

# The Top Ten HR Trends That Matter Most In 2024

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Rapid use of Generative AI, the emergence of a new blended workforce of humans and digital workers, and increasing employee fear of being obsolete (FOBO), together prove what Intel co-founder Gordon Moore (and the author of Moore's Law) said, at any given point in time, "change has never been this fast and will never be this slow ever again."

Resiliency, agility, and adopting a "test and learn approach" will mark the winning strategies for 2024.

As I have done in in 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, here is my countdown of what you should include on your HR roadmap for 2024.

## 1. Generative AI Will Be Your New Work Buddy

In 2024, Generative AI will shake up how we think about what work we do and what we delegate to our new "work buddy." This will be the year of specialized AI powered assistants

working side by side with humans. Teachers will get a copilot for homework grading, such as Class Companion. Architects will get an AI assistant for design, SketchPro, and online learners studying at Kahn Academy will be able to access KahnMigo to aid in brainstorming helping them to become better writers and learners while decreasing a teacher's administrative workload.

Walmart launched one of the largest AI powered work buddies, called My Assistant, an AI powered app to help Walmart's 50,000 corporate employees be more productive in summarizing long documents, creating new content, and taking over routine tasks that humans did in the past. Microsoft's Co-Pilot, soon to launch, will integrate generative AI into Microsoft 365, allowing workers to perform at a much higher level. Jared Spataro, Microsoft Corporate Vice President, believes Microsoft Co-Pilot will transform meetings from a point in time and place to a knowledge object. This means employees working with Microsoft Co-Pilot will not only be able to create a summary of the meeting, but also use Co-Pilot to query the group's sentiment on the meeting topic, the dissenting opinions, who the key dissenters were, and the agreed-to next steps. While these AI powered work buddies can boost efficiency and performance, it will be up to humans to have a strategy to capitalize on their potential.

## 2. Generative AI Will Impact How Managers Lead

Generative AI has evolved to one of the fastest adopted technologies, with nearly 200 million users of ChatGPT since it launched on November 30, 2022. Business and HR leaders are struggling with how to keep pace with rapid adoption in the workplace. The impact on managers is not simply in training employees on how to use Generative AI, but also in helping managers lead teams of humans and digital workers. Morgan Stanley estimates Generative AI technologies will likely affect a quarter of all occupations that exist today, and this will rise to 44% within three years. To address this, companies and education providers need to provide training on how to use Generative AI. Within the next three years, this will translate into a \$16 billion market for re-skilling workers displaced by Generative AI.

As Generative AI becomes increasingly adept at problem solving, it will be up to managers to get better at problem finding. Managers will be working side-by-side with their human and digital teams to foster a culture of continuous learning while leaning into their uniquely human skills, such as relationship building, communications, and collaboration. One thing is certain: Generative AI will drive organizational change, impact workflows, automate some jobs, and create new ones. But it will always be humans augmented by machines that will create innovation.

## 3. The Fear of Obsolescence Will Force Companies to Increase Spending in Career Development & Mobility

While employers see the promise of increased productivity using Generative AI, a recent survey by EY reports that 75% of employees are concerned AI will make certain jobs obsolete, and two-thirds say they fear AI will replace their job. This fear of being obsolete is causing employees to seek out training in using Generative AI and acquiring new skills to better deal with their fears. PwC announced a \$1 billion investment in training its workers on AI with courses on topics such as the ethics of AI, responsible use of AI, and how to create AI prompts

to generate the best results. Their goal is to engage 75,000 U.S. PwC employees to both enroll and complete these courses.

In addition to training employees on how to use Generative AI, there is an explosion of new internal talent marketplaces as companies continue to find it difficult to successfully recruit external talent. Internal talent marketplaces have become the de facto way companies connect employees with internal career opportunities and resources to grow in their careers. For example, Grow at Key is KeyBank's AI powered employee-led, and manager supported talent platform to support internal talent mobility. Launched with the vision that every employee can be the CEO of her own career, Grow at Key provides a range of resources, from matching employees to new job roles to accessing mentoring, coaching, and stretch assignments. To date, there has been a 60% increase in employees engaging in training programs and one in three KeyBank employees have enrolled in an Investing in My Development session to prepare them for understanding how to better manage their careers.

#### 4. Hybrid Work Environments Are Good for Business

Companies need to stop debating the merits of hybrid work and realize this is the new way of working for many knowledge workers as we enter 2024. An ADP survey of 32,000 workers reports that 64% of workers would consider quitting if asked to return to the office full time. Recent research shows companies that allow choice and a remote first/hybrid work environment have revenue growth four times faster than their peers who are more stringent about office attendance. This research conducted by Boston Consulting Group and Scoop Technologies Inc. among 554 public companies employing 26.7 million people, found that "fully flexible" firms — which are either completely remote or allow employees to choose when they come to an office — increased sales 21% between 2020 and 2022, on an industry-adjusted basis. The better growth rates for more remote-friendly companies reflects their ability to hire faster and from a wider geographic area, along with higher rates of employee retention.

As hybrid work becomes the norm, leaders must have a plan to combat proximity bias, or the phenomenon of favoring in-person workers for career development, mentoring, and stretch assignments at the expense of those who work remotely. Hybrid work environments "work" when leaders ensure they are equitable for all and grant autonomy for individual leaders to determine when and where work happens, rather than follow a CEO mandate. Leaders must remember presence in the office does not equate to performance, so they need to shift from "managing by walking around," to "managing by connecting across geographies."

#### 5. The Workforce Is a Blend of Full-time Employees, Part-Timers, Contingent Workers, and Digital Workers

Remember when the blended workforce was simply a distinction between full-time workers and part-time workers. Today's work now gets accomplished by a blend of full-time workers, part-timers, teams of contractors, contingent workers, and digital workers, the later designed to augment some tasks of human labor. In fact, Statista reports a growth in all sectors except full-time workers, with part-timers (growing from 20 million in 1990 to 26 million in 2022) and contingent workers forecast to be half of the US workforce by 2027.

This blended workforce is not a new concept; it's been around for decades. What's different now is that a greater percentage of key jobs are performed by contingent workers. Overall, we are starting to see upwards of 30% to 50% of a global organization's total workforce composed of contingent workers. MIT Sloan Management Review reported that the Novartis workforce includes 110,000 full time employees plus 50,000 contractors and temporary workers. Cisco has 83,000 full time employees and 50,000 plus contingent workers of various types. This new workforce ecosystem requires a new set of management practices, and leadership approaches, especially as 81% of companies in a recent HBR Analytical Services survey report that contingent workers are important to their organization, but only 38% say that their organization is effective at managing them.

Leaders will need to acknowledge they will have more types of contributors—human and digital, full time, part time and contingent—that must seamlessly work together. What is needed is a total workforce strategy where HR plays a central role in coordinating all the cross-functional disciplines that hire internal and external workers.

#### 6. The Four Day Work Week is Desired by Both Front-line and Knowledge Workers

Many of the assumptions we have about how we work, when we work, the needs of our workers, the demographics of the workforce, and where we work have been changed forever. One of the major changes, as we move into 2024, is our assumptions about a five-day work week. All workers, including both frontline and knowledge workers, want flexibility in when they work. Research conducted among 1,301 workers found 41% of both front-line workers and knowledge workers want flexibility in when they work, and 56% of front-line workers and 69% of knowledge workers want the ability to opt for a 4-day work week with no pay reduction.

As I wrote in my Forbes column, the UK four-day work week pilot was conducted among 61 companies and found 56% intend to continue trying the four-day week citing benefits of increased productivity and decreased employee attrition. These UK companies adopted the 80-100-100 model of flexible working: a drop in hours to 80% of their standard work week, while retaining 100% pay and 100% productivity.

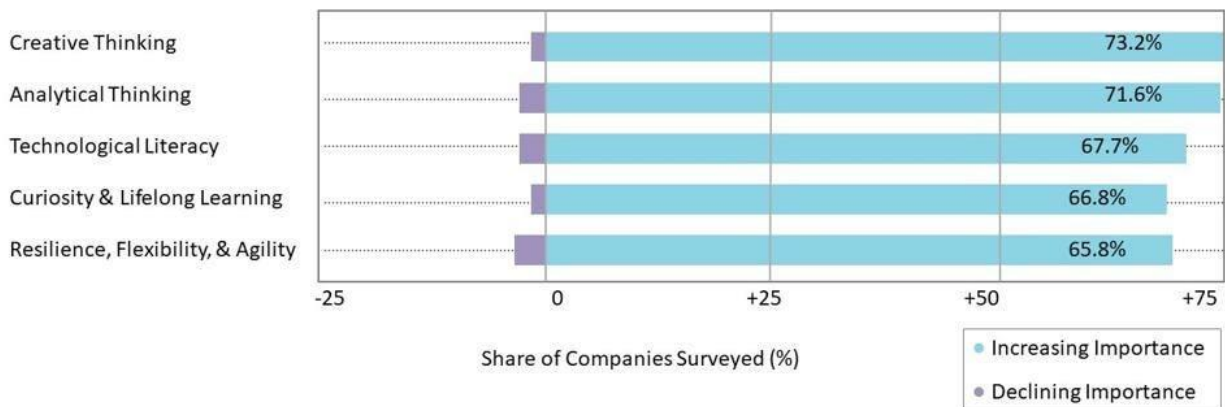
Experiments on a shortened work week are also occurring in the US. For example, several Chick-Fil-A stores are allowing front-line workers the opportunity to work 13 hour shifts for three consecutive days with full pay. The results so far have been increased retention while maintaining customer service efficiencies.

However, it's important to remember the three- or four-day work week is not a one size fits all solution. Companies should adopt a "test and learn approach," focusing on the type and magnitude of changes required to allow for a shortened work week, the level of employee and manager training needed, and the type of well-being support required for new ways of working.

#### 7. Cognitive Skills Will Increase in Importance as Generative AI Gains Traction

The World Economic Forum estimates that 44% of a workers' core skills are expected to change in the next five years. While there are endless lists of the most important skills for the future, World Economic Forum identifies five core skills that will increase in importance in the next five years. This are shown in Figure 1 as:

Figure 1: Top Five Skills Gaining in Importance For Future of Work



Source: Future of Jobs Report 2023, World Economic Forum

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Cognitive skills are growing in importance, reflecting the increased demand for creative and analytical thinking in the age of AI. This combined with technological literacy, the third fastest growing skill along with the skills of resilience, flexibility, curiosity, and lifelong learning are evidence that leaders will continue to emphasize a culture of lifelong learning. As Generative AI gains traction, one skill I see that is foundational to all of them is the ability to be digitally curious, meaning seeking out and using new and emerging digital technologies to enhance one’s cognitive skills. I think about the past few years where some of the new technologies I have used include Mural, an online visual collaborative tool, StreamYard, a live streaming studio, and ChatGPT 4.0 and Pictory, to create a new video entitled, Flexible Work for All. This is the start of building my digital curiosity muscle, trying out these platforms and seeing what they might mean for enhancing my work.

### 8. Holistic Financial Well-being Is The Must Have Benefit for 2024

Financial well-being among workers is eroding. LendingClub reports 61% of American workers live paycheck to paycheck and lack a core set of financial literacy skills, and over half of workers earning \$100,000 are living paycheck to paycheck.

Unifi, a leader in aviation services with more than 23,000 employees, became aware of this two years ago and created a new offering for frontline workers to access their earned wages on-demand. Since then, this has grown beyond early access to wages to a holistic financial well-being offering with almost 20% frontline workforce enrolled and taking advantage of free services including anonymous financial coaching and customizable saving plans. Dr. Archana

Arcot, Chief People Officer at Unifi, believes that, “the major driver of this program is to relieve an employee’s financial stress and make financial wellness part of their everyday life.”

MetLife reports nearly half of workers surveyed cited financial concerns as the cause of poorer mental health. To address this, Unifi adopted a Goal Based Savings program which resulted in the company moving to the top 1% with a total amount saved of \$10,000+ YTD, as reported by Payactiv. By offering holistic financial well-being programs, companies like Unifi can not only enhance their employee experience but build financial wellness into their employer value proposition and be better able to attract talent in a tight labor market.

#### 9. The Sexy C-Suite Job For 2024 Is Chief Artificial Intelligence Officer

While we have seen a myriad of new C-suite job roles in the past decade—from Chief Medical Officer to Chief Ethics Officer—the Chief Artificial Intelligence Officer is coming at a time when organizations are looking for guidance with how to create guidelines and policies for safe and ethical use of generative AI in the workplace. LinkedIn reports 44% globally and 57% in the U.S. say their organizations don’t have policy guidelines or training for how to use these new tools at work.

Organizations are starting to appoint a new C-suite player to lead this effort. Research from Foundry, an IDG company, finds 11% of mid-size to large organizations already have an individual with the role of Chief Artificial Intelligence Officer and another 21% of organizations are actively seeking such a person for this role. This role is growing in importance as business leaders develop an AI strategy, create governance practices, and engage cross functional leaders in safe, ethical, and responsible use of generative AI.

A new Wavestone survey of Data and AI leaders found 61.7% report the responsibility for Generative AI is currently part of the Chief Data Officer (CDO) remit. But a growing number of organizations are creating a new role, the Chief Artificial Intelligence Officer (CAIO) to oversee AI developments for their organization. “This will be very much a focus during 2024,” says Randy Bean, Innovation Fellow at Wavestone.

#### 10. An Organization’s Sustainability Record Will Attract and Retain Talent

As the talent marketplace continues to be competitive, climate change and sustainability has become one of the defining challenges for current and future generations. A growing number of publicly traded companies, such as Alphabet, Apple, Cisco, and PayPal, have created sustainability annual reports with Alphabet committing its entire \$5.57B Sustainability Bond to support environmentally and socially responsible projects such as clean energy, clean transportation, and circular economy design.

A company’s sustainability record is proving to make a difference in talent acquisition and retention. Research by IBM Institute for Business Value, found 70% of workers and those in the job market, are drawn to environmentally sustainable employers. And almost half of these workers said they would take a lower salary to work for environmentally and socially responsible organizations. Gartner predicts employers will respond by promoting climate change protections, such as offering employees shelter during natural disasters, as part of employee benefit offerings.

In addition, a growing number of universities are building ambitious goals to integrate sustainability into their curriculum, campus operations, and endowment. The University of Toronto, placing first out of 1,400 universities in environmental and social impact, is making headway to de-carbonize its campus by 2050, developing new energy efficient student centers, and committing to climate responsible construction.

The Global Business School Network, a network of 150 global business schools in 50 countries, has several new initiatives for universities to share sustainability “next practices.” While companies and universities are each addressing sustainability, I see the need for greater collaboration among them, as both employees and students weigh the environmental impact of their employer and university. Sustainability is both a business and educational issue requiring joint corporate and university solutions.

What’s important to you as you reflect on your 2024 HR Playbook?