

2023 REPORT

State of People Strategy

Delivering HR Results in Times of Change

Welcome!

- Thank you for joining us!
- We'd love to answer your questions! Please submit your questions on the Q&A tab.
- If you would like to see a demo of Lattice press the “Request a Demo” button on the top right of your screen
- There are some great articles and ebooks in the “Docs” tab.
- This session is being recorded and you'll receive the recording via email after the event.



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Today's Agenda

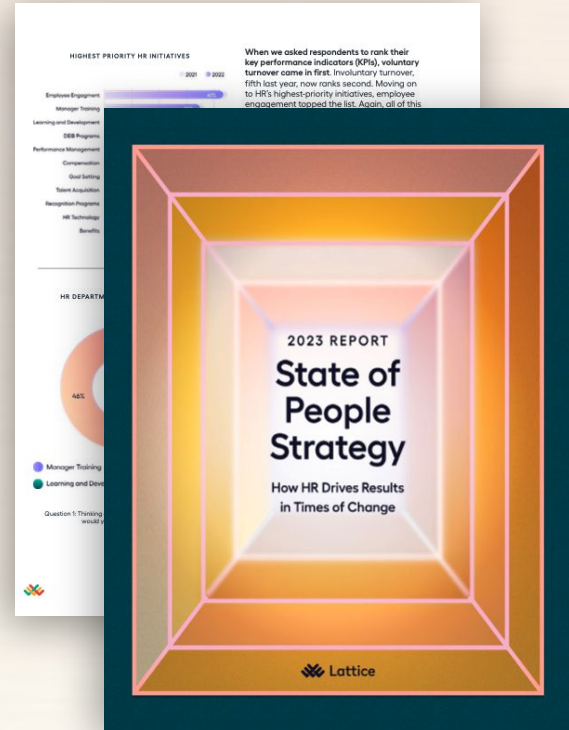
Survey Overview


- Demographics, Industries, Roles

Key Findings

- HR Priorities
- The Future of Hybrid
- Compensation and Performance
- Growth and Development

Takeaways





Survey Overview

Survey Demographics

Company Location		Role		Company Size	
United States	66%	VP or Head of HR	26%	1-10	1%
United Kingdom	19%	HR Director	40%	11-40	13%
Netherlands	4%	HR Generalist	16%	41-100	20%
Germany	3%	People Ops	9%	101-250	16%
Canada	2%	Recruiting	2%	251-500	13%
Other	6%	Non-HR Executive	1%	501-1,000	13%
		Other	6%	1,001-2,000	10%

Survey Demographics

Industry

Software & IT	19%	Banking & Credit Unions	2%
Retail & Trade	9%	Education	2%
Manufacturing	8%	Construction	2%
Professional Services	8%	Food & Beverage	2%
Healthcare	7%	Insurance	2%
Non-Profit	7%	Leisure & Hospitality	2%
Financial Technology	6%		
Advertising & Marketing	5%		

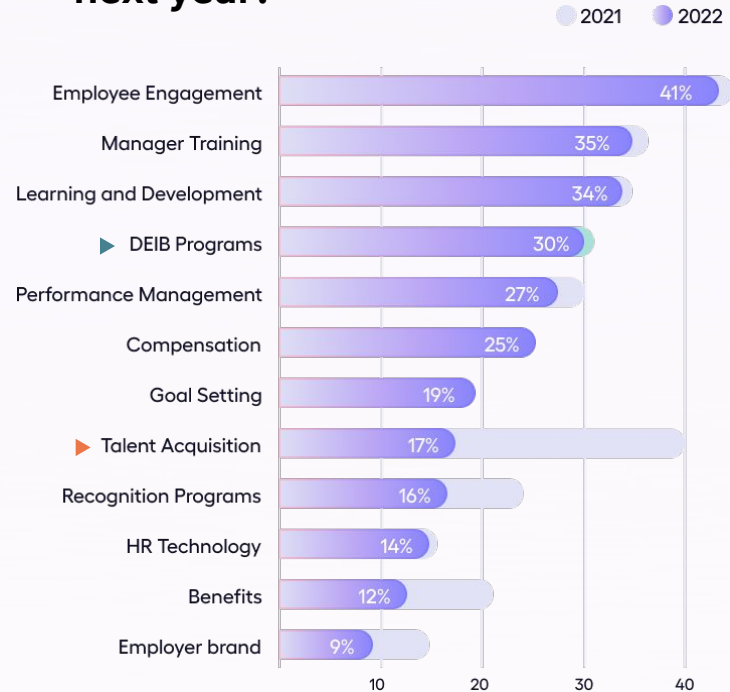


**Key
Findings**

HR Priorities for 2023

- In this year's report, talent acquisition (recruiting) fell from HR's second-highest priority to its eighth.
- DEIB rose from sixth place to fourth. Engagement remains HR's top priority overall.

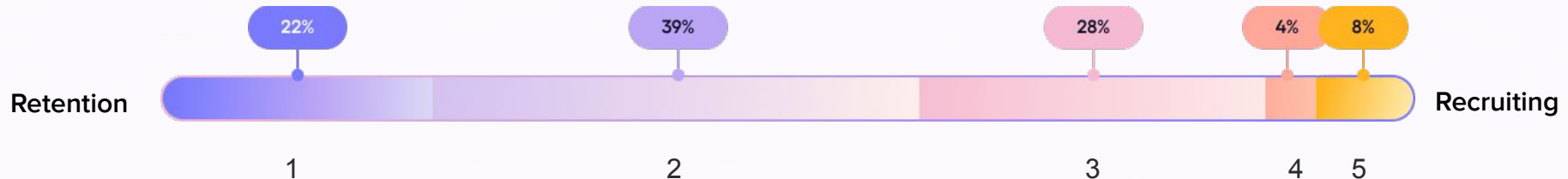
'What are your top priorities over the next year?'



Shifting Focus from Recruiting to Retention

Retention vs. Recruiting (1-5)

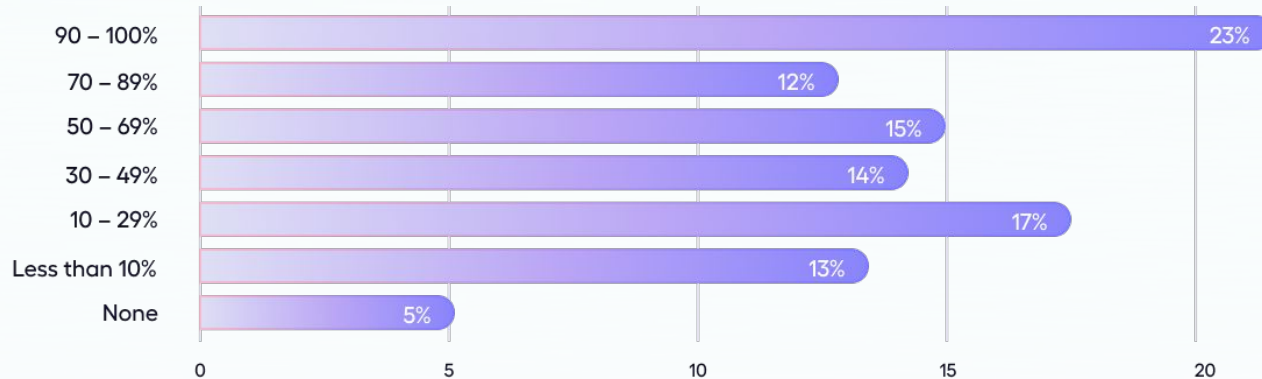
‘Which best captures your company’s priorities in the next 12 months?’



- Nearly two-thirds of HR leaders are prioritizing retention
- 83% of teams are investing either “somewhat” or “significantly” more into retention than they have in the past.

The Future of Hybrid Work

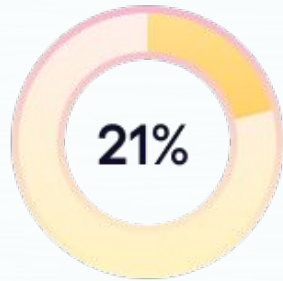
‘What percentage of your staff will work remotely next year?’



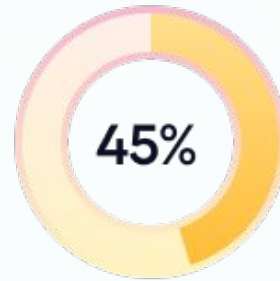
- Respondents predict a *higher* share of remote workers for 2023, and nearly a quarter believe they’ll be at least 90% remote.

Facetime Between Managers and Employees

'Are employees and managers getting enough facetime?'



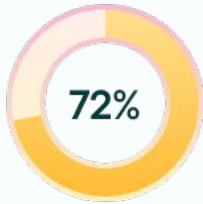
More than enough to
effectively manage employees



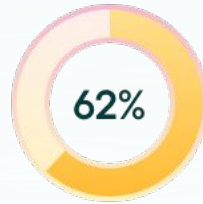
Enough to effectively manage
most employees and situations

- Most (66%) feel that managers and employees have enough facetime
- Companies with 90% remote staff are just as happy with facetime as those with 10%

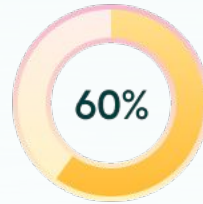
Facetime Concerns



Employees may feel disconnected



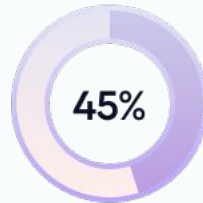
It's hard to track morale



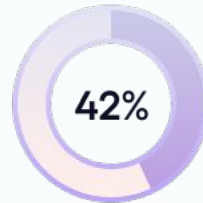
Career conversations happen less often



Employees are less clear about expectations



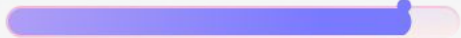
It's hard to track productivity



Employees feel overlooked for promotions and raises

HR Perspective on Compensation

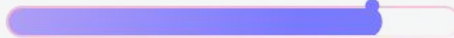
90%



We're investing in linking compensation and performance.

Most companies have been investing in linking the two and 48% report that they invested considerable effort

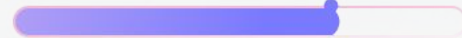
83%



Compensation and performance should be linked.

Most HR professionals believe that compensation should be linked to performance

72%

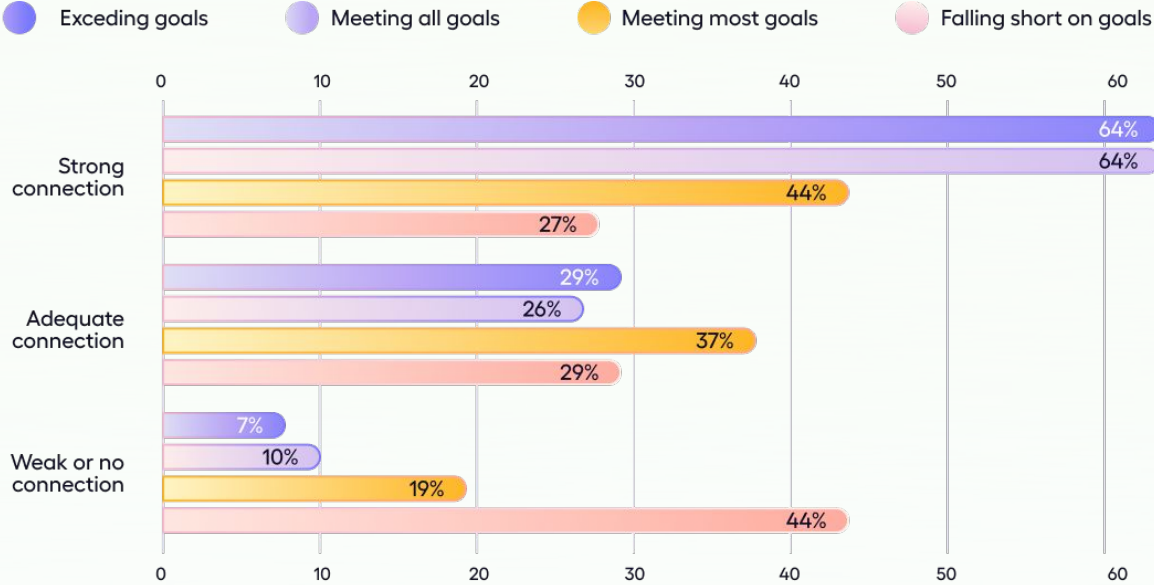


Our approach needs improvement.

Despite their efforts, most companies acknowledge they could improve their ability to link the two, and 27% admit they need to do a lot more

Top Performing Teams Link Pay and Performance.

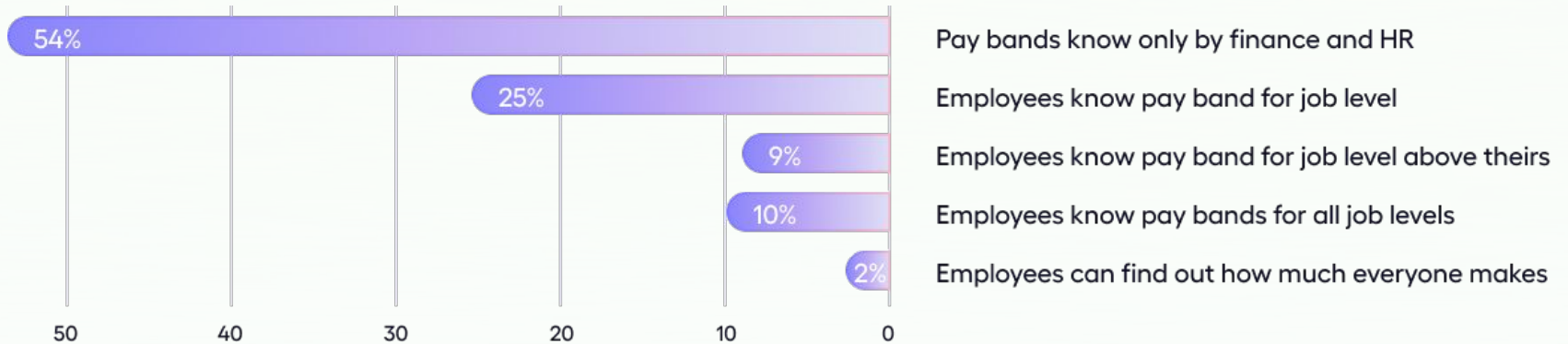
‘How strongly connected are compensation and performance at your organization?’



Pay Transparency - Expectation vs. Reality

- In over half of companies, only HR teams and finance know pay bands.
- Only a quarter of employees know their own pay band.

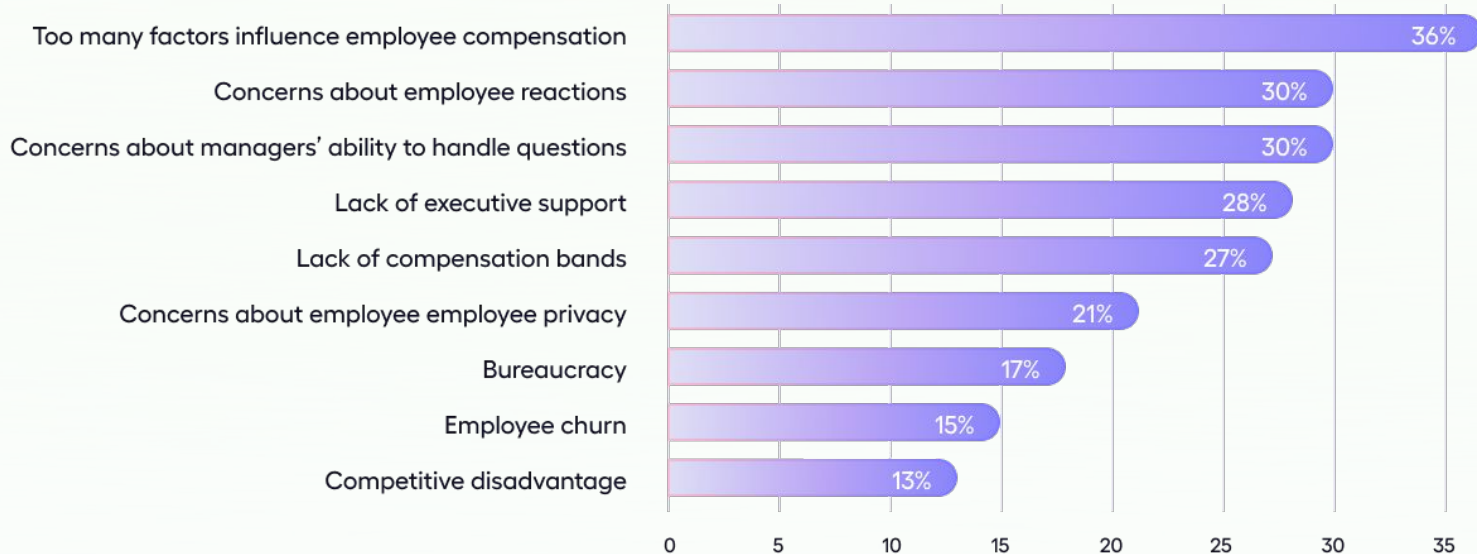
'Who has access to pay bands at your organization?'



Use one word to describe how you feel about pay transparency right now. Let us know in the chat!

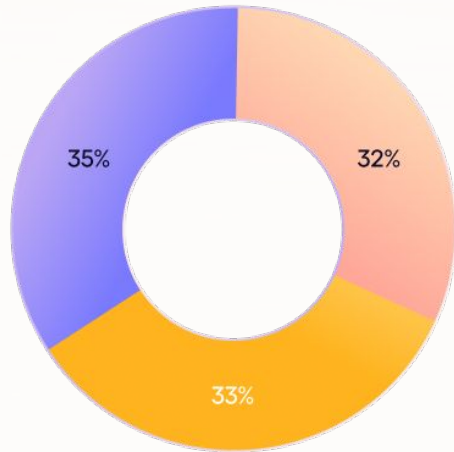
HR's Perspective on Pay for Performance




'What's holding you back from making pay more transparent?'



Top performing teams have clear career paths.

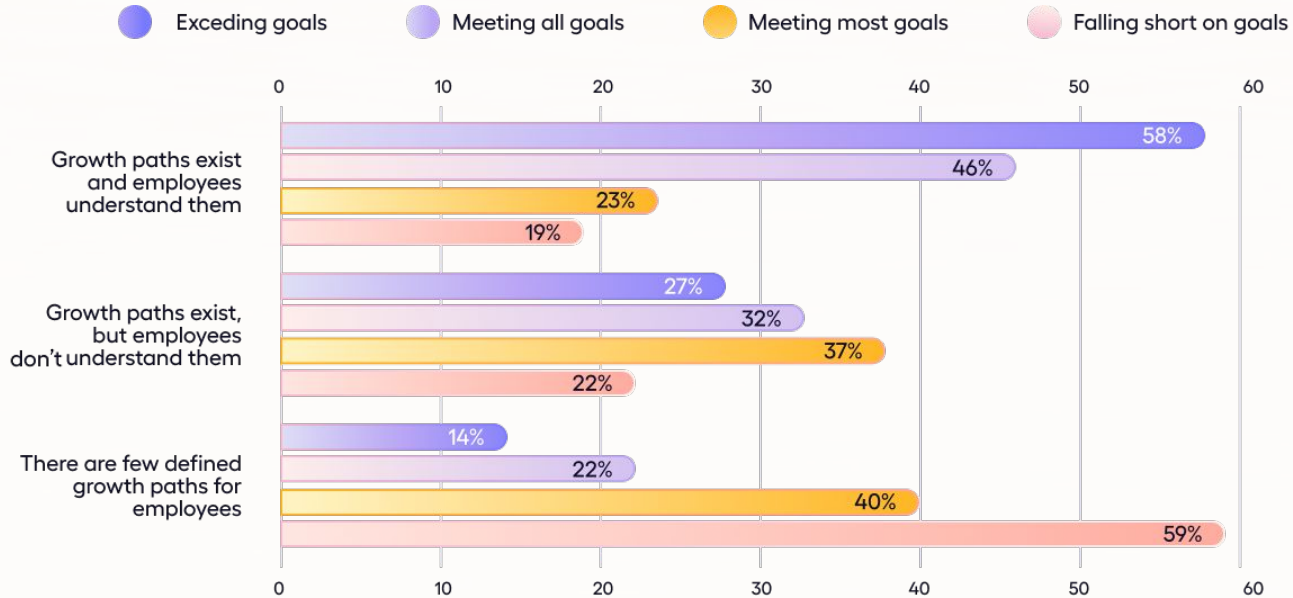
‘How clearly do employees understand your organization’s growth paths?’



-  Growth paths exist and employees understand them
-  Growth paths exist but employees don't understand them
-  There are few defined growth paths for employees

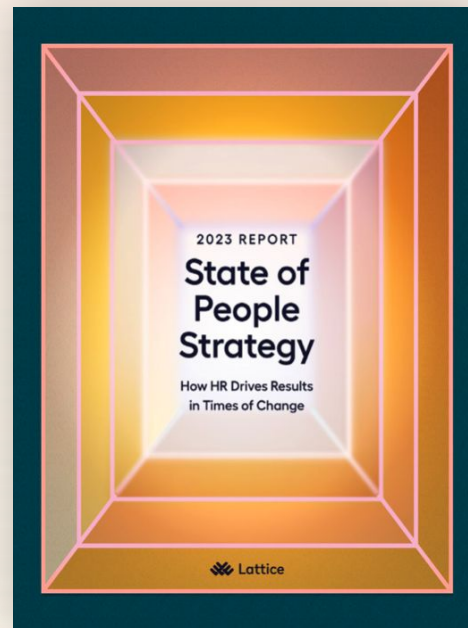
Top performing teams have clear career paths.

‘How clearly do employees understand your organization’s growth paths?’



Key Takeaways

- At a time of economic uncertainty, companies are investing in the talent within.
- The “new world of work” is 2023’s business as usual. Hybrid is here to stay.
- It’s all in the fundamentals. Performance, compensation, DEIB, and career growth aren’t new concepts — but they power results.



Questions?

Thank you!