



5 Attraction and Retention Trends to Monitor in 2025

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Why Employers Are Offering Family-building Benefits

Engaging Employees During the Great Gloom



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Employers will likely continue to struggle to attract and retain talented employees in 2025. Although employee quits have trended down in 2024, a recent report from EY found that 38% of employees are likely to leave their jobs in the next year.

Despite the survey's prediction for greater employee turnover in 2025, employee quits have consistently decreased throughout 2024. This means workers are staying in their current jobs, potentially due to reduced optimism about the job market. However, market trends could shift back to workers more confidently exploring the job market. Similar to EY's report, Eagle Hill Consulting's latest employee retention index signaled that employee turnover could increase through early 2025. These recent reports hint that employers may need to hone their attraction and retention tactics to find and keep talent in 2025.

To maintain a talent advantage, here are five attraction and retention trends for employers to watch as they prepare their strategies for the coming year.

1. Unemployment Rates Above 4%

While the job market has outperformed industry expectations for some time, economists predict a hiring slowdown on the horizon. The unemployment rate is likely to stay elevated relative to recent years — which have hovered between 3%-4%. The latest market predictions show that the rate is likely to rise from 4.1% to 4.4% in 2025, bouncing up from the recent cycle. As a result, the labor market is expected to remain competitive in 2025. Should unemployment rates trickle up in 2025, this trend

could swing some leverage workers have gained in the last couple of years back to employers.

2. Artificial Intelligence (AI) and Automation

AI and automation are undoubtedly changing the future of work. 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.

A recent World Economic Forum report found that, by 2025, machines and algorithms will perform more current work tasks than humans. However, it also suggested that AI will create 97 million new jobs by 2025, especially in areas such as data analysis, software development and cybersecurity. AI in the workplace enables workers to focus on more engaging tasks, be more efficient and innovative, make better-informed decisions and address complicated challenges. While some mundane jobs are at risk of AI or automation, experts generally agree that more jobs will enter the labor market as a result of growing technologies. For employers, this means that many of the jobs that they're hiring for in 2025 and beyond may require more advanced skill sets.

3. Increasing Demand for Weight Loss Drugs

According to an analysis by investment bank J.P. Morgan, an estimated 9% of the U.S. population could be on glucagon-like peptide-1 (GLP-1) drugs by 2030. The medications were traditionally used to treat diabetes

but are now in demand for weight loss. As organizations develop their offerings for 2025, more employers are being pressured to cover GLP-1s for weight loss. Since GLP-1 treatment costs, on average, around \$1,000 per individual each month, workers may be looking for employer-sponsored coverage for weight loss drugs and make their employment decisions based on such offerings. When considering covering weight loss drugs, many employers are concerned that they must be used for extended periods to be effective, requiring a long-term commitment.

A 2024 survey by the International Foundation of Employee Benefit Plans found that while the majority of employers (57%) cover GLP-1s only for diabetes treatment, one-third (34%) offer coverage for both diabetes and weight loss. Furthermore, a Mercer survey found that more than a quarter of employers are considering adding coverage for GLP-1 drugs for weight loss in 2025 or 2026. As more employers include GLP-1s for weight loss in their benefits offerings to match employee interest and demand, organizations must consider the pros and cons of matching such benefits as they compete for talent. In addition to coverage, some employers are integrating controls on the coverage to target the people who need it the most and will benefit the most, increasing their returns on investment.

4. Return to Work

Workplaces have gradually been shifting back to the way they were before the COVID-19 pandemic. In fact, the JLL's Future of Work survey revealed that the number of organizations expecting employees to work on-site full

5 Attraction and Retention Trends to Monitor in 2025 (cont.)

time surged to 44% in 2024 compared to 34% in 2022. According to the survey respondents, 95% of employers now require employees to be on-site at least one day per week.

More employers worldwide are becoming “office advocates,” scaling back flexible work policies and mandating five-day in-office workweeks. Meanwhile, the percentage of “hybrid adopters,” or those who allow employees to work from home at least once a week, dropped from 77% in 2022 to 56% in 2024.

Several high-profile companies have already implemented stricter return-to-office policies. For instance, Amazon recently announced that starting January 2025, corporate employees will be required to work in the office five days a week, up from its previous three-day requirement. This comes after major employers like Boeing and UPS started requiring full-time office participation. With the job market stabilizing, employers now have more leverage over workers and are increasingly requiring in-office work. Yet, as the push for full-time, in-office work continues, it’s essential for employers to balance business needs with employee preferences.

5. Gig Work Popularity

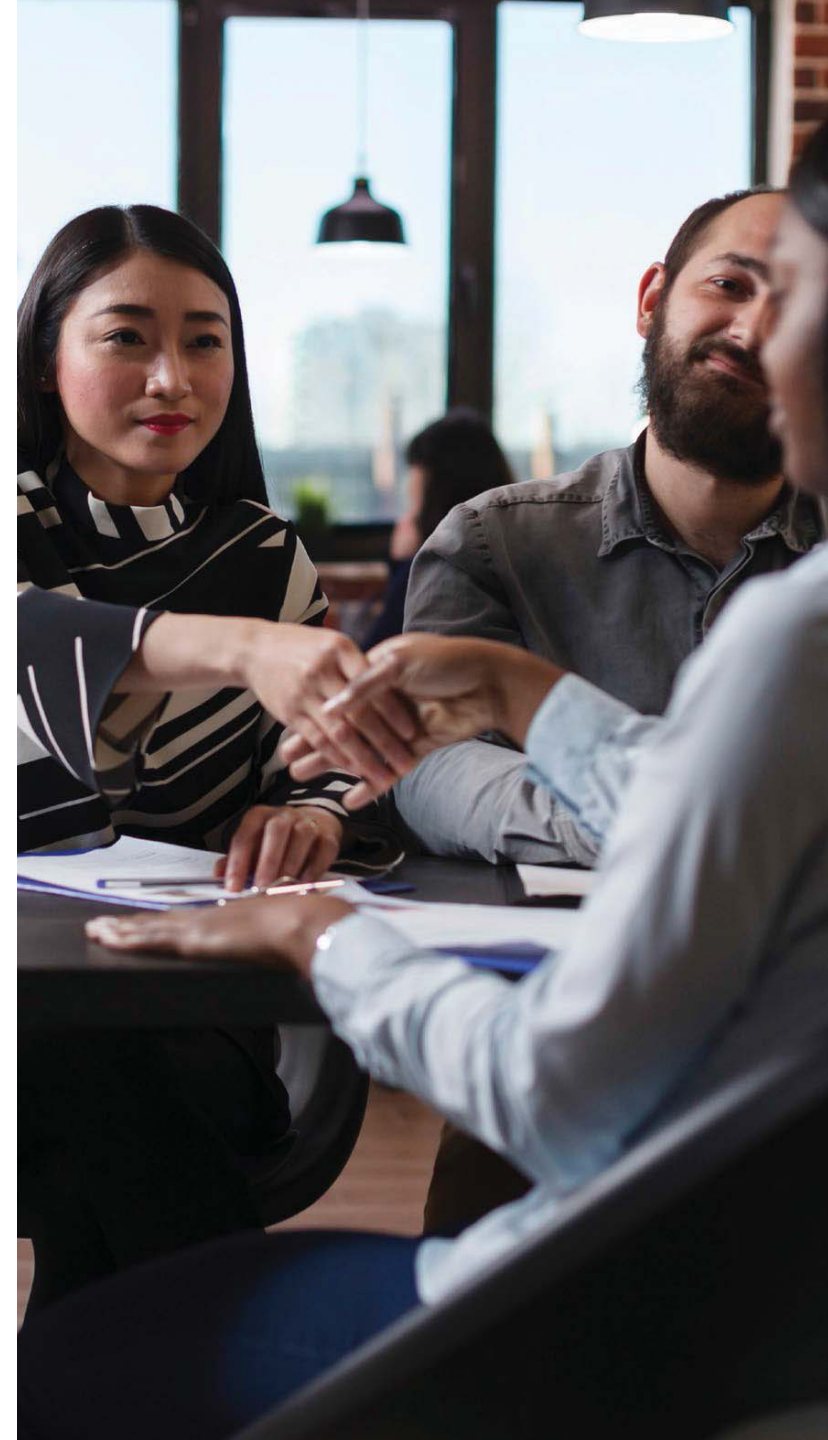
Gig work is quickly becoming a key component of the world economy. It has quickly become not only more popular but also more common and accepted, especially

among younger individuals. While millennials make up the largest percentage of gig workers, Generation Z (Gen Z) has been gaining ground recently. According to recent TransUnion research, more than half (62%) of U.S. adults earn money working for a gig platform. Many who work in the gig economy are more satisfied than those who work traditional jobs. The flexibility and control of gig work make it an attractive way to earn a living.

As such, organizations increasingly find themselves competing with the appeal, accessibility and flexibility of gig work. To compete, traditional employers may explore ways to match the gig economy’s advantages by offering autonomy, schedule flexibility and faster access to earnings. For example, on-demand pay, also known as earned wage access, allows employees to be paid as soon as they’ve earned their wages. Alternatively, gig workers can be an attractive alternative to relying on traditional employees to address current attraction and retention challenges.

Start Planning Today

Employers can remain competitive in an evolving labor market by monitoring employees’ current and prospective needs and wants in 2025. As the labor market shifts in employers’ favor, organizations can elevate their talent strategies to find, advance and keep more talented workers.





Why Employers Are Offering Family-building Benefits



While there may be some common challenges in the path to parenthood, how individuals build their families is ultimately unique to them. Family building can take a physical, emotional and financial toll on employees. As such, employer-provided family-building benefits can impact employees' lives in a very personal and meaningful way. These benefits encompass a range of services and support designed to help employees start or expand their families. Common benefits include fertility preservation, surrogacy, adoption and foster assistance, counseling services, fertility education and inclusive leave policies. Family-building benefits include much more than just fertility treatment, which is why they are useful to so many people.

The family-building journey is taxing, and having an employer's financial and emotional support can help alleviate some stress for those employees. As a result, family-building benefits can help employees feel happier and more fulfilled at work, which can translate into stronger employee loyalty, boosted morale and reduced turnover.

Meeting Employee Demand

Workers' need and desire for reproductive health benefits are increasing, and many employers are responding accordingly. Family-building benefits are

generally more on the minds of younger generations in the workplace, like millennials and Gen Z. In fact, Maven's 2024 State of Women's & Family Health Benefits report found that millennials and Gen Z want to work at companies with women's and family health benefits. More than one-third (35%) of millennials and almost half (46%) of Gen Z said that reproductive and family health benefits influence their decision to stay at their job or take a new one.

Family-building benefits can be advantageous to millennials (born between 1981 and 1996), as they are the largest generation in the workforce. Many are either trying to start families or are navigating parenthood. Millennials are prioritizing fertility support for both men and women — and are increasingly focused on mental health support.

As more Gen Z (born between 1997 and 2012) members enter the workforce, it's important for employers also to consider their needs and priorities. Gen Z is more focused on comprehensive care for their full family and reproductive health journeys, even if they haven't started building families yet. This suggests that this generation is looking for support that encompasses the stages of conception through parenting. From a benefits perspective, Gen Z generally prioritizes benefits that help them prepare for a family before trying to have children. Education and diagnostics can be meaningful at this stage of planning.



Maven's 2024 report found that nearly **1 in 3 employees are expecting a child** or possibly planning to grow their family in the next one to two years.

Furthermore, many of today's employees value family planning benefits. More than half (57%) of study respondents said they have taken or might take a new job offering better reproductive and family benefits.

In addition to these generations, the growing number of single people and same-sex couples planning families suggests an increasing need for surrogacy and adoption benefits. Meaningful benefits can be part of a robust employee attraction and retention strategy, so it's critical for employers to understand their workforce demographics, needs and wants.

Employer Takeaway

Benefits matter more now than ever to employees, and employers are taking notice. Furthermore, benefits to support family building have been shifting beyond traditional coverage of fertility treatment. As employers continually evaluate their benefits offerings, they should be aware of several competitive advantages that may come with offering family-building benefits.



Engaging Employees During the Great Gloom

The unhappiness that many employees have consistently been feeling since 2020 reached an all-time low in the second quarter of 2024, according to BambooHR. This period, called the “Great Gloom,” reflects the widespread disengagement, burnout and workplace dissatisfaction experienced by U.S. workers in recent years.

Unlike the “Great Resignation,” where waves of employees voluntarily left their jobs during and after the COVID-19 pandemic, the Great Gloom indicates a more passive but pervasive sense of dissatisfaction and disengagement among workers. While employees are less inclined to quit their jobs than in previous years, employers are struggling to engage their workforce effectively. The rise in employee discontent could lead to higher turnover rates and decreased productivity for organizations. Keep in mind that a recent 2024 EY survey revealed that nearly 2 out of 5 employees are likely to quit their jobs in the next year. As such, it’s crucial for employers to implement strategies to engage their workforce and anticipate rising employee quit rates in 2025.

Why Is Employee Happiness Down?

Several factors have collectively driven a steady decrease in employee happiness. According to BambooHR, persistent layoffs have created job insecurity and dissatisfaction. Inflation has added financial strain, as many workers report that their wage increases aren’t keeping up with the rising cost of living. Inadequate compensation, especially in sectors like health care, has also left many workers feeling undervalued.

Furthermore, ongoing debates over remote work and mismatched work expectations have fueled dissatisfaction.

Ways to Engage Employees During the Great Gloom

Engaged employees are satisfied with their jobs and usually speak highly of their organizations. They tend to be more productive and better prepared to meet challenges. Moreover, happy employees encourage co-workers to do their best and are more likely to remain with their organizations than those who are dissatisfied.

Consider these strategies to help engage employees during challenging times:

- **Recognize achievement regularly.** Acknowledge top performers during team meetings and companywide announcements.
- **Conduct weekly check-ins.** Managers can hold recurring meetings with employees to listen to their concerns and offer support.
- **Provide flexibility.** Offer remote or hybrid work options and adjustable work hours to allow employees to balance family commitments and pursue personal interests.
- **Offer professional development.** Provide learning and development opportunities to grow employees’ skill sets and boost their confidence.
- **Promote work-life balance.** Implement physical and mental wellness programs to show empathy for employees’ well-being.

- **Build camaraderie.** Offer team-building activities that give employees something to look forward to and a sense of belonging.
- **Foster a culture of transparency.** Clearly communicate the rationale behind management decisions and let workers participate in the decision-making process.
- **Instill a sense of purpose.** Help workers understand how their efforts align with the organization’s objectives and positively impact the broader community.

Focus on Employee Engagement Today

As employee satisfaction dips, it’s vital to find innovative ways to help workers remain motivated and engaged. Employers who proactively create a supportive work environment and make meaningful improvements to the overall employee experience will likely benefit from a more engaged and productive workforce.



Contact us for more HR trends, industry insights and proactive strategies to maintain a competitive edge in today’s workplace.



The **Great Gloom** signifies a steady decline in employee happiness, primarily attributed to increased workloads, insufficient management support and compensation that fails to keep pace with rising costs.