

The Pandemic Led to Extra Perks For Workers — Will The Pendulum Swing Back?

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If the SHRM 2022 agenda was any indication, HR professionals might be readying to have some tough talks.

Pandemic pressures and high resignation rates have had HR professionals doing everything short of belting out High School Musical's "We're All in This Together" to demonstrate their dedication to employee well-being. Some have expanded mental health benefits, PTO, and sick leave, and hosted event after virtual event to make workers feel seen, valued, and heard.

But as many in corporate America brace for a recession, there are signs that the kumbaya approach to HR may be coming to an end—or at least cooling.

HR is fed up with low performers. Like nearly every aspect of HR, performance management became more difficult during the pandemic. HR professionals struggled to track employee

productivity remotely. When they could track performance, some experts were wary of evaluating it, arguing that employees may not be able to perform at their best when working from home.

As Ashanika Perimal, head of finance for Sandvik Mining and Rock Technology, told Financial Management Magazine in the spring of 2021, performance reviews need to be “realistic in the climate.”

“You have to realize that employees are dealing with a great deal of fear. Some have lost family members, or their spouses have lost jobs,” Perimal said. “People are struggling with mental health challenges—and as a supervisor, these are things you have to be cognizant of.”

But if panels at the SHRM 2022 annual conference were any indication, it appears HR may be preparing to have some more candid performance conversations. Though many sessions, including the keynote address, discussed mental health and belonging, others addressed topics the 2021 conference didn’t touch: handling confrontation, “detecting deceit,” and disciplining or even laying off employees.

Karl Ahlrichs, a senior consultant at Gregory & Appel, told HR Brew that policies often exist on a “pendulum swing.” Following an era of more flexible leadership, he thinks that HR will swing back toward austerity, calling the shift in the other direction “human nature.”

A recession wouldn’t help. The elephant in the room driving some HR teams to tighten up is the economy. Since the beginning of the pandemic, spending on benefits, perks, and the employee experience ballooned in some industries, as companies competed for talent and became more aware of the importance of mental health. But that pendulum may also swing back.

During the 2008 recession, employers cut benefit spending by 14%. Johnny C. Taylor Jr., president of SHRM, told HR Brew he expects to see a similar outcome if the economy continues to cool off. He said that HR will be forced to “start making decisions.”

“When the market doesn’t take your price increase, then you’ve got to manage your expenses,” Taylor said. “CEOs [are] going back to HR and saying, ‘Okay, we offer 10 things right now. Next year, we’re going to offer eight. Tell me which two are not valued by your employees as much.’”

Taylor suspects the perks that are not the most vital to employee experience may be among the first to go. So long, free food.