ACRISURE®
HR INTELLIGENCE

FUTURE OF WORK:
2025 PROJECTIONS &
EMERGING TRENDS

Agenda

- The most in demand skills now and in the future

- Key drivers of change: Technology, workforce demographics, regulatory shifts

- Forecasted workplace trends as we've entered 2025

- Reflection

Are people your single greatest asset?

How we empower people is our greatest asset.

As we take care of them, they will take care of our organization.

Reflection

How are the people in your organization different from a year ago, five years ago?

How are you different as a leader?

What do you want for your people and the workplace moving forward?

Why do workplace trends matter?

- More than 39 million Americans quit their jobs in 2024.

- 51% of U.S. employees are watching or actively seeking a new job — greatest percent since 2015.

Trends That Reshaped 2024

- **Unemployment ticked up** above 4% for the first time since November 2021.

- Workers **pay continued to rise**, average hourly earnings up 3.9% from year prior.

- Great Resignation became **the Great Reshuffle**; hiring rates outpaced quit rates but still a labor force shortage and competitive job market.

- **Engagement is slowly recovering**; only 31% of employees felt engaged in 2024 (17% actively disengaged).

- Global **worker stress remained high**; 52% of employees reported they experience a lot of stress daily; employees mental health is a heightened concern.

Trends That Reshaped 2024

- Expansion of **wellbeing programs.**

- Leaders **restoring trust.**

- **Leaders feeling "squeezed";** increased responsibility and navigating change.

- **Learning and development** focused on future of workplace.

- **Technology, Artificial Intelligence (AI) and data** continued to evolve and advance.

- **Hybrid/flexible work strategy**, space and arrangements.

Biggest Challenges of Hybrid Work

Top 5 Greatest Challenges for Employees
% Selected by employees

1 Less access to work resources and equipment	31
2 Feel less connected to my organization's **culture**	28
3 Decreased **collaboration** with my team	24
4 Impaired working **relationship** with coworkers	21
5 Reduced cross-functional **communication** and collaboration	18

Top 5 Greatest Drawbacks for Organizations
% Selected by leaders and managers

1 Decreased workplace **communication**	48
2 Decreased **collaboration**	44
3 Negative impact on workplace **culture**	43
4 Lower productivity	21
5 Decreased **creativity** or **innovation**	15

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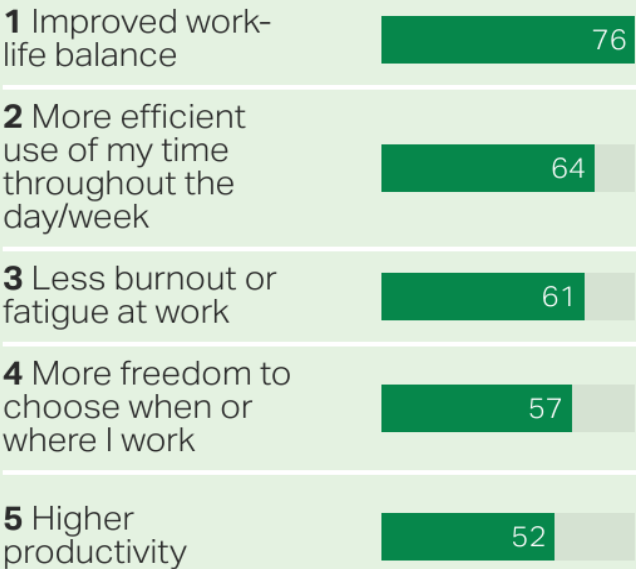6 Workplace Trends Leaders Should Watch in 2024 (gallup.com)

Biggest Advantages of Hybrid Work

The Biggest Advantages of Hybrid Work

Top 5 Greatest Benefits for Employees
% Selected by employees

1 Improved work-life balance	76
2 More efficient use of my time throughout the day/week	64
3 Less burnout or fatigue at work	61
4 More freedom to choose when or where I work	57
5 Higher productivity	52

Top 5 Greatest Benefits for Organizations
% Selected by leaders and managers

1 Reduced burnout or fatigue	58
2 Improved retention	50
3 Greater productivity	31
4 Bigger talent pool	27
5 Improved employee value proposition	25

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6 Workplace Trends Leaders Should Watch in 2024 (gallup.com)
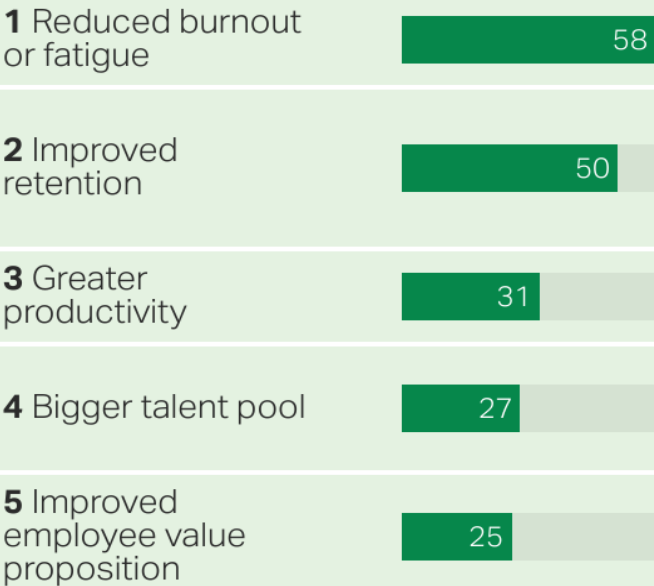
When the HR meeting goes too hard

DON'T STEAL SUPPLIES FROM

What's Driving Forecasted Trends Into 2025

- CEOs selected growth as their top priority going into 2025.
  - Only 28% of leaders agree that strategic planning around employees is fully integrated with organizational planning.
  - Shifting organizational needs requires continuous transformation.
- Leaders expect a 23% improvement in productivity because of Artificial Intelligence over the next 12-18 months.
  - 47% of employees who use AI state they have no idea how to achieve productivity gains.
  - 77% of employees using AI state its decreased productivity and added to their workload.

What's Driving Forecasted Trends Into 2025

- Labor market shifts are putting pressure on talent strategies.
  - 61% of talent management leaders state that new demands exceed their capacity to deliver.
  - 85+ million jobs are expected to go unfulfilled globally by 2030.
  - 23% of jobs will change in the next five years due to industry transformation resulting in mismatched skills.
  - 62% of candidates state they only apply for jobs that meet most of their requirements.

Forecasted Trends for 2025

- 70% of employees would stay if they had better interactions with their leader, remedying organizational issues – **conduct leader development and 360 feedback.**
  - Act on 360 feedback results.
  - Traditional leadership development programs aren't working.
    - Lag time between learning event and application.
    - Brief social touchpoints fail to develop impactful relationships.
  - Revise leader development programs.
    - Networking, relationship and team building activities/events.
    - Peer-connection based learning.

Forecasted Trends for 2025

- Role of leaders in employee wellbeing, treatment and organizational performance; leaders account for 70% of the variance in team employee engagement and **culture**.

- Embed culture into the workplace; less than one in four employees report high levels of cultural embeddedness.

  - Help employees understand the values at the core of the culture and what those values mean for them.

  - Ensure employees know the behaviors they should be demonstrating to live the culture.

  - Ensure that employee work processes support the culture.

  - Be actionable, require low effort, have immediate impact, be visible and ignite an emotional reaction.

Forecasted Trends for 2025

- Transformation of human resource functions to **strategic workforce planning (SWP)**; strategic relevance and the ability to act.

- Capabilities-focused planning to prepare for future talent up to two years in advance.

  - Deliverables - what is promised to the organization and what goals are to be achieved.

  - Data - what data will be used and how advanced will the predictive and risk assessment approach be.

  - Talent strategies - how will capability gaps be closed and at what levels.

  - Staffing - what is needed for the human resource functions and other areas to complete each phase of the SWP.

Forecasted Trends for 2025

- Improved workplace data, digitalization, **technology,** efficiencies, analytics tools, and practices.

- Set a strategy to ensure that emerging technology delivers.
  - Unlock new way's of doing work.
  - Identify greatest potential opportunities with AI.
  - Get value from new technology investments.
  - Transparency within the organization and with technology vendors.

Forecasted Trends for 2025

- **Change management** including regulatory.
- Change fatigue impacts key employee outcomes.
  - Engagement; fatigued employees are 35% less likely to be engaged.
  - Intent to stay; fatigued employees are 44% less likely to stay with an organization.
  - Psychological safety; fatigued employees are 44% less likely to have psychological safety.
- Transformative change happens through employees, not to them.
  - Prioritize change based on impact, readiness and value.
  - Encourage leaders to build their employee's change resilience instead of championing change initiatives.
  - Identify and amplify the true change influencers in your organization.

Forecasted Trends for 2025

- Continued focus on engagement; drives positive outcomes within organizations including profit, retention rates and customer satisfaction.
    - Measure – engagement surveys.
- Intentional focus on retaining middle and high performers; conduct stay interviews. Besides leadership;
    - Employees leave jobs for better pay, benefits, more flexible schedule and *career growth*.
    - Employees stay at their current job for better pay, benefits, flexible schedule and *company culture (shared values, priorities and goals)*.

Forecasted Trends for 2025

- Workplace environment elevated.
  - Enhanced office location, shared space, design, technology; reimagine office space to reflect needs of the team.
- Enhanced onboarding experience; first year employee experience have continuous communication, feedback and performance measurements.
- Available work-life balance, schedule and flexibility.
- Expanding childcare access, family responsibilities and maternity/paternity options.
- Tangible opportunities for career development or advancement.

Forecasted Trends for 2025

- Pay equity, transparency and compensation benchmarking and analysis.

- Creative, innovative and cost-effective benefits including ancillary and voluntary offerings.

- Accessible mental/emotional health support and services.

- Increase of diversity, equity, inclusion and belonging.

- Continued health, hygiene and safety focus.

- Older, more diverse and better educated workforce.

- Second chance hiring.

- Upskill, reskill, new and in demand skills.

The Most In-Demand Skills: Now and Future

Top 10 most in-demand skills for the next 10 years

Source: Forbes, August 2022

1. Digital literacy
2. Data literacy
3. Critical thinking
4. Emotional intelligence
5. Creativity
6. Collaboration
7. Flexibility
8. Leadership skills
9. Time management
10. Curiosity

20 in-demand skills for today's work environment

Source: Indeed, January 2023

Cloud computing	Artificial intelligence	Sales leadership	Analysis
Translation	Mobile app development	People management	Video production
Audio production	UX design	SEO/SEM marketing	Blockchain
Industrial design	Creativity	Collaboration	Adaptability
Time management	Persuasion	Digital journalism	Animation

2025 – The Year of Hope

Driven by great leaders, having a great job gives people **hope**.

Nurture leaders to **inspire** their people.

Beware of busy work taking away from **impactful** work.

Reflection

What will you adjust to adapt to the future of workplace trends?

What will you do differently as a leader with your people when you leave here today?

What tools/resources do you need to accomplish your people and workplace goals?

Resources

- Forbes
- U.S. Chamber of Commerce
- U.S. Bureau of Labor Statistics
- Unemployment Insurance Agency
- Gallup
- Gartner
- Pew Research Center

- Society of Human Resource Management
- Zywave
- Paycor
- IOSM
- Jeanne Bolhuis
- Sonja Brininger
- You!

Thank you!

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