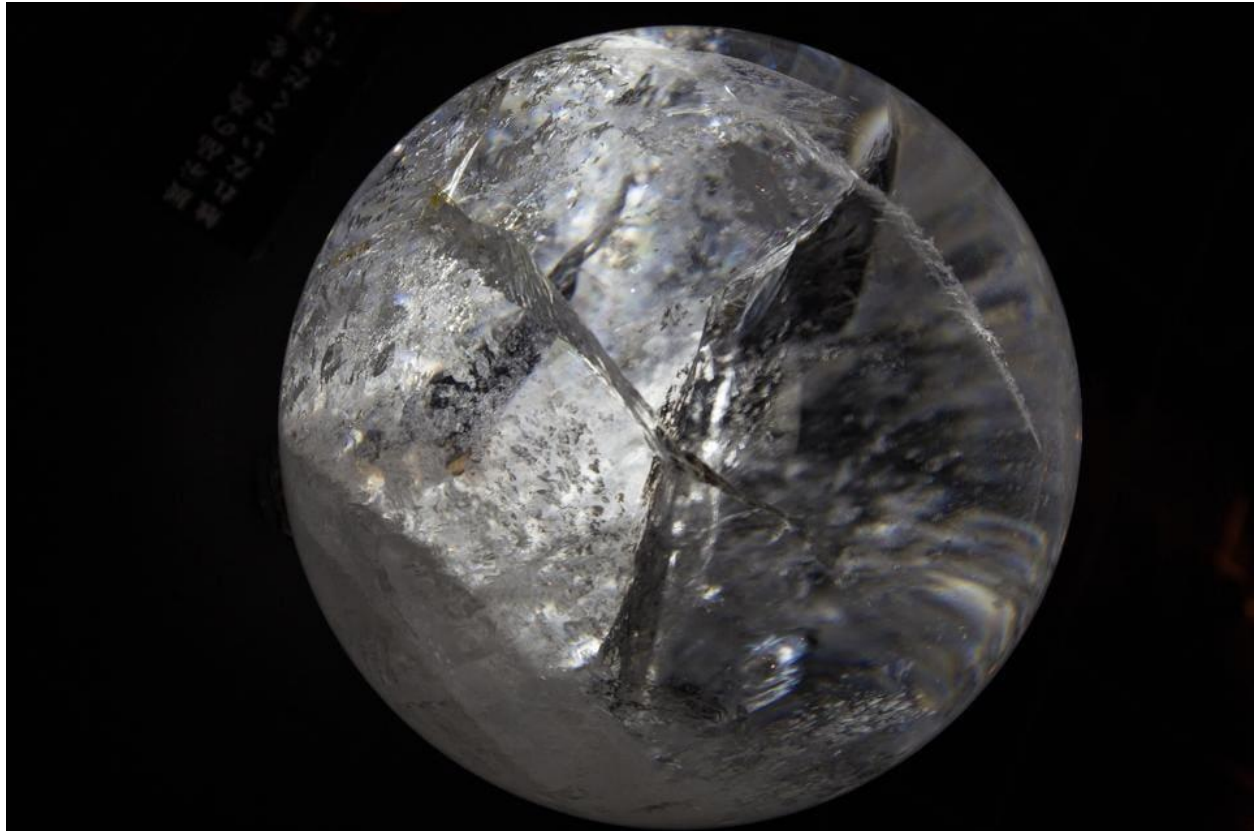


# From AI To Workplace Polarization: Top HR Trends Predicted For 2025

Forbes | Solange Charas | November 24, 2024



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As the year winds down, HR leaders, consultants, and analysts are once again gazing into the proverbial crystal ball, attempting to chart the trends that will define the workplace in 2025. With rapid technological advances, economic uncertainty, and shifting societal dynamics, the coming year promises to be both a challenge and an opportunity for organizations ready to adapt.

In this column, my partner in thought-leadership — Stela Lupushor — and I examine six critical trends poised to reshape human capital management in 2025. These predictions are rooted in the challenges and successes of the past year, offering insights for HR professionals seeking to navigate an evolving workplace landscape.

## **1. Transparency vs. Opacity: A Tale of Two Cultures**

Prediction: Companies will increasingly polarize into two distinct camps: "dark" organizations that use the anticipated deregulation to minimize disclosure and accountability, particularly around human capital programs; and "light" organizations that embrace transparency and strengthen their human-capital centric programs. This bifurcation will go beyond reporting practices to fundamental differences in how organizations view their role in society, their relationship with employees, and their approach to value creation. We have begun to see this with organizations with a specific customer base (of predominantly white males) eschewing ESG, DEI, and climate initiatives. We predict this polarization will accelerate in 2025. Even with new regulations going into effect in 2025, we don't know how many of these will be in place by the end of the year.

Impact: Organizations prioritizing governance rigor, clear reporting, and employee empowerment ("light" organizations) are better positioned to attract and retain top talent and purpose-driven customers. Conversely, "dark" organizations may achieve short-term cost advantages but will face increasing challenges in diverse talent attraction and retention, especially among non-white male, female, and younger workers. This distinction won't end at talent as we believe that consumers will weigh in with their dollars – patronizing organizations that reflect their beliefs and demographic.

Action for Leaders: Build governance frameworks that link transparency to value creation. Show how human capital investments drive both profits and sustainable growth, ensuring alignment with stakeholder expectations. Create cultures that diverse and open-minded talent want to be in.

## **2. The Talent Crisis Deepens: Immigration and Workforce Gaps**

Prediction: Restrictive immigration policies, as well as the deportation of 20 million people (of which 11 million are workers paying more than \$96.7 Billion in taxes) will create severe talent shortages in tech, healthcare, and specialized industries (as well as a greater shortfall for the social security system). We anticipate that the government will restrict student visas as well, creating a "brain-drain" as was the unintended consequence when the Patriot Act was passed in 2001.

Impact: In a tough labor market, where there are more jobs than people, and relatively low unemployment rates, as we are currently experiencing, restrictive immigration policies and deportation of workers will increase the overall cost of labor (more dollars chasing fewer employees), increase operational costs associated with managing human capital, dampen innovation because of less diversity in the workforce, and put pressure on existing workers having to work harder to keep up with the workload. In addition, there will be more need for overtime, which at first blush seems good for workers (especially if there is no taxation on overtime pay), however, Project 2025 calls for policies that make it harder for employees to qualify for overtime, so net-net, employees will actually experience higher taxes, and lowered protections.

Action for Leaders: Develop robust internal talent pipelines and invest in upskilling initiatives. Accelerate AI adoption to redesign roles and optimize productivity to respond to the Gallup finding that 67% of employees are not enabled by their organization to use AI to augment their productivity. Support employees in leveraging AI as a collaborative tool.

### **3. Private Sector as a Safety Net: Filling the Governmental Void**

Prediction: As called for in Project 2025 and other anticipated efficiency efforts, many governmental agencies and programs (like EEO, OSHA, NLRB, FTC, etc.) that are designed to protect workers and consumers alike will either be eliminated, curtailed, merged into other agencies, and/or stripped of their enforcement capabilities. This will leave workers and consumers unprotected. As with similar past situations (i.e., Trump's last term), leading companies will step in to fill gaps left by reduced government oversight and social programs.

Impact: This may accelerate the trend toward more paternalistic organizational models, where companies take on greater responsibility for employee wellbeing beyond traditional employment benefits and perquisites. Companies that rise to the occasion will gain a competitive edge in attracting and retaining talent. Employees are increasingly drawn to workplaces that prioritize their well-being beyond compliance.

Action for Leaders: Strengthen employee resource groups (ERGs) and expand benefits to include advocacy and legal services. Align these initiatives with business strategies, positioning your organization as a leader in corporate responsibility.

### **4. The Agentic Workplace: AI as a True Collaborator**

Prediction: Work is transforming as AI moves from a "tool" to "collaborator", creating an "agentic workplace" defined as an environment where human workers actively collaborate with, delegate to, and orchestrate work alongside digital agents (AI systems that handle cognitive tasks) and robotic agents (physical automation systems) to create value through their complementary capabilities. This will require orchestration across human-digital-robotic workflows and new frameworks for managing hybrid teams, as AI agents increasingly take on autonomous decision-making roles.

Impact: Companies leveraging AI as a partner will drive productivity and efficiency but must navigate ethical challenges and governance issues to maintain workforce trust.

Action for Leaders: Invest in HR upskilling around AI governance and ethical frameworks. Redesign job architectures to balance human-AI collaboration. Build systems to overcome obstacles, inventory and monitor AI's role in decision-making processes.

### **5. Workforce Polarization: Managing Cultural Tensions**

Prediction: As societal divisions spill into the workplace, cultural polarization is becoming a pressing challenge. Tensions around DEI initiatives and political discourse are creating complexities for employee relations, with some stakeholders pushing for acceleration while

others advocate for scaling back. This tension will be amplified by political discourse, social media, and potential policy changes that could affect corporate DEI and ESG programs.

Impact: Without proactive management, these tensions can disrupt collaboration, increase discrimination claims, and harm team dynamics. Companies must navigate competing stakeholder demands while maintaining productive work environments. ERGs may face new challenges in their role and mandate. Companies will need to navigate competing expectations from different stakeholder groups - employees, customers, investors, and regulators - while maintaining productive work environments. Diversity as a measure will be less emphasized, with representation taking a more prominent position. Representation in this context is the degree to which the employee population represents the labor and customer demographic.

Action for Leaders: Develop inclusive policies that balance business goals with employee needs. Train managers in conflict resolution and create safe channels for employees to voice concerns. Strengthen internal communications to foster a cohesive culture.

## **6. From Gig to Corporate: Workforce Migration in a New Era**

Prediction: Economic pressures and changes to healthcare access may drive gig workers back to traditional employment arrangements. This shift presents opportunities for organizations to tap into a pool of experienced, self-motivated talent.

Impact: While this trend offers access to skilled workers, companies must adapt to their expectations for flexibility and autonomy. This could bring another wave of return to distributed / hybrid / remote work, and create more policy chaos for organizations.

Action for Leaders: Enhance benefits packages and create internal gig marketplaces that mimic the flexibility gig workers expect. Adjust recruitment strategies to attract this evolving workforce segment.

Conclusion: Leading with Purpose in Uncertain Times

The role of HR is becoming more critical than ever. The trends shaping 2025—ranging from AI integration to workforce polarization—demand leadership that balances compliance with innovation, and data-driven strategies with human-centered approaches.

Organizations that embrace transparency, invest in their workforce, and adapt to emerging challenges will not only survive but thrive in the face of change. By focusing on people as the driving force behind profits, businesses can create a more sustainable and inclusive future.

As we enter 2025, the key to success lies in maintaining focus on what matters most: building trust, fostering engagement, and creating value for all stakeholders. The future of work is not just about predicting trends—it's about shaping them.