



## 4 HR Trends for 2023

Just as HR teams quickly adapted to changes at the height of the pandemic, they must now adapt and respond to today's evolving expectations of organizations and employees. Savvy HR leaders and professionals will approach this year with human-centric strategies that holistically support and benefit workers.

### MONITOR THESE HR TRENDS IN 2023

#### Increased Wages and Raises

With a recession on the horizon, it remains to be seen exactly how wages and pay will increase. However, salary budgets for American employees are projected to increase in 2023.

46% of respondents said the top reason pay budgets are increasing next year is to address inflationary pressures and drive retention.

Companies are budgeting an overall average increase of 4.1% for 2023, compared with the average actual 4% increase in 2022.

SOURCE: WILLIS TOWERS WATSON REPORT

#### Pay Transparency

Workers want to know what they'll be paid before interviewing and that they're being compensated fairly compared to their colleagues.

While more and more employers are required to offer more pay transparency, many are getting ahead of the trend as a strategy. Conditions vary, but some cities and the following states have adopted pay transparency laws:

- + California
- + Colorado
- + Connecticut
- + Maryland
- + Nevada
- + Rhode Island
- + Washington

### Diversity, Equity, Inclusion, and Belonging (DEIB) in Workplace Culture

DEIB are growing initiatives focused on eliminating discrimination, bias, and harassment while creating an inclusive workplace. Efforts to improve belonging are a key trend, and fortunately, employers can elevate employee experience by creating a workplace where employees feel they belong.

75% of companies said they value and prioritize diversity. Only 4% of companies currently meet expectations for a successful DEIB program.

When people feel like they belong at work, they are more productive, motivated, and engaged, thus making them 3.5 times more likely to contribute to their fullest potential.

SOURCE: CENTER FOR TALENT INNOVATION

### Skill-based Hiring

Along with upskilling and reskilling the current workforce, employers can focus their hiring efforts on finding workers with the right skills rather than experience or education. It comes down to hiring employees who are an excellent cultural fit and then training them on specific skills or tasks later.

According to PwC, skills-based organizations are more likely to:

- + Place talent effectively
- + Have a good employer relationship
- + Retain high performers
- + Have a positive workforce experience

