



2024 Midyear HR Trends to Monitor

Provided by Employco USA, Inc.



In today's rapidly evolving employment landscape, HR professionals are crucial in shaping and driving organizational success. However, the role of HR teams has become increasingly complex. By staying current on trends, these professionals can plan for changing compliance requirements, navigate new technologies and adapt to employee needs. This can ultimately enable HR teams to contribute meaningfully to their organizations by better attracting, developing and retaining talent; driving employee engagement; and fostering innovation.

The middle of the year is a great time to evaluate HR progress and recalibrate any efforts to close the year strong or inform forward-thinking strategies to maintain a competitive edge moving into 2025. To that end, this article highlights HR trends to follow during the second half of 2024.

Labor Market Recovers, Attracting Workers Remains Competitive

Attracting and retaining workers has been a top operational challenge for employers in recent years. During record-high labor figures in 2021 and 2022, workers used their leverage to demand higher wages, better benefits and more career development opportunities—and were willing to change employers to do so. Today, economic indicators and labor metrics show that the worker-friendly employment landscape has recovered to give more leverage back to employers.

The U.S. Bureau of Labor Statistics (BLS) recently published its [May](#) Job Openings and Labor Turnover Survey. It reported that **3.5 million** employee quits were recorded in April. This number is similar to April 2024's report but shows a consistent trend downward from 2022, which set record highs. In total, over 50 million workers quit their jobs in 2022. Because employee quits are generally voluntary separations initiated by the employee, the quit rate serves as a measure of workers' willingness to or ability to leave jobs. This reduction in employee quits means that retaining employees is less of a pressing issue for employers in today's landscape.

Job openings landed at **8.14 million** in May, after falling to **8.06 million** in April 2024—the lowest since February 2021. This figure is down from its peak of 11.5 million in March 2022. Job openings indicate the current demand for labor and reflect the state of the labor market and broader economy. While this figure has consistently decreased since 2022, job openings remain competitive compared to pre-pandemic numbers.

In general, talent challenges have leveled out at this point in the year. A recent report from nonprofit The Conference Board found that only **41%** of HR leaders report difficulty retaining workers, down from 66% in 2022. However, for most employers, winning over new workers is currently more challenging than keeping current employees. Research from the Integrated Benefits Institute, a research organization, found that **73%** of employers are having difficulty attracting new employees, while only **61%** struggle with retention.

These statistics show that the labor market's competitiveness has cooled off, but attracting employees can still be difficult, particularly for industries with high turnover rates and roles that require niche skill sets.

The demand for labor is still strong, indicating that the need for employers to fill jobs will likely continue for the foreseeable future. With this in mind, employers should continually monitor employment trends to stay competitive for the remainder of 2024.

More States Prepare for Pay Transparency

Pay transparency rules have gradually spread and impacted organizations nationwide, with employers adapting their job posting and pay practices to meet requirements and keep up with worker demands.

Pay transparency is when an employer openly communicates pay-related information to current or prospective employees through established practices. Requirements vary by locality, but this information generally includes the pay scales or salary ranges for specific positions. Employers can provide this information through various channels, such as online job sites and postings or during an interview. Employees value pay transparency because it can help them avoid applying for jobs they wouldn't accept due to low pay, negotiate for better salaries and build trust with their employers.

Although there is no comprehensive federal pay transparency law in the United States, around a quarter of all U.S. workers were covered under pay transparency laws. The number of employees covered by such laws continues to grow each year. Not all organizations are covered by these rules, but more employers are pursuing transparent job postings to stay ahead of requirements and win over workers. In fact, studies consistently show that workers are more likely to apply for jobs that provide a pay range.

Back in 2021, Colorado was the first jurisdiction to enact pay transparency laws regarding job postings. Since then, over 15 states and localities have enacted their own pay transparency laws, with even more set to go into effect. Most recently, requirements were enacted in the District of Columbia on June 30.

Notably, Illinois has pay transparency rules going into effect on Jan. 1, 2025. Under the law, postings must include the wage or salary range as well as a general description of the benefits and other compensation the employer reasonably expects to offer for the job. These amounts may be set by reference to any applicable pay scale, the previously determined range for the position, the actual range of others currently holding equivalent positions or the budgeted amount for the position. With Illinois having one of the largest populations in the United States, this state law is set to impact a growing number of employers—and add momentum to the practice.

Whether to stay ahead of compliance requirements or keep up with current employment trends, expect more employers to refine their pay transparency practices in the remainder of 2024.



AI Continues to Transform the Workplace

Since the launch of ChatGPT in 2022, artificial intelligence (AI) has been widely adopted in the workplace. Accessible to anyone with a computer and internet connection, ChatGPT is a generative form of AI that produces usable written material on a range of topics. Organizations can use API keys to integrate AI into day-to-day operations. Today, ChatGPT—along with its many key competitors like Google Gemini and Microsoft Copilot—allows employers to use AI at a low cost.

AI's functions have led many employers to equip workers with such tools or incorporate this technology into their organizations to enhance workflows. Employers have integrated AI into several job roles and tasks, including HR practices, customer service and software development.

In 2024, the use of AI has gained even more traction. [Research](#) from Microsoft published in May 2024 found that the use of generative AI had doubled in just the most recent six months. Today, around **75%** of global knowledge workers use AI. Many workers prefer access to AI, as it allows them to do their jobs more efficiently.

Lingering concerns remain as more organizations have implemented AI into their day-to-day operations and equipped workers to use tools to enhance their job performance. Privacy concerns have been a worry for employers, as employees may be using confidential or protected information that could be shared with AI models with unclear data use policies. In fact, many organizations have banned certain AI tools or created specific frameworks to help employees keep data safe. Trademark issues and copyright infringements are potential issues for businesses that create products or offer services. Discrimination is another key area of concern; employers who integrate AI into employment decisions such as recruitment, hiring and selection can also create risks as they may assume liability for actions taken by the AI, such as discriminatory employment decisions.

AI continues to emerge as an enforcement area for the U.S. Equal Employment Opportunity Commission (EEOC). The agency has outlined AI as a priority in its proposed [Strategic Enforcement Plan](#) (SEP) for fiscal years 2023-27 and published [guidance](#) aimed at helping employers who use automated systems, including those with AI, comply with federal fair employment laws. In late 2023, the EEOC formally settled an AI-related hiring lawsuit, demonstrating that the agency will enforce AI-related violations.

While AI continues to transform the workplace in 2024, employers should continue to exercise caution. Using AI tools allows employers to gain an advantage, but the myriad pitfalls presented by unrestrained use should give employers pause.

Employers Expand Well-being Programs to Boost Productivity

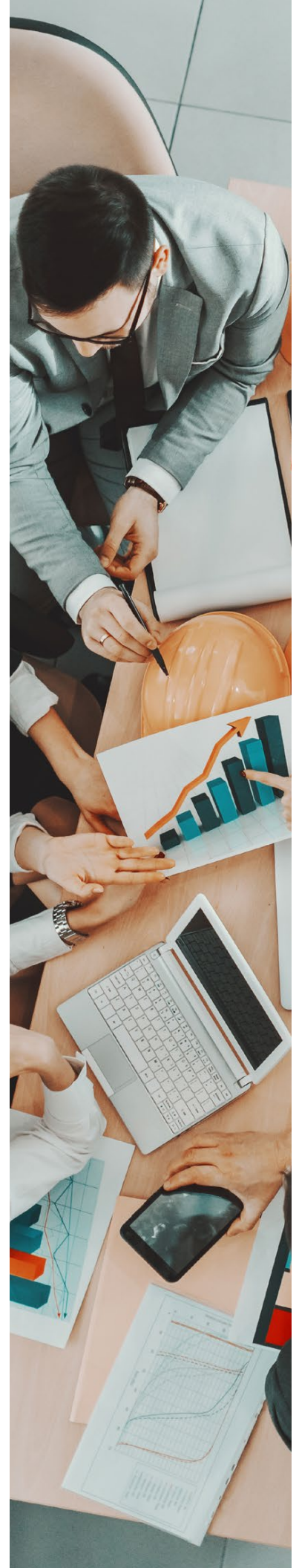
Employee well-being encompasses an individual's physical, mental, financial and social health. Prioritizing employee well-being is critical to running a successful organization. Effective wellness programs can lead to happier, healthier and more productive employees. Well-being has recently been a trendy topic for employers, specifically as it relates to attracting and retaining workers.

In 2023, the employment website Indeed launched the [Indeed Work Well-being Score](#), illustrating the importance of well-being to workers searching for a new job. Employees with a strong sense of well-being are more likely to stay with their current employer, especially if they attribute their personal success to the resources and environment of their workplace. Likewise, workers on the move are more enticed to join an organization where their well-being is prioritized.

Well-being programs are a tangible way for employers to invest in the wellness of their employees. A recent Global Well-being Survey from professional services firm Aon found that **87%** of organizations have at least one well-being initiative, and **83%** have a formal well-being strategy. Examples include on-site immunizations and health screenings, discounted gym memberships, company-sponsored wellness or fitness events, educational resources, and smoking cessation programs. These initiatives can be wide-ranging, with other options focused on offering healthier food options or improving ergonomics at the worksite.

Other benefits can aid well-being efforts in addition to formal wellness programs. Some employers focus on offering flexible schedules or additional benefits (e.g., including weight-loss drugs in plan formularies to supplement offerings that employees may already have, such as employee assistance programs).

One of the most notable proactive wellness trends is how employers tie the concept to employee productivity. Data consistently shows that employees with a poor sense of well-being are less productive. Research from Gallup found that \$322 billion in turnover and lost productivity costs globally are due to employee burnout. Other



factors, such as poor physical health, can drive workers to miss more work. According to the Centers for Disease Control and Prevention, obesity results in multiple days of missed work per year, demonstrating the direct impact of physical well-being on worker productivity.



On the other hand, employees with a strong sense of well-being can drive innovation and performance forward. Research from Wellhub, a wellness platform, found that **98%** of U.S.-based HR leaders say their well-being programs increase employee productivity. Wellhub also found that **56%** of employers get more than **\$2** for every **\$1** invested in their wellness program. Successful wellness programs lead to increased productivity, less absenteeism, fewer safety incidents and improved employee retention rates. This return on investment illustrates employers aligning employee wellness with business objectives.

Employers who pursue well-being for productivity may realize additional benefits that impact their bottom line. Employee wellness will look different for every employer. As employers prepare for open enrollment season and strategize for 2025, organizations are expected to expand their focus on well-being.



Learning and Development Priorities Shift to Future-proofing the Workplace

Rapidly changing workplaces, competitive talent markets and skills gaps have led to more employers offering learning and development (L&D) efforts. Organizations pursue L&D for overlapping reasons; employees who grow their knowledge, skills and abilities are likely to be more productive, but these programs also help to attract and retain workers.

At its core, L&D aims to improve individual employee and group performance by focusing on job-related skills and knowledge. These efforts usually emphasize upskilling, reskilling, cross-training and on-the-job learning. L&D can occur through several methods, including microlearning sessions, mentorship programs, learning management systems (LMSs) and even continued education outside the workplace.

Today, many employers are shifting their core focus to future-proofing the workplace. Research from the World Employment Confederation found that **78%** of employers are concerned that their organization cannot train their employees fast enough to keep up with technology development in the next three years. The current workplace requires frequent learning and relearning of new skills. According to Gartner data, the number of skills required for a single job is increasing by **10%** per year, and more than **30%** of the skills needed three years ago will soon be irrelevant.

To ensure workers' skills keep up with workplace demands, employers are focusing on upskilling technology abilities while focusing on soft skills. According to Microsoft research, **25%** of employers are planning on directly offering generative AI training to employees. While technology skills are critical for many industries and roles, soft skills remain essential. LinkedIn's 2024 Workforce Learning Report revealed that 91% of L&D professionals agree that human skills, or soft skills, are becoming increasingly important. Even in a technology-forward environment, personal skills are easily transferable and usable in an ever-changing workplace.

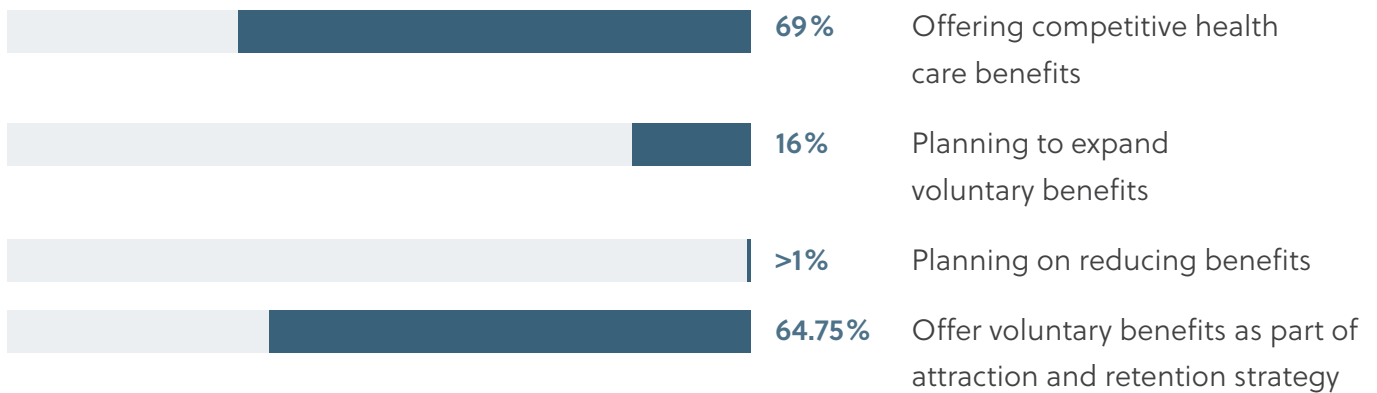
Looking ahead, more employers are expected to focus their L&D efforts on preparing for future skills gaps. The necessary programs will vary by role and industry, but forward-thinking employers will focus on building employee skills to help their workforce succeed in tomorrow's world.



Using Voluntary Benefits to Win Over Employees

As health care costs continue to rise, so does the demand for voluntary benefits. Since many employers find it increasingly difficult to provide employees with competitive benefits packages, voluntary benefits have become an ideal solution to offer more options without raising costs. These benefits meet the evolving needs of workers, who prioritize the ability to personalize their benefits.

In 2024, employers are offering more voluntary benefits than in previous years. According to Zywave’s 2023-24 Attraction and Retention Benchmarking Overview, **69%** of survey respondents identified offering competitive health care benefits amid rising costs as one of their organization’s top three most significant attraction and retention challenges. Almost **16%** of respondents plan to expand voluntary benefits options in the next year, while less than **1%** plan on reducing benefits. The majority of respondents (**64.75%**) offer voluntary benefits as part of a strategy to improve employee attraction and retention.



In recent years, the COVID-19 pandemic, tight labor markets and inflation have resulted in an increased demand for voluntary benefits to help employees protect themselves against unexpected health and other costs and improve their overall well-being. Workers are willing to make employment decisions based on benefits offerings. A survey from Voya Financial found that almost half (**49%**) of employees are more likely to stay with their current employer if they offer access to the desired voluntary benefit offerings.

To better address attraction and retention struggles, employers can explore offering core voluntary benefits (e.g., dental, vision and life insurance, and short- and long-term disability) if they don’t already. They may also consider expanding to other options that are popular with employees, such as critical illness, hospital indemnity insurance and pet insurance. Surveying employees can offer a way to learn more about which voluntary benefits meet the desires of a specific workforce.

Looking at the back half of 2024, employers will make decisions about open enrollment and prepare for 2025. Voluntary benefits will likely play a key role in designing an employee-friendly benefits package.

Preparing for Election Season

Federal, state and local elections are scheduled for Tuesday, Nov. 5, this year. During recent election cycles, politically charged environments have created contention in the workplace. Employers have found themselves in the middle of inappropriate workplace behavior, social media activism, free speech disputes and dress code controversies. With the election around the corner, these challenges will likely return—if they have not already. However, a well-planned approach can help deter inappropriate behavior and allow employers to use the election cycle to engage employees.

A recent [survey](#) from Glassdoor found that 61% of employees have discussed politics with a colleague over the past year. Many employees who discuss politics are well-intentioned, but these conversations may cause friction within teams. Employers who establish clear expectations for appropriate workplace behavior may get out in front of potential issues, but organizations are required to comply with all applicable laws, such as the National Labor Relations Act, which protects employees right to engage in protected concerted activity.

Employers can generally establish clear expectations using a code of conduct, dress code and social media policies. For example, some employers may implement a dress code that allows for a higher degree of political expression; for others, this could mean enforcing a stricter dress code. It's important to keep in mind that employers may create potential risks if these policies aren't enforced evenly.

When election time draws near, employers should also be prepared to handle employee requests for time off from work to vote. Federal law does not require employers to provide their employees with time off to vote. However, many states have voting leave laws that allow employees to take time off to vote in certain circumstances. In fact, over 30 states [have some provision](#) for voting leave. Some states require employers to provide paid voting leave; in other states, it is contingent on whether the worker has enough time in their work schedule to make it to the poll with enough time to vote. Many states impose notice requirements on employees. Employers should be aware of the voting leave laws that apply to them and be prepared to comply with any applicable requirements.

Employers in states without formal voting requirements often choose to offer lenient voter leave options to allow employees time to vote. Some organizations will go further to encourage voter participation and build goodwill with employees. Employers can offer paid time off, child care or transportation to employees. They may also provide them with educational resources, which can focus on educating employees on how to register to vote, where to vote, and where to complete early voting and find their polling location. These measures encourage voter participation and improve employee engagement.

The summer months are ideal for employers to begin preparing for election season. As Nov. 5 approaches, this topic will likely be on the radar of more organizations.



Summary

Midyear is a great time to evaluate progress on HR efforts and pivot or amp up efforts to finish 2024 on a strong note. Employers should expect the work environment to continue to change. No organization is immune to developments driven by the economy, new technologies and the legislative landscape. As such, savvy employers are already monitoring the latest workplace trends and resonating with the current workforce.

Contact us for more guidance on these topics and other workplace trends.