



Q1 2024 Trends

Workplace insights and trends
in work-life balance, employee
well-being and social connection.

We're pleased to present Circles' 2024 Q1 Trends Report, our first edition!

Using the collective experience and expertise of our team, this report dives into what we see trending now and our vision of how these trends impact the future of the workplace, providing actionable insights to navigate these waters. In 2024 we anticipate deeper personalization of employee benefits as they become a stronger recruiting and retention tool. Benefits will play a critical role in employees' willingness to visit the workplace more frequently. This paradigm shift highlights the opportunity for organizations to improve their employee experience, which will impact the bottom line more than ever before. These are exciting times for those keen on staying ahead of the curve.

Current economic conditions in the United States are showing some mixed signs. According to the U.S. Department of Labor, labor markets remained tight in 2023: payroll job growth was strong and unemployment rates remained near historically low levels of 3.4%. Morningstar predicts that the job market will slow in 2024, with the unemployment rate ticking up slightly to 3.9%. However, in November 2023, ratings firm Moody's lowered the U.S. credit outlook from "stable" to "negative." Inflation and recession concerns may cause consumer spending to drop, which affects many businesses.

Despite economic uncertainty and geopolitical instability, businesses are growing – particularly the shipping and delivery services, healthcare and travel industries. Consulting companies join our efforts in brilliantly guiding clients to understand the importance of placing employee-centric strategies at the top of their HR planning. Organizations who recognize that employees are their greatest resource, and prioritize them, drive their businesses forward. Another trend with staying power: flexible work arrangements. Organizations want to harness the potential of a global workforce and recognize when employees work from their preferred location, they are more productive and engaged.

These are just a tiny fraction of our findings – there are many more in the pages that follow. The entire Circles team, experts from our parent company, Sodexo, and hundreds of client partners over the years have contributed to our deep knowledge bank, helping to generate this report. We invite you to use these fresh insights, actionable strategies and best practices to empower your clients to create a future of work where everyone feels valued, supported and connected. And if you'd like to discuss how to apply any of our findings or strategies to your clients' businesses, let's talk.

Yours in success,

Cathy Leibow
Vice President of Business Development
Circles US

Trending topics

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Trending: focus on employees



(1)

The workplace of the future will be employee focused

Organizational leaders who want to proactively shape the workplace of the future are prioritizing employees' needs and preferences in their policies and strategies. The increasing importance of keeping employees in the center of people strategies is being driven by a cascade of changes in the workforce, which began around 2016 and will continue for the next decade.

The demographic and generational makeup of the workforce is changing — and will continue to evolve in the coming years, as more Baby Boomers reach retirement age and the youngest members of Generation Alpha enter the workforce for the first time. In 2016, Millennials overtook Gen Xers as the largest proportion of the workforce and Gen Z will outnumber Baby Boomers in 2024.

With the generational shift comes historically unparalleled diversity and a higher demand for strong diversity, equity and inclusion (DEI) policies and practices in the workplace. To attract and retain top talent, we're seeing employers address these changes by re-prioritizing employees' needs and preferences, and keeping them at the heart of their people strategies.



In 2024,
GEN Z
will outnumber
Baby Boomers



GEN Z

is the most diverse
and highly educated
generation perhaps in
human history

Demographic shifts and generational change are fueling DEI initiatives

With the infusion of younger people to the workforce comes a substantial cultural shift. As the aging Baby Boomer generation retires and are replaced by younger generations, the workforce is becoming more diverse — and DEI issues are gaining increased importance amongst employees. Past data from Pew Research Center noted that the post-Millennial generation (whom we now know as Gen Z) is the most diverse and highly educated generation perhaps in human history. Demographic shifts are increasing the representation of historically underrepresented groups, including women, racial and ethnic minorities, and LGBTQ+ individuals, in the workforce. With their diverse perspectives and ideas, they also bring fresh new skills to the workforce.

Because the composition of the workforce is changing, we've noted that employers of choice are taking diversity and inclusion more seriously. DEI requires a stronger commitment that is integrated into the organizational strategy and culture.

Today's younger employees (and job seekers) demand meaningful, authentic policies and practices, along with transparent communication and accountability.

Prioritizing and investing in DEI — and thereby creating a more inclusive work culture — can help attract and retain younger employees, who bring their unique experiences, perspectives, and skill sets to the workplace, increasing innovation, creativity, and productivity.

Practical steps for creating an employee-centric workplace of the future

Modern workplaces are embracing these changes and creating employee-centric strategies to foster diversity and inclusion in proactive and meaningful ways.

Here are seven areas where top organizations are prioritizing employees' needs in 2024:

1) Lead with authentic DEI strategies and practices



Younger generations place a higher value on workplace diversity and inclusion. Millennials are more likely to prioritize diversity and inclusion when considering job opportunities, according to Deloitte research. This illustrates the need not only to have strong DEI strategies but to make DEI part of your organizational culture and include that in your talent acquisition practices. If DEI is not part of an organization's brand in the coming years, talent attraction will become increasingly challenging.

This shift has led to a greater demand for diverse workforces and more inclusive workplace policies and practices.



Some of the practical steps we see modern leaders taking include:

- asking for (and listening to) feedback from employees around existing and potential DEI practices
- centering DEI in recruiting efforts, with information on career web page
- conducting recruiting events dedicated to DEI topics
- publishing diversity reports to highlight progress against goals

2) Foster a culture of belonging

Belonging — that is, feeling cared for at work and being comfortable to ask questions and express concerns — benefits organizations as much as it benefits employees. Sodexo research* found only 66% of employees feel a sense of belonging in their workplace community. Deloitte research found that 93% of organizations surveyed agree that a sense of belonging drives organizational performance. Boston Consulting Group found employees who feel like they could be their authentic selves at work are happier, more motivated and 2.4 times less likely to quit. This data is not new, nor surprising. In 2019 Harvard Business Review reported that organizations with high levels of belonging saw a 56% increase in job performance, 50% drop in turnover risk, and 75% reduction in sick days. All of these impacts of belonging in the workplace amount to substantial cost savings — and potentially higher profits, too.



We've witnessed organizations with a strong sense of belonging tend to do some or all of the following:

- acknowledge and reward individual efforts and contributions
- encourage employees to value others' unique perspectives
- incorporate employee feedback into organizational decision-making



* YouGov Work Experience tracker © Sodexo 2023

Organizations with high levels of belonging see:

56%
increase in job performance

50%
decrease in turnover

75%
fewer sick days

3) Focus on people and culture



In many ways, we see that culture **is** the workplace. This is especially true in organizations with remote and hybrid work, where employees don't necessarily share a physical place. As a result, creating a positive work culture demands more thoughtful attention and intentional action from organizational leadership.

If the importance of culture is still in doubt, consider this: 9 out of 10 people say they are willing to make less money if they can do more meaningful work, according to the Society of Human Resource Management (SHRM) research. In one survey after another, employees consistently say work culture is more important than money and that culture influences decisions about where to apply. These data points illustrate how closely culture is linked with employee retention, talent attraction, and recruiting ROI.



We're seeing more organizations fostering a positive culture through these practical steps:

- identifying the characteristics of the desired culture
- considering employees' differing work schedules and locations
- rewarding employees who demonstrate desired behaviors and attitudes

9 out of 10 people say they are willing to make less money if they can do more meaningful work.



4) Prioritize work-life balance

Work-life balance is the most valued element of company culture by a wide margin for both employees and employers. 51% of employees and 47% of employers named work-life balance as the top priority in company culture, according to [Forbes](#) research.

Policies and practices that support work-life balance are an important element of organizational culture. Companies are partnering with organizations to improve the employee experience by providing lifestyle coordinators that help employees take personal daily tasks and errands off their plates. When employee support becomes enterprise wide, employee morale and satisfaction get a major boost. So ultimately, we're seeing work-life balance is a cornerstone of culture.



Modern organizations are increasingly encouraging leaders to set an example:

- holding leaders accountable for their teams' well-being and job satisfaction
- enforcing mandatory paid time off
- organizing company-wide shutdowns to ensure that employees have time to rest and recharge



51%

of employees

47%

of employers

named work-life balance as the top priority in company culture

5) Provide social connection



At the height of the pandemic and since, employees consistently report that isolation and feelings of loneliness are contributing factors to mental health challenges. According to the American Psychological Association's [2023 Work in America Survey](#), more than one-quarter of all employees still report intense feelings of social disconnection or isolation from colleagues in the workplace.

We see this as a challenge that organizational leaders can address head-on, by creating workplace environments that provide proactive opportunities and resources to build social connection.



Practical steps for facilitating social connection in the workplace include:

- bringing employees together when they are in the office using on-site amenities and community building activities
- using virtual solutions to make employees feel included despite their distance when remote

In our guide [Creating the Workplace of the Future](#), we explore how social connection fuels a future-ready workplace and builds a healthy culture.

More than one-quarter of all employees still report intense feelings of social disconnection or isolation from colleagues in the workplace.



6) Invest in **workplace comfort**

Organizations will increasingly focus on creating comfortable work spaces. More than a quarter (28%) of employees rank having a comfortable workplace in their top three reasons for visiting their office.

Because the work environment itself significantly influences employees' choices regarding their preferred workspace, prioritizing a more comfortable workplace is a key motivator for working in the office more frequently.



Some of the most effective steps for creating more comfortable workspaces include:

- providing tools and resources to make work easier
- offering benefits and perks on-site
- implementing “hotelification”: a hospitality-like atmosphere that treats employees like they do guests
- encouraging a business casual dress code
- decorating to evoke a positive, calming atmosphere
- providing snacks and beverages for a quick ‘pick me up’
- equipping the office with specific areas for quiet work and recreation



and cite it in their top three reasons for visiting their workplace.

7) Encourage employee autonomy



A 2023 Work in America Survey by the American Psychological Association (APA) confirmed that psychological well-being is a very high priority for today's workforce. That study revealed that being micromanaged is associated with tension and stress, with four out of 10 workers (42%) reported feeling micromanaged at work. As leaders prioritize the employee experience, more are seeing the value of giving employees autonomy in their work.

Autonomy is a pillar of an employee-centric approach. It fosters job satisfaction and spurs innovation by giving employees the freedom to make decisions, seek collaboration and take ownership of their work. Lockton was named a "Best Place to Work in Insurance" for the 15th year in a row because of its people. By remaining committed to their core value of innovation, company leaders have given their employees wings to soar.



Creating autonomy in your organization could include:

- delegating decision-making empowers employees to analyze situations, consider alternatives, and choose the best course of action
- encouraging self-direction to provide employees with opportunities to take the lead on projects and initiatives
- offering flexible work arrangements to give employees more control over their schedule which yields higher employee satisfaction

4 out of 10 workers reported feeling micromanaged at work, contributing negatively to their well-being.



The workplace of the future is now

Over the last two years, large organizations made more than 1,000 public DEI commitments and pledged more than US\$210 billion to DEI initiatives, according to [Deloitte](#). And in 2023, we've watched organizational culture experience a revolutionary shift, both in mindset and in practice. Employees have had enough of ping-pong tables and bean bag chairs.

The increasingly younger and more diverse workforce is demanding a healthier work-life balance and workplaces that support their well-being.

Savvy organizations rose to that challenge in 2023 and we can expect 2024 to extend and expand that trend, with more emphasis on leadership's intentional efforts to cultivate culture.



A photograph of two women walking on a city street, smiling and looking back over their shoulders. The woman on the left is Black with short dark hair, wearing glasses and a light blue sweater. The woman on the right is white with curly brown hair, wearing a brown suede jacket. The background is a blurred city street with buildings and other people.

Trending: hybrid work

(2) Hybrid work: the HR trend that's here to stay

In the hallways of corporate America and, in truth, in companies of all sizes, an ongoing debate still rages — should employees be allowed to work in hybrid or remote settings, or should they be called back to the physical work setting? While it doesn't seem that this debate will be resolved through consensus any time soon, what can be said with certainty is that hybrid work will remain a trend into the foreseeable future.

Gallup says that the future of work has arrived, and indeed it has. The proof is in the current landscape.

More than 8 in 10 office employees say that hybrid and remote work is now their permanent working arrangement. At the same time, 90% of companies say that they'll return to the office by the end of 2024. Clearly a return to work mandate will be tough to achieve without significant backlash from employees who have come to enjoy the freedom and flexibility such arrangements provide.

80%
of employees say
remote and hybrid
work is their permanent
working arrangement

Productivity concerns remain for many employers and managers, but research has failed to show any definitive conclusions. In the U.S., employee productivity rose by 4.4% in 2020 and 2.2% in 2021, before falling in 2022 according to the Bureau of Labor Statistics. In 2023, though, labor productivity rose 3.7% during the second quarter and is up 1.3% compared to last year.

Of course, not all companies, and not all types of employees can work in a hybrid or remote setting. Some healthcare providers, manufacturing employees and employees in the trades, for example, must do their work on-site.



The impacts of hybrid work

Hybrid work is having an impact not only on employees and employers, but on communities and the economy.

For instance, real estate occupancy rates have declined and are predicted to continue declining in 2024. Some of the biggest impacts have been in large urban areas. As McKinsey reports: “Office attendance fell by 90% in New York City and San Francisco.” As office leases tend to be lengthy and many employers have not yet decided whether to renew since the pandemic, the full scope of this downsizing is unclear. Still, there is evidence that larger cities’ populations are shrinking as people move to other locales because they’re able to work remotely.



One type of office space that is on the rise is co-working spaces, which have reportedly surged 56% over the last five years — from 4,000 in 2017 to 6,200 in 2022. Co-working spaces, according to WeWork, are “community centers, collaboration hubs, and social spaces where workers from different backgrounds can come together to share expertise and explore new ideas.” These spaces offer shared facilities, shared services, and shared technology. Globally, co-working locations are projected to nearly double in 2024 to 42,000, with the number of users expected to reach five million by 2024.

There are also social implications to this new world of work. While employees are embracing the flexibility, they also acknowledge the loss of community that remote work brings.

Employees are feeling less connected now that they are not interacting face-to-face with their colleagues on a daily basis.

Over
70%
of employees don't feel like they're able to socialize enough when working remotely

In fact, more than 70% say they don't feel like they're able to socialize enough when they're working remotely. For more on this subject download our eBook: Creating the Workplace of the Future, a guide to understanding the importance of social connection and well-being in the workplace.



Three areas to tackle potential negative impacts of a hybrid workforce

1) Operations

Making hybrid and remote work models work requires clear directives. Policies and guidelines should indicate the types of roles that can take advantage of these options, as well as any criteria for employees gaining approval to work remotely. For instance, maintaining strong performance, low tardiness, and absenteeism, etc.

Managers and supervisors also play a critical role. They need to be trained and coached in techniques for managing remote workers, including establishing clear and measurable outcomes, and maintaining ongoing lines of two-way communication.

All employees, whether in the office or remote need to feel connected to the organization — and to each other.

It's also a good idea to seek input from employees on a regular basis to determine what's working, what may not be, and gather suggestions they may have for ensuring positive outcomes and ongoing employee engagement and loyalty.



2) Technology

Technology was a life saver for many organizations and their employees during the pandemic. Since then, technology has expanded and improved to continue to offer a means of connecting with and engaging employees, customers, their community, and others. The use of digital collaboration tools and innovative technologies have reshaped business operations and the delivery of employee experiences, and we expect to see that continuing in 2024 and beyond.

Technology is now being used to create a sense of community through a connected workforce — on-site through amenities that can help employees achieve better work-life balance, and hybrid by giving them a reason to come into the office.



3) Human Resources

Including amenities as part of total benefits packages help employees tick off their to-do lists, providing them with more free time when they're not working and allowing them to focus better while at work. These same amenities also contribute to employee well-being. It's all interconnected. When we feel a sense of accomplishment it has a positive impact on our well-being.

One example of this comes from an American multinational financial services corporation that improved their employee support services program to make it less labor-intensive, and more efficient and innovative. Initially, the program served more than 36,000 employees, but has grown to support more than 63,000 across all locations. Annually, the program completes over 52,000 requests and saves an average of 2.5 hours per request, or more than 100,000 hours overall. The return on investment — 85% year over year.

There's a light at the end of the tunnel

Hybrid and remote work, to some degree, is likely to persist despite the challenges. Those challenges, though, can be addressed — even overcome. It just requires interaction, innovation, and ongoing communication.

Increasingly, leaders are listening. Many large companies have confirmed that hybrid work flexibility will remain part of their work models. In fact, 8 in 10 chief human resources officers (CHROs) from Fortune 500 companies report that they have no plans to decrease remote work flexibility in 2024. That's good news for their employees — and their organizations.

When employees can work from their desired locations, they tend to be more engaged, less burned out, and less likely to quit — contributing to positive business outcomes in terms of both productivity and profitability. However, if the “workplace” is no longer geography-dependent, organizations must employ new strategies and tools to recreate the community that once existed in office settings, so employees will feel connected no matter where they sit.

Just as co-working spaces provide a sense of community that people clearly crave, employers can build community at their workplaces, potentially enticing employees back to physical work settings.



Trending: work-life balance



(3) Practical support for work-life balance fuels a thriving culture

Organizational culture and the employee experience are evolving daily, and employers will sustain efforts to outperform one another in their quest to attract and retain top talent in 2024 and beyond. Employers will continue adapting to evolving employee expectations by embracing new and innovative approaches, and this will make the mountains of talent management and employee engagement less difficult to climb.

Employees (and job seekers) will continue looking for organizations that value them and what is important to them — and that recognize they have a life outside of work.

If employers can fulfill those desires, the net result will be happier, more productive employees and a more positive organizational culture.

As we look ahead into 2024, organizations need to implement changes that will scale with future needs and provide the flexibility to respond quickly to whatever challenges arise. Employers that align benefits and programs with employees' needs and expectations will no doubt come out on top.



What kind of support will employees expect in 2024?

Work-life balance just might top the list of employee expectations in the year ahead — and with good reason. We're all juggling so much all the time and the lines between work and life have become blurred. This is especially true for those working remotely, where 'office' and 'home' have the same address. When employers facilitate work-life balance in meaningful and practical ways, employees are able to focus on work while at work and, when the workday ends, they can feel confident that work is done and shift their focus to other priorities.



Countless data points back up our observations. Sodexo research* shows employees place work-life balance in their top three reasons to choose or stay with an employer, ahead of job responsibilities. 68% of employees said they would choose work-life balance over pay, according to FlexJobs' 2022 Career Pulse Survey. The Economist reported that more than half (59%) of employees said they would consider taking a job with a company that offers better well-being benefits than their current employer. AON's 2022-23 Global Well-being Survey predicts employee well-being — i.e. employee's overall physical, emotional, social, career and financial health — will be a top priority for 38% of organizations over the next five years. (Read more on this topic in our: Circles Work-Life Balance eBook.)

* YouGov Work Experience tracker © Sodexo 2023

68%

of employees would choose work-life balance over compensation

59%

of employees would consider switching jobs for a company that offered better well-being benefits

Best practices for work-life balance initiatives in 2024

What it takes to provide work-life balance for employees has changed dramatically over the past several years. The rise of remote and hybrid work has profoundly impacted how work gets done, and the pandemic put a renewed emphasis on physical and mental health, as well as the experience of working caregivers. It's safe to say that today's employees expect more from employers than they did before 2020 — and these shifts in employees' needs and preferences are fast becoming the new normal.



In 2024, employers that prioritize work-life balance and follow through with effective policies, programs, and practices are likely to have an easier time attracting and retaining employees, among other benefits.

Here are some of the best practices we see becoming more widespread in the coming year:

Actively promoting employee well-being, which is linked to reduced levels of stress, burnout, and absenteeism.

Allowing employees to devote time and energy to both work and personal life, leading to higher employee satisfaction, better engagement, higher productivity, and increased retention.

Creating authentic opportunities for social connection and building community, and providing resources to facilitate those efforts.

Displaying a positive company image in both internal and external communications, to help attract and retain top talent who seek a healthy work-life balance.

Emphasizing work output rather than micromanaging work schedules.

In addition to improving the employee experience and cultivating a strong organizational culture, these best practices will increasingly lead to financial benefits for organizations over time, through reduced healthcare costs and increased productivity.



80%


of people who experience poor mental health attribute it to work-related stress

Practical employee support will go above and beyond benefits

Organizations that prioritize employee well-being through work-life balance will see better results by expanding employee support efforts in 2024.


Here are four practical ways top employers are helping employees achieve work-life balance:

1) Employee support programs



In 2024, employers will need to consider providing additional resources and programs to support employees in achieving work-life balance, such as wellness programs, employee assistance programs, mental health support, and parental leave policies. These programs may be relevant for many employees — The American Institute of Stress reported that 80% of people who experience poor mental health attribute it to work-related stress. Implementing work-life balance initiatives will directly help improve employee well-being and reduce stress.

2) Flexible work arrangements



Offering flexible working options, such as remote work and flexible schedules, used to be a nice-to-have perk and it's become part of the new normal. The future of the workplace will continue to integrate remote and hybrid work, especially as younger generations replace retiring employees. Flexible work schedules and locations allow employees to better manage their personal commitments while fulfilling work responsibilities.



3) Amenities and benefits

Provide employee support services and benefits that show you value your workforce and recognize what they need in order to maintain a work-life balance.

Employees continue to demand meaningful benefits like work-life balance programs that help them manage their personal and work lives — not just a pizza party or corporate-branded jacket.

The amenities that work best for your organization may vary depending on the demographic and life circumstances of your employees so it's best to ask for feedback before making decisions based on guesses or assumptions. For instance, some employees might want an on-site fitness center, while others would rather have access to financial planning education — and some will want all or none of the above. Here's one example: we're seeing many law firms offer errand-running services for their attorneys. [Read our customer case study](#) about how the world's largest law firm supports work-life balance that enhances its employer brand.



4) Promote a holistic approach

Encouraging a healthy work-life balance will require employers to consider various contributing factors such as workload, well-being, socializing, restoration, and more. Taking a comprehensive, holistic approach shows employees that you value them as human beings, which makes them feel supported — which translates into better engagement and more motivation.

Shape your organizational culture through employee support

Based on SHRM's survey of workers from 12 different countries, workplace culture will spell the difference between success and failure in a post-pandemic world (reported in [SHRM Global Culture Research Report 2022](#)).

Now is the time to prioritize and invest in employee support by focusing on communication, transparency, trust and all of the other tenets of a strong work environment — one that puts workers first.

Employers that do not adapt to these changing expectations will likely find it increasingly difficult to attract and retain talent, leading to disruptions in productivity, rising recruiting costs, and lower levels of engagement among employees who stay. As far as the state of organizational culture as a whole, the same SHRM report found that a majority (72%) of employees globally rated workplace culture as good or very good, but the US and U.K. lag behind, reporting only 66% and 60% respectively. This gap represents a ripe opportunity for employers to proactively work on improving organizational culture by supporting work-life balance and employees' other needs.



72%

of global employees rated their workplace culture as good or very good

But only
66%

of U.S. employees rated their workplace culture as good or very good

A woman and a baby are swimming in a pool. The woman is smiling and looking towards the camera, while the baby is looking forward with its mouth open. The background is a blurred outdoor pool setting with trees and a building. The text "Trending: lifestyle benefits" is overlaid in the top left corner, flanked by orange and teal curved brackets.

Trending: lifestyle benefits

(4)

Providing lifestyle benefits will attract (and retain) top talent

Lifestyle benefits (employee perks or employee lifestyle perks) are non-salary benefits given to employees to improve their overall lifestyles. They go above and beyond typical medical, dental, and vision benefits, which have now become standard requirements simply to meet employees' basic needs.

In an employment environment where certain skills are scarce, employers need to be creative in providing the right compensation and benefits packages to attract —and retain — top talent.

This is especially true as more employees are retiring or simply dropping out of the workforce as they seek better work-life balance.

Employers need to include more modern lifestyle benefits as part of their total compensation packages. In addition to helping them attract and retain employees, these benefits can also go a long way toward improving employee work-life balance — both at work, and after work.





In 2023, only
54%
of employees were
satisfied with their
employee benefits

The benefits landscape in 2023

The pandemic taught employers and employees many things. One of these things was the need for organizations to support employees' work-life balance. This is no longer a "nice to do" but a "must do" for employers as they continued to learn in 2023.

In 2023, employee benefits, perks and wellness programs were expected to become more holistic to address employee mental, physical, and financial well-being. In fact, [Forbes Advisor](#) found that 40% of employers said that employees would leave their jobs to find roles that offered better employee benefits. Further, they found, only about half (54%) of employees say they're content with the benefits their current employers offer.

The year also saw the expansion of employee benefits to include a wider array of benefit options. For example: telehealth benefits, additional coverage for mental health services, pet insurance, and identity theft services, to name a few.

The recognition of a labor market that continued to be tight in many geographies and for many organizations, hybrid work, and a renewed focus on employees' emotional well-being have all driven enhancements in the benefits packages that employers offered.

But was it enough?

That's really the foundational question employers must answer in 2024 and they consider what modifications or additions they should make to their benefit packages.

The U.S. financial wellness benefits market is expected to grow at a CAGR of 20.49% from 2022 to 2028 which will reshape the landscape and offer significant relief to employees, according to Advisor. Employers have an opportunity to tap into this market to find lifestyle benefits likely to resonate with their employees in 2024.

The remedy in 2024 and beyond

While CNBC projected in January 2023 that hiring would slow in 2023, the reality is that even in a shifting employment landscape, job seekers still largely hold the upper hand. As the U.S. Chamber of Commerce reports: "Workforce participation remains below pre-pandemic levels. We are missing 1.7 million Americans from the workforce compared to February of 2020."

There is, of course, no one-size-fits-all solution when it comes to finding lifestyle benefit solutions likely to attract and engage employees. What's required, though, are flexible solutions and the ability to pivot based on employees' changing needs and interests.



Here are seven must have strategies to attract and retain talent in 2024 and beyond:



1) Look at the full spectrum of benefits you're providing, or what may be missing, from an employee-centric perspective.

Start with legal requirements like health insurance and expand to include pre-tax benefits that can make the biggest difference in work-life balance. For instance, discounts on house cleaners, meal prep services, and childcare. These are the types of benefits that can minimize employee stress by offering them assistance with common work-life needs. And a recent [Mercer report](#) reminds us to use employee feedback, input from employee resource groups (ERGs) and other mechanisms when determining employee needs and preferences.



2) Recognize differences in employee needs and interests.

We're well aware that today's workforce is a diverse workforce, not just in terms of commonly pointed to types of diversity — age, sex, race, ethnicity — but diversity in needs and interests. Some employees are single, some married and childless, some just starting families, some sending kids off to college, some nearing retirement, etc. In addition, employees also have unique needs related to their own physical, mental, and financial concerns. Microsoft has begun to offer [menopause benefits](#) for women going through that stage of their life. Further, employers can offer a more personalized approach to benefits by allowing employees to choose from a range of options based on their individual needs and preferences. This can include flexible spending accounts, lifestyle benefits, or even customized on-site amenities.



3) Think of "wellness" holistically.

Wellness isn't just about physical health. Today there is widespread realization that wellness encompasses physical, mental, emotional (the social component that has become more critical for remote and hybrid organizations) and financial. Holistic wellness benefit offerings recognize how different dimensions of health are interconnected, and address them through various activities, techniques, and resources. When this happens, employees will feel as if the organization cares about them as a whole person, not just a 9–5 pm worker. Mental health, though, needs even more focus.



4) Address employee mental health needs.

Already a concern pre-pandemic, mental health needs related to substance abuse remain a top priority for society — and for companies. Employers have the opportunity to help employees deal with the stressors they may have at work and at home. Organizations are implementing mental health initiatives, including access to counseling services, and mental health days off, while taking steps to destigmatize discussions around mental health in the workplace.



5) Meet the needs of shifting generations in the workplace. While Baby Boomers dominated the workforce for decades, Generation Z has now surpassed them in number — and they're a very different generation from those before them. It's important to consider the generational makeup of your organization and to address generational differences when determining benefits.



6) Go all in on financial support. In an economy that many say is in, or approaching, a recession, financial concerns among employees are growing. Increased costs on many fronts, inflation, and geopolitical instability are top-of-mind as employees consider their current and potential future financial needs. Employers can improve the value of their benefits packages to concerned employees by offering financial wellness programs, retirement planning assistance, discounts and offers for good and services employees use every day, discounted eGift cards and access to financial education resources.



7) Think practically. Addressing employee lifestyle benefit needs should be a thoughtful process not just a random grab bag of benefits in the hope that something sticks. Make your benefit offerings meaningful, avoid the fluff and, when in doubt, invite input from employees to ensure a focus on what they most need or value.

Flexibility and listening will be the two cornerstones of effective lifestyle benefit planning for 2024, and beyond. Employees' needs shift as the environment shifts. It's important to stay attuned to what matters to your employees and to seek input from them to determine which benefits best meet these shifting needs. In this environment employers need to continually search for ways to help them stand out as an employer of choice to help them attract and retain top-notch employees. The right combination of lifestyle benefits can help.

Trending: tech and automation



(5)

Technology and automation will validate data-driven decisions

The ongoing rise of artificial intelligence and automation has only just begun to accelerate the transformation of the HR industry. Innovations in technology will continue to drive increased productivity but will certainly also displace some workers. This shake-up will require organizational leaders to rethink workforce re-skilling and talent development in order to retain employees and position their organizations for sustainable growth in the long term.

To give this prediction context, let's take a quick look back in time. Traditionally, decision-making was often based on intuition and subjective opinions, creating an environment where the loudest voice dictated the direction that followed. With advances in technology — particularly in data collection and data analytics — business leaders now have the opportunity to make increasingly better and more informed data-driven decisions.

As we see more organizations implement new technology and automation, new best practices will emerge that require business leaders to use data to fuel growth, boost productivity, enhance the employee experience, and more.

Key benefits of automation for organizational sustainability and growth

Automation carries a reputation for making operational processes 'bigger, better, faster, more.' But in today's tech environment, the applications are far more nuanced — and creative new use cases and solutions are emerging every day. As organizational leaders consider how automation fits into the future of their business processes, it's important to keep in mind the following advantages.





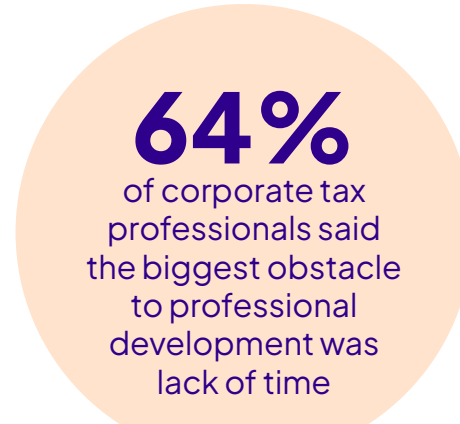
1) Employees will have more opportunities to develop and apply soft skills. As automation becomes more prevalent, employees' soft skills will become invaluable. Many tasks and processes will continue to require a human touch and — for the foreseeable future — only a human can provide the necessary skills.

While automation and technology can efficiently handle routine and repetitive tasks, soft skills will remain essential for tasks that involve emotional intelligence, creativity, critical thinking, problem-solving, and effective communication.

Soft skills like adaptability and creativity are crucial for innovation and problem-solving in dynamic and unpredictable environments.



2) Employees will have more bandwidth for creativity and innovation. As technology and automation take on more repetitive tasks, employees will be freed up to engage in more critical thinking. Leaders need to prepare their organization for this shift by re-skilling and up-skilling the workforce to adapt to the changing requirements of individual jobs and departmental functions. While automation may replace some jobs, it's more likely that its adoption will require jobs to adapt — and new jobs will emerge as a result of technological advancements.



3) Employees will have more time for professional development. When employees spend so much time on administrative tasks, they may be too busy or too burned out to take advantage of the professional development opportunities which could benefit them as individuals and bring fresh skills to the organization. One study by the Thomson Reuters Institute reported that 64% of corporate tax professionals said the biggest obstacle to professional development was lack of time.

Mining the cavern of data for a smarter tomorrow

Data science is a valuable business asset. In the coming years, organizations will use data more strategically to streamline operations, improve customer service, develop better products and services, refine organizational structures, and set goals for the future. Organizations will also increasingly use data analytics to measure benefits utilization to improve offerings in alignment with employees' wants and needs.






With cost pressures high, organizations will need to maximize their investment and ensure programs match employee needs. Fortunately, data will help illustrate ROI, reveal opportunities for improvements, and help track progress over time.

As the importance of data in business operations increases, there is a heightened need for transparency and accountability. This is crucial to better understand and evaluate the rationale behind data-driven decisions. Moreover, it serves to enhance accountability and trust within the organization.





Five specific strategies for leveraging technology in 2024 and beyond:

- **1) Tapping into data to drive decisions.** Analyzing relevant data like employee feedback, operational metrics, and market trends will help companies identify areas for improvement, prioritize initiatives, and make strategic decisions to streamline operations and enhance the employee experience. Data modeling and forecasts will also help leaders set goals, plan strategies, develop new initiatives, and fine tune practices to enable better business outcomes on a longer timeline.
- **2) Using predictive analytics to forecast actions.** Companies will forecast trends, anticipate employee and customer needs, and optimize their operations accordingly based on real-world data. By analyzing historical data and using advanced analytics techniques, companies will proactively identify patterns and make adjustments in their operations to meet customer demands and employee needs, as well as optimize resource allocation.
- **3) Adding personalization to enhance experiences.** Data will help companies personalize the employee experience by tailoring products, services, and interactions based on individual preferences and past behaviors. Personalization at scale will strengthen customer relationships. Circles use preferences to personalize the employee experience, notifying the user of important dates and milestones so they never miss a memorable moment. Past usage data is mined to tailor offers and discounts to those most used by employees.
- **4) Prioritizing real-time monitoring and feedback.** Data will enable companies to better monitor operations, employee interactions, and employee feedback in real-time, eliminating guesswork. By implementing robust data collection and monitoring systems, companies will be able to identify patterns and issues immediately, respond quickly to employee needs, and continuously improve the employee experience. Real-time data can also help identify potential service disruptions, allowing proactive resolution.
- **5) Analyzing (and using) feedback.** Companies will analyze feedback from employees in the form of surveys, online reviews, and even social media comments to gain valuable insights into preferences, pain points, and satisfaction levels. By leveraging sentiment analysis and language processing techniques, companies will be able to extract meaningful information from unstructured data and tailor their benefits and on-site amenities to meet (and exceed) employee expectations.



The need for human touch endures

While technology and automation will become even more common in the coming years, it's crucial to remember that organizations are still run by, and staffed by, real human beings.

Companies focused on leveraging technology will optimize work processes, reduce administrative tasks, and streamline workflows. Automation, artificial intelligence, and collaboration tools will be utilized to improve efficiency, minimize time spent on repetitive tasks, and enhance overall productivity. The key outcome of these advantages is not solely operational improvements. It's how these technologies impact employees and allow them the opportunity to apply their unique human skills and abilities to the benefit of the organization as a whole.

With the increasing reliance on data-driven decision-making, jobs centered around technology and data, like data scientists and AI specialists, will be in high demand in 2024. Investing in developing and nurturing skills and attributes such as emotional intelligence, communication, interpersonal problem solving, high-level strategy, and thought leadership, will yield higher employee satisfaction levels and an enhanced employee experience. In short, the rise of technology and automation will give way to the rise of human capacity on a similar scale — or perhaps even more.

Trending: benefits evolution



(6)

The workplace (r)evolution: how HR and benefits are evolving

For the past three years the HR industry has been undergoing a revolution. HR leaders have been impacted not only by the massive disruption of the pandemic which has changed the world of work forever, but also by rapidly emerging technology that has both the power and promise to improve HR and people practices.

These impacts have made people management and HR a business-critical component of organizational success and sustainability. That's good — HR leaders now firmly have those coveted seats at the leadership table.

But it also represents challenges in terms of keeping up with changes while supporting both business and employee needs.

The following pages look at five significant shifts happening within organizations today, and what HR leaders can do to stay ahead of the curve in 2024.





1) Adapting to technological advances

With artificial intelligence (AI) infiltrating nearly every business area of every industry, companies will need to adapt and evolve to ongoing technological and AI advancements to stay relevant and successful.

McKinsey predicts that 800 million jobs will be displaced by automation by 2030. But we don't necessarily know which of those jobs will be displaced — or what new jobs and required competencies will replace them. So, it's a conundrum. Organizations are obviously concerned about retaining the top talent they have. They know that they need to focus on nurturing and growing their team members so they will remain loyal to the organization — and have the skills and competencies required to navigate future needs.



What organizations should be doing now

To successfully adapt to technological advances, and ensure that employees are poised to do the same, organizations need to:

- **Put an emphasis on building the human, or soft, skills** (communication, leadership, collaboration) that are critical to evolving and finding harmony in an environment where humans and machines must not only co-exist, but thrive.
- **Shift employee conversations from job loss to career transformation.** Those 800 million jobs that McKinsey predicts will be displaced don't necessarily reflect employees who will be out of work. By focusing on up-skilling and re-skilling employees to move out of roles that can be performed by automation into roles that require critical thinking and thought leadership, talent can be both retained and engaged. Career development will help ensure that employees can continue to play a valuable role.



2) Focusing on the employee experience

Employees represent both a significant investment and a substantial source of potential for most organizations.

Ensuring a positive and strong employee experience can help keep employees motivated and engaged. When employees feel that they are heard and respected through an inclusive culture they're empowered to be innovative, and to contribute to the success of their colleagues and the organization.



What organizations should be doing now

Employers have been focused on the employee experience for some time now, but they will need to continue and strengthen that focus moving forward. To do this they can:

- **Create a positive and inclusive work environment.** Salesforce provides a great example of this. They're listed by Fortune as one of the 100 best companies to work for. Why? Because of their commitment to creating a positive and inclusive work environment. They're committed to engagement, and it shows.
- **Commit to providing opportunities for work/life balance.** Moderna, a leading pharmaceutical and biotechnology company, is a great example of this. They noticed and acknowledged that their employees were working incredibly long hours during the pandemic — and that those long hours were leading to burnout. So they did something about it. They partnered with Circles to develop both a virtual and on-site solution to offer errand running for employees. Both employees and the company benefited from time savings. The program has empowered employees to concentrate more effectively on their work, saving an average of 2.7 hours per request.



3) Acknowledging the impact of mental health on employee performance

Organizations recognize the impact of mental health on overall well-being and productivity. It's an issue that companies were already facing well before the pandemic with stress and burnout on the rise. Unfortunately, it's an issue that is still plaguing companies and employees of all kinds. A [comprehensive 2022 survey on mental health in the workplace](#) found that a startling 92% of employees experience mental health challenges that have the potential to impact their work. Organizations are recognizing the issue and taking steps to address the impact of mental health on employee performance.



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What organizations should be doing now

Mental health issues and concerns have become pervasive and need to be addressed and alleviated. To do this, organizations can:

- **Provide mental health training** for leadership so they can be more aware of the signs and what to do when they spot them. Supervisors and managers are the first lines of defense. When they're trained and aware they can play an important role for employees. [Kathleen Schulz of Gallagher](#) said it succinctly: "Having managers who are trained to model positive behaviors, have conversations around mental health, create an environment of psychological safety and effectively refer employees to resources can be the difference between an effective and ineffective strategy, regardless of what resources are in place."
- **Use employee resource groups (ERGs)** to surface mental health issues. ERGs can provide a great forum for employees to have an opportunity to open up and talk about their mental health issues and concerns with each other. Having these conversations can normalize mental health issues, providing a supportive outlet and safe space for critical communication.
- **Promote well-being.** Mental health is impacted by physical, mental, and financial health situations. Work-life balance programs like on-site yoga, healthy eating options, and employee support services like errand running can help to promote well-being while offering employees the resources they need to be and feel better.



4) Realizing that employee happiness has hit a new low

Employees aren't happy. Their colleagues, supervisors, and managers know it and research supports those beliefs. BambooHR's most recent Employee Happiness Index — which examines eNPS (employee Net Promoter Scores®) from more than 1.6 billion self-reported scores — found that in September 2023, the employee satisfaction/happiness reached a new three-year low; the average eNPS in Q3 was also a full point lower than it was in Q2.

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For employees, it's no longer about paychecks, says Emily Liou, a career happiness coach. People want to feel connected and excited about their work.

What organizations should be doing now

Employers know that happy workers can be engaged and productive; the reverse is also true. To help employees feel like valued, engaged contributors, organizations can:

- **Embrace flexibility.** Offer flexible work arrangements and benefits both for on-site and remote workers. Employees need to feel that they're valued and that their employer and managers understand their work-life balance challenges and are committed to providing solutions to help address these challenges.
- **Make time for socialization.** With one-third of our lives spent working, social connections at work are vital for morale. That's especially critical in remote and hybrid work settings. Socializing can also increase the bond leaders and managers have with employees, so creating opportunities for socialization is a win-win. Plan events, run workshops, and offer programs that bring employees together to form lasting bonds.





5) Getting employees back to the office

Without a clear reason to come into the physical work setting, most employees will simply default to working remotely where they have become comfortable with their routines. To many, returning to the office means a loss of flexibility for employees and interference with their work-life balance. As of 2023, 12.7% of full-time employees were still working from home and 28.2% were working in a hybrid model. Only 59% of employees were back in the office. According to Upwork, by 2025, an estimated 32.6 million Americans will be working remotely. That equates to about 22% of the workforce, suggesting a continuous, yet gradual, shift towards remote work arrangements.

There's good reason for companies to want employees to come back to the office:

Results from a recent poll of over 150 U.S. CEOs by Chief Executive reveals that many organizations are struggling to foster strong communication, collaboration, and team bonding in hybrid and remote environments. But, a survey by Indeed shows that 45% of employees miss in-person meetings and 73% miss socializing in-person with colleagues.

This represents an opportunity to lure employees back to a physical office and capture the value of in-person interactions.



What organizations should be doing now

Leaders need to give employees motivation to commute back to the office to overcome the inertia that many feel in their home settings. To drive employees back to the workplace where they can interact with colleagues and others, organizations can:

- **Promote collaboration.** While video conferencing and other remote collaboration tools have made it possible for teams to communicate and work together remotely, they're not a perfect substitute for in-person collaboration. In fact, an experiment conducted at Stanford found that in-person teams generate about 15–20% more ideas than remote teams working on the same problem.
- **Create connected communities.** From events to experiences, encouraging employee connections creates communities with a sense of purpose and belonging. Community management is the hub that connects employees to the organization. A community manager can host monthly book clubs, or a weekly pickleball social, or other opportunities to get together, giving employees a reason to visit, to make connections and to bond.

Wouldn't it be great if we had a crystal ball to help us successfully navigate the months ahead? We don't. But, pat yourself on the back. If you're in HR and you're reading this, you've made it through a tumultuous few years.

Stay attuned to changes and shifts in the economy and ask yourself how they affect your employees and your workplace culture. Remain keenly aware of the employee experience and what drives employees, to ensure that top talent stays happy, productive, and that they continue to contribute to better business outcomes.





Let's build the future of work, today.

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