

3 Financial Predictions to Help You **PREPARE** for 2024

Our world is constantly evolving. To keep up with the pace of change, it is crucial for HR leaders to stay abreast of emerging trends for employers and employees, especially as we start a new year.

Now past the turbulent COVID years, fraught with furloughs, layoffs, and the Great Resignation, the job market and workforce have changed considerably. What new employee expectations are being formed? What type of benefits packages will entice employees to start a new job or stay in their current one? And finally, how will the recent rise of generative AI impact employee hiring and onboarding?

Here, we'll share three key predictions for 2024 that will help you prepare for the many needs of a dynamic workforce in the coming year.

PREDICTION #1

Employee Expectations Continue to Evolve



After COVID, many employees reevaluated how and if they wanted to work, resulting in the Great Resignation. Those employees who didn't resign expect much more from their workplace than ever before. Gen Z especially prizes a workplace that aligns with their values and contributes to their overall well-being. In addition, they're looking to find a sense of belonging and have access to professional development and learning opportunities at work. According to an article from ADP, "As employees place more emphasis and priority on their mental, physical, and financial health, they will gravitate toward employers that create avenues for them to achieve their goals in those areas" (ADP, 2023).

In addition, a post-COVID world is also a remote-first world for many workers, allowing more room for hobbies, exercise, and time with family and friends. That flexibility has come to be expected and walking it back has been like pulling teeth for many employers in 2023. According to an article that appeared in *Forbes*, 78% of workers said they have a good work-life balance and most would not accept a new job if that would no longer be the case (van 't Noordende, 2023). Many employers are reticent to allow this increased flexibility because they fear losses in productivity. However, to retain talent and keep up with shifting expectations in 2024, it may be crucial to maintain a somewhat flexible workplace through hybrid working opportunities, increased time off, and more parental and family leave.

PREDICTION #2

Custom Benefits Become Commonplace



Increasingly, “benefits customization” is the word on everyone’s lips as employers explore ways to retain top talent in a competitive job market. In 2023, focus on employee retention was a huge priority, and that’s likely to continue into 2024. Employees are demanding more flexibility in all parts of their lives, driven in part by a younger workforce who came of age during the pandemic. According to a report by LIMRA and EY, by 2031, Millennials and Gen Z will make up 60% of the workforce (LIMRA and EY, 2023). Benefits plans that were designed to suit Baby Boomers and Gen Xers are quickly becoming obsolete.

Unsurprisingly, a benefits package that fits every need across generations seems to be an impossibility. In the same study, 6 out of 10 employers expect that their employees will demand a wider variety of benefit options—soon. Nearly a third of all employers surveyed indicated that meeting the needs of a multi-generational workforce is a key concern. The generational gap is clear, especially when it comes to balancing workers’ priorities. For example, Baby Boomers consider physical benefits (like health insurance) to be critical while Gen Zers place far greater importance on mental, professional, and societal wellness benefits. In fact, Gen Z considers mental health benefits to be “as important” as vision and “nearly as important” as dental and health benefits (LIMRA and EY, 2023).

These shifting priorities are a prime opportunity for employers to stay ahead of the curve, by exploring supplemental and other non-traditional benefit offerings, like student loan assistance, emergency savings plans, financial planning support, more time off, and reimbursements for gym memberships or mental health care. It’s almost certain that in the future, benefits will no longer be one size fits all but far more a la carte. This flexibility will allow your employees to pick and choose the coverage that best meets their needs and allow you to keep your employees happy and healthy for the long haul.

PREDICTION #3

AI Becomes Your Virtual Assistant



Though not “new,” generative AI took center stage in 2023 with the dawn of ChatGPT. For the first time in history, AI is a part of the everyday person’s every day. This trend will likely continue as humans find innovative ways to save time on monotonous and repetitive tasks through the use of AI. HR leaders are no exception. Early adopters of AI are already finding that it improves their workflow and gives them more time to focus on overall strategy.

HR professionals are burdened with countless administrative tasks. Two areas where AI may relieve some of that burden are by automating employee self-service portals and streamlining the recruiting and onboarding process.

Employees often need answers to simple questions like, “Where can I find information about my 401(k)?” or “Where can I view details about my health coverage?” Fielding these questions can be tedious and limit HR’s ability to focus on other strategic initiatives. In a report by Boston Consulting Group (BCG), chatbots powered by AI were able to help approve employee requests and improve response time by 40% (BCG, 2023). This is one potential area where AI could save valuable time and improve productivity for your HR team.

Generative AI refers to deep learning models that can produce a variety of outputs (images, text, audio) based on training data.

Recruiting and onboarding employees is also a significant administrative burden. Between reviewing resumes, interviewing, following up, and training new employees, hiring quality candidates takes a lot of time. Some employers are now leveraging AI during the recruiting process to stay connected with prospects in a personalized way, without exhausting their personnel resources. This has led to drastically improved engagement during recruiting. Employers are also leveraging AI in onboarding, improving efficiency by automating nearly 50% of the process (BCG, 2023).

Regulation around the use of AI is expected in 2024 to answer questions about data security and offer more clear guidelines on best practices for its use. But even as we wait for the regulation, now is the time to get comfortable using generative AI tools and see how your productivity is impacted. Not sure where to get started? Try talking to ChatGPT, writing your next email with Copy.ai, or exploring PeopleGPT to help you find your next candidate. When used effectively, AI has the potential to free HR professionals from administrative and tedious tasks and give them time to reinvest in broader company strategy.

CONCLUSION

Taken together, these trends can provide helpful direction for HR professionals and managers alike. Especially as Gen Z grows up and joins the workforce and America leaves behind pandemic-era fears and behaviors, it is essential to adapt and change to meet the needs of an evolving employee base.

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