

2022

# CEO Benchmarking Report

The Predictive Index surveyed 200+ executives on their hiring and retention strategies, their most pressing business concerns, and their top priorities during a turbulent economic climate.



# Introduction

The job of an executive is tough even under stable economic conditions. Difficult decisions are compounded by the fact that sympathy is often in short supply.

**“That’s why you get paid the big bucks,”** goes the saying.

Rarely has that chief-officer catch-22 been more apparent than in 2022, when business leaders are tasked with an unending list of tough calls related (but not limited) to budget, payroll, operating expenses, **talent strategy**, physical offices, geopolitical turmoil, social positioning, and employee (dis)engagement.

Look no further than **the crying CEO saga**, and its polarized fallout, for evidence of both how hard it can be to run a business in this climate, and how fine the line is between humanity and tone deafness for executives. If you lay people off or cut their pay, you’d better show empathy. Just don’t show any woe-is-me emotion—after all, this is what you signed up for, right?

Beyond the internet, executives are making tough calls every day, navigating an uneven, and seemingly unwavering, down economy. Recession fears cloud financial projections. Supply chain ills persist. Mass attrition, already a complicated issue, is compounded as many companies make reductions in force.

With the 2022 CEO Benchmarking Report, we wanted to gauge current executive priorities. We asked about all of the above, and then some. There’s no one-size-fits-all approach. Success is a moving target. Even organizations that are humming along are wary of what’s to come. Your strategy, as well as the expenses you deem essential, may be dictated by your industry, your resources, your clients, and your people.

In trying to balance all these moving parts, one theme resurfaced repeatedly: **Successful businesses (and their leaders) understand the need to stay fluid**. They see the value in flexibility, open-mindedness, and a willingness to iterate, err, and acknowledge missteps. That approach applies to everything from budget cuts to a public stance on prominent social issues.

By being agile, and vulnerable, these leaders are putting their people first, and finding prosperity in the process.

# After reading this report, you'll understand how executives are approaching (and adjusting) their **talent strategies to thrive** in today's world.

We'll dive into our survey responses through a few different lenses:

<b>The economy's effect on the employer-employee dynamic . . . . .</b>	<b><u>4</u></b>
<b>Shifting—and solidifying—workplace models. . . . .</b>	<b><u>7</u></b>
<b>Talent acquisition, retention, and development . . . . .</b>	<b><u>11</u></b>
<b>The increasing need for outside help . . . . .</b>	<b><u>17</u></b>
<b>People data is key to assessing engagement—and driving performance. . . . .</b>	<b><u>20</u></b>
<b>Uncertainty necessitates agility. Talent strategy is no exception. . . . .</b>	<b><u>23</u></b>
<b>Study methodology. . . . .</b>	<b><u>25</u></b>

# The economy's effect on the employer-employee dynamic

It's been called an unprecedented labor market. Before recession panic set in, the hiring landscape was complicated, to say the least.

Always a lagging indicator, jobs reports have required even more between-the-lines reading than usual in 2022. The economy has steadily added jobs each month, continuing its broader post-COVID rebound, but the resurgence has been uneven.

Some industries have had far more open positions than viable candidates. Sectors like hospitality and education felt the continued pinch of workforce shortages. And there's an underlying suspicion that the unemployment rate—**which has dipped to its lowest point since February 2020**—omits a key demographic: those who have left the workforce during the pandemic, and haven't formally returned.

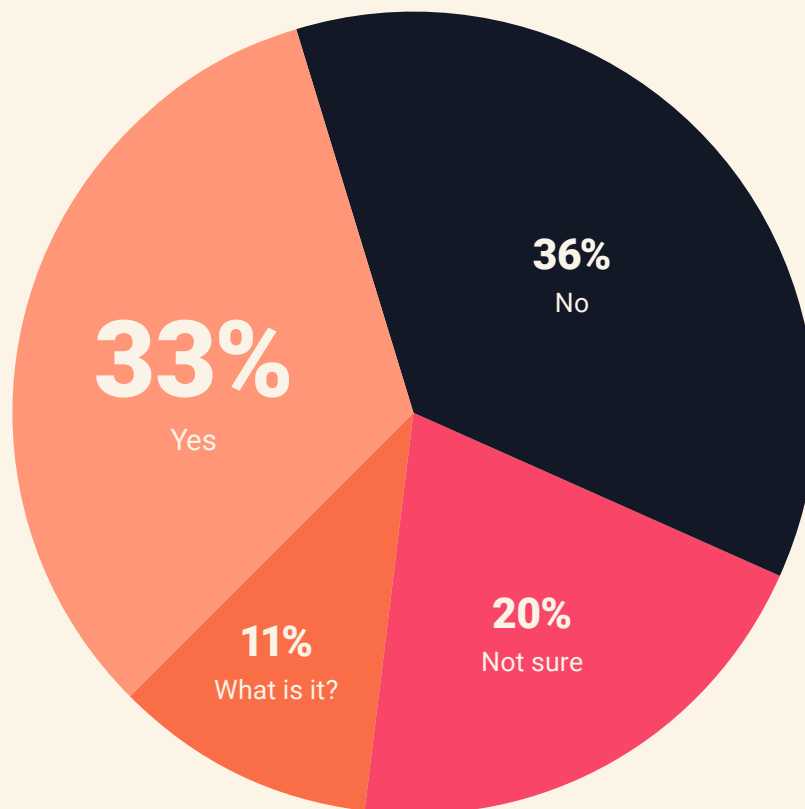
If 2021 was marked by mass attrition (The Great Resignation), then 2022 could be characterized by employee empowerment. With so many people leaving the traditional workforce, even for uncertain alternatives, top candidates who remained on the market seemingly had carte blanche in choosing where they worked, who they worked for, and which sweeteners secured their services.

But recession fears have started to limit that leverage. **As more businesses fall short of growth goals and are forced to cut costs, the supply-demand dynamic has shifted.** Layoffs mean more talent is back on the market, and companies that are hiring can reassess their needs, perhaps focusing more on fit than filling a role fast.

# 33% of execs say The Great Resignation is over. Many more are unsure.

When asked whether The Great Resignation is over, respondents offered mixed opinions. While 36% said no, it's not, a near-equal 33% felt it was. Clouding the picture further, another 20% admitted they weren't sure. That uncertainty seems to be a hallmark of the current economy. Regardless of industry or business size, executives agree there's little we know for sure right now. What they do know is that their talent and business strategies must stay agile.

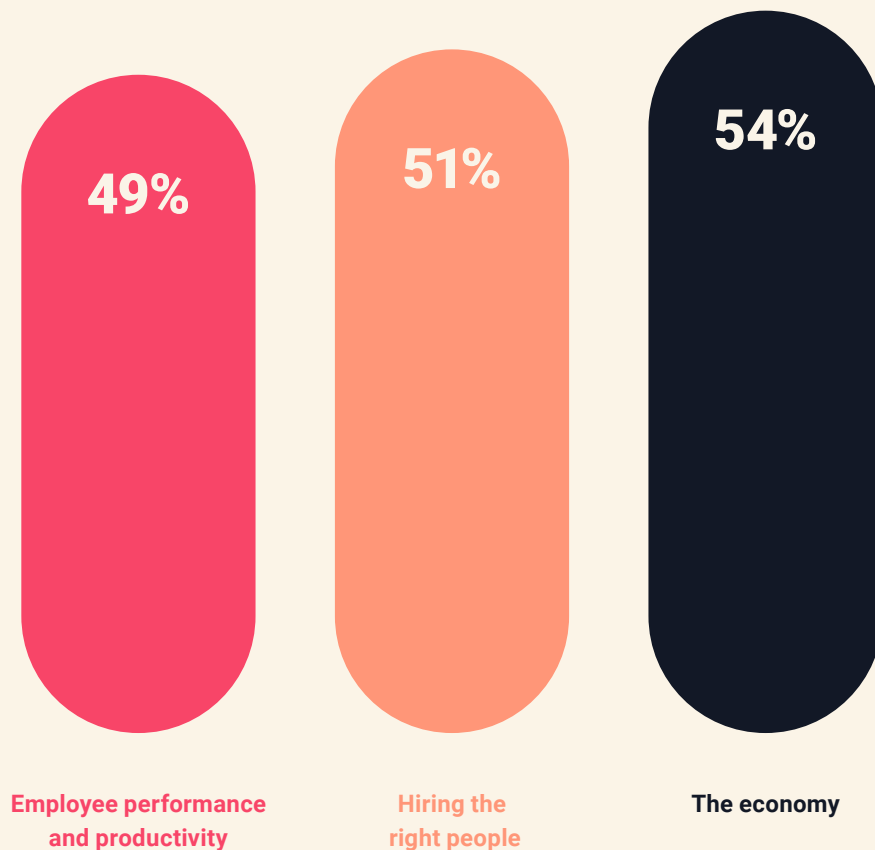
*Do you believe the Great Resignation is over?*



# 54% of executives cited the **economy** as a top current concern.

It's no surprise that macroeconomic conditions are dictating almost every executive team's moves. But surveyed business leaders also said "hiring the right people" and "employee performance and productivity" were of nearly equal concern right now. That indicates a recognition that business and people are equally important—a core tenet of talent optimization—and that getting the labor piece figured out is crucial to resilience. Companies with sound talent strategies **are often more sustainable**.

*Which of the following are currently of high concern to you?*



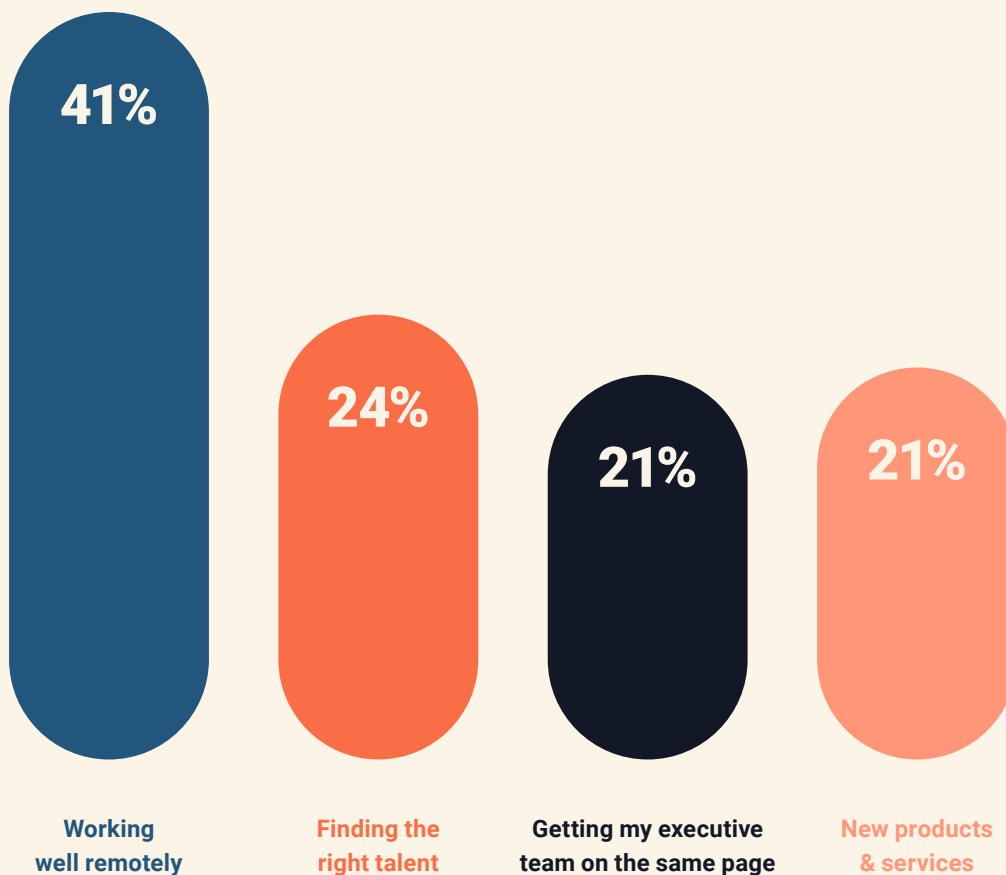
# Shifting—and solidifying —workplace models

A year ago, hybrid work models were being invented from scratch, and on the fly. Now, most companies have some semblance of a plan for how to keep their people—remote, on-site, and everyone in between—connected. **Still, those plans require thoughtful maintenance and upkeep, and clear guidelines for communication and alignment.**

# 41% of execs said “working well remotely” remains the top challenge.

Sure, some industries are more tethered to the office or worksite than others by nature of the work they perform, but everyone has had to adapt. Business leaders are conceding that remote work is here to stay—and they want to figure out how to make it work.

*As an executive, which of the following are your biggest challenges?*

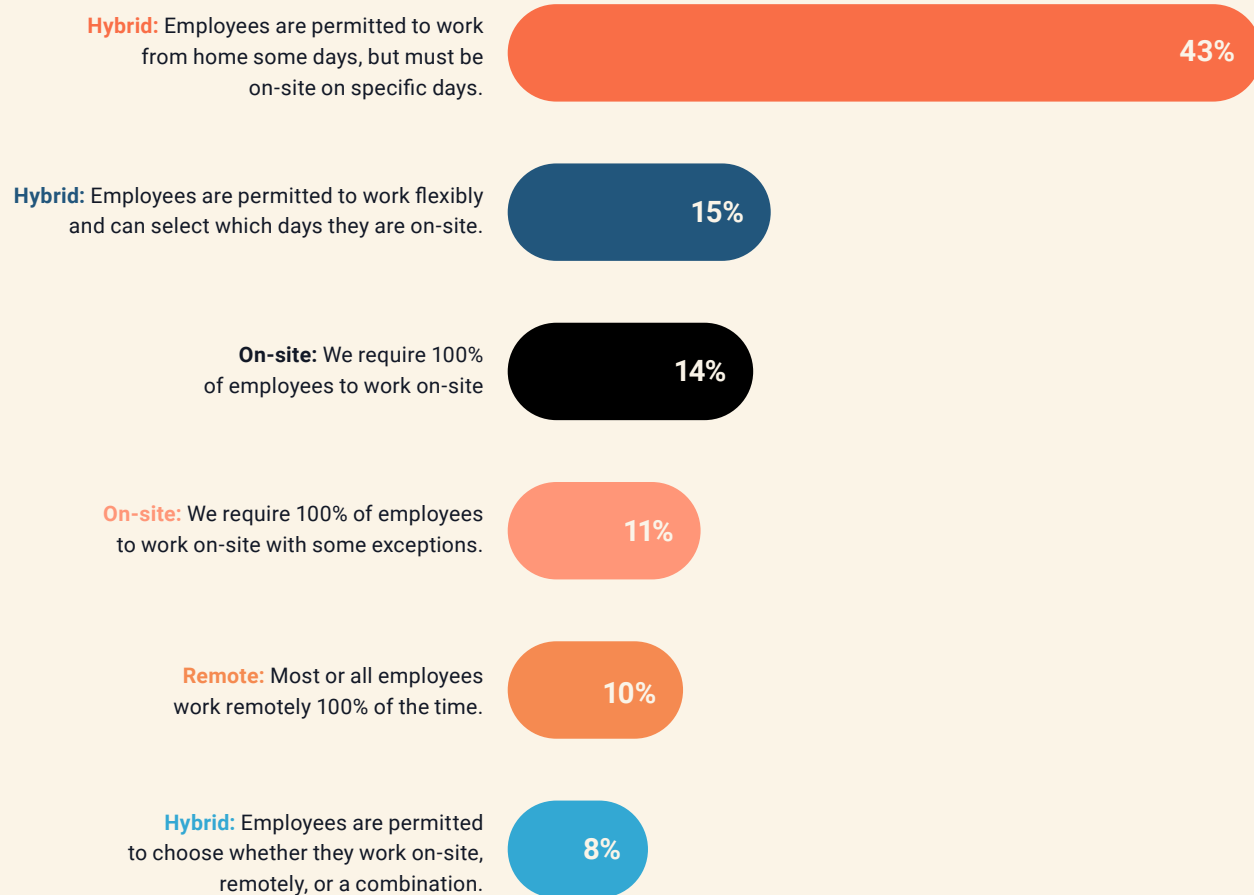




# Hybrid work is the new norm, even as the models evolve.

When asked “Which of the following best describes your remote work policy?” for the coming year, **43%** of respondents said they have adopted a hybrid model that requires employees to be on-site for specific days. That figure jumps to nearly **70%** when you include companies that allow people to select the days they work on-site, or that allow complete workplace autonomy. The upshot is clear: **A majority of businesses have adopted a hybrid approach, but the specifics for the model remain up for discussion.**

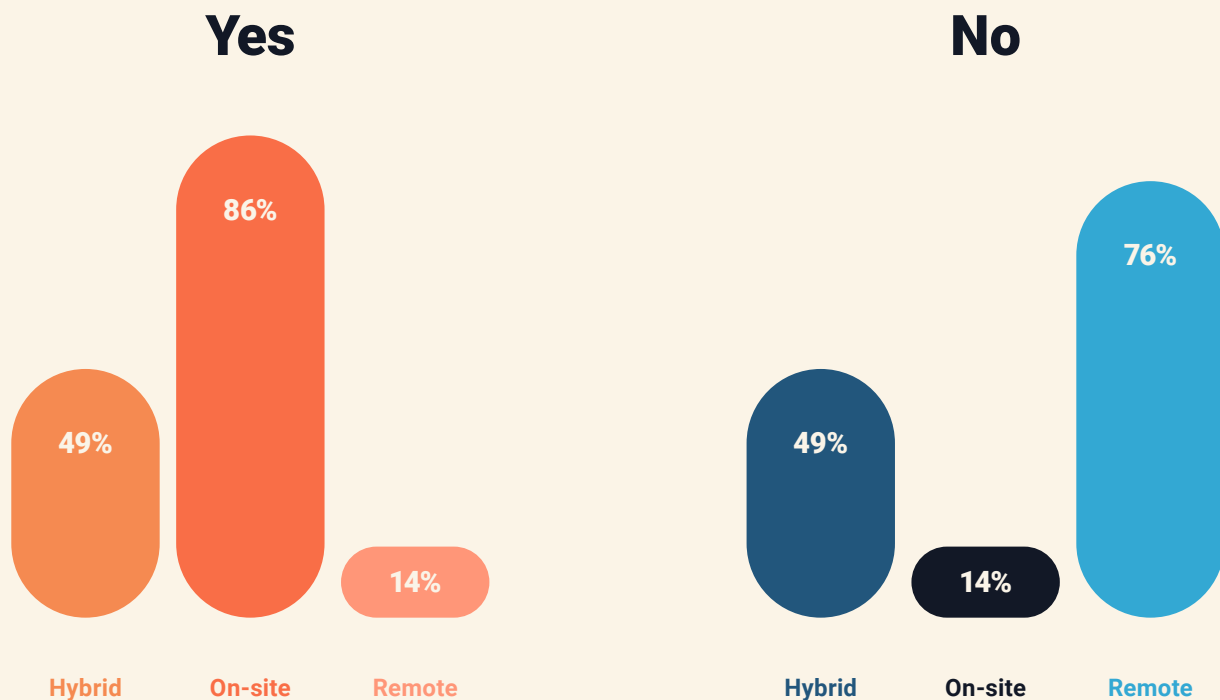
Which of the following best describes your remote work policy for 2022/2023?



# Many companies still hope to see people back on-site, **long-term.**

Breaking down the hybrid/on-site projections further, we found that **55%** of respondents have mandated a return to work in some form. That mandate may just mean maintaining the status quo—the stipulation that people continue coming in on occasion—but it displays a desire to get back to normal... in some form, at some point.

*Have you mandated that employees come back to work on-site post COVID-19?*



# Talent acquisition, development, and retention

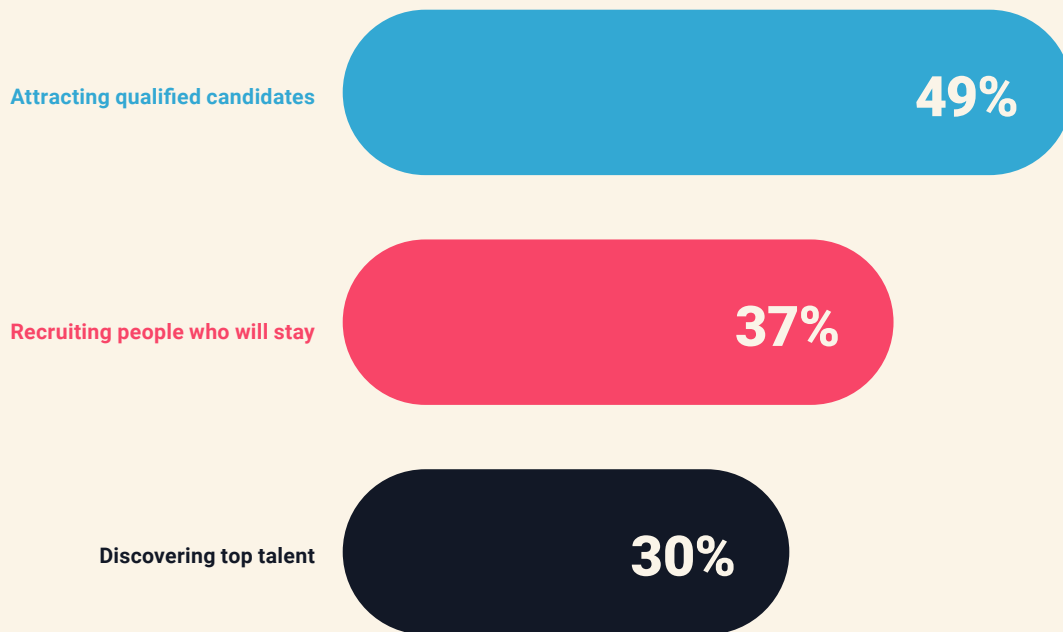
We're navigating one of the most complicated labor markets in recent history. The economy is steadily adding jobs, but the low unemployment rate feels misleading. Inflation concerns have put a halt on many hiring plans, even forcing cuts in sectors like tech and B2B services, and it's tough to quantify how many people who left the corporate workforce in 2020 and 2021 have returned. Economists suspect many who have gone independent, or started fledgling consultancies, aren't being documented in monthly jobs reports.

All that makes hiring the right people—and developing them for the long haul—critical. By and large, our survey respondents recognize that.

# Leadership is prioritizing **people who fit their companies** both short- and long-term.

It's a recurring ramification of The Great Resignation, and, really, the COVID work era: Leaders now realize recruiting people who are not just qualified for the role, but also for the broader organization, is essential to stability. Nearly half (**49%**) of respondents still said "attracting qualified candidates" was a top hiring concern, but **37%** cited "recruiting people who will stay" as a priority. It's further proof that retention and recruiting go hand in hand, and that **the talent lessons of the last few years** have not been lost.

*Which of the following are your most pressing concerns with hiring?*



# People leave their jobs when they lack balance, or they burn out.

Whereas in the past a career change or life event might be the obvious reason employees leave, things are a little more nuanced now, thanks to that delicate employer-employee dynamic.

This is reflected in the top reasons executives cited for their employees leaving voluntarily. “Career change” still ranked highest (41%), but “poor work-life balance” (36%) and “disengagement or burnout” (30%) were right behind. It’s been well documented that in the post-COVID hybrid era, more workers are willing to abandon jobs that don’t afford flexibility, or that don’t fulfill them. This stat bears that out, but also shows that business leaders are becoming more keen to the trend as well. The question then becomes: *What are they doing about it?*

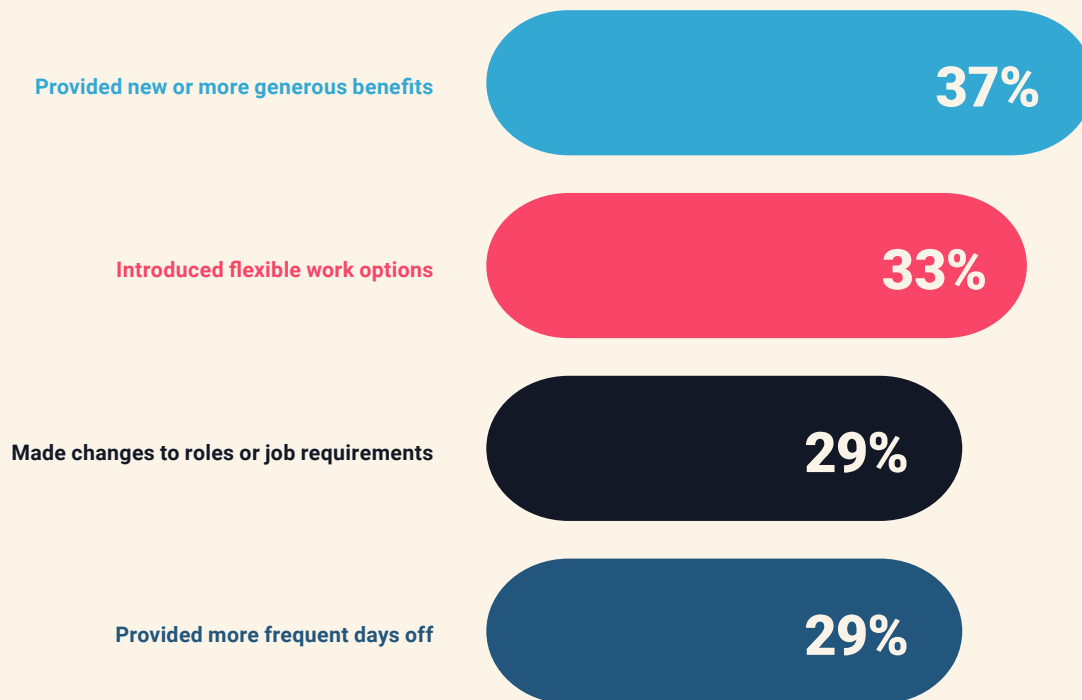


# Leadership is offering more **benefits**, but also more **flexibility**.

When asked that exact question, executives responded with a variety of strategies. It seems they're trying new things—all the things—to combat voluntary turnover, no matter their industry or the size of their organization. Some **37%** said they offer new or more generous benefits, while **33%** introduced flexible work options as a means of keeping employees happy (and retained).

Those responses were closely followed by “more frequent days off” and “changes to roles or job requirements” (both **29%**) as the top strategies for turning back turnover. It's more evidence that no one has the perfect answer, but most businesses are experimenting, with an understanding that flexibility is increasingly non-negotiable for many of their people.

## What have you done to prevent or reduce voluntary turnover?



## Execs also recognize L&D as a key to retaining top performers.

Asked about their “most pressing concern when it comes to retention,” respondents cited both “learning and development” and “preventing voluntary turnover.” The takeaway, it seems, is that the two go hand in hand. The employer-employee dynamic may be balancing in the wake of layoffs in tech, telecom, and professional services, but that doesn’t mean the lessons of 2020 and 2021 are lost on anyone. During The Great Resignation, **many employees made it clear** they weren’t interested in a job just for job’s sake—that being part of something they believed in mattered more after working through the isolation of the pandemic. And while the worker’s leverage may have lessened, employers have gotten the message.

*Which of the following is your most pressing concern when it comes to retention?*



# When competing for top talent, clarity wins the day.

When asked about their current hiring priorities, executives were pretty clear: It's all about attracting the most qualified candidates (70% of respondents).

The survey also asked what they do to woo said candidates, and business leaders offered various ideas, but the top responses all tied back to a guiding principle: clarity.

Forty percent of respondents said "providing a clear salary range" was their priority, while "communicating clearly and frequently" and "facilitating conversations with multiple team members" were the next-most cited tactics (34% each). It's further evidence that business leaders now recognize they can't play coy with top candidates—there's too much demand. To attract (and win) top talent, **you must be clear in your offerings and expectations throughout the candidate experience.**

*What are your current priorities in hiring employees?*







# The increasing need for outside help

**The consulting field reasserted itself** during the pandemic, and that trajectory continued into 2022. With more consulting operations starting up, the field has felt oversaturated at times. On the other hand, the need for guidance has never been more apparent. **Business leaders are readily admitting they need help with business and talent strategy**—and fewer of them view the two as mutually exclusive.

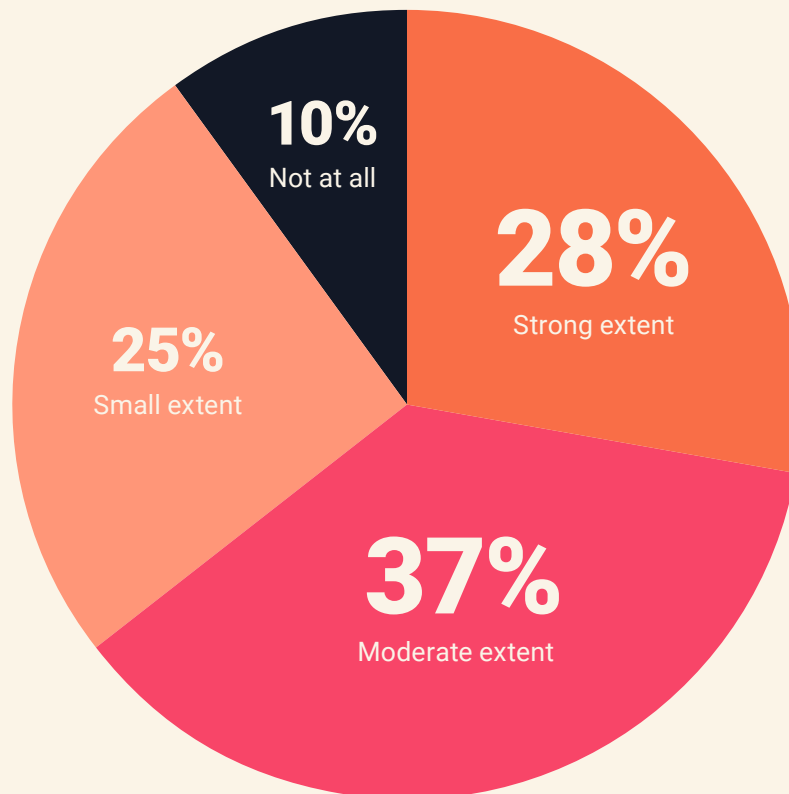
The market for talent consultants—those with an eye for people strategy and talent optimization—is strong. Consultants who can position themselves as key strategic partners, and then prove their ROI, are in high demand.

In particular, any consultancy that can help bridge communication gaps between hybrid or remote teams will be sought after. If you find a consultant who helps business leaders visualize, quantify, and reliably measure employee performance, even better.

# 90% of execs expressed the need for outside help with **business strategy** in some form.

Some **28%** of respondents said they needed external help with business strategy and execution “to a strong extent.” Another **37%** said they had at least moderate needs. The upshot is clear: **Good, trusted consultants should have no problem courting potential customers.**

*To what extent have you needed external help with business strategy and execution in the past six months?*

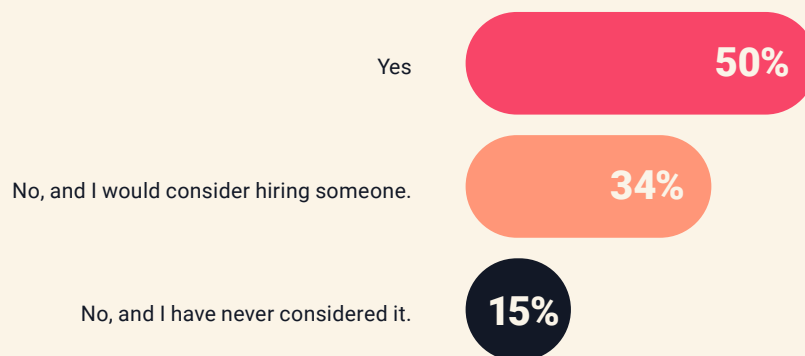


# Consultants that help solve people problems are in high demand.

Companies call on external help for all sorts of reasons. But the top three cited by responding execs—employee retention (44%), employee performance (40%), and team building (38%)—all underscored the need for talent consulting, specifically. And nearly 50% of respondents said they had in fact hired an external consultant to assist with talent strategy in the past year.

It's further affirmation that after two-plus years of trying circumstances, more leaders see the labor force as their most vital asset. So much so that they're ready to pay for help solving people problems.

## Over the past year have you hired an external consultant to assist with your talent strategy?



## In which of the following areas could you use help with your talent strategy?



# People data is key to assessing engagement—and driving performance.

Behavioral data, one of the metrics upon which talent optimization is predicated, is no longer some wild frontier. Executives who care about their people understand which behaviors are driving their performance. They have learned who works best where, and who is stretched most by a hybrid or all-remote dynamic.

# 35% of execs who prefer people “on-site” said behavioral data was a key component of their evaluations in hiring.

Respondents also indicated that behavioral information was key to reintegrating people on-site. After a prolonged stretch in the hybrid in-between, understanding how people will interact, respond, and perform in person is an essential data point. That goes for within the workplace, but also beyond...



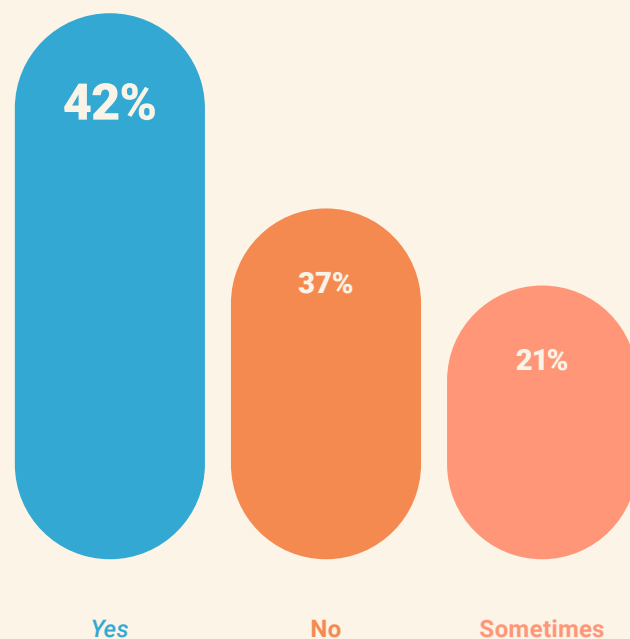
## 42% of execs said their company responds to major social and political issues.

If the summer of 2020 was the tip of the social-consciousness iceberg for the business world, 2022 finds Corporate America floating along—still trying to find its bearings, for sure, but clearly more attentive to the landscape around it.

Elaborating on that response, 62% said they provide resources or support to employees during times of crisis or strife. And perhaps most tellingly, 62% of executives agreed that major national or political events have impacted their employees' ability to perform their jobs, at least to a moderate (if not strong) extent.

It's a strong affirmation that leadership is no longer ignoring a truth long kept quiet: **People bring their outside lives to work.** When they're distracted, distraught, or dismayed because of a mass shooting, a key court ruling, or a global health crisis, they can't be expected to simply leave those feelings at the door—especially when the door is in their own home, steps from the TV.

*Does your company respond to major social and political issues?*



# Uncertainty necessitates agility. Talent strategy is no exception.

Not everyone is slowing hiring or adjusting their talent priorities. But everyone who's responsible for business success agrees you can't get too comfortable in this economy.

The landscape will be marked by volatility and unpredictability for as long as prices of consumer goods and B2B services remain high, thanks to myriad factors, including but not limited to: geopolitical tumult, environmental factors, and lingering effects on the supply chain due to COVID-19.

Companies need to be exacting with their spending, which means re-evaluating risks and growth projections. Many are adjusting compensation to account for inflation while simultaneously making tough decisions about which operating expenses are essential.

The domino effect of those decisions is broadly impactful. When one industry decides marketing and technology spend must be sacrificed in the near term, other industries inevitably suffer—often in the form of people losing their jobs.

History has taught us that the economy is cyclical. Recessions always end, but even the most savvy economists can't say when exactly that will happen. We can be pretty sure the companies that are there when it's over—profitable, sustainable, and future-proofed—will get there by doing right by the people they have.

Labor is every business's most important (and most expensive) asset. For all our reliance on technology and external services, it's the in-house people who ultimately bring products and services to life and drive companies forward with their mission.

Some people-focused organizations got ahead of the curve in 2020, learning how to do more with less at a time when uncertainty hit unprecedented heights. Others pride themselves on being human above all else, and may weather the economic storm through their culture, cohesion, and continuity.

**Talent optimization** is the discipline that supports these principles. It's founded on the idea that people can thrive when put in roles that play to their strengths and accommodate their strongest behavioral tendencies. It's also rooted in the belief that skills can generally be taught, if you hire people with the right temperament and heart.

Knowing your company's identity—and letting your mission, values, and ideals guide your talent strategy—will fortify you for the foreseeable future. In doing so, your business will improve its odds at accurate hiring, while supporting employee engagement, development, and growth. Retention and resignation become less pressing concerns when those other priorities are solid.

People will remember those companies well after the economic downturn—and more specifically, they'll remember the people that drove those companies and led accordingly.

**YOU have the power to create that kind of organization. No matter where you are in your talent strategy journey, you can build it up and see it soar.**

The Predictive Index suite of Talent Optimization tools empowers you to hire with certainty, lead with purpose, build cohesive teams, and keep your people engaged.

[Learn More](#)



# Study methodology

This report was developed with scientific rigor.

Good surveys begin with identifying the population of interest. Because we wanted to explore the practices and beliefs of people who directly set and influence business and talent strategies, we partnered with Qualtrics, an organization that specializes in surveying executive audiences. The research sample was restricted to C-suite executives, presidents, vice presidents, business owners, partners, and chairpersons who work at U.S. companies with at least 25 employees. Our sample consisted of 209 executives after examining the data for careless responding and completion rates. The survey took 14 minutes on average to complete.

We developed the survey questions according to best practices in survey research, ensuring they were clear, concise, and understandable by people with a variety of backgrounds. Questions had response formats designed to balance the richness of data to be collected with the ease of responding. The topics were selected based on a set of research questions identified by subject matter experts as being relevant to emerging trends and challenges in executive leadership and strategic planning. Together, all of this encouraged participant engagement and high-quality responses while collecting in-depth information about executives' business priorities and retention strategies.

All analyses were conducted using Microsoft Excel. Frequencies were calculated for each item with the entire sample. Further, the sample was grouped and compared based on whether their workforce worked on-site, remotely, or in a hybrid setting. Our analyses and visualizations illuminated several themes including:

- The economy's effect on the employer-employee dynamic
- Shifting—and solidifying—workplace models
- Talent acquisition, retention, and development
- The increasing need for outside help
- People data as a key to assessing engagement—and driving performance
- Uncertainty necessitates agility. Talent strategy is no exception.