

Why continue investing in employees? Arguments for planning investment 1/48/22

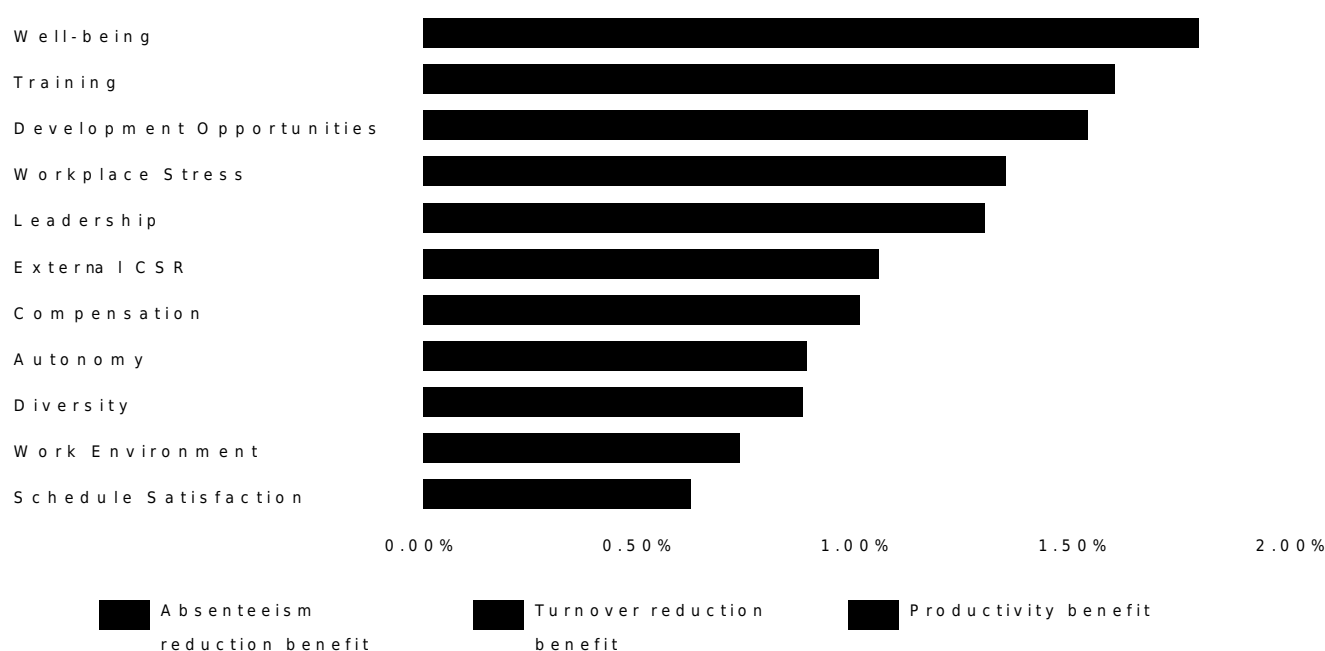


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Dropping all the hype about the Great Resignation and stiff competition for talent, we invite you to look at investing in your people from a few rational down-to-earth perspectives. Based on a number of PwC surveys, you might end up finding a good argument in your budgeting process in favour of investment initiatives targeting your people.

A PwC Netherlands survey

PwC Netherlands conducted a survey to examine the financial benefits from investing in employees. The survey also looked at the link between workers' experience in various aspects they find to be important and how those aspects affect organisation-critical indicators such as absenteeism, staff turnover, and productivity. The survey finds that investing in well-being, training, development opportunities and other aspects that are important to employees helps you save up to 12.6% of your revenue:



The survey finds that organisations are aware of the need for investing, yet their investment is not always well targeted and may lack clear calculations of benefits, so there is room for planning your investments in a smarter way and making more data-based decisions. We should bear in mind, though, that each organisation should still be analysed separately and benefits from investing more in an area that is already well developed within your organisation might not be as great as benefits from paying more attention to a less developed area.

One of the findings from PwC's global survey "Workforce Hopes and Fears 2022" suggests the workforce is both the main growth-related risk and the main resource that can help companies achieve growth.

As regards the development of worker skills, almost a half of respondents said their job requires specialist

skills and consequently training. Interestingly, employees in this group are very well aware of their worth and more likely to leverage this when negotiating a promotion or a raise with their employer. There is also a piece of good news for employers – according to the survey, workers in this group demonstrate greater loyalty and are more likely to recommend their employer as a place to work:

Specialised training empowers workers



¹Based on respondents who selected strongly or moderately agree or disagree.
Source: PwC's 2022 Global Workforce Hopes and Fears Survey of 52,195 workers across 44 countries and territories

Similar statistics can be seen in the group of workers that are aware that their professional skills are lacking at their place of work. Employees in this group are also more likely to ask for a raise or a promotion and more likely to change employers. The good thing is that workers in this group are more likely to feel heard by their management and more likely to feel satisfied with their job.

All this confirms what we already know about the labour market – the future lies in upskilling and process automation. However, only 40% of respondents say their organisation is investing in upskilling, and only 26% say their organisation is investing in technology usage. A smaller percentage (30%) fear their job will be replaced by technology. More respondents (39%) are worried they will not receive adequate training to improve their technical skills.

A critical group in need of attention is workers that are unable to do their job remotely for objective reasons (45% of respondents). This group has noticeably lower job satisfaction rates compared to workers that take advantage of the hybrid working model (50% vs 63%). Employees expect flexibility. 62% of respondents prefer hybrid working and 63% expect their employer to make this possible in the next 12 months.

The two surveys offer a general overview of workforce trends. To draw conclusions and develop strategies, an in-depth study of each particular organisation and its primary needs is necessary. Data-based arguments can help you get the process going. Good luck!