

WORKPLACE TRENDS



In 2024, organizations will face a fresh set of hurdles as they strive to create a more productive, more engaged and healthier workforce. Layoffs in 2023 still cast a long shadow on employee morale, and with the focus on growth, and continued scrutiny on corporate cost structures, we're beginning to see new fractures appear in the workplace as employer and employee expectations drift further apart.

Understanding these challenges is vital to the success of every organization, and in this article, we'll delve into six trends we believe companies will need to pay attention to in 2024. And as you will see, many of the challenges are inter-connected.

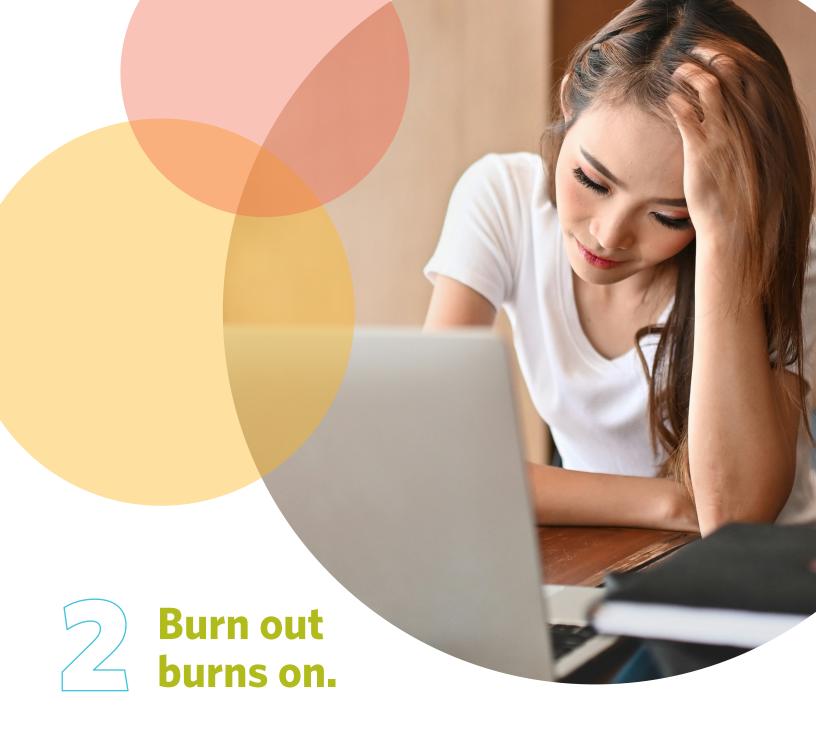
Return to the office. Or lose your job.

Over the past couple of years, companies and employees have become steadily more polarized on remote work. We predict the RTO battle will come to a head in 2024, as more organizations tell employees: "return to the workplace or risk losing your job."

However, while nine out of 10 CEOs say they will mandate a return to the office in 2024, their demands are increasingly more flexible, with only 19% defining it as being in the office five days a week according to a <u>recent</u> survey from ResumeBuilder.

There's a good reason for this. CEOs are reluctant to adopt a one-size-fits-all approach for fear of losing top talent. And the risk is real. According to the latest Flexjobs <u>survey</u>, 57% of remote employees say they will look for a new job if they can't continue working remotely, while <u>56%</u> of workers know someone who has or plans to quit their job over return-to-office mandates.





While stress and burn-out have been a priority for a number of years, employees are not seeing as much improvement as they'd like. In fact, it appears to be getting worse.

While 85% of business leaders said employee wellbeing is a major priority according to a Fiverr <u>survey</u>, 40% of employees said their company doesn't offer meaningful mental health and wellbeing benefits.

Gallup found that fewer than one in four employees say their company cares about their wellbeing – the lowest in nearly a decade. And according to Deloitte, roughly half of Gen Zs (52%) and millennials (49%) felt burned out in 2023, up from 46% and 45% respectively in 2022.

We're not surprised. So many companies are simply ticking the box when it comes to wellness and mental health. But it's not all bad news. We're seeing more and more organizations finally making real investments in wellbeing and providing an authentic holistic approach, including more flexible work opportunities, resources and support to prevent burnout.



Stuck in the Middle.



We've always seen managers as a crucial connector between executive leadership and employees. But during the second half of 2023, manager engagement plummeted according to <u>Gallup</u> as they had to implement often unpopular corporate policies and squeeze more from their already stretched teams, with two-thirds (78%) of managers saying they feel like their company doesn't care about their wellbeing. And over half (55%) actively seeking a new job.

We predict this will become a major risk for organizations in 2024, and one employers should take seriously. Not only do managers provide an essential function within organizations, they are also the most trusted voice for employees and have the potential to align employees to the organization's purpose and business goals.







Last year organizations increasingly recognized the advantages of AI. 2024 will be the year when we see expanded AI adoption in the workplace and AI as a priority for every organization.

Inevitably it will dramatically change the way we work. It will make accessing information easier and increase productivity as well as put a premium on human peer-to-peer interaction while freeing up workers to focus on more meaningful work. For a more detailed take, here's a link to our recent report on Generative AI.

But despite all the positives, employees are wary. And we're not surprised. Goldman Sachs <u>forecasts</u> Al will replace a quarter of work tasks in the U.S. and Europe, and impact 300 million jobs.

How companies navigate the implementation of AI in the workplace will be critical. Its enormous potential—and inherent risks—require thoughtful adoption with a human touch as well as the need to bridge the gap between existing and emerging skills. Organizations need to start a dialogue on the implications of AI – from guarding against reputational risk to upskilling and reskilling employees.

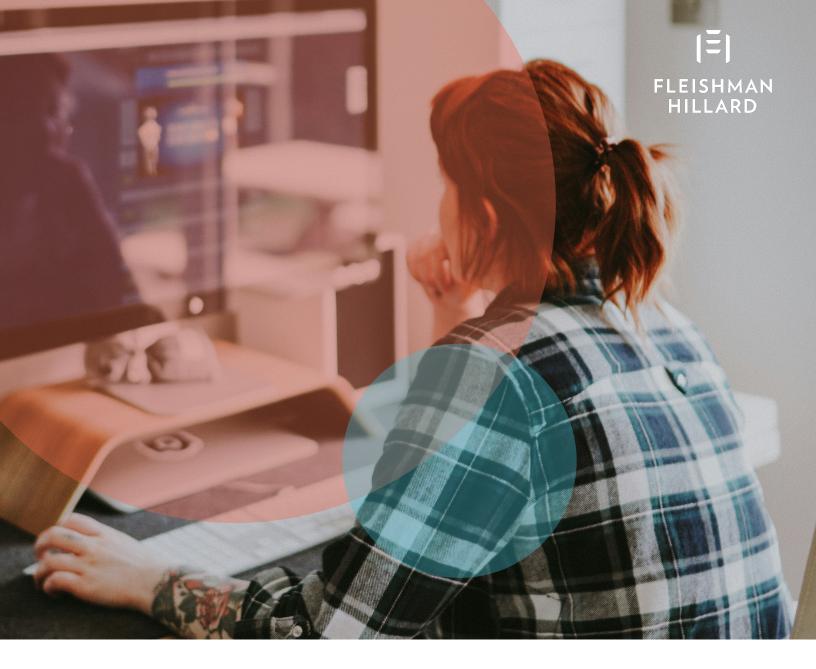




Gen Z is increasingly coming of age and poised to overtake Baby Boomers in the workforce by early 2024. Already representing just under a quarter of all employees, they are the most diverse demographic group of any generation – deeply committed to inclusion, having their voices heard, as well as demanding transparent and authentic leadership.

And despite their digital fluency – or probably because of it – Gen Z values human interaction. They want to work with colleagues in person, bringing a greater emphasis on collaboration and innovation.

It's a pivotal moment of culture change. One that organizations cannot ignore. Meeting Gen Z expectations will mean shorter working hours, more flexible working arrangements, more feedback, more meaningful work and creating an inclusive workplace culture.





Finally, on a more positive note, four-day weeks have been mooted for years, but 2024 may be the year they become a reality.

According to <u>ResumeBuilder</u>, over 20% of U.S. companies have already fully embraced the idea, while others (41%) are taking a more tentative approach offering half-day Fridays or every other Friday off.

What's driving this? Partly it's the struggle to attract and retain talent. Partly the need to provide more equity for front-line workers whose jobs require them to be on-site.

But most importantly, studies from <u>Gallup</u>, <u>Glassdoor</u> and a pilot conducted by <u>Cambridge University</u> and the UK think-tank Autonomy, show a four-day workweek not only boosts efficiency and productivity, but also improves employee wellbeing and reduces burn-out.



At FleishmanHillard, we see these challenges as interconnected. Many of the companies we work with are fundamentally adjusting outdated workplace policies so that they meet employee expectations. They're creating opportunities for a more authentic dialogue between employers and employees. A more inclusive workplace culture. And a workplace where employee and company values, purpose and business priorities are aligned.

