

EMPLOYEE EXPERIENCE & ENGAGEMENT

05 HOW HELPFUL A TERM IS 'QUIET QUITTING'?

08 WHY FIRMS SHOULD PUT A STOP TO QUIET FIRING

11 THE SPREAD OF A NEW STRAIN OF BURNOUT



HELPING ADVANCE THE NEXT GENERATION OF WOMEN IN TECH

Digital skilling programmes to help companies compete in the digital age

 elev8



elev8me.com



Hey imposter

Ever feel like you're pretending?

Like you're always faking it without ever making it?

That's normal. Today's business world is so complex that the more you grow in your career, the less you know about your job. Raconteur clarifies the complexities of modern business with stories that help you make more informed decisions and build more successful companies.

So, stop pretending.

Live up to your true potential.

Become a better leader at [Raconteur.net](https://www.raconteur.net)

Raconteur

Stories that connect modern business.

EMPLOYEE EXPERIENCE & ENGAGEMENT

Distributed in THE TIMES

Contributors

Jonathan Evans
A journalist who specialises in covering issues concerning HR, the C-suite and SMEs. He has had bylines in *The Independent* and *Metro*.

Rich McEachran
A freelance journalist covering the intersection of business, technology and sustainability for publications including *The Guardian* and *Wired*.

Cath Everett
A journalist with 30 years' experience of writing about workplace matters, including what it means to be an ethical business.

Chris Stokel-Walker
A journalist and author specialising in technology and culture, with work published in *The Guardian*, *Wired* and *The New York Times*.

Raconteur

Campaign manager
Gemma Hore

Reports editor
Ian Deering

Deputy reports editor
James Sutton

Editor
Sarah Vizard

Chief sub-editor
Neil Cole

Sub-editor
Christina Ryder

Commercial content editors
Laura Bithell
Brittany Golob

Associate commercial editor
Phoebe Borwell

Head of production
Justyna O'Connell

Design/production assistant
Louis Nassé

Design
Kellie Jerrard
Harry Lewis-Irlam
Colm McDermott
Samuele Motta
Sean Wyatt-Livesley

Illustration
Celina Lucey
Sam Peet

Design director
Tim Whitlock

Although this publication is funded through advertising and sponsorship, all editorial is without bias and sponsored features are clearly labelled. For an upcoming schedule, partnership inquiries or feedback, please call +44 (0)20 3877 3800 or email info@raconteur.net

Raconteur is a leading publisher of special-interest content and research. Its publications and articles cover a wide range of topics, including business, finance, sustainability, healthcare, lifestyle and technology. Raconteur special reports are published exclusively in *The Times* and *The Sunday Times* as well as online at raconteur.net. The information contained in this publication has been obtained from sources the Proprietors believe to be correct. However, no legal liability can be accepted for any errors. No part of this publication may be reproduced without the prior consent of the Publisher. © Raconteur Media

@raconteur in raconteur-media @raconteur.stories

raconteur.net /employee-experience-2022-dec

THE PSYCHOLOGICAL CONTRACT

The workplace variant of long Covid – and how to remedy it

One of the pandemic's more insidious ramifications has been its harmful impact on employee engagement. Many firms will find the lasting damage to their psychological contracts hard to mend

Jonathan Evans

Businesses around the world are grappling with problems caused by declining employee engagement – and British firms are among the worst affected. Only 9% of employees in the UK felt engaged in their work in 2019-21, according to Gallup's latest annual *State of the Global Workforce* report. Its researchers placed the country 33rd out of the 38 European states rated on this measure – a drop of two places on its 2018-20 ranking.

The lasting impact of the Covid crisis on the psychological contract between employees and employers has been one of the main factors causing this high level of disengagement, which is manifesting itself in the so-called quiet quitting trend.

Unlike a formal employment contract, the psychological contract is an unwritten (and generally unspoken) set of mutual expectations. Underpinning these is the understanding that, if the organisation invests in its employee – for example, by providing career development opportunities, perks and a vibrant culture – that person gives their all to their employer in return.

But, since the psychological contract is uncodified, it exists in a delicate state of flux and is vulnerable to socioeconomic shocks. This happened during the early months of the Covid crisis in 2020. Practically overnight, thousands of companies were obliged to shut up shop and many employees found that their work had either changed dramatically or disappeared altogether.

The social side of work also vanished, replaced by online meetings where the focus was often solely on the task at hand, rather than on building relationships and generating team spirit.

Anthony Klotz is associate professor of management at University College London. He believes that a business must first appreciate each employee's unique experience of the past two years if it's to repair the psychological contract.

"What's challenging is that there isn't a one-size-fits-all approach that will solve all your engagement issues. That's because everyone has been experiencing the pandemic differently," Klotz notes. "Imagine that you have three people reporting to you. One may have been experiencing burnout, the second may have had an epiphany and wants to climb the career ladder, while the third may want a better work/life



balance so that they can spend more time with their kids. The challenge for leaders is to understand which types of investment are likely to make each individual reciprocate with a higher level of engagement."

If employers are to gain the knowledge they require to produce suitably tailored solutions, they must communicate more effectively with their staff. The Covid crisis has loosened the ties between organisations and their people. Research by OC Tanner, a specialist in employee recognition, indicates that a third of employees feel disconnected from their leadership teams.

The widespread adoption of remote working is one reason for this. Although the hybrid work revolution is democratising employment opportunities across the country, it is also increasing the physical and psychological distance between

employees and employers. Traditional bonding experiences such as company social events have become rarer under this new model.

Dr Ashley Weinberg, senior lecturer in psychology at the University of Salford, believes that the use of employee forums could solve some of the problems caused by remote working. He recommends that people's contributions to these forums should be anonymised so that they feel more comfortable voicing any concerns. A nominated wellbeing representative should be the conduit between the members and the senior leadership team.

If this is to work properly, employees must be sure that their leaders are not only listening but also able and willing to enact any suggested changes, Weinberg warns.

"There always needs to be dialogue between an employer and its

employees," he stresses. "Trust is at the root of the relationship. If you are not consistent over the long term, your employees aren't going to trust you. You can't do something for a few months and then trail off. You must keep investing in your people's wellbeing."

The so-called great resignation that occurred in the months after the pandemic lockdown restrictions were lifted was driven by the release of pent-up demand to move jobs as the UK emerged from the depths of the Covid crisis. There is a significant chance that history will repeat itself once the economic outlook in this country improves.

In times of extreme uncertainty, people will tend to stick with their employers to ride out the storm, although they won't necessarily be any more engaged in their work. Once the nation's prospects look brighter and confidence returns, they may well move again in large numbers. On the flip side, if employees are adopting a 'wait and see' approach as a recession looms, it gives companies a window of opportunity to reconnect with them.

Klotz believes that the best way for companies to do this is by concentrating on the basics of engagement and clearly communicating how the organisation cares about everyone's work/life balance and recognises each employee's contributions.

"Offering your staff free beer or providing other perks that extend their working day is not a winning strategy. You want your employees to lead rich lives outside the workplace; you don't want it to be all things to them," Klotz argues. "But you do want employees to bring their whole selves to work. Treating them fairly will achieve this. Adopting a compartmentalised vision of work makes more sense than ever. What we are hearing from employees is that they want their work to fit around their lives, not the other way around."

James Reed, chairman of Reed Recruitment, agrees. He believes that employers need to adjust their offerings in line with the economic situation and the new expectations of their employees.

Businesses that can't offer market-leading salaries "should focus on improving job satisfaction by listening to their employees' preferences", Reed advises. "This could involve providing enhanced mental health support, expanding career development programmes and offering more flexible working options." ●



of workers in the UK reported being engaged in their work in 2019-21



of workers in Europe reported being engaged in their work in 2019-21

Gallup, 2022



The war on talent is won by investing in people's careers

Rethinking talent will solve the labour crisis. It starts with realising the power of the individual to align themselves to meet a company's most pressing needs

The labour market, both globally and in the UK, is going through one of the most significant shifts in a generation. The skills gap is more of a chasm, with an overcapacity of outdated skills, a shortage of workers with the right ones and pent-up demand to close this gap quickly as the economy tries to keep up with demand. It means power has shifted from employer to employee.

Many businesses post pandemic have recalibrated how they function. They have scaled up digital, data and business transformations fast. This has resulted in a shortage of talent that has hit firms hard. The pace at which employees have moved into new roles has also accelerated, and inexperienced staff have been promoted, both to fill vacancies and to encourage retention.

"One chief people officer said that due to labour shortages, they were moving from hiring people with the right skills and experience, to just looking for people that had the right potential and attitude. This opens up huge opportunities for career movers, but can also create organisational risk if people are moving into roles where they may not have all the skills and

experience previously expected," explains JC Townend, CEO, LHH Career Transition & Mobility, UK and Ireland, the largest firm in the world supporting career transition and progression.

"It's going to be incumbent on companies to close these skills gaps quickly. And now, we're entering a new economic cycle, with recessions around the globe, inflationary pressures and redundancies that will put fresh demands on the workforce. Employers will need to pay attention to employee engagement – both to retain their best talent and ensure they are energised and productive," says Townend.

Reskilling staff is cheaper than buying in talent

Staff turnover is a huge cost for business. In the UK a departing employee can cost the company £32,000 on average. The 'redundancy and rehire' approach is even more expensive, with a price tag of up to £81,000, according to research from the Financial Services Skills Commission and PwC. If you reskill staff, rather than hire it in, this can create a savings of nearly £50,000 per employee.

Investing in the training and careers of employees can make them more

engaged and excited about their work, and therefore more productive. "While the cost of staff attrition is measurable, employee engagement and productivity is less quantifiable. Yet the discretionary effort that a person puts into their job can be the difference between a company that's profitable and one that is making a loss," says Townend.

Many now want to change jobs

Over a quarter of workers globally plan to leave their job in the next 12 months, attracted by better salaries and career prospects according to a recent LHH survey of more than 30,000 workers

“Giving workers the right skills and opportunities to realise their potential within a company is vital – this is something we're passionate about

in 25 countries. Moreover, 54% said they are not satisfied with the career development at their company. Over a third said their career isn't progressing and they are looking for more training, upskilling and a job that will give them employable skills.

"These figures show that workforce development is vital if a business is to thrive. Career transition is now in the crosshairs to address the skills mismatch, so employees in less-important roles can be retrained for crucial growth roles. Giving workers the right skills and opportunities to realise their potential within a company is vital," says Townend.

The rise of career activism

Today, many employees do not move up a methodical, pre-defined career path. Career leaps can now be non-intuitive and allow individuals to pursue wholly different careers by using transferable skills.

"We call it career activism – creating lifelong employability and career advancement through continuous development and lifelong learning. Instead of HR having to set out a career path for each worker, every individual can be empowered to make proactive choices and recruit themselves into new roles. What they need is help – training and coaching – in discovering their passions, identifying transferable skills or acquiring new ones, and learning to secure new roles by networking and developing a relevant CV," states Townend.

In the process, this eliminates the old concept of the 'replaceable workforce' and replaces it with the 'renewable workforce', which is both resilient and agile as businesses transform. The main aim is to future-proof workforces so they can adapt and renew themselves as they face changes in the job market.

"Each year, we're working with 500,000 individuals globally, providing incredibly rich content, coaching them on their career progression. We're doing this from the bottom up,

44%



of employees who want to stay at their current company and progress/upskill for a new job

54%



of employees are not satisfied with the career prospects at their company

The Adecco Group, 2022

empowering individuals to position and sell themselves within a company to realise new opportunities. This helps them and helps the company," details Townend.

"Thirty years ago, a lot of people had an employer for life, then it went the other way, with so many moving companies every few years. I think we're now trending to a better place where employees will be able to have multiple, diverse careers within their existing organisation. The best companies will be those that nurture and empower their talent, providing support and opportunities for their employees to explore possibilities within the business, which helps the employee and the employer at the same time."

Discover how LHH can support you in retaining your talent through internal career progression and skill development. Visit lhh.com/uk

LHH

MOTIVATION

What we've got wrong about quiet quitting

Like it or not, the phrase has leapt into the business lexicon this year. But how helpful is the term, how new is the phenomenon it describes – and is this actually problematic for employers?

Chris Stokel-Walker

It's a term that's taken the world of work by storm over the past few months. So-called quiet quitting has quickly become part of the zeitgeist and it has employers and HR experts worried, as more and more dissatisfied employees decide that any discretionary effort they put in will never be recognised, let alone rewarded, by their companies.

There is nothing new in working to rule, of course, and employees should never be expected to exceed what they're contractually obliged to do. The term could be seen as a new spin on an approach that many people have long applied to their work, so is it really a problem? And should we be labelling it as quitting in any case?

"There is nothing new about quiet quitting," argues Anna Rasmussen, founder and CEO of OpenBlend, a platform designed to improve workplace conversations. For her and Aliza Sweiry, UK managing director at global staffing agency Aquent, it is an unnecessary neologism that ill suits the concept of upholding workers' basic rights.

Sweiry argues that the term implies that the alternative – doing unpaid extra work beyond your contracted hours and/or responsibilities (and never feeling able to refuse it) – is somehow normal when it shouldn't be.

"While the term has set TikTok ablaze and is directed mostly at members of gen Z and remote workers, I firmly believe it's just a new name for an age-old issue: employee disengagement," she says.

But this situation has become worse for employers in recent times, largely because of the extreme stress that the pandemic has placed on most organisations and their

employees. Many people performed Herculean tasks to support their struggling employers during the depths of the Covid crisis, often with little recognition.

"The pandemic has highlighted the importance to people of preserving their health, both physical and mental," Sweiry says. "Younger workers in particular are focusing on maintaining a better work/life balance. Many have grown weary of feeling unappreciated and under-compensated for going above and beyond in their jobs. Quiet quitting is simply a way for some of them to take back control. They are prioritising their free time over the additional requests from their bosses, such as responding to emails outside their contracted hours."

Portraying the practice of working strictly to the terms of your employment contract as quitting doesn't

feel like a constructive approach to Beth Raine-Thrall, senior associate and solicitor in the employment team at law firm Nelsons.

In her opinion, "there is a difference between employees in search of work/life balance who still work diligently during their contracted hours and those who are doing the 'bare minimum' and thus quiet quitting. The latter approach can be combated, but the former will depend very much on the employer's organisational culture."

For employers, the main concern about quiet quitting seems obvious: workers who have previously been willing and able to go the extra mile to help their employer out during a crisis may feel more emboldened

“

Businesses can encourage employees to take back their time in a fair and productive way by making expectations clear

to decline further requests to work longer hours. They may also be growing more assertive in drawing a line between working hours and their personal time, potentially to the detriment of the business.

But a happy workforce is, in the long run, a more productive one, meaning that employers should be ready to trade some short-term pain for a longer-term gain, according to Raine-Thrall.

"Letting people take back their time helps to promote better work/life balance. This in turn should mean that they're more likely to be engaged and productive during their contracted hours," she says.

That doesn't mean allowing a free-for-all in which the employer cedes control of how and when people should be working. Rather, it can be a negotiated, sensible settlement that works for both parties.

Raine-Thrall explains: "A business can encourage employees to take back their time in a fair and productive way by making its expectations clear. Providing agreed ways of taking back time, such as flexible and agile working, along with enhanced family-friendly policies and

wellbeing days, can also help to set and maintain boundaries."

If an employer tries to resist its employees' efforts to reassert control over their time, it risks alienating them further and inciting an adversarial culture.

"As we roll into an economic crisis, more quiet quitting will happen," Sweiry predicts. "It's possible that employees who are at their wits' end will see this as a safer option than handing in their notice and finding alternative employment in a potentially unstable job market."

Rather than seeing an upsurge in quiet quitting in your organisation as a 'them' problem, it's worth considering it as a 'you' problem, Rasmussen advises. She points to recent research by US leadership consultancy Zenger Folkman showing that the most ineffective managers have three-and-a-half times more quiet quitters reporting to them on average than the best managers have in their teams.

"Surely that's all the evidence we need to prove that quiet quitting is not an employee issue but a managerial one," Rasmussen says.

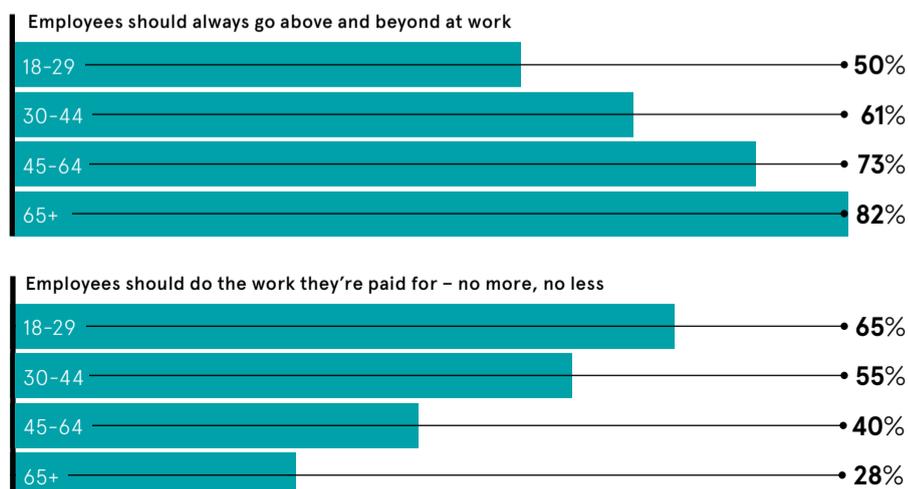
If you're seeing a growth in quiet quitting in your business, it's worth thinking about whether you're approaching the issue from the wrong direction as a leader. Rather than cracking down, it might be wiser to consider what could be at fault in the organisation if so many people feel that they have no choice but to metaphorically down tools. Making a concerted effort to fix that could avert broader problems and end up engendering a happier, more productive workforce. ●



Farknot_Architect via Getty

SHOULD EMPLOYEES 'GIVE 110%'?

Percentage of US adults agreeing either strongly or somewhat with the following statements



YouGov, 2022

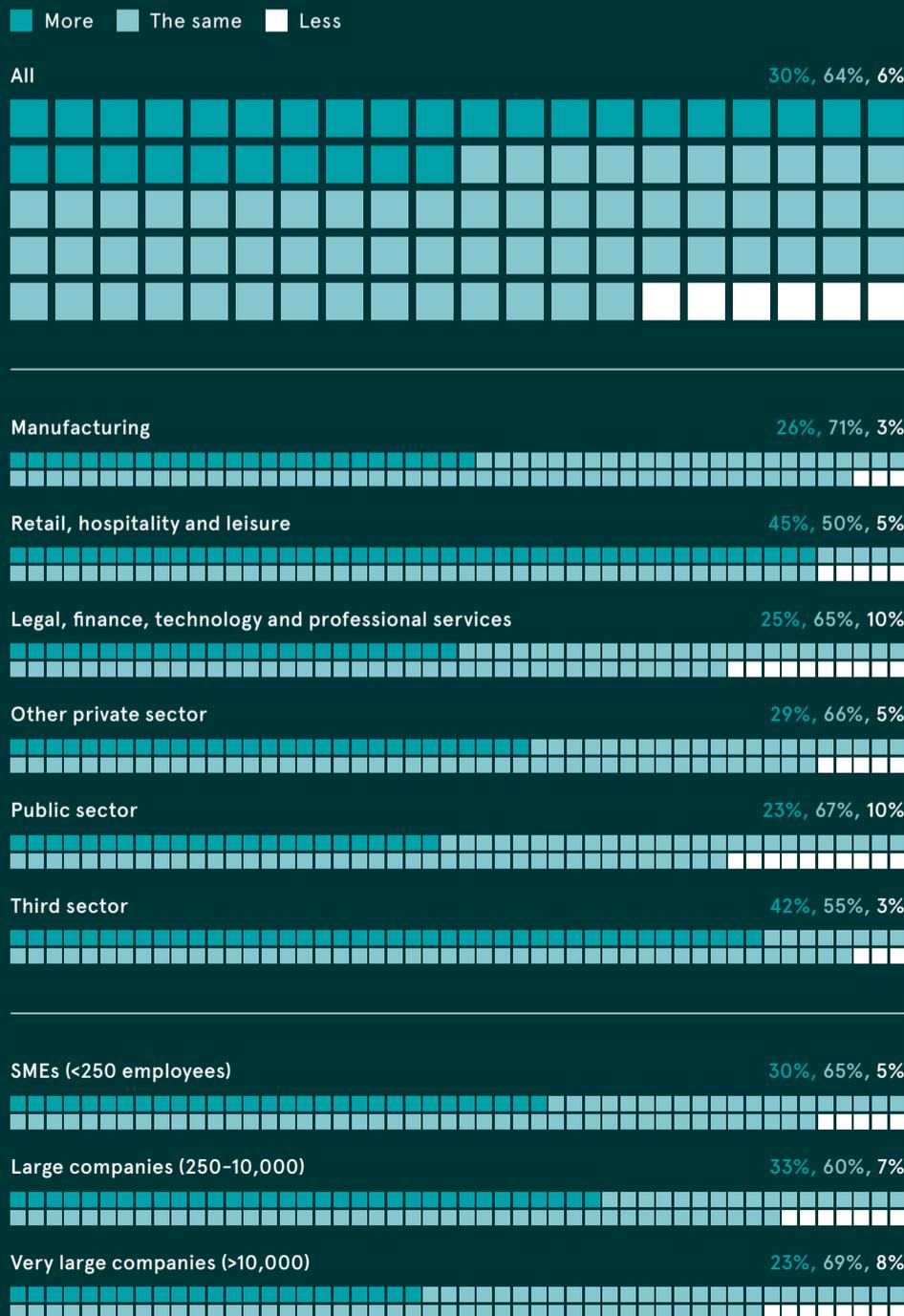
FINANCIAL WELLBEING BENEFITS

Employers are increasingly taking it upon themselves to mitigate the effects of the cost-of-living crisis on their staff. Not all firms can offer inflation-matching pay rises, of course, so many are turning to a range of financial benefits to augment their reward packages. But how do the costs balance out – and will such offerings make enough of a difference to their cash-strapped employees?

WHO'S SPLASHING THE CASH?

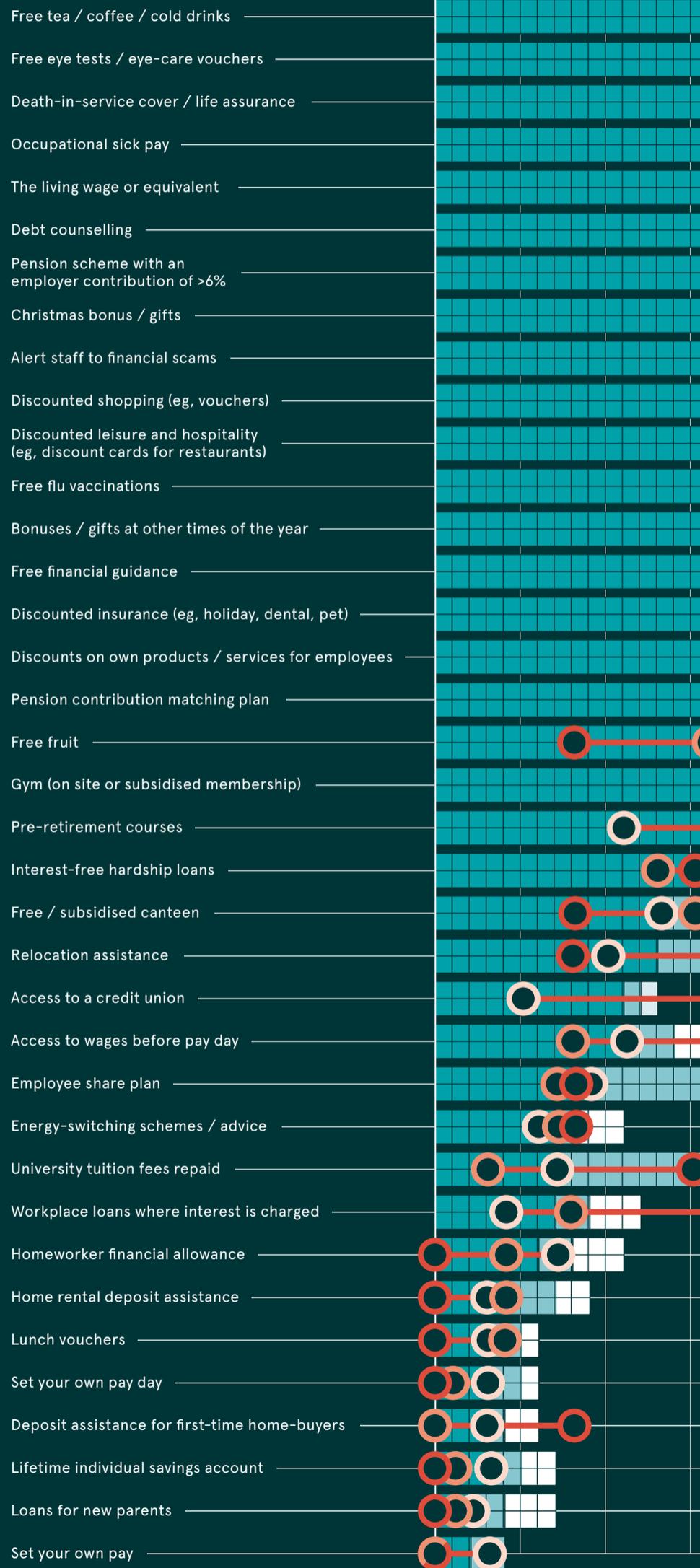
YouGov, Chartered Institute of Personnel and Development, 2022

Planned spending on financial benefits in the year to March 2023, by percentage of employers

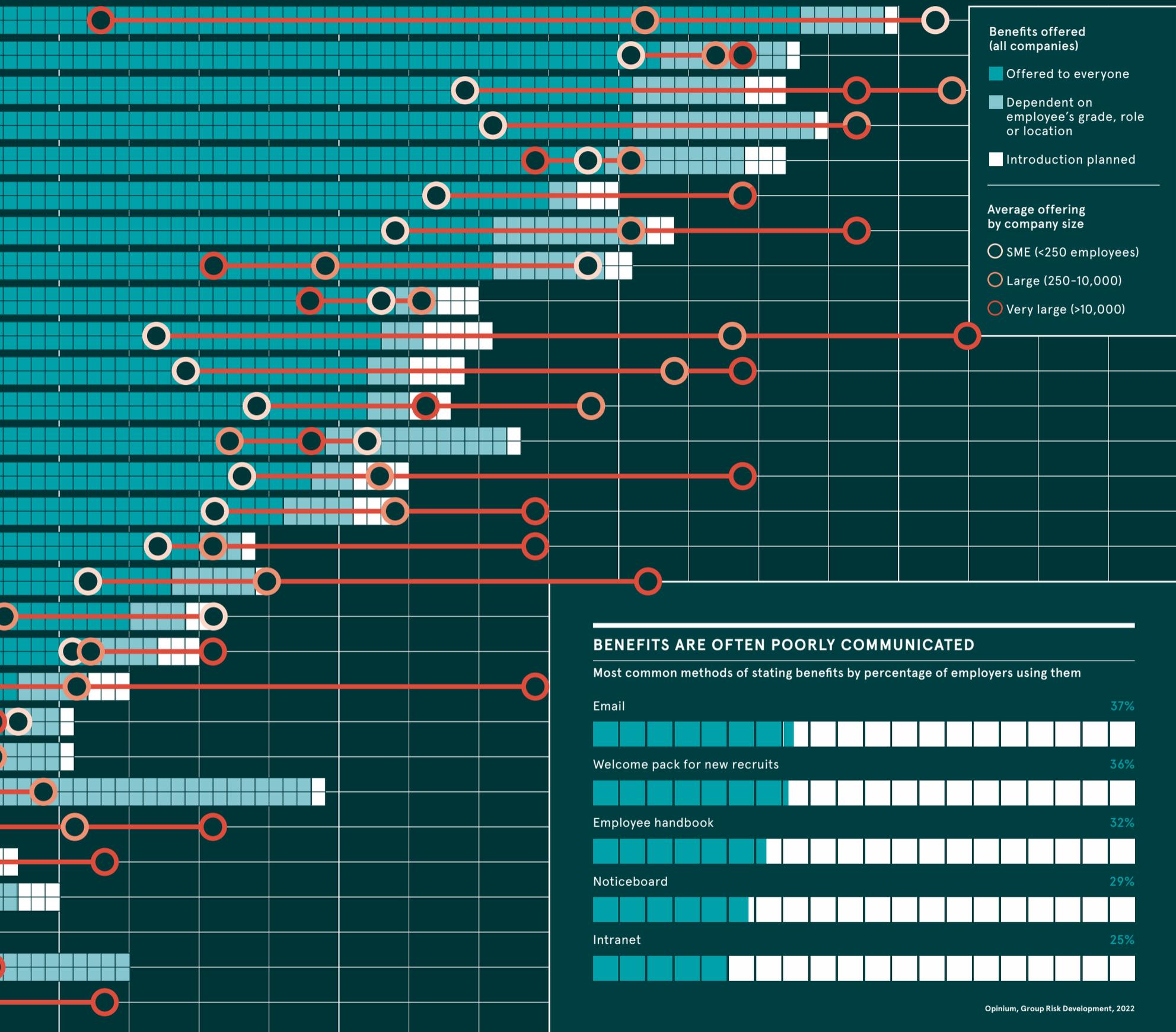


WHAT'S ON OFFER?

Most common financial benefits by percentage of employers offering them

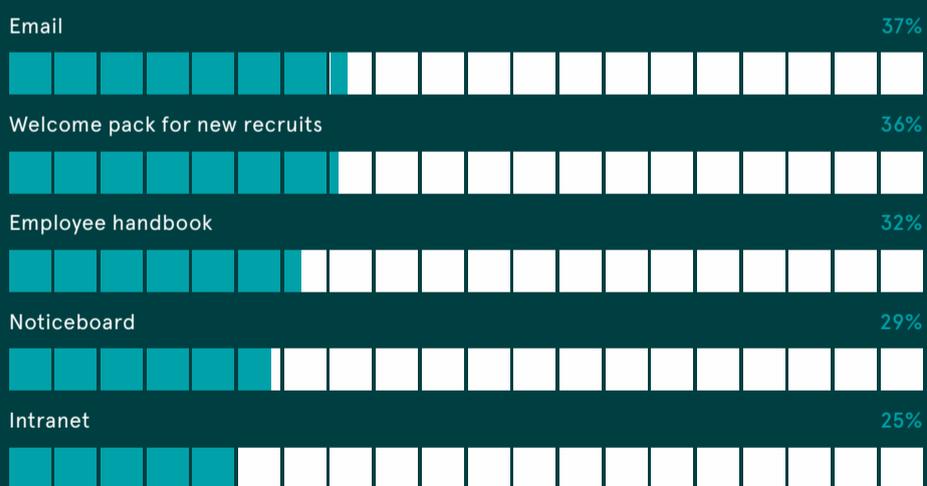


YouGov, Chartered Institute of Personnel and Development, 2022



BENEFITS ARE OFTEN POORLY COMMUNICATED

Most common methods of stating benefits by percentage of employers using them



Opinium, Group Risk Development, 2022

31% of HR decision-makers say that staff don't fully understand the benefits available to them

3% admit that staff don't know about any of the perks on offer to them

2/5 do not measure whether staff appreciate the benefits on offer

40% of UK workers think their employer is poor at communicating their benefits

Opinium, Group Risk Development, 2022

MANAGEMENT

The subtle knife: why firms need to stop quiet firing

The passive-aggressive tactics that some managers use to disengage from unfavoured employees can be dangerously counterproductive. Employers would be well advised to ensure that they aren't encouraging such behaviour

Rich McEachran

Doing the bare minimum to get by at work has gone global, but it's not only employees who are guilty of disengaging. While quiet quitting has attracted much media attention in recent months, another phenomenon, quiet firing, has been rearing its head too.

Quiet firing is a way of nudging an employee out of a company using a set of passive-aggressive management techniques to disengage from them in the hope that they'll eventually become disaffected enough to leave of their own accord.

The usual rationale for such an approach is that the individual is underperforming or simply isn't a good fit for the organisation. Rather than create overt conflict and upset the apple cart, the employee's line manager will simply withdraw from the relationship. For instance, they may stop inviting the employee to

key meetings and copying them into important emails. Other common tactics include assigning them a particularly difficult and demanding client or going the other way and giving them a lot of menial work. Denying the victim opportunities to advance their career in the organisation is another typical move.

The end goal is always the same: to frustrate the employee and make them realise that they would be better off working at another, more appreciative, organisation.

Quiet firing is by no means a new ploy. Managers have applied its dark arts for decades, but the emerging debate about the 'always on' work culture has thrust the practice into the spotlight for criticism.

With many businesses seeking to slash costs as the economy falters, an upsurge in cases of quiet firing is likely. Employers may be looking for an excuse to nudge people out without having to stump up for their severance packages.

Khyati Sundaram is the CEO of Applied, a platform for ethical recruitment whose clients have included the England and Wales Cricket Board, Comic Relief and Penguin Random House. She is in no doubt that quiet firing is "being fuelled by the uncertain economic climate. For managers under pressure to make cuts, freezing employees out might offer a convenient alternative to having uncomfortable conversations with them."

There's plenty of research indicating that managerial behaviour can affect employee turnover, notes Dr Jaclyn Menendez, consulting manager at HR service provider Talogy.

"What's interesting is the idea that managers may be weaponising this influence to ensure that certain employees quit," she says. "This is definitely a new theory, but one that seems to be gaining support."

LinkedIn News conducted a poll in August to gain an understanding of the prevalence of quiet firing. Of its 20,000 respondents, 48% had witnessed the practice, while 35% had experienced it. As many as 13% didn't believe that the phenomenon existed, which comes as no surprise to Menendez. As its name suggests, quiet firing is often a subtle process, she says, so it can go undetected by those who aren't being targeted.

Consider favouritism and the formation of cliques. Although an employee who finds themselves outside the circle might assume that it was something they said or did that had alienated their colleagues, being excluded could be an early warning sign that quiet firing is in progress, according to Menendez.

The problem for that individual is that they can't assume they're being treated unfairly, because they might be underperforming and/or hard to manage after all. On top of this, the decision to nudge them out may have been made by the HR department and the matter could already be out of their manager's hands.

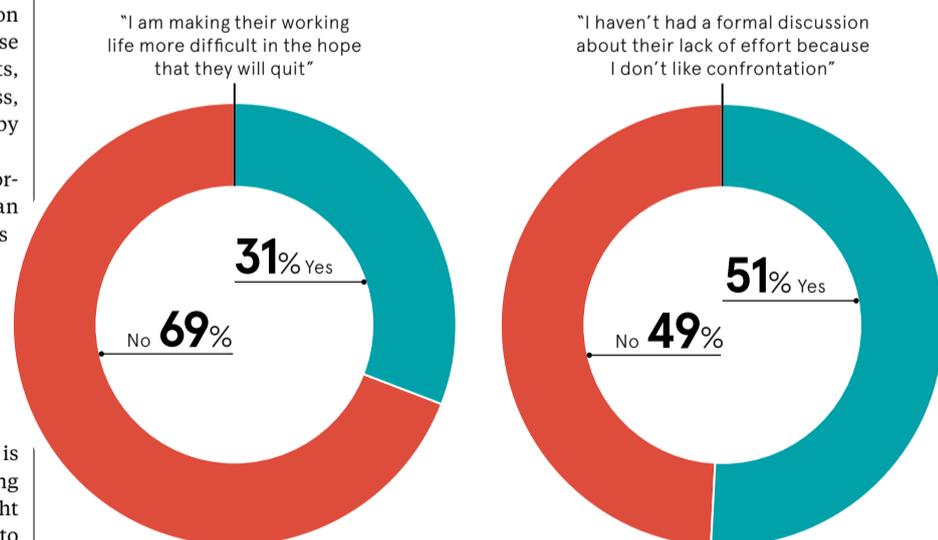
When people do detect that a colleague is being quietly fired, it does little for their engagement levels, especially if they consider that they might be next if their firm is seeking to slash its employment costs.

How can employers avoid engaging in this unhealthy practice? First,



MANAGEMENT REACTIONS TO QUIET QUITTING

US managers' responses when asked whether the following statements applied to them when dealing with team members who were making minimal effort



ResumeBuilder.com, 2022



For managers under pressure to make cuts, freezing employees out might offer a convenient alternative to having uncomfortable conversations

they may need to rethink their approach to recruitment, so that employees are less likely to underperform in the first place. That's the view of Hannah Copeland, HR business partner at employment law consultancy WorkNest.

"Poor organisational design and development can cause businesses

to create the wrong roles. They then neglect the post-holders' development because such roles become easy to sideline," she suggests.

For this reason, employers need to improve education about diversity, equality and inclusion, while ensuring that there are equal opportunities for training and development.



praetorianphoto via Getty

Implementing transparent access to performance reviews and promotions would be a good place to start, Sundaram suggests.

“Because ingrained biases cannot be eradicated completely, employers should look to eliminate opportunities for these to show up,” she says.

Such biases caused people from ethnic minorities to be far more likely to lose their jobs when firms were cutting their overheads during the early stages of the Covid crisis. “These risk pushing marginalised groups to the front of the quiet firing line again in the face of a recession,” Sundaram adds.

Employers should also watch out for signs of managerial burnout, Menendez warns. Managers under extreme pressure to hit their targets may have neither the time nor the patience to deal properly with difficult situations involving their staff and may resort to quiet firing as a relatively hassle-free option.

Rather than deploying passive-aggressive tactics and hoping that employees get the message, managers should adopt a more grown-up approach, she says.

First, they need to ask themselves why they don't feel comfortable having honest conversations with the employee in question. If there are problems with the quality of their work, for instance, these need to be handled directly and constructively.

This should include setting realistic goals, holding regular performance review meetings and offering proper support and guidance.

These meetings should also serve as an opportunity for the employee to share any concerns they may have. Both parties can then work together to seek a mutually satisfactory solution, such as a change of role in the organisation.

“Only by understanding what's driving quiet firing in your firm can you build effective strategies to combat it,” says John Backhouse, head of people science at WorkBuzz, a specialist in employee engagement.

What's more, the benefit of developing a workplace where employees feel comfortable approaching their managers and being open with them leads to a healthier culture in which there is neither quiet firing nor quiet quitting, he adds.

Copeland agrees, noting that the two phenomena feed each other in a vicious circle. A healthy culture of openness limits the amount of ammunition an employer might have at their disposal to nudge an employee out of the door.

“A good culture breeds the right practices and behaviour,” she says. “Building a high-performance culture ensures that quiet firing won't arise, because the systems, policies and processes in the business don't enable it.” ●

How to structure inclusive candidate experience

In the battle for talent, recruitment practices are under intense scrutiny. Experts believe that following a blueprint for candidate interviews could be the key to effective, efficient, and fair interview processes

Dubbed the year of the Great Resignation, 2022 has seen talent pool power dynamics take a mighty swing in candidates' favour. According to Deloitte, CEOs are now ranking skills and labour shortages as the top external issue anticipated to disrupt enterprise strategy next year.

High numbers of vacancies, increased pressure on pay, and new expectations around hybrid or remote working arrangements have given job seekers the upper hand. Candidates want to be inspired to join a company with the promise of career mobility based on personal goals, skills and motivators. They want to align with the organisation's culture, values, and brand. Interview processes are now more than ever a reflection of how a business operates, and a poor candidate experience can tip candidates off to wider organisational faults.

SHL, the global leader in HR technology and psychometric science, offers experience-driven solutions designed to keep candidates engaged throughout the interview process. Over the past two years, it has helped conduct over 600,000 digital interviews. The company's innovation hub, SHL Labs, analysed a sample of recorded sessions using conversational AI technologies, revealing that at least 80% of interviewers are making critical mistakes. For example, 41% of interviewers failed to properly introduce themselves, while 26% turned their cameras off during online interviews. The study exposes some significant pain points likely to drive a poor candidate experience.

Key among them was a failure to standardise interview questions. Most interviewers are still working on gut feeling, resulting in a lot of inherent unconscious bias,” says Dr Kuldeep Yadav, Director of AI at SHL.

“Younger candidates are vocal; they're going to talk about a bad experience, further damaging your ability to attract good candidates



Establishing a well-supported line of questioning and evaluation that is uniform across candidates is imperative from the perspectives of effectiveness, efficiency, fairness and inclusivity. Yadav continues: “You can use AI technology to find out whether the interview really followed the structure or not.” Psychometrically, structured interviews are better predictors of job performance and provide the interviewer with clarity and scope for comparison while delivering a more seamless candidate experience.

“When you're designing the structure, you want to align your questions around competencies that are required for the job,” SHL's chief science officer, Dr Sara Gutierrez explains. “By structuring the process, you ensure each candidate has equal ability to exhibit their capabilities, which will hopefully drive down the unconscious bias that can creep in through more unstructured conversations.”

By implementing best practices, rooting out biases and centring accountability, employers could see an uptick in new hires across all backgrounds. SHL Labs' recent whitepaper, ‘Assessing Neurodiverse Talent’, brings to light the unique challenges that neurodiverse jobseekers face, despite making up 15-20% of the population. Failing to accommodate this group could see organisations cutting off a substantial portion of their talent pool.

A report from the University of Connecticut found that unemployment for neurodivergent people in the US stands at 30-40%, eight times higher than for people without a neurological condition.

Gutierrez believes that businesses should start by fostering an atmosphere where candidates feel included from the get-go. She says: “From the organisation's perspective, we need to create positive and inclusive language around disclosing a neurodivergent condition so that candidates who need accommodation feel comfortable saying, ‘this is what I need’.” This can be achieved by drawing on the experience of neurodiverse people already within the organisation or those flowing through the hiring pipeline. By implementing small changes businesses can prevent good candidates from opting out of the process.

Both believe quicker processes will please Gen Z workers too. “Younger candidates are vocal; they're going to talk about a bad experience, further damaging your ability to attract good candidates,” says Yadav. In addition, asking candidates to commit to rounds upon rounds of interviews is going out of Vogue as younger generations expect more efficient decision-making from potential employers.

Today's candidates expect an effective and fair interview process that reflects the values of the organisation they seek to join. They want an experience that feels fresh, intuitive, and unique and that showcases the company culture with clear and honest communication at every step.

For more information please visit shl.com

SHL



88%

of people in a recent poll said that payroll either sits under HR or finance within their company, and is not recognised as an independent function

48%

of people in a recent poll felt that lack of integration/automation was their biggest challenge in payroll in their company

32%

of people in a recent poll felt that outdated software/processes was their biggest challenge in payroll in their company

Zalaris, 2022

Payroll is now crucial to employee experience

As companies brace for the economic storm ahead, business survival could depend on something as fundamental as payroll. Zalaris' **Will Jackson** explains why outsourcing could be the answer

British workers are facing pressures on their finances, not seen since the Second World War, but the cost-of-living crisis is fast turning into a cost-of-business crisis, which is less talked about. Caught up in spiralling costs, falling consumer spending and the fight for talent, as well as facing the spectre of a recession, corporations are having to do things differently. It's why payroll is now in the crosshairs.

Employee and business productivity are linked. Today, both are on a knife-edge. If people aren't paid on time and correctly it risks plunging families into penury and work productivity drops. At the same time, businesses are drilling down on outgoings. They're trying to make savings and function more efficiently, as they absorb higher costs as inflation rises and energy bills soar.

"Human resources has seen a lot of investment in recent years as businesses try to attract and retain talent, but bizarrely, payroll has been woefully overlooked. Paying employees is often as high as 80% of a firm's running costs. Yet many corporations right now are using systems that don't meet the needs of a 21st century business. As firms transform digitally and cut costs, they must rethink

payroll," explains Will Jackson, managing director for the UK at Zalaris, a global leader in HR and payroll solutions and services.

Many businesses still run aged and paper-led systems. Others lack visibility on payroll, since data exists in silos. If they have operations in multiple countries, there's little consistency across territories. Huge inefficiencies also exist because payroll is often perceived to be just a back-office function.

It also garners little attention since it falls in the cracks between HR and finance, yet it has a direct effect on employee experience. Often payroll isn't even connected to many human resource systems, such as time recording, travel and expense processing or time and absence management.

Recent payroll errors at Next and Asda, which left staff out of pocket, made headline news. This shows that issues with faulty systems and processes can have an impact, not only on corporate image, but staff retention, workers' wellbeing and families' lives. These incidents have thrust payroll responsibilities into the spotlight, as has the global pandemic. Covid was a lightning rod for wage management when businesses had to manage furlough schemes, sick pay and remote working more effectively.

"Getting people's pay correct, can no longer be an afterthought, neither can outdated systems and manual back-office administration be the acceptable norm. The pandemic highlighted how mission critical payroll is. Those businesses who elevate it so that it's strategic to business growth will win," explains Jackson.

Like many business functions that are evolving digitally, payroll is now going through its own revolution. Many more tasks are being systematised. Robotic process automation has matured and is now mainstream, machine learning is also gaining ground in payroll technology. "By 2025, 65% of all payroll processing, audits and managed services will be

automated and processed with no manual interventions," according to research from Gartner.

What was once incredibly labour intensive involving a lot of manual input can now be done efficiently via digital platforms, and the results shown on dashboards via any device. This also allows for consistency across countries, subsidiaries and job types. Now the cost-of-business crisis is spiking interest for such services.

"Accurate wage management is one of the most important tasks in running a business. A good working relationship with employees is directly dependent on payroll. Those who run it are the fourth emergency service for companies. But systems and staff increasingly need to be accountable and transparent, as well as adapt at speed as observed during the pandemic," says Jackson.

Payroll must also keep up with local employment legislation and tax laws, which are changing all the time. Lack of compliance is not an option – employees also expect more. For instance, the new concept of 'on-demand pay' allows staff to access earned wages before payday. This is extremely helpful for employees to effectively manage their finances as the cost-of-living crisis kicks in. In essence, the demands of payroll are increasingly complex and time consuming.

"This is why outsourcing this function is gaining traction across many countries. Data-led platforms on the cloud can now deliver consistency and transparency. With up to 30% cost savings versus in-house operating models, outsourcing increasingly makes sense," details Jackson.

"As the global economy tightens, corporations must focus on what they do best: keeping their core business thriving. Administrative functions are peripheral to this. Keeping up with employment regulations and worker expectations are best done by an expert third party who can do the

heavy lifting. This is where we come in, we live and breathe payroll. It's our core business. Zalaris has hundreds of in-country payroll experts, utilising PeopleHub, our single, unified and global HR and payroll solution used in over 100 countries," adds Jackson.

And Jackson isn't exaggerating the company's global network. Zalaris employs nearly 1,000 employees across 16 countries and processes payroll for 2 million employees every month.

With more than two decades of experience in payroll solutions, Zalaris provides services companies such as GlaxoSmithKline, Telefonica-O2 and Siemens and is approaching €100m in yearly revenue.

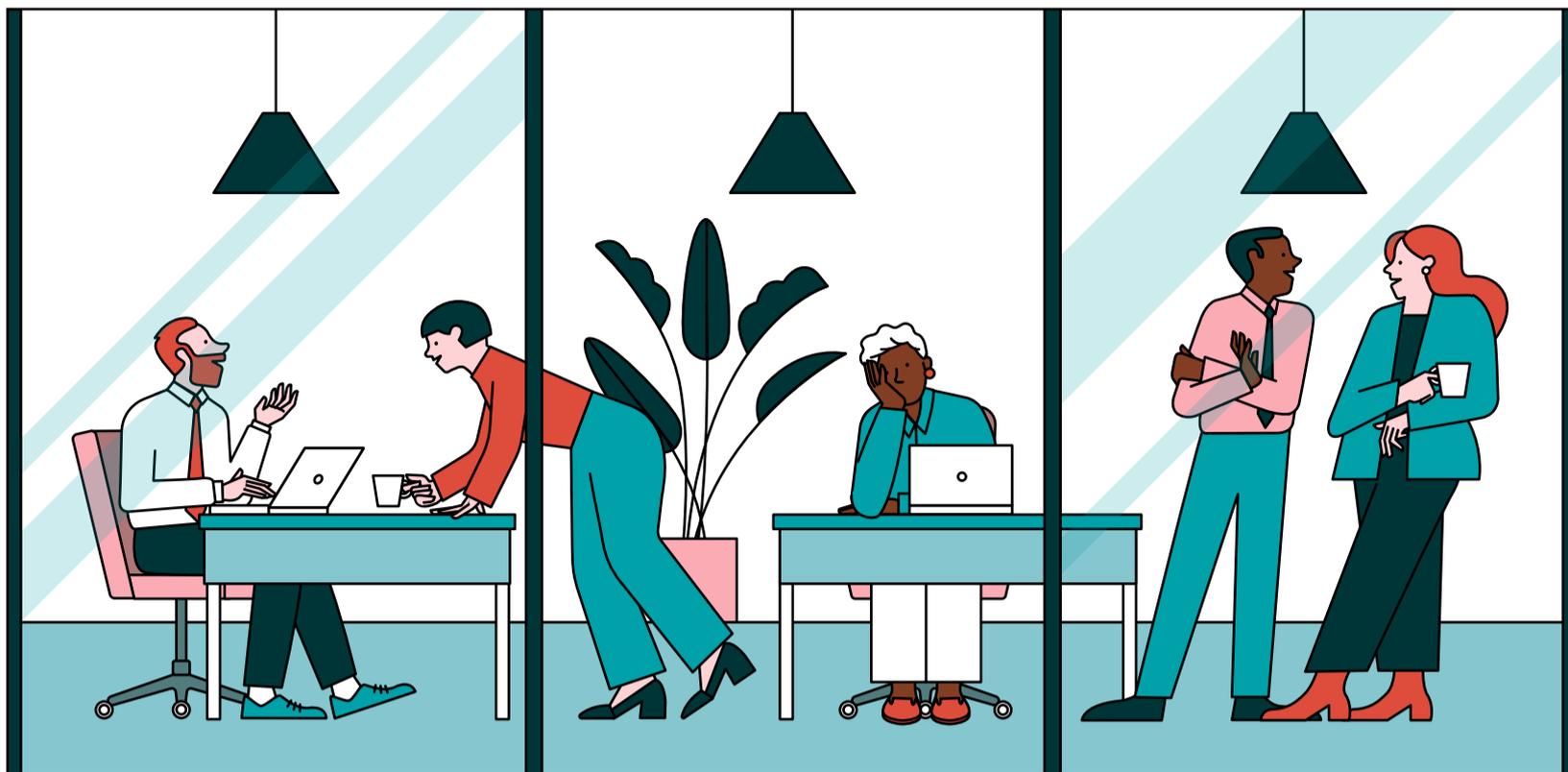
Outsourcing ensures future-proofing payroll since technology, resourcing and legislation are continually evolving. There are also other benefits, as HR and payroll solutions can encompass recruiting and onboarding candidates and staff retention, as well as retirement and alumni management. However, many businesses are wary of an outside party handling payroll citing concerns around lack of control.

"With many clients it's about going on a journey with them and realising what can be achieved. Businesses need to be more agile, they need to meet the rising expectations of a more globalised workforce, who expect a more intuitive, easy-to-use HR and payroll solution. Firms also need to be GDPR compliant with wage and HR data or deal with ESG issues around employment. Times are a-changing and businesses need to step up," concludes Jackson.

Simplify work life. Achieve more.
Go to zalaris.com



“Getting people’s pay correct, can no longer be an afterthought, neither can outdated systems and manual back-office administration functions be the acceptable norm



“Don’t underestimate the power of listening. Once people feel heard, most can navigate to a better place in their minds themselves”

So what can be done to prevent moral burnout from taking hold in your business? The first thing that concerned leaders should do, Ward says, is simply listen. This should enable them to distinguish which kind of burnout an employee is experiencing. It should also help them to alleviate some internal conflicts.

“Don’t underestimate the power of listening,” she urges. “Once people feel heard, most can navigate to a better place in their minds themselves. You don’t have to be a psychologist to help them with that.”

For this approach to be effective, leaders must make people feel psychologically safe enough to share their feelings without fear of repercussions. To achieve this level of trust, they need to be consistently open, honest and supportive.

This is far easier said than done if the wider company culture is already toxic. But, as Ng notes, most firms “don’t decide they want to be unethical at the expense of people’s wellbeing. They often just prioritise hitting short-term targets over employee experience and engagement, meaning that these factors take a back seat.”

Ng argues that it’s crucial for the leadership team to “go back to basics to introduce foundational change”. This means creating formal structures, such as codes of conduct and processes enabling staff to report behaviour that concerns them, if these don’t already exist.

But it shouldn’t be a case of ‘do as I say, not as I do’. Leaders simply have to be role models. If a CEO were to interact with employees in ways that don’t comply with the organisation’s code of conduct, for instance, it would undermine the whole point of writing one and, conceivably, make matters worse.

“It will make little difference if the formal structures are put in place but the culture doesn’t support them,” warns Ng, but she adds: “It can still be quite problematic if you do have a caring culture but no formal structures to support it.”

As fears of a deep recession mount, it’s unlikely that the number of moral (and conventional) burnout cases will fall. People generally become less willing to quit and escape toxic environments in tough times – a scenario that’s unlikely to bode well over the coming year.

“My gut feeling is that more people may feel that they have to stick with their employers because of all the economic uncertainty,” Ng says. “This situation could well lead to higher levels of burnout and lower levels of engagement.” ●

WELLBEING

Will ‘moral burnout’ become the next workplace epidemic?

Wellbeing experts believe that this contagious condition could be fuelling harmful trends such as quiet quitting – and they aren’t expecting the number of cases to decrease any time soon

Cath Everett

The concept of moral burnout may be new to most people, but it is thought to be behind some of the most significant recent workplace trends, such as the so-called great resignation.

It manifests itself after someone has sustained a moral injury, generally over a prolonged period. A moral injury is a cognitive and emotional response that occurs when they undertake, witness and/or fail to prevent behaviour that violates their personal values.

“The situation starts off as moral stress,” says Cara de Lange, founder and CEO of wellbeing consultancy Softer Success. “If it goes on for months, it becomes a moral injury, which can then lead to burnout.”

She believes that such “trauma-infused burnout” – cases of which have proliferated in a “massive” way in recent years and are unlikely to have peaked – is caused by a blend of “emotional exhaustion, cynicism and moral injury”.

While the extent to which this condition has always been present among the working population is unclear, de Lange is convinced that

the problem has worsened since the pandemic started. She estimates that between 10% and 20% of all employees are affected by moral burnout.

Although it’s a relatively new concept in a business setting, the term has been in use for some time in other contexts. Traditionally, moral burnout has been more associated with the kind of trauma commonly experienced by people in the military, which is where most psychological research into the subject has focused. But in May the University of Sheffield, Softer Success and the Affinity Health at Work consultancy published a study exploring the impact of moral burnout in business.

The research found that employees experienced moral injury and burnout in organisations where they or their colleagues had been subjected to prolonged mistreatment. This included abusive leadership practices and the repeated use of racist, sexist and/or homophobic language.

Dr Kara Ng, presidential fellow in organisational psychology at the University of Manchester, explains the mechanism: “All of us will have internalised moral norms that are

socialised into us when we’re young. In complex social situations, it may not be possible to correct a moral violation immediately. It’s stressful to be in this kind of environment, which is detrimental to people’s mental health.”

Because people’s moral norms are inherently “very subjective”, an act that’s morally injurious to one person may not even register with someone else. This makes the situation particularly difficult for business

64% of people experiencing problematic behaviour at work say that this has harmed their mental health

66% say that it has damaged both their confidence and their ability to find a new job

71% have called in sick to avoid someone with whom they have a negative relationship

Culture Shift, 2021

leaders to recognise and tackle. Yet they must do so if the common outcomes of moral burnout, such as reduced employee engagement and increased staff turnover, are not to harm the bottom line, Ng argues.

Moral burnout differs from the more traditional occupational burnout as defined by the World Health Organization. The latter is a syndrome “resulting from chronic workplace stress that has not been successfully managed”. Sufferers tend to feel exhausted and distance themselves mentally from their work.

In cases of moral burnout, the emotional ill-effects are much deeper and more prolonged. Sufferers tend to ruminate constantly about their plight and experience feelings of helplessness, anger, embarrassment, guilt and mistrust in their employer.

Dr Eileen Ward is a chartered psychologist and partner at consultancy Leadenhall Wellbeing. In her experience, people suffering moral burnout tend to be more emotional than those experiencing conventional burnout.

“They may become more withdrawn or more temperamental than normal, or they may start showing signs of perfectionism or absenteeism,” she says. “They may have problems with their physical health as a result of repressing their emotions.”

Another unhealthy phenomenon occurs when employees “morally disengage” as they become ever more uncomfortable with their environment, according to Ng. They do this by “cognitively reconstructing situations and how they interpret them so that things don’t seem as bad. This means that they can continue living with themselves.”

Unfortunately, this coping strategy often serves to exacerbate a toxic situation. Common outcomes of such cognitive dissonance include victim-blaming, making excuses for bullying or using euphemistic terms such as ‘banter’ to describe it. This not only normalises damaging ways of interacting; it also makes moral burnout contagious.

“It differs greatly from traditional burnout in that it can really affect large numbers of people,” Ng says.



Zalaris, a leading HR & payroll solutions and services provider

Recognised by leading industry analysts, operating globally with localised service centre models throughout Europe and the Asia Pacific. Providing PeopleHub, a single cloud based HR solution, to clients in over 100 countries worldwide.

Simplify work life. Achieve more.