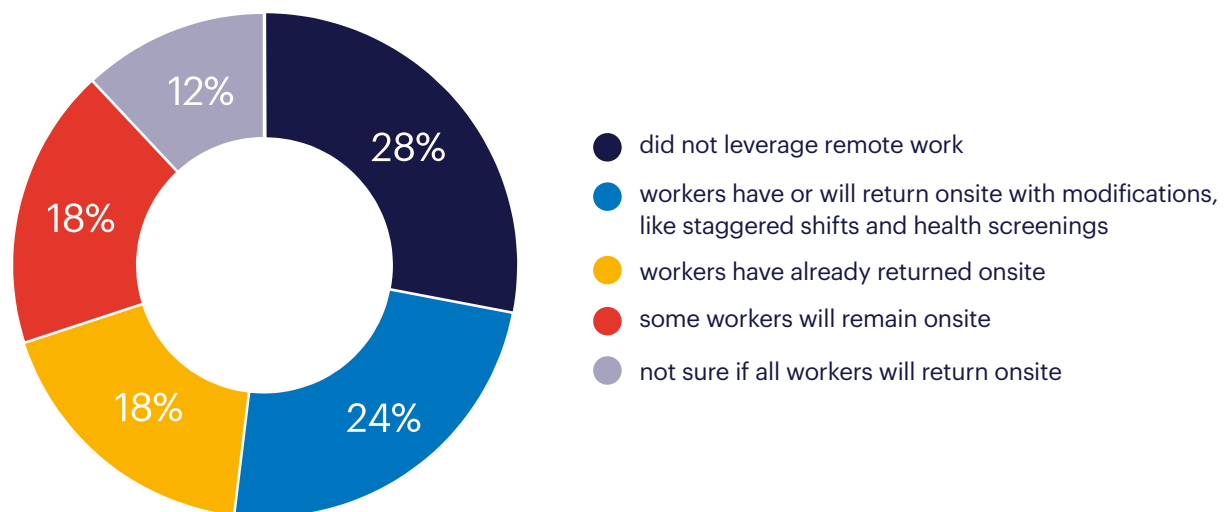
Will the workforce of the future be fully remote or fully onsite? The answer, according to many, is a mix of both. A hybrid workforce model — one where some employees are onsite while others are remote — is rapidly emerging as the norm for businesses that have the option. In fact, recent data from HR software maker iCIMS found that half of companies had removed or loosened location requirements for new hires. Salesforce and Spotify, for example, both recently announced that workers will be able to work from wherever they're most comfortable.

Our own findings were somewhat more measured, with 18 percent of employers planning to continue leveraging remote work in some capacity, while 12 percent said they are still weighing their options about bringing workers back. All told, 30 percent of respondents either plan to stay partially remote or are considering it.

But even though workers clearly enjoy having the option to work remotely, not everyone wants to be remote all of the time. Randstad's Workmonitor, a semiannual survey of the global workforce, found that nearly four out of five (78%) workers want to return to their workplaces at least part of the time. This may be due to the fact that more than half (52%) reported missing their in-person interactions with colleagues. That's likely why 54 percent said they would prefer a hybrid workplace in which they have the freedom to choose where they work.

Employers that have the option to capitalize on this should seriously consider doing so, albeit not without first giving it careful consideration. After all, if some workers have the ability to work remotely but others don't — and especially if those who can be remote are managing those who can't — employers may risk a fractured workplace plagued by a culture of resentment and toxicity.

how do you expect to leverage remote work as the COVID-19 situation improves?



For white-collar employers, a hybrid model may mean a smaller physical footprint, with a downsized office that now functions mostly as a collaboration space, rather than housing the entire workforce day to day. This assumes everyone has the option to work remotely or onsite when they choose. Google, for example, plans to allow workers to work remotely two days a week, while Siemens will allow employees to work remotely up to three days a week.

For blue-collar organizations, however, adopting a hybrid model will require a bit more nuance. Ford is currently planning to allow 30,000 of its white-collar workers to continue working remotely, although how much time they spend at the office versus at home remains at the discretion of employees' managers. Production workers will remain onsite, and while the auto giant doesn't currently plan to require vaccinations, all onsite workers will receive daily temperature screenings, and the organization will continue contact tracing and proactive cleaning and sanitation protocols. Amazon and Toyota are following suit, allowing office staff to remain remote while keeping production workers onsite.

Organizations that plan to keep employees onsite going forward may avoid the potential pitfalls of having workers in multiple locations, but there are other risks to consider. For example, after so many professionals experienced the benefits of remote work, asking them to come back onsite five days a week will inevitably turn some off — and send them running to job boards as a result.

fully onsite

pros

- ✓ easier to maintain a cohesive culture
- ✓ easier to manage a workforce in a single location

cons

- ✗ difficult to attract location-specific professional talent
- ✗ no potential cost savings from downsizing to a smaller workspace

fully remote

pros

- ✓ greater hiring flexibility
- ✓ significant real estate cost savings

cons

- ✗ difficult to maintain a cohesive culture
- ✗ more challenging to manage due to lower visibility into team interactions and productivity

hybrid

pros

- ✓ cost savings due to smaller real estate footprint
- ✓ ability to offer flexibility to some employees

cons

- ✗ risk of creating a fractured company culture

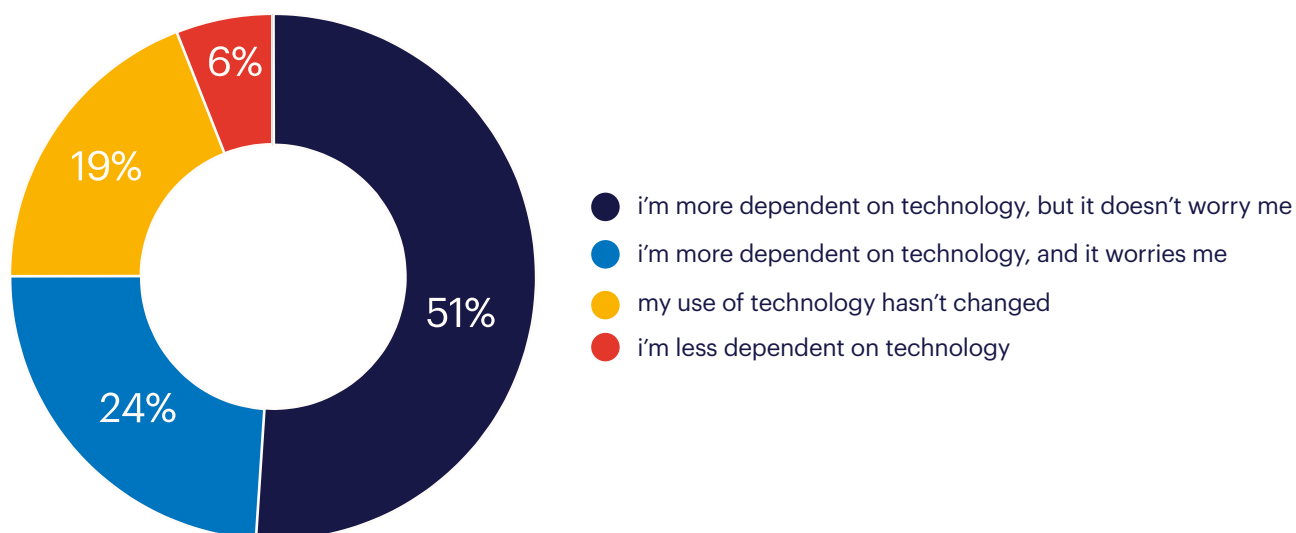
different generations, different responses to changing tech

more tech is no sweat for millennials and gen z

Of course, not every company has that option to go hybrid. Manufacturing, logistics, hospitality, healthcare and a raft of other industries won't be able to take advantage of hybrid models to the same degree as companies in other industries. But as so many companies across the board venture into hybrid models, our survey found that those that do so should be very aware that the technological challenges they'll face may not be the most obvious ones.

For example, hybrid working models naturally create an even greater reliance on technology, but not every generation seems to welcome that equally. According to our survey, among those who work remotely, 75 percent said they were more reliant on technology than before the pandemic. However, just 24 percent said that fact worried them. Those aged 45 to 54 were most likely (35%) to say an increased reliance on tech was worrisome, while those aged 18 to 24 were most likely (60%) to say more tech time didn't bother them at all.

how has your use of technology changed as a result of remote work?



without a commute, some struggle to turn off

The technology that enables us to work remotely has changed not just how we work, but when we work. More than a quarter of respondents (26%) said they start work earlier, and 24 percent said they work later as a result of remote work. And while just 13 percent of all respondents told us they work more hours total, 18 percent of those aged 45 to 54 and 17 percent of those aged 35 to 44 agreed.

The fact that those putting in more hours are mid- to late-career professionals is likely due to the fact that workers in those age brackets are more likely to have management or leadership roles, and the tech that enables remote work may make it easier not to “switch off” at the end of the workday. Instead of commuting at the usual time, tech gives them an extra hour or two to clear out their inboxes, get work done or even mentor younger workers.

how has your workday changed as a result of remote work?

i take a break during the middle of the day

31%

i start earlier

26%

i work about the same number of hours

25%

it is easier to adapt my hours around my home life

24%

i work later

24%

when “working from home” becomes “living at work”

Even though some mid- to late-career professionals may struggle to close the laptop at quitting time, it’s millennials and Gen Z who are struggling the most with the rigors of remote work.

Millennials — defined as those born between 1981 and 1996 (or today’s 25- to 40-year-olds) — are more anxious, get less sleep, feel less productive and have a harder time communicating with colleagues than they did when working onsite. And this may not be technology’s fault at all. After all, this age group is more likely to be juggling childcare or sharing space with roommates than older generations. For those coping with more demands on their time outside of work and no dedicated space for remote work, working from home may feel more like “living at work.”

These findings also align with our survey, which found that those aged 18 to 34 were most likely to say they were no longer able to take breaks during the workday.

it is more difficult to adapt my hours around my home life

17%

i often work during my former commute time

16%

i work fewer hours

13%

i work more hours

13%

i feel i can no longer take a break in the workday

13%

not everyone's willing to go back to — or stay at — work

Even though some remote workers are clearly not loving their experience so far, not everyone is chomping at the bit to return to a physical worksite. Whether it's a result of stimulus checks or the effect of seeing what it's like to spend more time with family, our clients routinely tell us that bringing workers back onsite is proving far more difficult than they expected.

This, they say, is especially true among workers from Gen Z, who are happily leaving jobs without something else lined up, simply because they were dissatisfied in their current role. This gels with [Deloitte's research](#), which found that Gen Z is perfectly willing to take nontraditional paths in their career, including incurring gaps in their resume, if it means finding a role they value.

And speaking of value, that's what work is all about for Gen Z. A [MetLife survey](#) found that while "regularly accomplishing work tasks" was most important in terms of feeling a sense of purpose at work for every other generation, among Gen Z, that factor fell several percentage points and was equal to "doing work I'm passionate about" and "doing work that adds meaning to my life." Doing work they're passionate about was also a leading factor for millennials, but it still fell somewhat behind delivering value for their employers and regularly accomplishing tasks.

For employers, this is a clear mandate to provide today's youngest workers with responsibilities that align with their interests and passions whenever possible. Otherwise, you'll have a hard time keeping them — far harder, in fact, than their older counterparts: In our survey, those under 34 were most likely to have changed jobs in the past 12 months.

On the other end of the generational spectrum, baby boomers, now approaching the twilight of their careers, have very different motivations at work. They're much more likely to be loyal to employers than other generations in general, but they're especially motivated by employers that provide benefits that contribute to long-term financial stability. Benefits like expanded health coverage, retirement benefits and a 401(k), for example, are key for retaining these seasoned workers.

In short, regardless of whether you're fully onsite, totally remote or a mix of both, every multigenerational workforce will be attracted — and repelled — by different factors. Making sure your benefits and workplace culture account for these differences will continue to be key in the next normal.

i changed jobs in the last 12 months

18 to 24 years old

26%

25 to 34 years old

32%

35 to 44 years old

22%

45 to 54 years old

18%

55 to 64 years old

7%

65+ years old

6%

making hybrid work actually work

These insights might make employers think twice about adopting a hybrid approach, but there's good news: Each of these issues can be mitigated by taking proactive steps as you build your hybrid workforce strategy.

First, make sure your remote workers have the tools and tech they need to make remote work seamless. Could they use an external monitor at home? Would they benefit from faster WiFi? What about a comfortable place to work? These things can easily be supplied up front or even financed through a home office stipend.

Next, establish boundaries for when work happens — and when it shouldn't. Instead of letting your remote workers keep plugging away long after the sun's gone down, consider setting a "no work after X o'clock" policy, and encourage your managers to not only enforce it, but model it. Make sure they're not sending emails after quitting time, and have them make it clear to their teams that they don't expect them to do so either.

Lastly, ensure that workers who are onsite, whether by necessity or by preference, feel safe. Regular, rigorous cleaning, along with solutions like elevated temperature screenings and mask-detection technology, will go a long way toward making those working onsite feel protected.





chapter 2

new ways of working mean new opportunities — and new expectations.

With so much in flux, employers and employees alike may be blinded by the sheer amount of change happening in today's workforce — and may, in turn, miss the equally large number of opportunities that come with it. For some employers, adopting remote or hybrid workforces may offer invaluable new opportunities to hire better, more diverse talent. For workers, the option to work remotely can open new doors and offer life-changing opportunities.

the impact of an expanded talent pool

For those with the option to do so, remote work doesn't just give workers greater flexibility. It also gives employers a wider reach when searching for talent. Say you're looking for a .NET developer in Cedar Rapids: You were formerly limited to finding the best developer in Cedar Rapids, or one willing to relocate there. But with the rise of remote/hybrid workforces, you're now able to hire the best .NET developer period — regardless of where he or she lives.

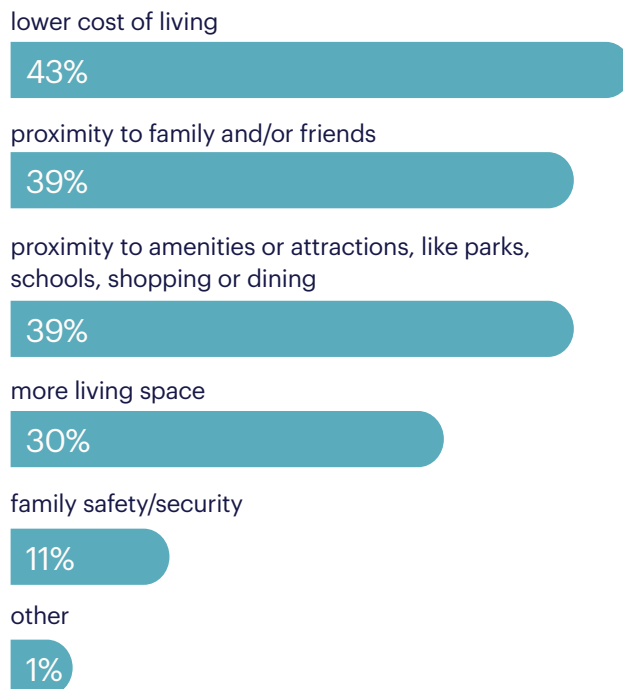
Meanwhile, for employers that are serious about improving their diversity and inclusion performance, the rise of remote work offers a powerful new lever. Companies, especially those in the tech sector, have long bemoaned the “pipeline problem,” saying there simply aren't enough diverse candidates applying to their roles or in their networks. In geographic areas that are largely homogenous, that may even be true. But for employers hiring for a remote role, the pipeline problem is no longer a valid excuse for poor D&I performance. After all, when you can hire nationally — or even globally — a lack of local diversity shouldn't be an issue.

Companies that understand this and make use of it will benefit from better D&I performance and all the business benefits that come with it. Those that don't will likely face major employer branding challenges, among many others.

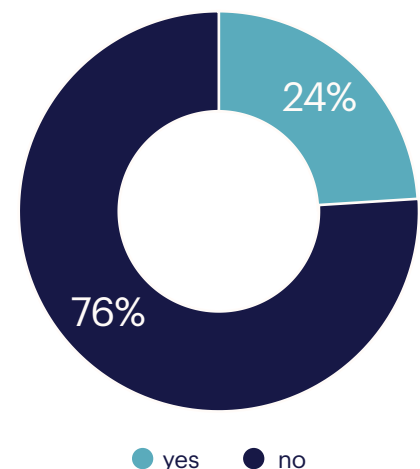
a new age of employee mobility

But it's not just employers that can benefit from the switch to remote or hybrid work. Employees with fully remote roles and in-demand skills can take advantage of this by relocating from high-cost metro areas to smaller, less costly “Zoom towns.” In fact, almost a quarter (24%) of those who became remote or were already remote at the start of the pandemic said they relocated to another city, town or state as a result of remote work. Among them, 43 percent said cost of living was the driving force behind the move.

what factors contributed to your decision to relocate?



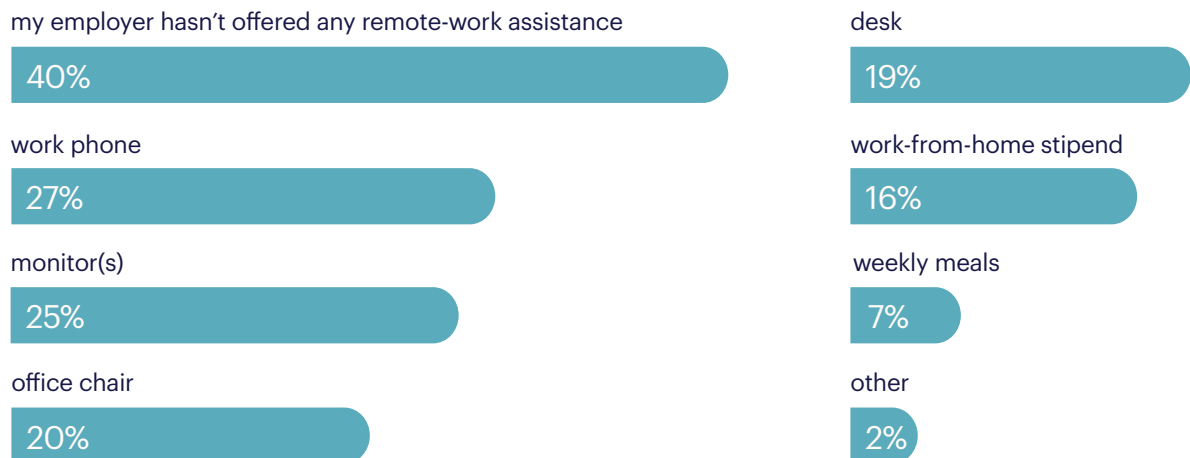
have you relocated to another city, town or state as a result of remote work?



This doesn't mean salaries can be reduced as workers move to locales with a lower cost of living. Fewer than one percent of respondents said they intended to adjust salaries for workers who relocate, so employers that pursue this course may have trouble hiring or retaining talent as a result.

Rather than seeing these moves as an opportunity to cut costs, many employers are even offering benefits that make working from home easier and more productive. In fact, 60 percent of respondents said their employers offered things like home office stipends, monitors and more.

has your employer offered you any of the following to support remote work?



onsite employers need to consider expanding benefits

For employers that don't have the option to offer remote work, expanded health and safety imperatives will be a must. Companies like [Walmart](#), [Darden Restaurants](#) and others have created new policies for sick leave to help stop the spread of COVID-19 among employees and customers. This may or may not continue to be necessary as vaccines become widely available, but with the emergence of vaccine-resistant variants of the virus, employers shouldn't expect such measures to stop being necessary anytime soon.

In fact, Randstad's Workmonitor survey found that more than half (53%) of workers say they won't feel safe at work until their colleagues are vaccinated and nearly the same (51%) say they want to work from home until the vaccine is widely distributed. For employers, the takeaway here is clear: If the majority of workers are anxious about returning to work, you'll have to go the extra mile to build a safer workplace. (For actionable tips on this, head to chapter three.)

productivity is still a puzzle

Even with so many organizations moving to hybrid models, productivity is still a black box. In a recent survey, 50 percent of executives say they don't have full visibility into their remote workers' productivity. That's hardly a surprise, as remote workers aren't — well — *visible*. So unless remote workers have very clear KPIs to hit or rigorously scheduled deliverables to provide, it's virtually impossible for leaders to know if remote workers are actually working or if they're just binge-watching *Friends* while occasionally responding to emails.

To get more productivity out of your remote workforce, start with three simple steps:

reframe how you define “productivity”

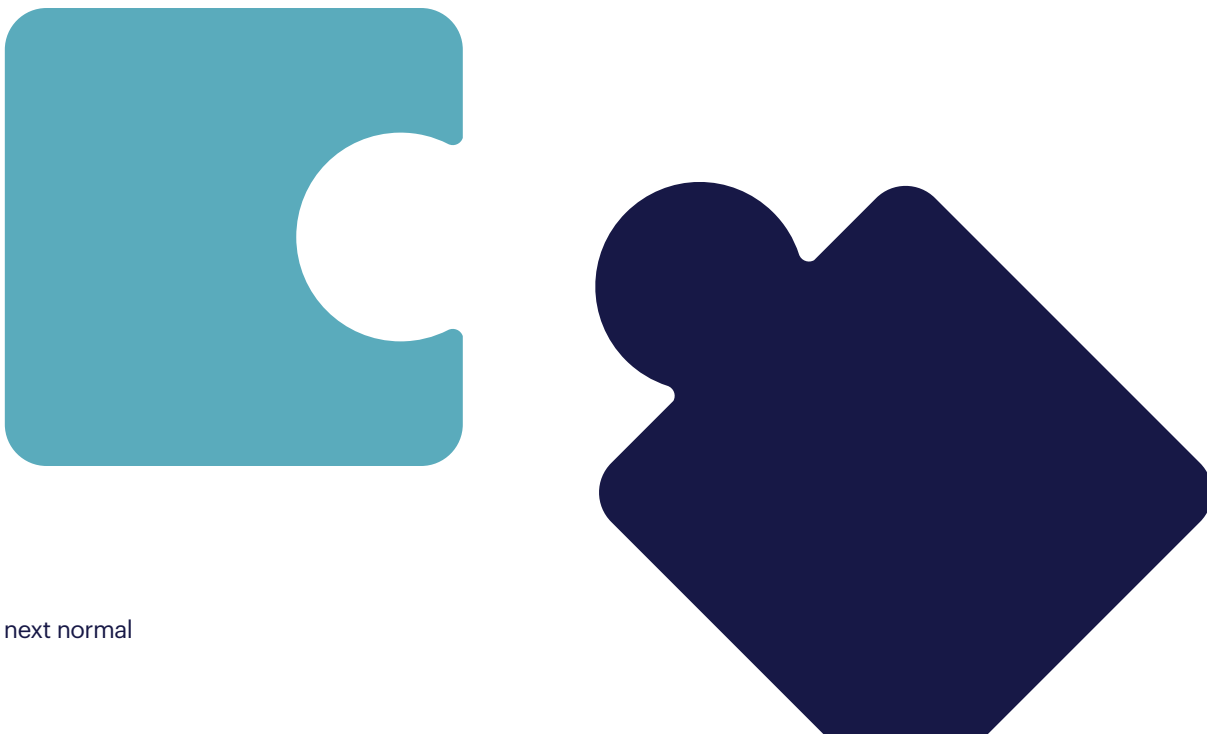
Understand that busyness does not equal productivity — in fact, it merely leads to burnout. Productivity, on the other hand, is consistently getting important things done, so be sure that's what you're measuring. Is real, business-critical work being accomplished, or are your workers merely “busy”? Keep in mind that a packed calendar or a busy shift doesn't mean an employee is actually producing meaningful work.

clearly define and articulate KPIs

This may seem obvious, but it's critical to have KPIs in place for every member of your team — especially those who work remotely. Set milestones and evaluate them on a weekly, monthly and quarterly basis.

understand obstacles, and equip your teams to overcome them

When milestones are missed, a lack of any one of the following is almost always to blame: tools, training or time. Which of these impacts your teams' productivity? Managers and leaders are equipped to give their workers more of each, so be prepared to do so once you've diagnosed their productivity problems.





chapter 3

safety as a strategic imperative.

Taking every available step to create a workplace where every worker feels safe, healthy and able to produce their best work isn't just the right thing to do — it's now table stakes. To attract and retain talent — and even to persuade workers to come back onsite — employers will not only have to make health and safety a top priority, they'll also have to make it a very public priority. Workers will need to see safety practices at work every day, and prospective hires will need to know their potential employer takes their well-being seriously.

pandemic-era protocols won't end when — or if — the pandemic does

In a near-term future where most workers will be onsite at least part of the time, remote work will no longer be the cure-all it was for so many during the height of the pandemic. That's likely why our survey found that nearly three out of four workers (72%) said their employers are implementing new health and safety protocols. Of those protocols, mask mandates (88%) were most important to workers, followed by social distancing and (63%) temperature checks (44%).

In other words, the workplace protections implemented during COVID-19 are likely here to stay. Employees not only value them, they're going to demand them — and in some states, they already are. In New York, for example, legislators recently passed a union-backed bill that would establish requirements for access to protective equipment, social distancing and handwashing on job sites. In Virginia, the state's "Emergency Standard" COVID-19 protections recently became the "Permanent Standard," requiring all businesses to implement protections based on a sliding scale of exposure risk.

Companies that understand that employees value these protections and then take appropriate action will benefit, while those that don't will struggle mightily to hire and retain talent. In fact, one study found that workers who felt unsafe at work amid COVID-19 were more than three times more likely to say they'd look for new jobs than those who said they felt safe. As one respondent to a Steelcase survey said: "I am trying to choose my days to be in the office. Certain days have more people present, and I am finding that they don't always follow the rules. There gets to be a closeness that makes me feel uneasy ... the more people, the more risk."

It's no surprise, then, that industry leaders are not only making these protections a priority, they're also taking several additional steps. Companies like Monster, KPMG and others are now offering apps to help employees with things like meditation, sleep, education or online therapy. Wiley offers education and coaching to support financial well-being, and Monster links employees to an app to encourage healthy eating, exercise and participation in physical challenges. This is reflective of a broader trend toward viewing employee well-being as a strategic imperative rather than a feel-good play — and it won't be long before we'll be able to see whether or not it works.

Of course, safety doesn't just impact employee well-being — it can also lead to costly fines. To date, OSHA has received 5,271 COVID-19 whistleblower complaints and has issued more than \$4 million in COVID-19-related citations. In short, workers won't just leave an unsafe workplace — they'll also alert the federal government.



legal concerns around vaccination are top of mind

With so much clearly at stake, companies have to take every precaution to protect their workers' health. So it's no surprise that the question every employer seems to be asking is: "Can we require vaccinations; and if so, should we?" The answer to that question is complex and will likely vary based on the employer's particular circumstances.

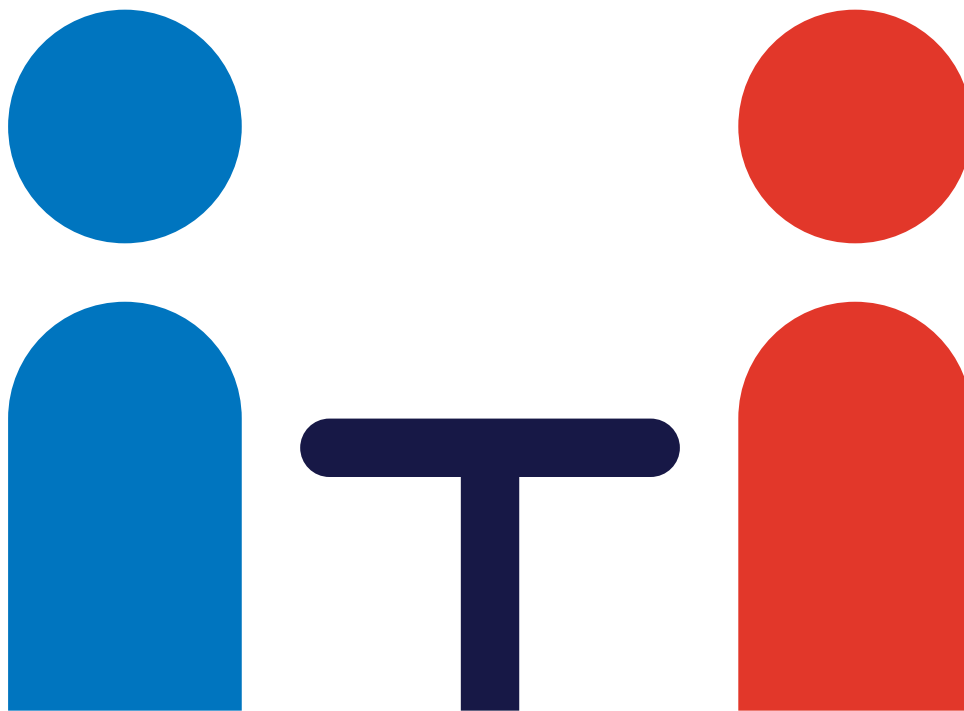
"According to the Equal Employment Opportunity Commission (EEOC), employers in the U.S. can indeed require employees to be vaccinated against COVID-19, but employers need to be cautious on how vaccination mandates are implemented," said Barry Schroeder, Senior Counsel for employment and litigation at Randstad US. "Although the EEOC has given employers the ability to require COVID-19 vaccinations for employees who are working onsite, employers that take this position will need to be prepared to address the myriad ADA hurdles, additional compensation requirements, accommodation requests and potential employee morale issues that may arise as a result."

For example, current EEOC guidance states that employers that require COVID-19 vaccinations must be prepared to accommodate those employees with legitimate medical or religious objections to being vaccinated. This means employers are obligated to explore whether a change to the work environment or the method of working is available (without creating undue hardship on the employer) to enable employees who cannot be vaccinated to perform the essential functions of their job, such as asking

them to work remotely or finding a place for them to work that's far removed from other onsite workers. Employers must also exercise additional caution when terminating or excluding unvaccinated employees from the workplace and should be reminded to review applicable state and local laws when taking employment action based on an employee's vaccination status.

According to Schroeder, given the numerous challenges and practical implications associated with mandatory vaccination policies, many employers are opting to strongly encourage workers to get vaccinated, rather than requiring it outright.

"Obviously, employers want to take every precaution when it comes to employee health and safety, and even though requiring vaccinations may be the most impactful action they can take, it can also lead to risks and legal hurdles that may have significant costs for the business," Schroeder added. "In many cases, encouraging vaccination, rather than requiring, is the next best approach many employers have chosen to take."





chapter 4

supporting employee mental health and well-being.

If a pandemic can have a silver lining, it may be that workers' mental health became an area of intense focus over the past year. The stresses, strains and anxieties brought about by the pandemic, from financial worries to concerns over health and virus exposure, brought mental health to the forefront of many conversations — something many say was long overdue. But now that supporting employees' mental health is a major point of concern for employers, what are they actually doing about it?

new anxieties give way to new benefits

Though we won't know the pandemic's true toll on employee health and wellness for years to come, we do have reason to be optimistic about at least one thing: employers' eagerness to protect workers' well-being.

In fact, two out of five (41%) workers surveyed told us their employers began offering new health and wellness-focused benefits during COVID-19. Among them, flexible work hours were most prevalent (20%), followed by general health and wellness benefits (14%) and mental health assistance (12%).

Meanwhile, when our Workmonitor survey asked workers what they wanted most from their employers, a quarter (27%) said they wanted formal policies on work hours to help keep a proper work-life balance. Another quarter (24%) said they welcomed strict and clear protocols for onsite and remote working, while another quarter (24%) reported they wanted their employers to conduct regular surveys about their well-being and their perception of the organization.

And there's a good reason why these benefits quickly set the bar for forward-thinking companies: Against a backdrop of the pandemic, racial justice demonstrations and a divisive election, people are more anxious. Roughly two in five adults in the U.S. have reported symptoms of anxiety or depressive disorder during the pandemic — up from one in ten who reported these symptoms in the first half of 2019.

And when it comes to essential workers, who have been such a vital resource during the pandemic, the impact of poor mental health is more pronounced, with essential workers being more likely to exhibit symptoms of anxiety or depressive disorder than nonessential workers (42% vs. 30%, respectively).

Of course, beefing up mental health and wellness benefits comes with a cost — but it's one that employers should be happy to pay. Why? For starters, the global cost of poor mental health in terms of lost productivity, absences and turnover alone is around \$2.5 trillion annually. But employers can also expect to receive an average of just over \$4 for every \$1 they spend on effective mental health initiatives. In other words, investing in health and wellness isn't just the right thing to do — it also comes with measurable ROI.



how businesses are rising to the challenge

With such obvious business benefits to be gained by improving employees' mental health, it's no surprise that companies are quickly coming around. Prior to the pandemic, many companies were already beginning to prioritize workplace mental health (*oftentimes to meet employee demand*), but those initiatives were thrust into the limelight at the beginning of the pandemic — and the data shows that leaders took notice.

In fact, a *recent survey* of HR and benefits leaders found that 86 percent of respondents said mental health became a higher priority for their company in 2020. Coupled with that stat is the fact that 54 percent said their employees now have higher expectations in regards to mental health support from their employers.

So how are employers rising to the challenge?

they're creating a more open and supportive culture around mental health

That means keeping a pulse on how employees are feeling, having leadership model openness to remove the stigma around mental health in the workplace and creating open feedback loops to determine what employees need to do their best work.

they're providing transparent information about whom to ask for support

This can be as simple as establishing a central mental health services contact — one with deep knowledge of the company's mental health benefits who can even help coordinate appointments — so employees don't have to figure out where or how to get care.

they're providing ongoing training around mental health

From the top down, training and education hold the power to debunk myths around mental health and develop the critical skills needed to identify concerns in employees and facilitate positive conversations around mental health at work.

they're expanding the portfolio of mental health benefits offered

Whether it's increasing the number of annual mental health visits covered per year, providing additional paid mental health days, subsidizing subscriptions to meditation and wellness apps or holding company yoga sessions, there's a lot of room to get creative when it comes to supporting employees with their mental health.

Employers that take these findings to heart and implement similar policies won't just have an easier time keeping their top performers — they'll get more performance out of them too. Among workers who said their employers took steps to ensure their health, safety and well-being during the pandemic, 30 percent said they were now motivated to work even harder and be more productive.



conclusions

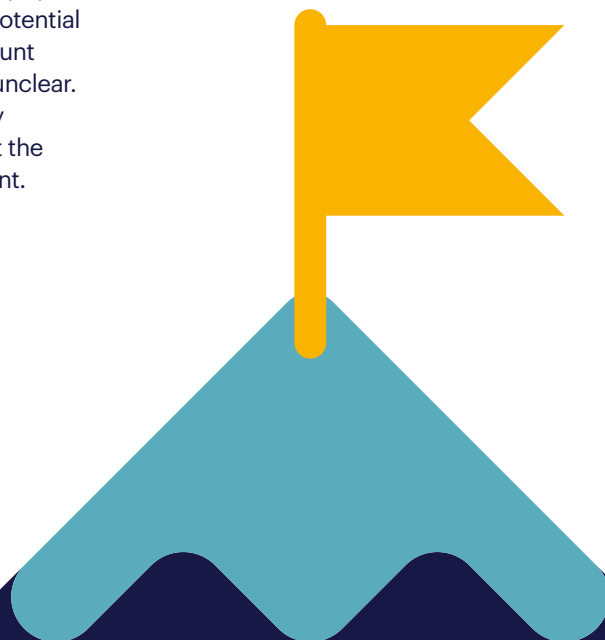
The new normal we all grew accustomed to over the course of the past year was characterized by fear, uncertainty and economic disruption. Our next normal, however, will be driven by mobility, a renewed and ongoing commitment to employee wellness and increased competition for in-demand talent. In this next normal, the workforce will almost certainly be a hybrid one, and that will introduce both opportunities and challenges for employers and employees alike.

Companies that have the foresight to make the most of this — those with the right resources, partnerships and investments in technology — will be positioned to innovate, grow and hire and retain talent. Those that don't will find it almost impossible to crawl out of the economic crater left by COVID-19.

Talent, meanwhile, may have more choice than ever before. Those with the most in-demand skills, particularly in fields like technology and engineering, will not only be able to write their own tickets, they'll also be virtually unbound to any specific geography. Whether employers take this mobility and the potential lower costs of living that come with it into account when crafting their compensation plans is still unclear. However, those that attempt to recoup costs by adjusting salaries accordingly may just find that the money they save isn't worth turning off top talent.

Lastly, as Gen Z continues to enter the workforce en masse, employers will have to redouble their efforts to keep them not only safe, but interested and engaged. Employers that offer (when possible) greater control over when and where they work, better work-life balance and competitive pay will find it easier to attract the workforce's youngest generation. Meanwhile, those that offer benefits designed to protect their physical and mental well-being will find it easier to keep them.

All told, even though businesses in virtually every industry were forced to change and adapt in the wake of COVID-19, they can't afford to stop now. Our new normal has been a radical departure, but our next normal will be continued evolution. The coming changes may not be as drastic, and the stakes may not be as high, but organizations' ability to rise to the challenges ahead will still be critical to their continued success.





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