

2024

Workforce Trends Report



LHH

► Are we in sync in the workplace?

As the American workforce continues its rapid evolution, both employers and employees recognize the importance of adapting to thrive. Need proof? Look no further than the acceptance and adoption of trends like AI/machine learning and flexible work arrangements.

For our 2024 Workforce Trends Report, we surveyed 1,500+ employers and 500+ employees/job seekers in the U.S. on topics ranging from compensation and culture to AI and DEI. Then, we analyzed their responses to see where employers and employees agree, where there are gaps in alignment, and how wide those gaps really are.



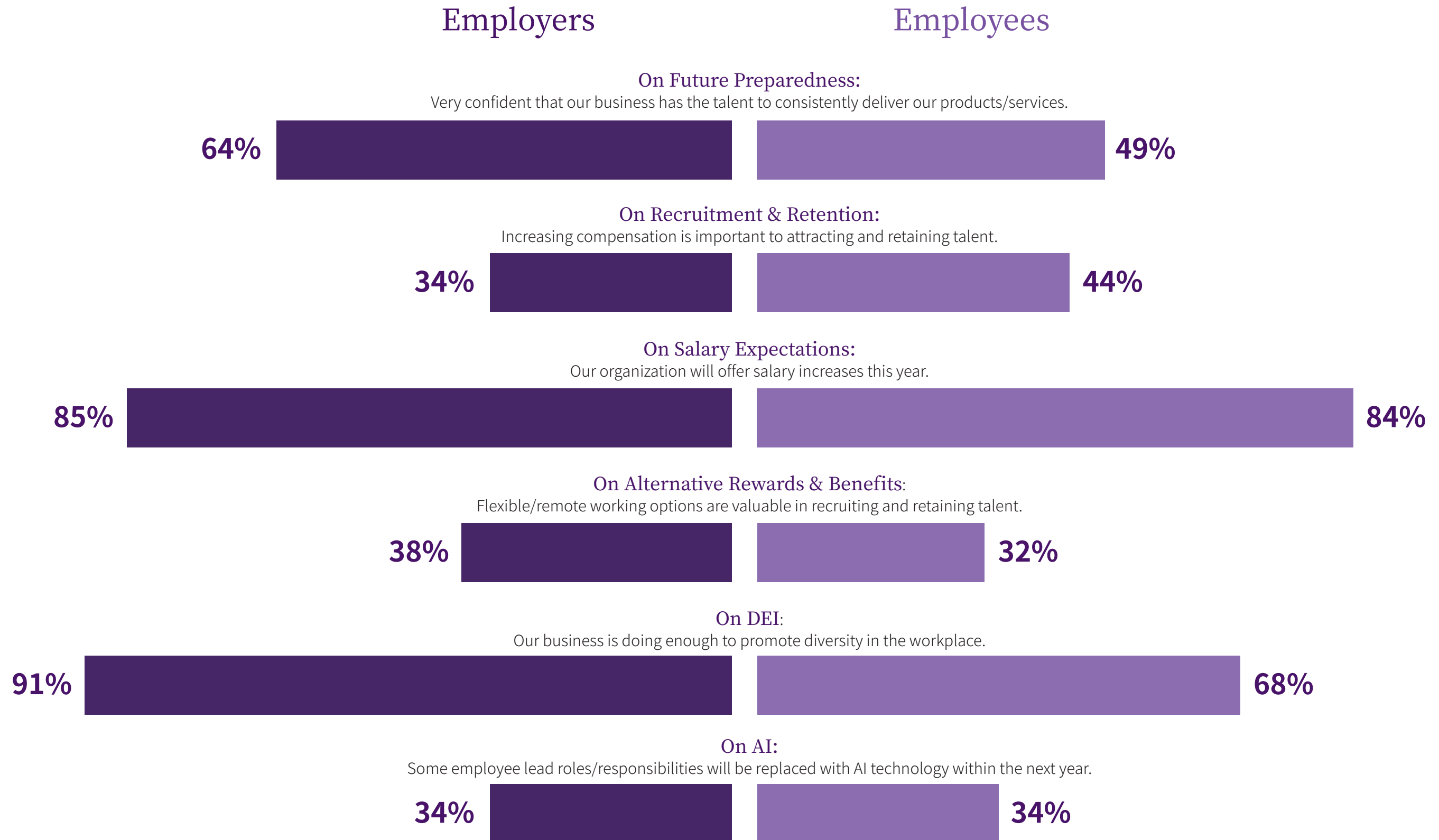
► One topic both employers and employees agree on is that it is still a good time to be a job seeker.

63% of employees and job seekers surveyed are likely to consider taking another job opportunity in the next year (36% are extremely likely to do this) and with good reason—85% of employers expect departments within their organizations to expand in the next year. This is likely to lead to some retention issues, so it is critical for employers to close the gaps between what they think is important to employees and job seekers and what really is.

With that said, this report will provide you with insights to better align your talent engagement strategies with your employees and prospective hires in the coming year and beyond.



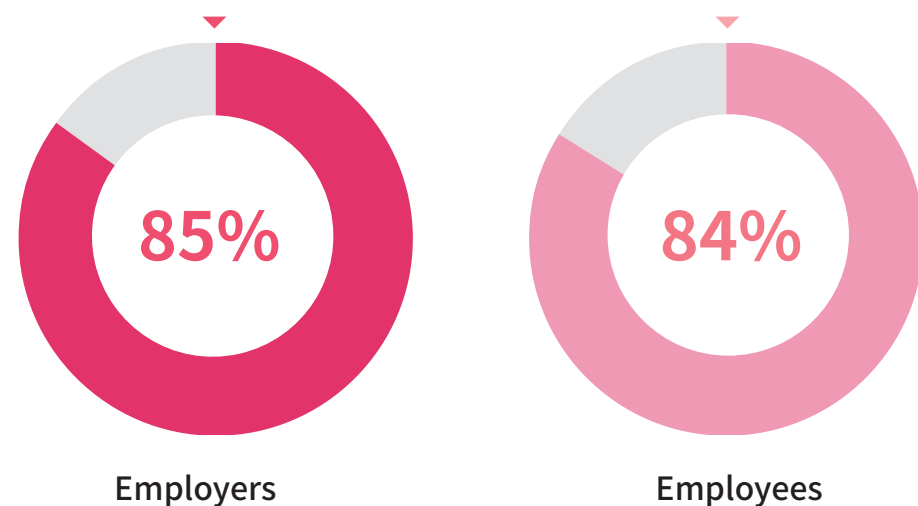
► How aligned are employers and employees?



► Compensation + expectations are aligned.

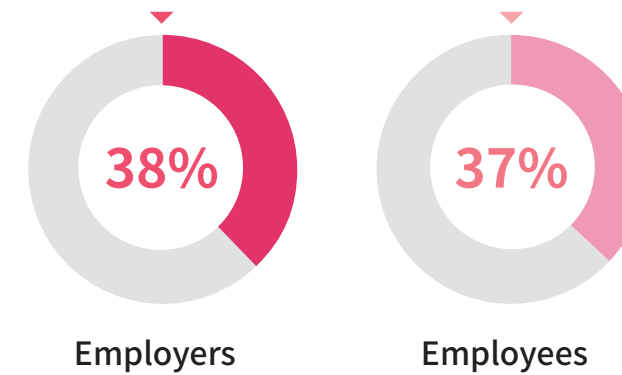
Data shows that U.S. employers plan to increase salaries in 2024, so it's no surprise that employers (85%) and employees (84%) are aligned in their belief that salaries will increase in the coming year. Additionally, both employers (84%) and employees (80%) seem to be in agreement about bonuses being offered in 2024. Even as we break down the reasons for these increases, we can see that both groups are fairly in sync.

Our organization will offer salary increases this year.

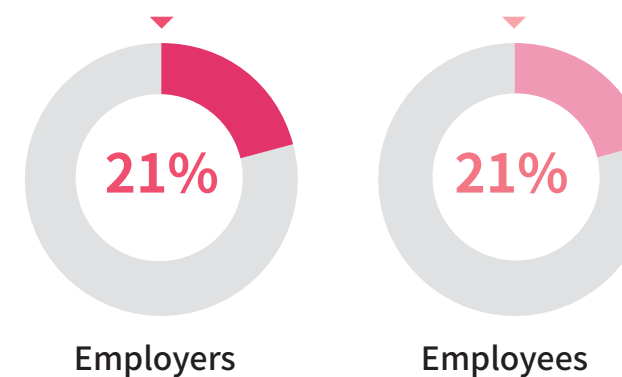


Why will our organization offer salary increases this year?

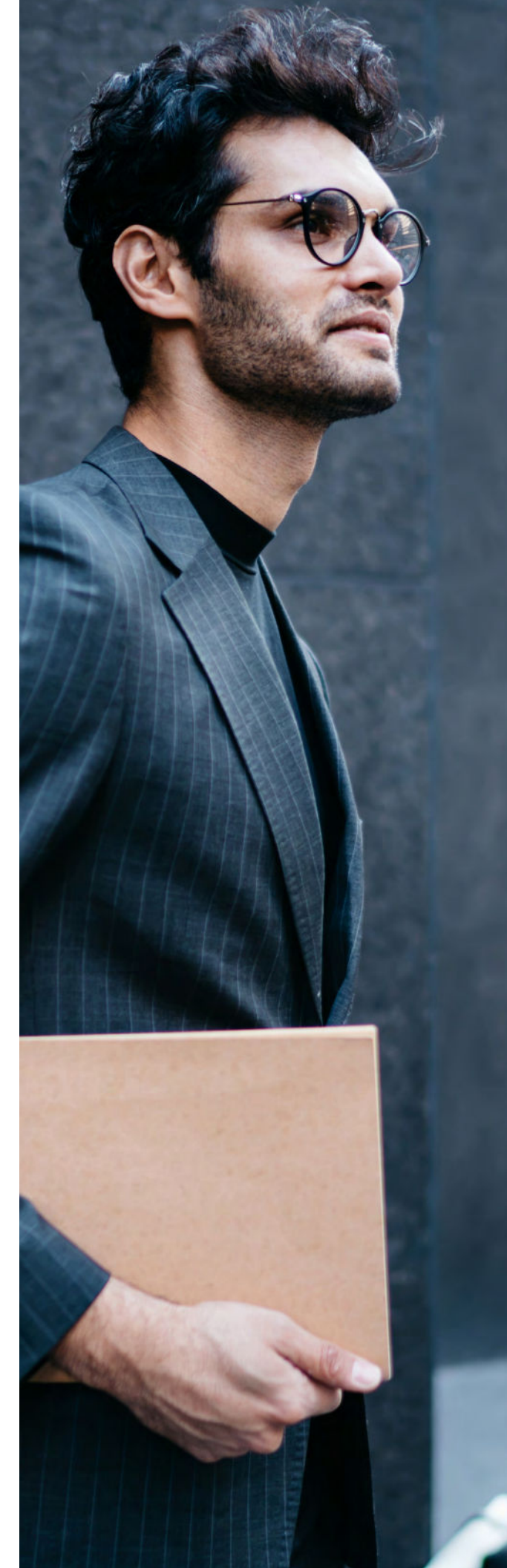
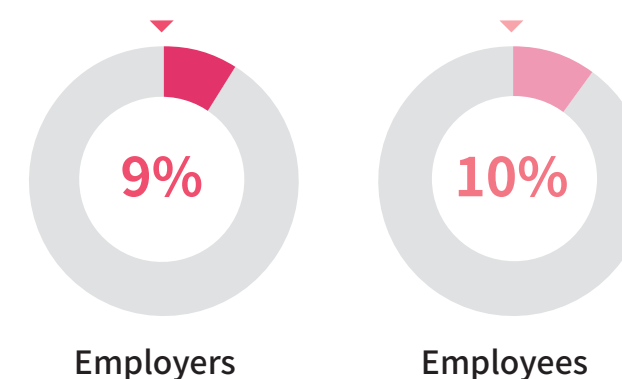
Based on individual performance



Based on company performance

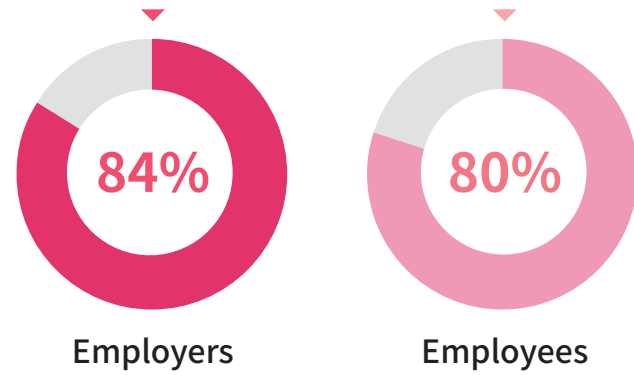


Based on team/business unit performance

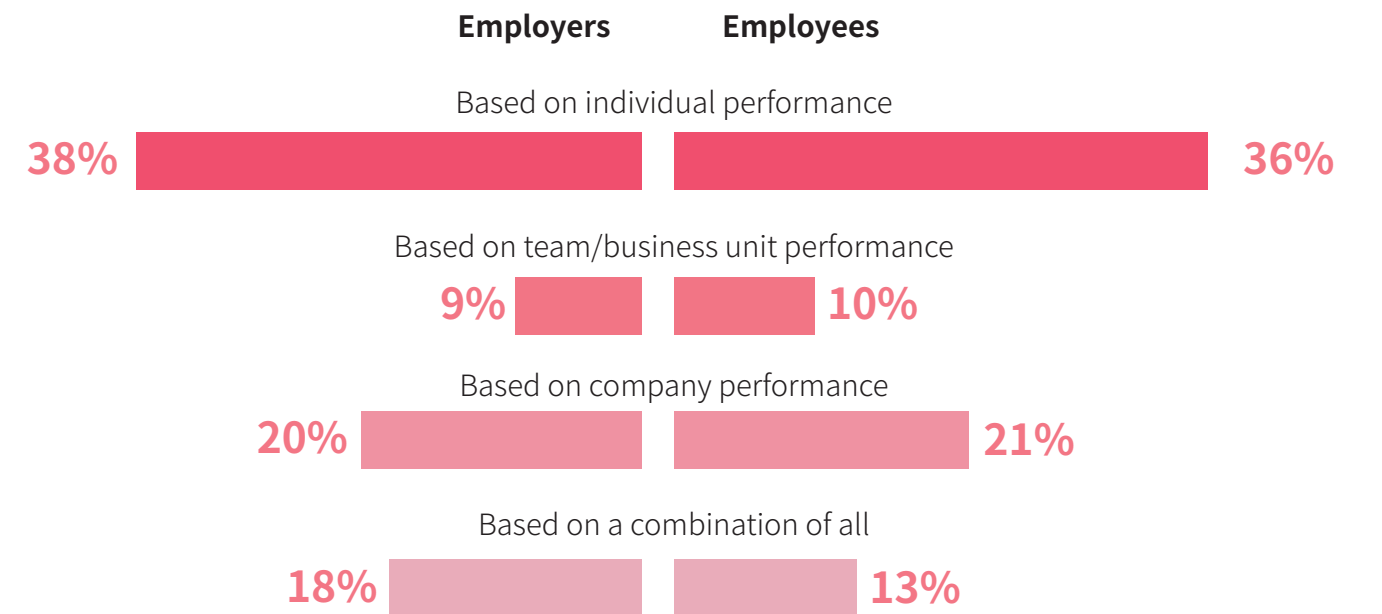


► Alignment on bonuses

Our organization will offer bonuses this year.

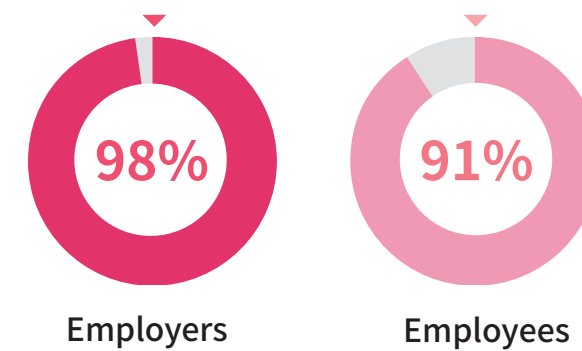


Why will our organization offer bonuses this year?



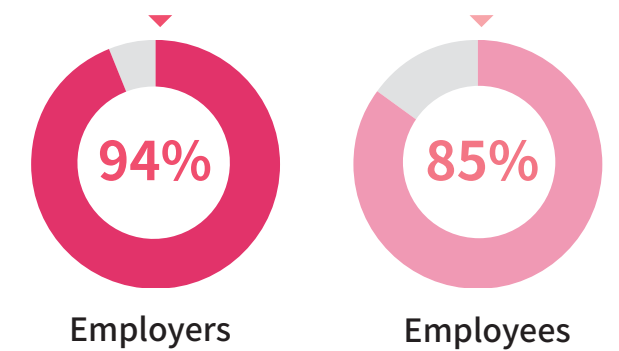
Bonuses seem more likely for employees of larger companies (250-500 employees).

Our organization will offer bonuses this year.



Salary increases could be a nice surprise for 1 in 10 supply chain & logistics employees.

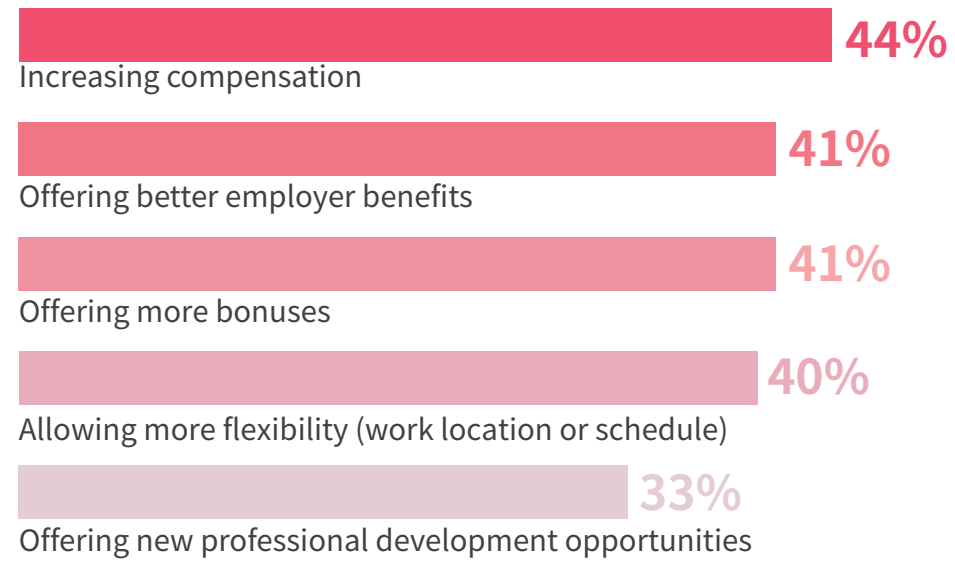
Our organization will offer salary increases this year.



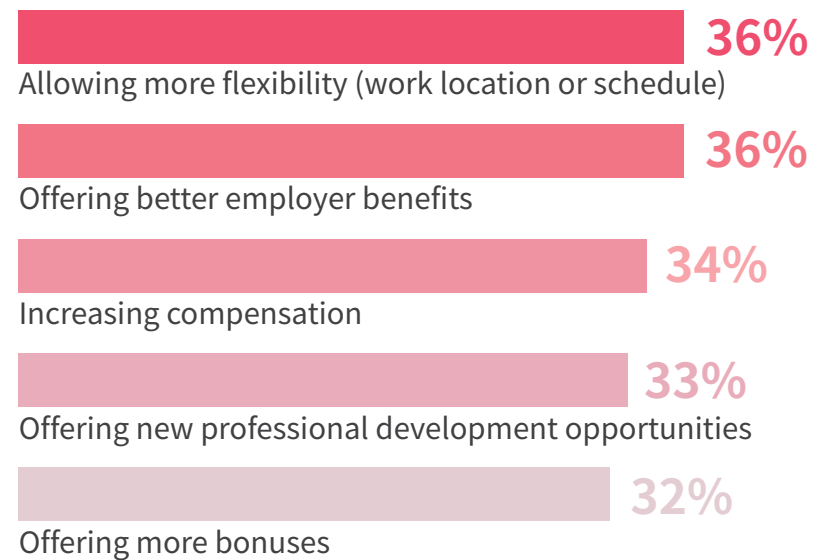
Competing for talent means compensating talent.

How important are salaries and bonuses when it comes to hiring and retaining employees? It depends on who you ask. This is one area where employers and employees could be a little more in sync.

Employees, what steps would you want a company to take to attract and retain you?



Employers, what steps is your company taking to more confidently attract and retain talent?

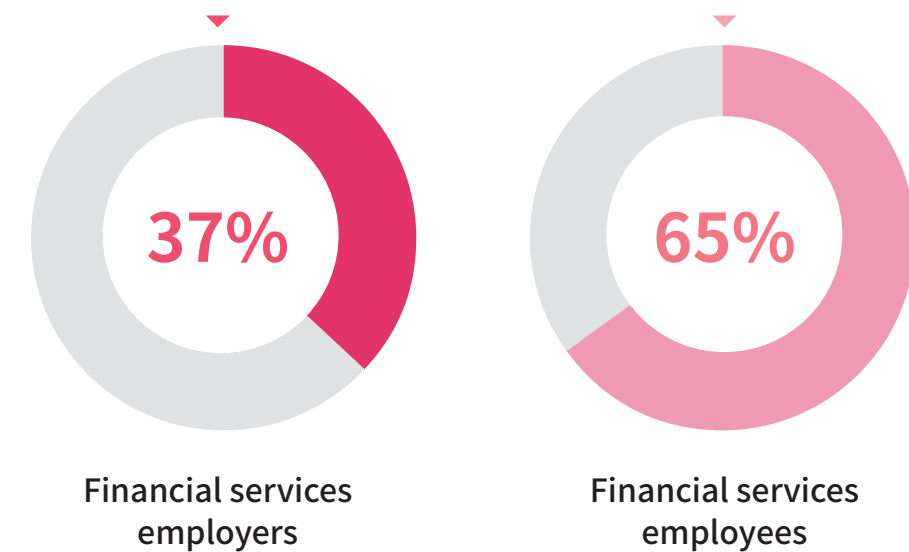


Finances are important to finance talent.

A deeper dive into the responses show that the battle for top accounting and finance talent will be won or lost over their salary and bonus offers.

First of all, organizations recognize the importance of accounting and finance talent: 36% of employers said that these roles were essential to the health of their organizations, while 69% said that it will be challenging to attract and retain this talent over the next year. However, accounting and finance hiring managers may want to pay closer attention to what's important to these professionals.

Increased compensation is critical to talent attraction and retention.



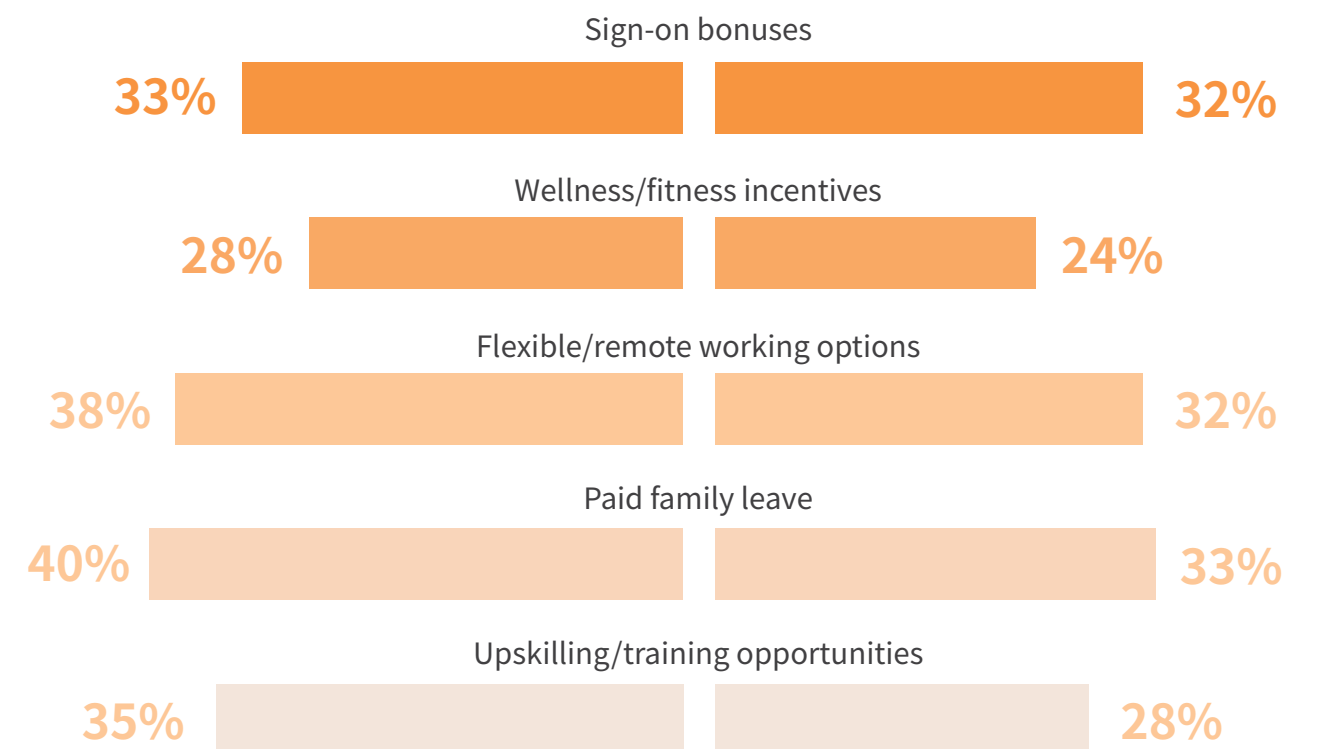


► What makes a job more attractive? Employers and employees are mostly in agreement.

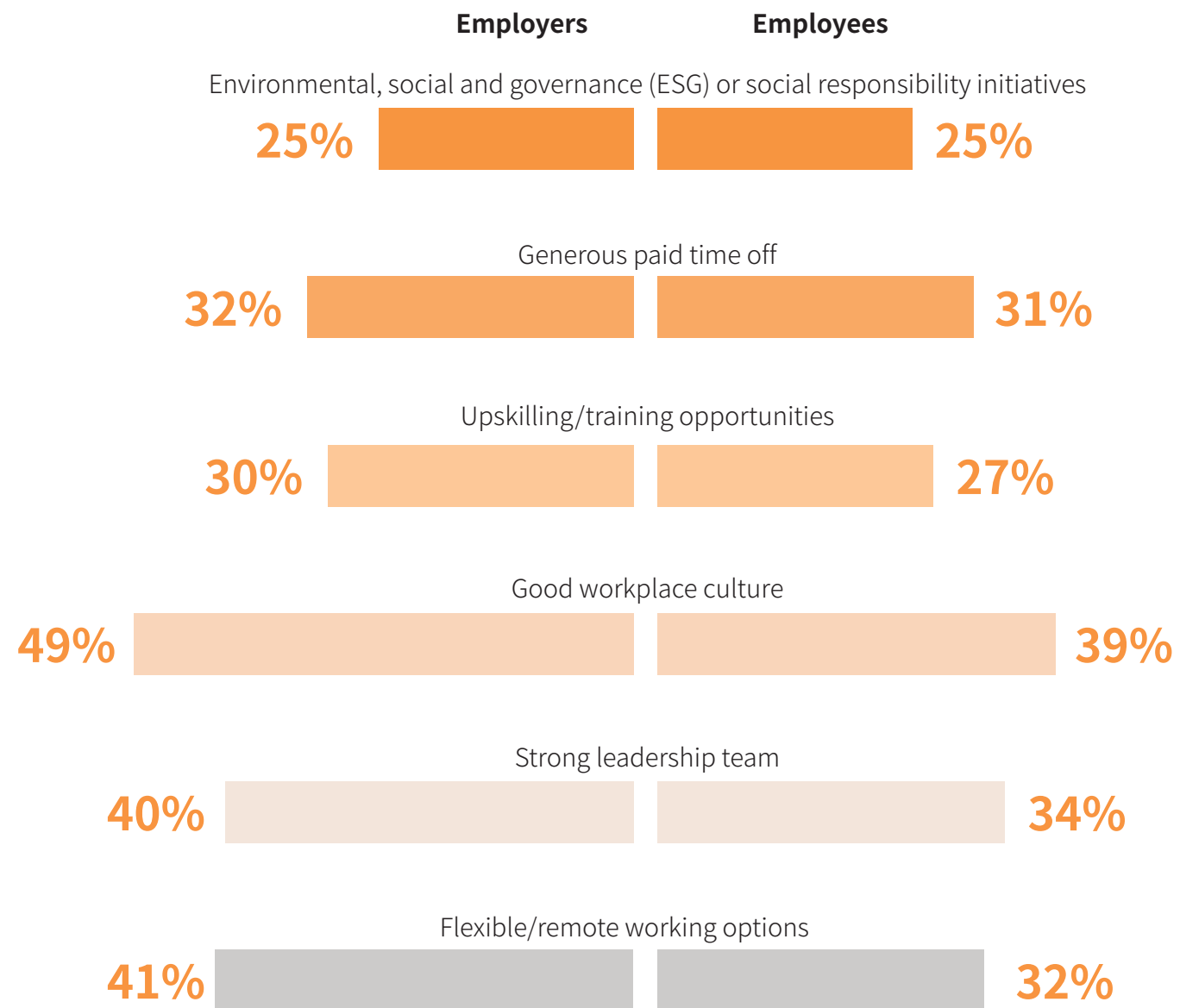
The good news is there is generally some alignment at the top of both employers' and employees' lists of alternative rewards and benefits. However, as we take a closer look at the responses, we find that employers could do a better job of investing in the rewards and benefits that employees feel are most important for talent attraction and retention.

What alternative rewards or benefits do companies offer to recruit and retain talent?

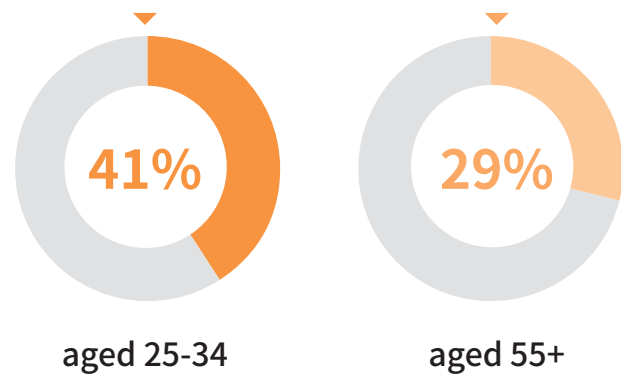
What alternative rewards or benefits do employees consider valuable as part of a job offer?



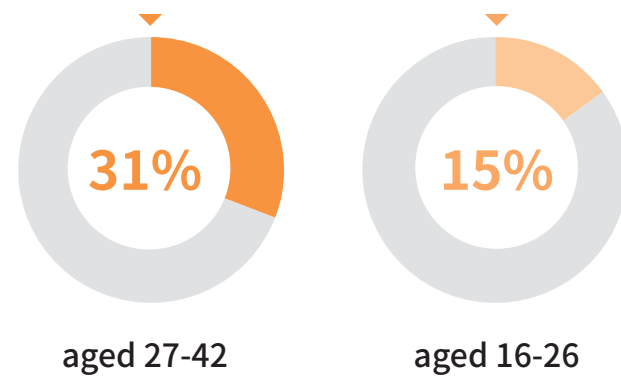
► Outside of compensation, what makes people want to work at an organization?



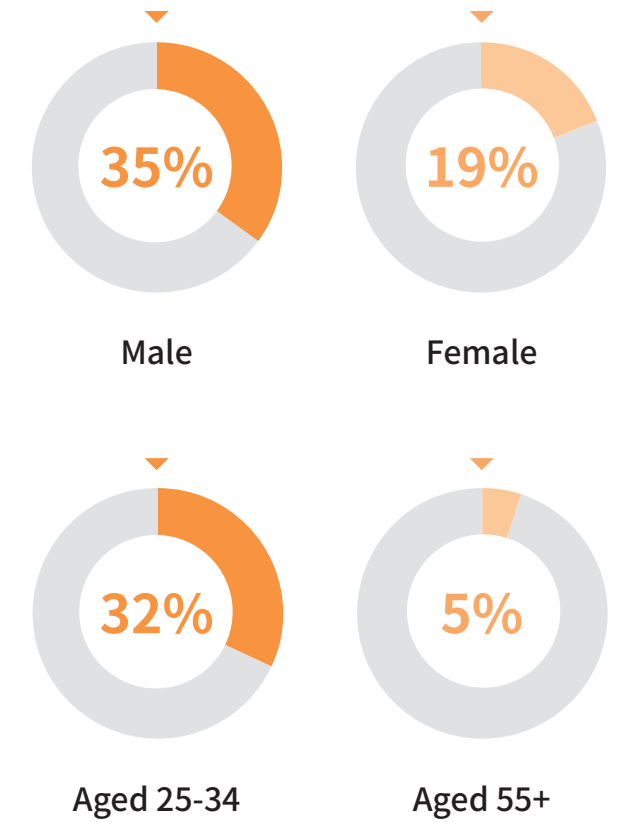
Sign-on bonuses are more important to younger workers.



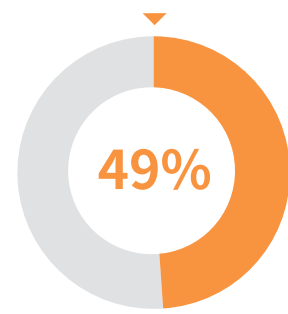
Wellness/fitness incentives are more important to older workers.



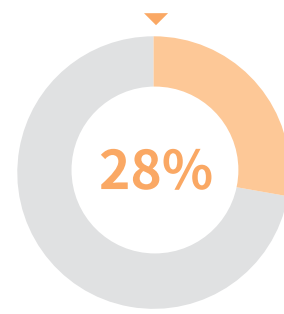
Environmental, social and governance (ESG) or social responsibility initiatives are more important to male workers and to younger workers.



Good workplace culture is more important to older workers.

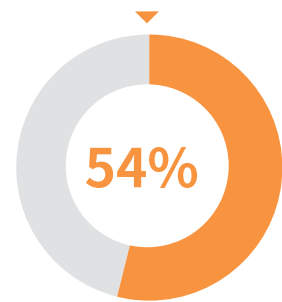


aged 55+

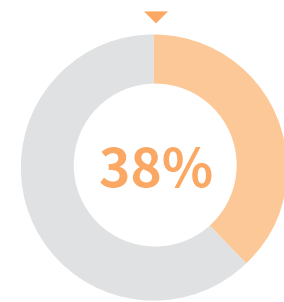


aged 16-24

Employers may think flexible/remote working options are more important to employees than they really are.



Employers

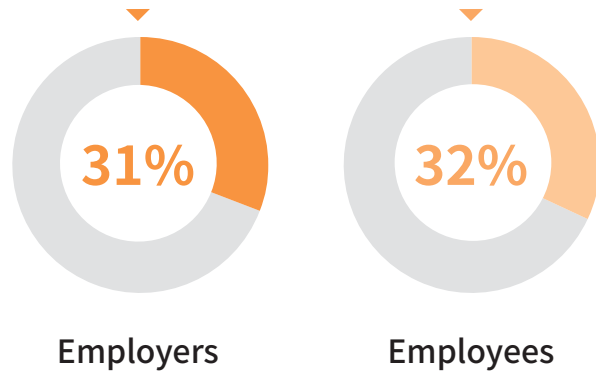


Employees

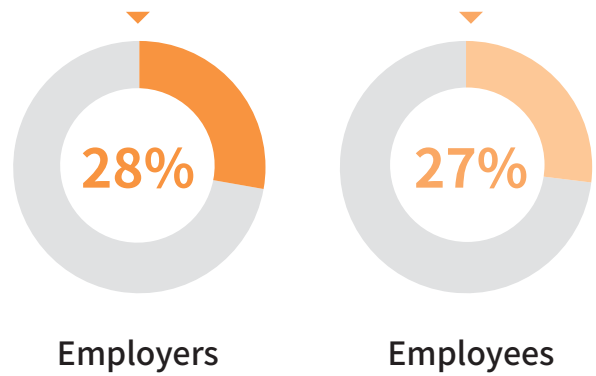


► What should companies increase investment in to better attract and/or retain talent?

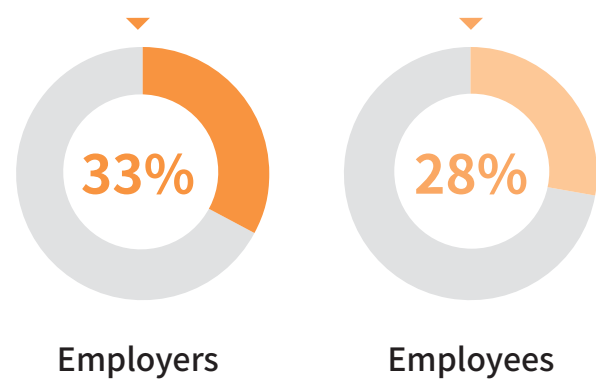
Strong leadership team



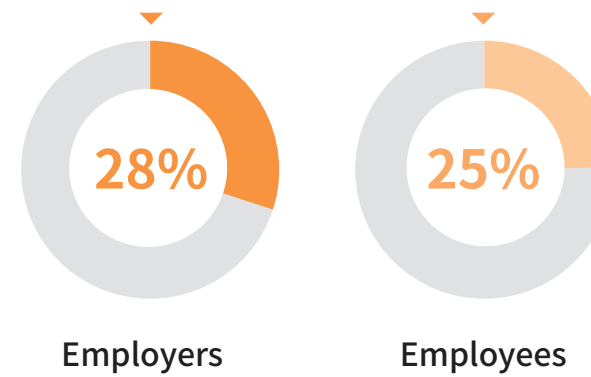
Strong employer brand/strong purpose



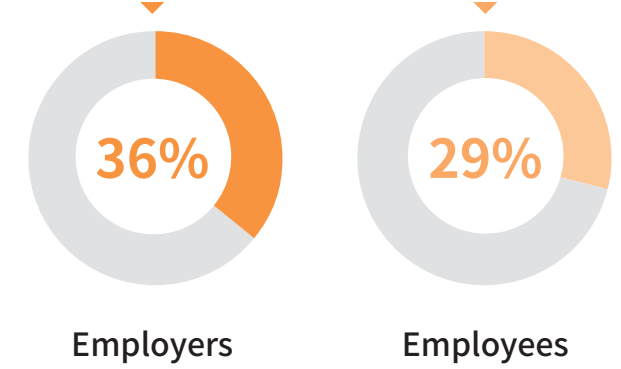
Flexible/remote working options



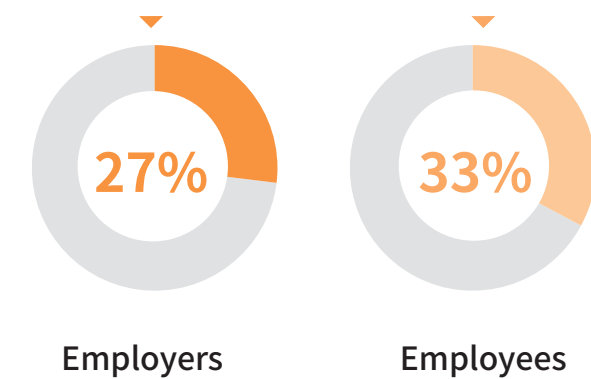
Upskilling/training opportunities



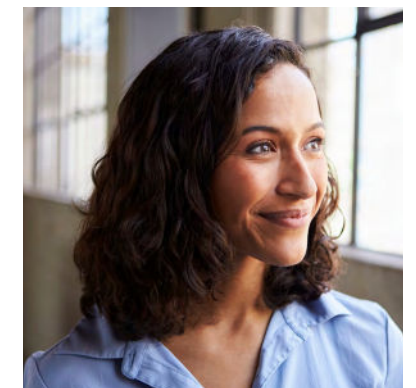
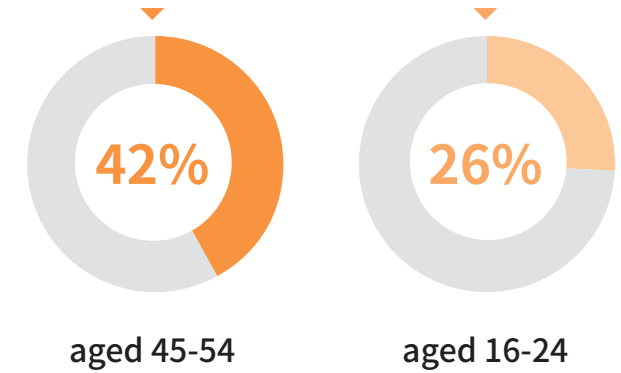
Good workplace culture



Generous paid time off



Investing in generous paid time off is more important to older workers.



► Are companies investing in the wrong areas to better attract and/or retain talent?



Financial Services Sector

Employers top two answers:

- 41%** Good workplace culture
- 45%** Flexible/remote working options

Employees top two answers:

- 44%** Generous paid time off
- 40%** Strong employer brand/strong purpose



Healthcare & Life Sciences Sector

Employers top two answers:

- 39%** Good workplace culture
- 39%** Strong leadership team

Employees top two answers:

- 41%** Upskilling/Training Opportunities
- 36%** Generous paid time off



Logistics & Transportation

Employers top two answers:

- 40%** Flexible/remote working options
- 40%** Strong leadership team

Employees top two answers:

- 54%** Generous paid time off
- 46%** Environmental, social and governance (ESG) or social responsibility initiatives



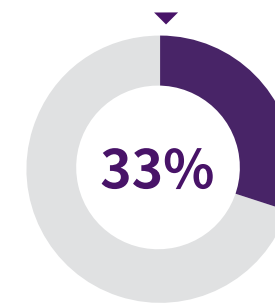
► Employers may be placing more importance on remote work than employees.

It's clear that flexible and remote working options are here to stay, but is the option to work outside the office still as appealing to employees as it once was? And are employers steadily pushing for a return to in-person work?

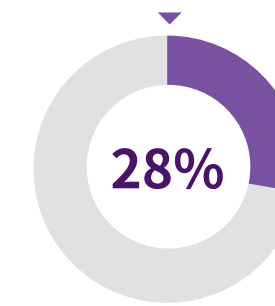
41% **Employers**
Flexible work options make people want to work at our organization.

35% **Employees**
Flexible work options factor in my decision to take a new job opportunity.

Increasing investment in flexible/remote working options can better attract or retain talent.

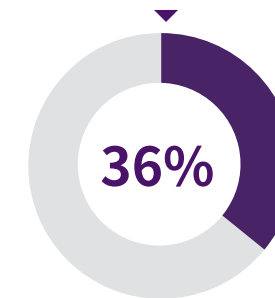


Employers

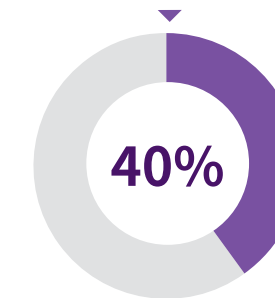


Employees

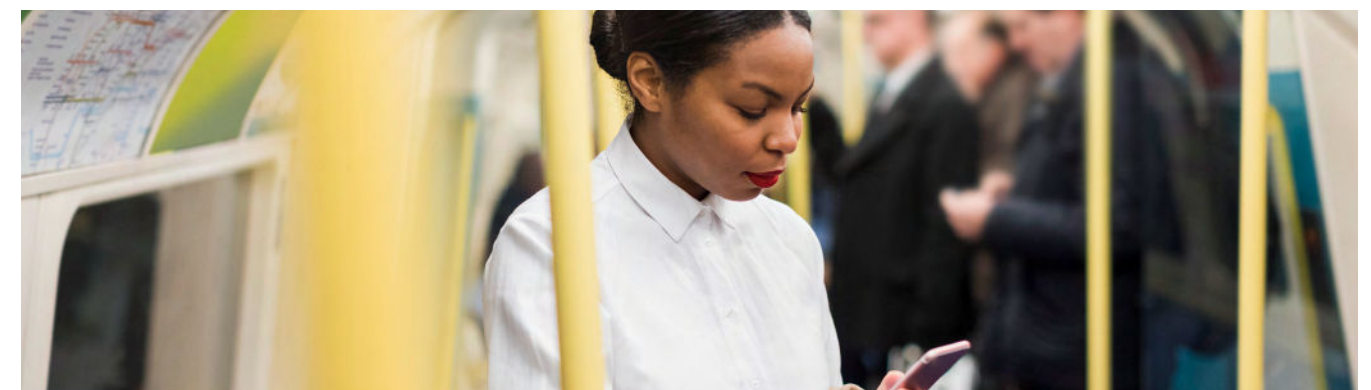
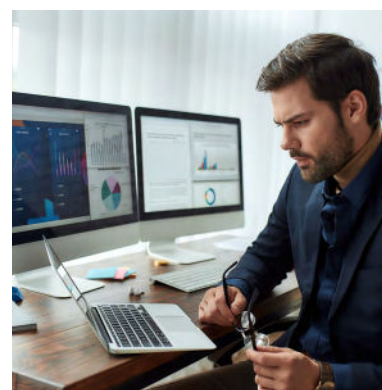
Allowing more flexibility helps to more confidently attract and retain talent.



Employers



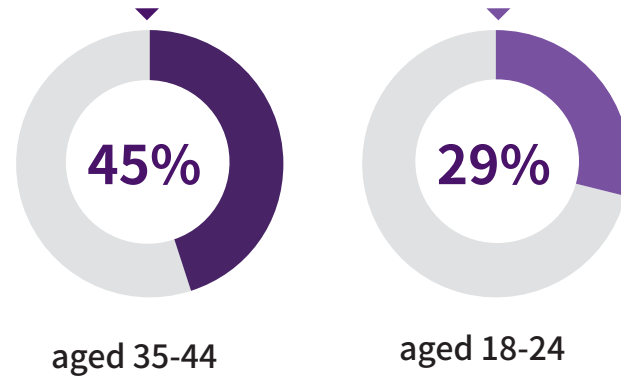
Employees



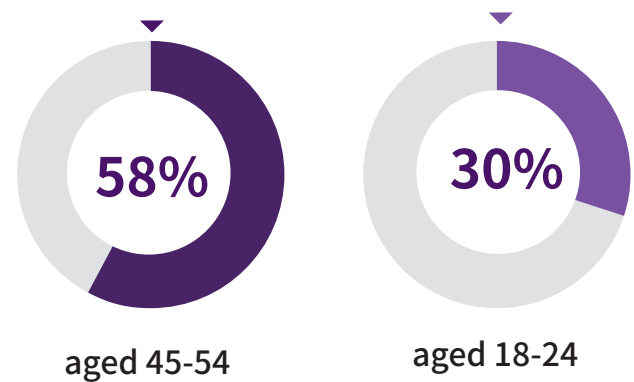
Flexibility and time savings are more important to older workers.

Perhaps it's the need to juggle work and family commitments, but we found some significant gaps between younger workers and their older colleagues.

The opportunity for more flexible/remote work is most driving my decision to take a new job.



Saving time on commuting is a benefit of remote working.



More employers should offer hybrid options (in-person + remote).

25% of employers offer hybrid work options

35% of employees are interested in hybrid work options



Employees + employers are aligned against fully remote work.

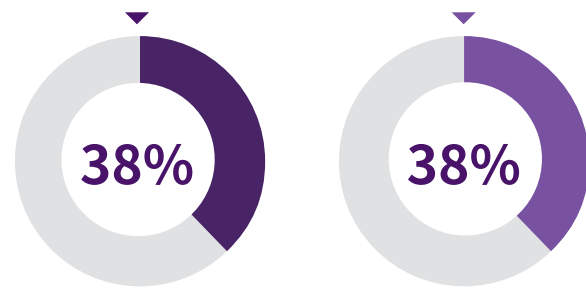
21% of employers are opposed to fully remote work

21% of employees are opposed to fully remote work



► How aligned are employers and employees on the benefits of remote work?

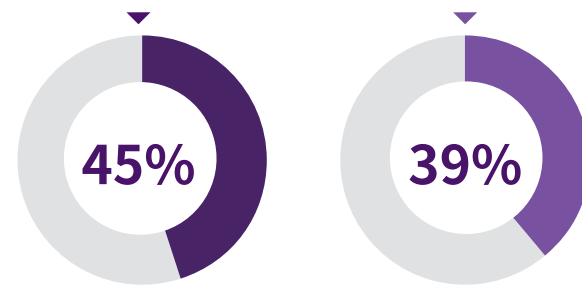
Better distribution of working hours



Employers

Employees

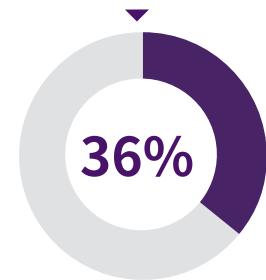
More satisfied employees



Employers

Employees

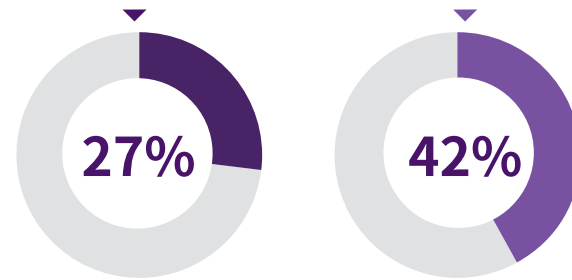
Saving money



Employers

Employees

No geographic limits



Employers

Employees

The bigger the company, the more remote working feels like a benefit.

A benefit of remote working is more satisfied employees.

58% Employees at companies of 250-500 people

27% Employees at companies of 10-49 people

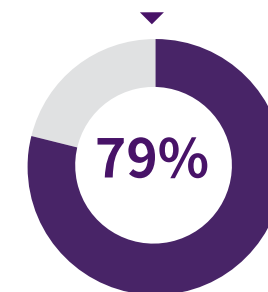
51% Employees at companies of \$1M-\$9.99M revenue

18% Employees at companies of < \$100,000 revenue

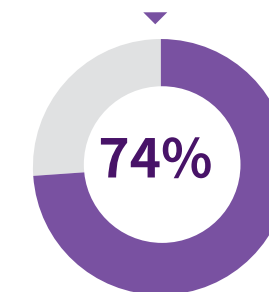
Are companies prioritizing a return to in-person work?

Employers and employees think so.

Is your company making it a priority for employees to return to the office for work at least partially?

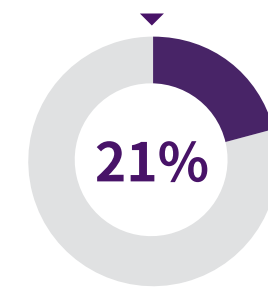


Employers

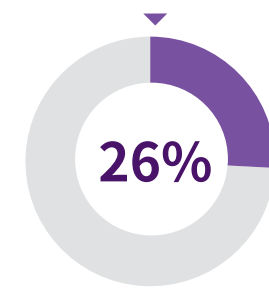


Employees

Is it not a priority at your company for employees to return to the office for work at least partially?



Employers



Employees

Returning to work, at least partially, is a higher priority for larger companies.

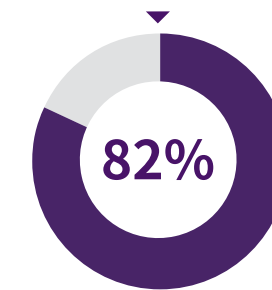
94% Employees at companies of >\$500M revenue

68% Employees at companies of \$100,000-\$999,999 revenue

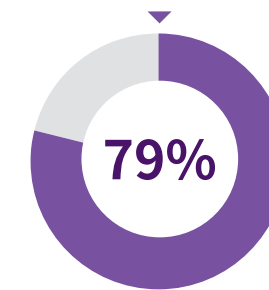


Which sectors are pushing for employees to at least partially return to the office?

Financial Services

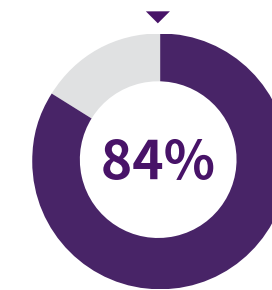


Employers

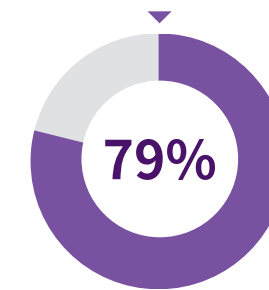


Employees

Healthcare & Life Sciences



Employers

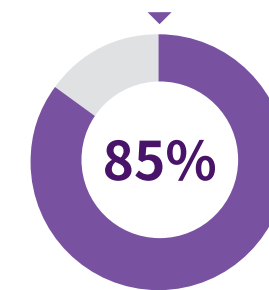


Employees

Logistics & Transportation



Employers



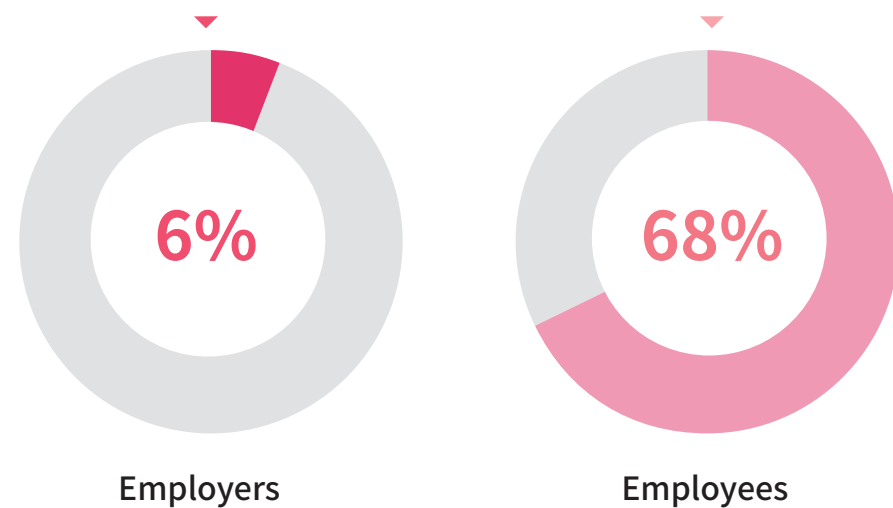
Employees

► Employers and employees have their differences when it comes to diversity.

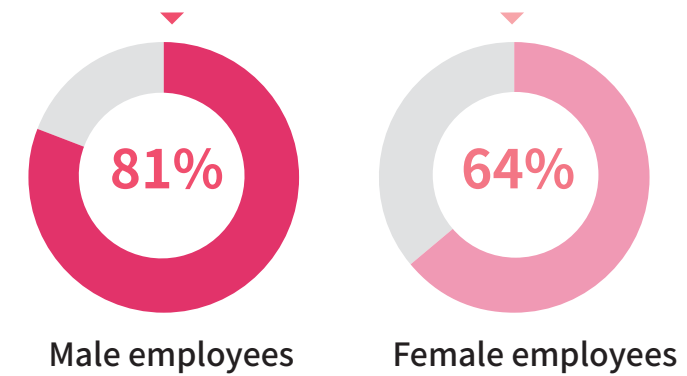
There's a pretty wide gap between how well employers think they're promoting diversity and how their employees think they're doing. To put it simply, 91% of employers think their business is doing enough to promote diversity in their workplace, while 68% of employees think their companies could do more.

A gap also exists between gender-based attitudes on the subject, although maybe not skewed the way you would expect—surprisingly, more male employees than female felt that their employer could do a better job of promoting diversity in their workplaces.

Our organization is not doing enough to promote diversity in the workplace.



My business could do more to promote diversity in the workplace.



Small companies are doing it better.

My business could do more to promote diversity in the workplace.









83% companies with 250-500 employees

61% companies with 10-49 employees



How committed are companies to diversifying their candidate pools?

With such a high majority of employers (91%) believing their business does enough to promote diversity, you would think they would have an extensive list of programs to show for it. However, no more than 30% of respondents said their organization is doing any of the following to diversity their candidate pools in the upcoming year:

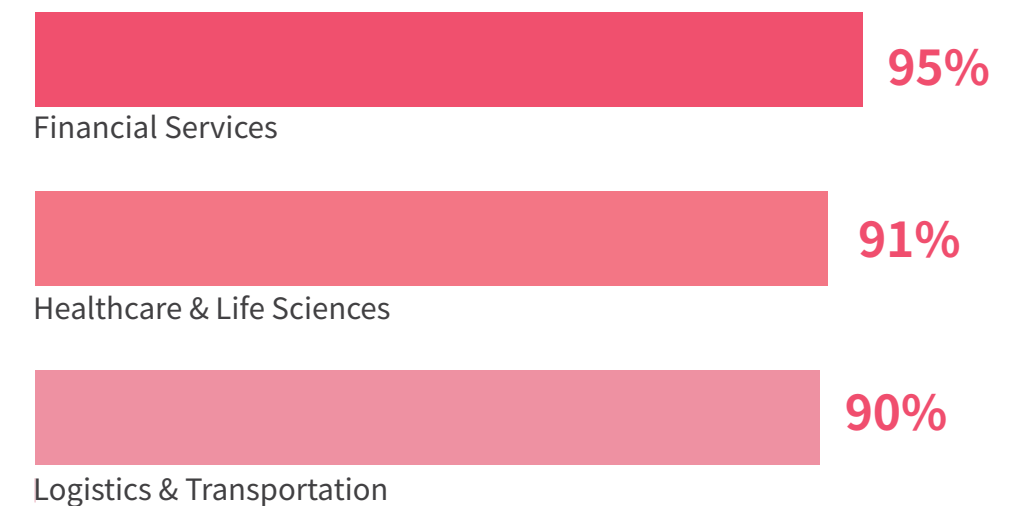
-  Providing upskilling opportunities to existing in-house talent **30%**
-  Offering referral bonuses to current employees who refer new candidates **28%**
-  Allowing more remote hires **27%**
-  Making diversity, equity and inclusion (DEI) a priority **26%**
-  Prioritizing hiring to make the workplace more inclusive **26%**
-  Prioritizing pay transparency on job ads/within the organization **25%**
-  Eliminating the requirement for a college degree for open roles **23%**
-  Reducing experience-based requirements for open roles **21%**
-  Using AI for blind recruitment/CV screening, etc. **20%**
-  Prioritizing hiring veterans **18%**



The biggest disconnect is in financial services.

While it is evident that employers across all industries might need to work harder when it comes to prioritizing diversity initiatives, it appears that more financial services employees feel like their companies could do more, despite the fact that 95% of financial services firms feel like they're doing enough.

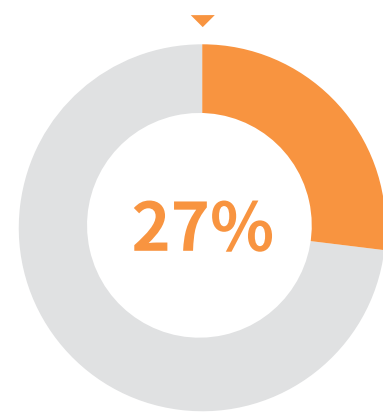
Employers: our business is doing enough.



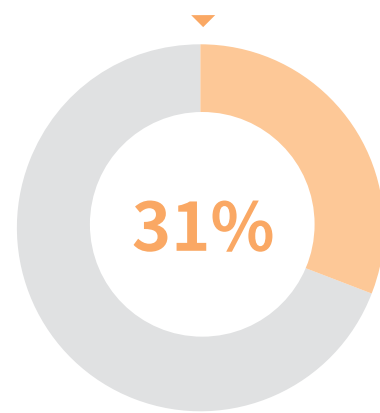
▶ Putting the “AI” in “alignment.”

An equal percentage of employers and employees (34%) believe that AI technology will replace certain employee lead roles/responsibilities within the next year. However, neither group necessarily sees this as a negative. In fact, respondents agree on the positive impacts AI has on job functions and productivity in the workplace.

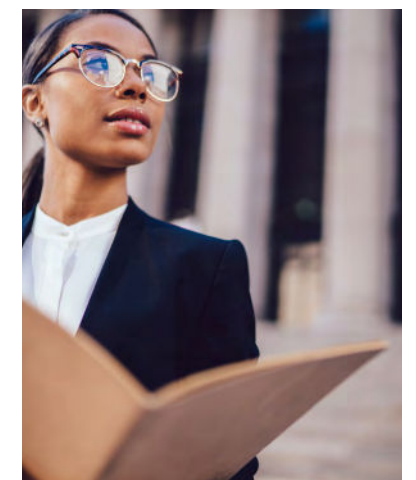
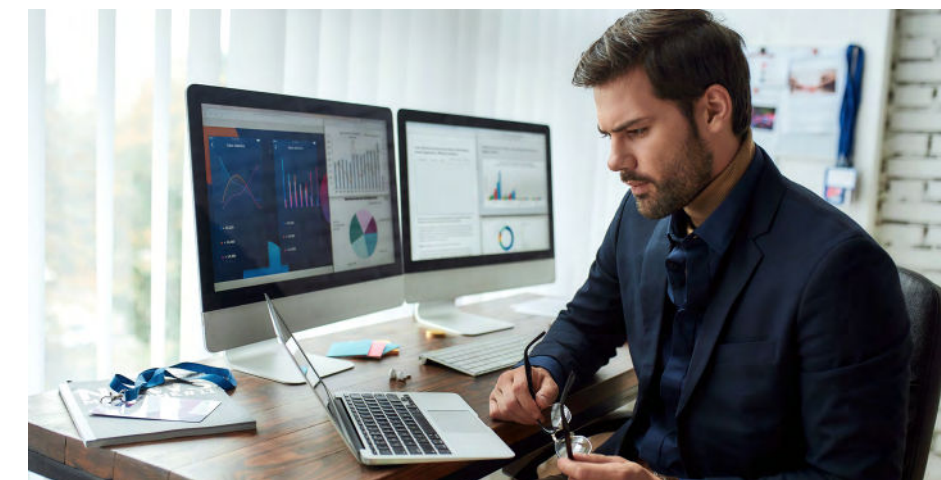
AI has been implemented into analytics to allow access to more streamlined insights across the business.



Employers



Employees



Employers

Employees

AI has streamlined repetitive tasks, resulting in reduced manual effort and increased efficiency.

28%

29%

AI automates complex/laborious tasks, reducing the risk of errors.

34%

29%

AI allows for faster customer/client response times, improving satisfaction levels.

32%

27%

AI has enabled more personalized marketing efforts, leading to higher engagement and conversion rates.

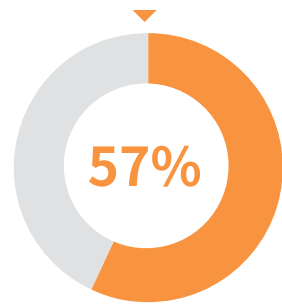
30%

26%

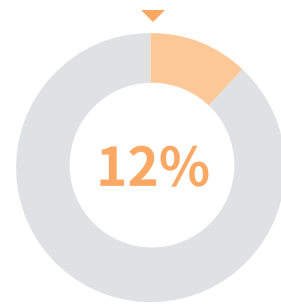
Age + attitudes towards AI

Younger employers are far more apt to acknowledge the benefits of AI while, on the employee side, older workers seem more threatened by the impending integration of AI technology.

AI has helped us automate complex tasks, reducing the risk of errors and improving the overall quality of our products and services.

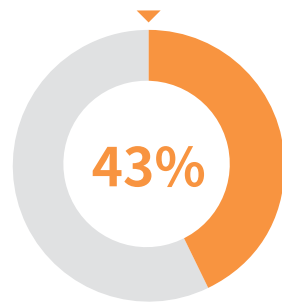


Employers aged 18-24

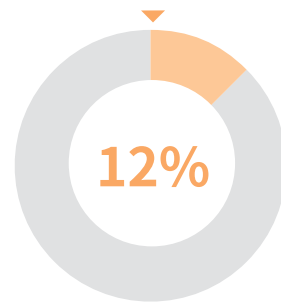


Employers aged 55+

We're planning to replace some employee lead roles/responsibilities with AI technology within the next year.

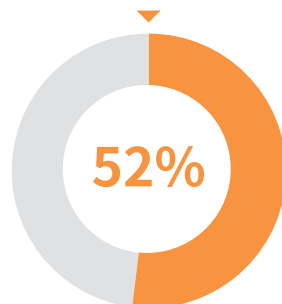


Employers aged 35-44

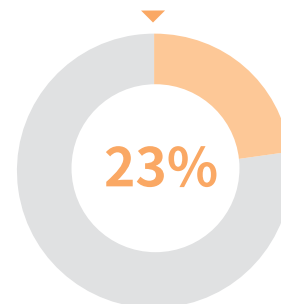


Employers aged 55+

Our business will replace any employee lead roles/responsibilities with AI within the next year.



Employees aged 35-44



Employees aged 16-24

Larger companies are integrating AI faster.

We're planning to replace some employee lead roles/responsibilities with AI technology within the next year.

15% Employers with revenues of <\$100,000

54% Employers with revenues of \$100M- \$499.99M

AI has helped us streamline repetitive tasks, resulting in reduced manual effort and increased efficiency.

38% Companies of 250-500 employees

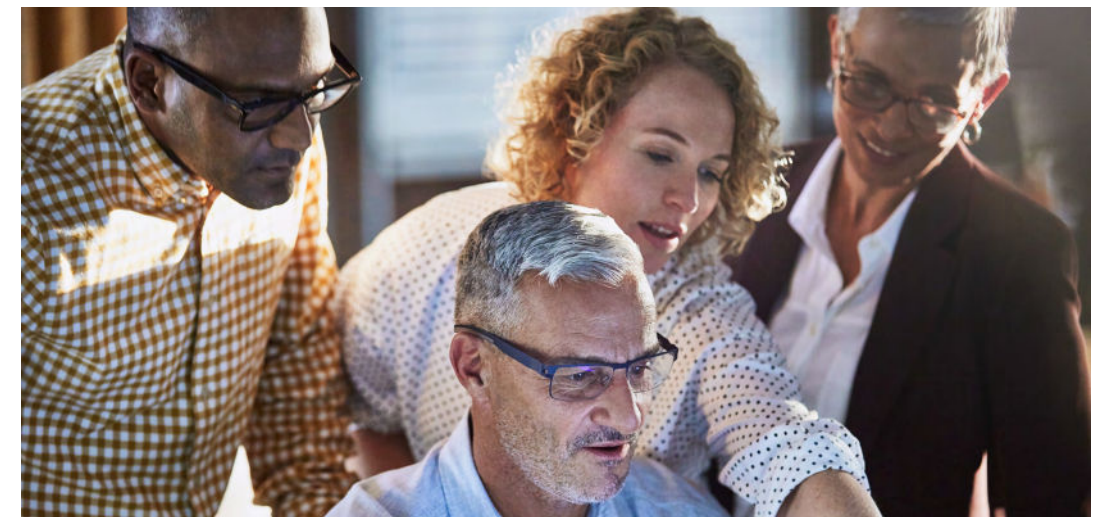
23% Companies of 10-49 employees

Male employees are feeling the impact of AI more than female employees.

AI has been implemented into analytics to access more streamlined insights across the business.

43% male employees

24% female employees



AI alignment across industries.

Financial services organizations are already piloting generative AI programs to support and augment accounting and finance functions. The success of these programs hinges on having finance employees who not only embrace the opportunity to work alongside AI, but also possess the skills to optimize it. This includes knowing which questions to ask to get the desired results, identifying potential bias, and qualifying and validating the output and performance of their AI partners.

In the life sciences sector, leading organizations continue to explore more opportunities to use AI and machine learning to automate processes and find actionable insights from data generated by wearable devices, digital assistants, and smart devices. To this end, organizations are looking to recruit more professionals with expertise in digital technologies.

Across both sectors, employers and employees seem to be in sync that AI and machine learning technologies will help to automate tasks and increase productivity in the near future.

Our business will replace any employee lead roles/responsibilities with AI within the next year.

45% Financial Services Employers

42% Financial Services Employees

28% Healthcare & Life Sciences Employers

28% Healthcare & Life Sciences Employees

If layoffs do happen, AI could be the reason.

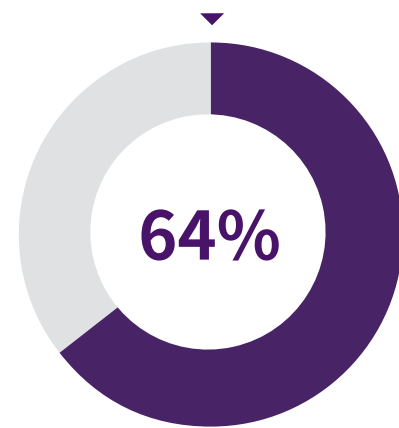
47% of employers who have seen departments within their organization reduce headcount (or are expected to reduce headcount in the next year) cited “AI/machine learning replacing jobs/creating efficiencies” as the top reason. However, any employee fears that AI/machine learning technologies will replace their jobs soon should be alleviated by the fact that 17% of employers say their business will never try and replace any employee lead roles/responsibilities with AI technology.



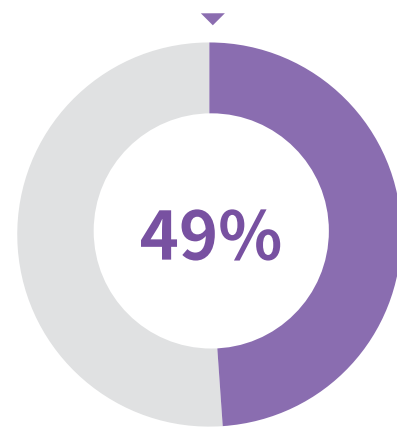
► Are employers ready to overcome their biggest workforce challenges?

Overall, our data shows that the biggest workforce challenge employers will face in 2024 and beyond is having the right talent to achieve their business objectives. In fact, although employers and employees are aligned in believing that retaining and attracting talent will be challenging in 2024, the employees themselves are less confident than their employers that they are well-positioned for success—this may suggest an even wider skills gap than employers suspect.

I'm very confident that we have the talent to deliver our products/services to a consistent standard.



Employers

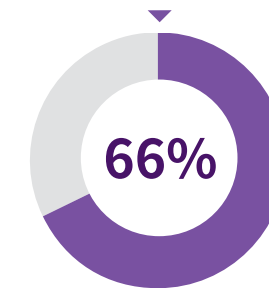


Employees

Older employees are more confident in their company's talent.



Employers
aged 35-44



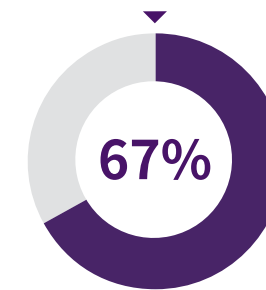
Employees
aged 16-24

Employees at larger companies are more confident in their company's talent.

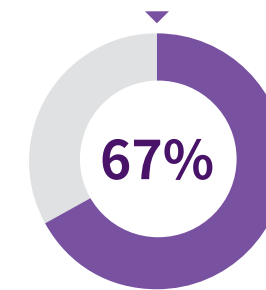
95% employees in a company with 250 - 500 employees

76% employees in a company with 50-99 employees

Retaining and attracting talent over the next year will be challenging.



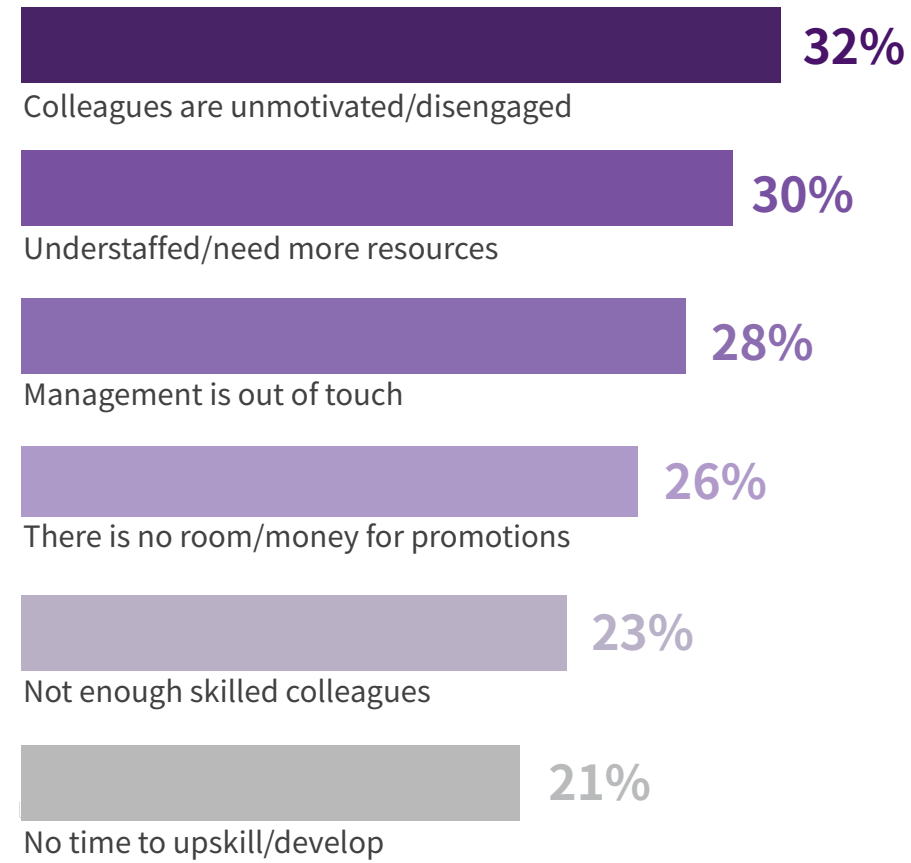
Employers
aged 35-44



Employees
aged 16-24

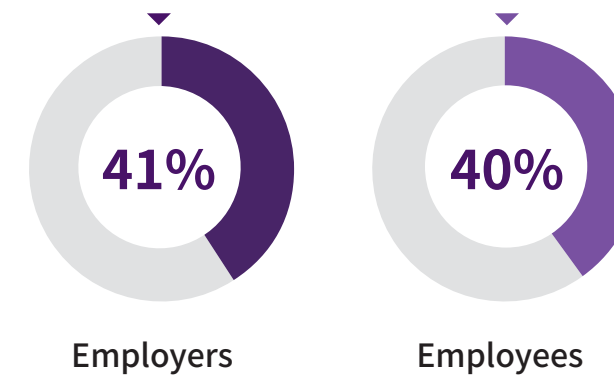
To understand how to help employees overcome their challenges, you need to know what those challenges are.

According to employees, these are their teams' biggest challenges:

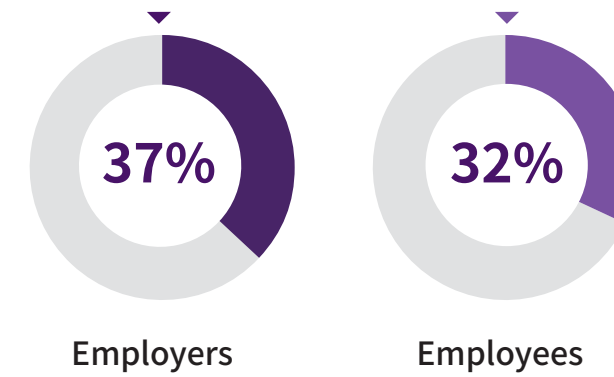


Why will retaining and attracting talent over the next year be challenging?

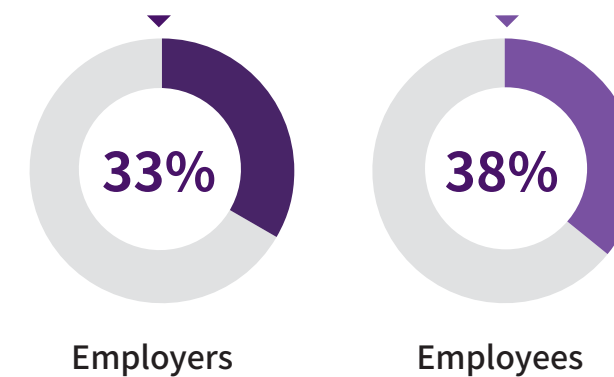
More competition to secure the best talent.



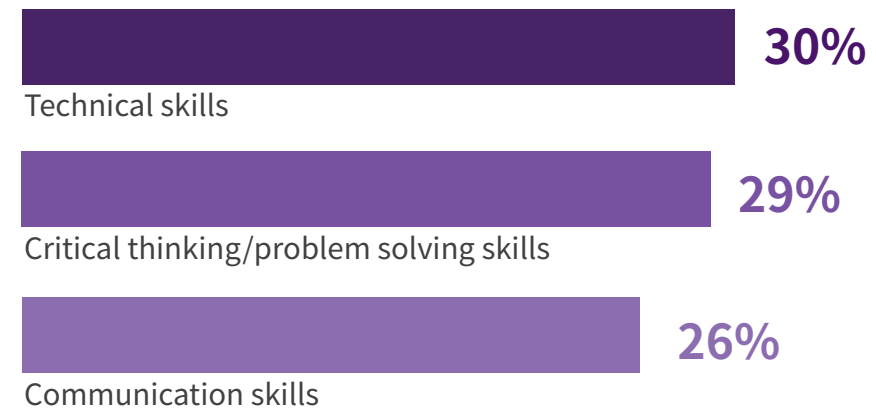
Not getting enough quality applicants.



Expected higher employee turnover.



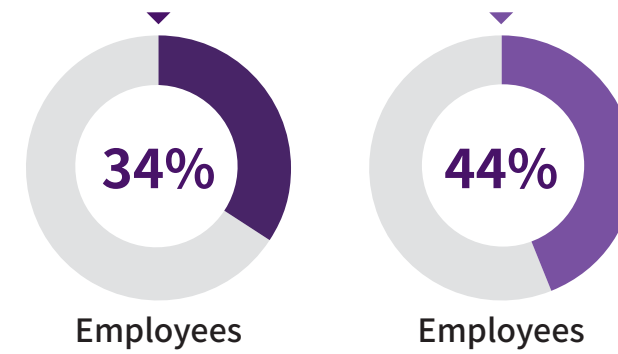
Which skill sets are increasingly difficult to find in candidates?



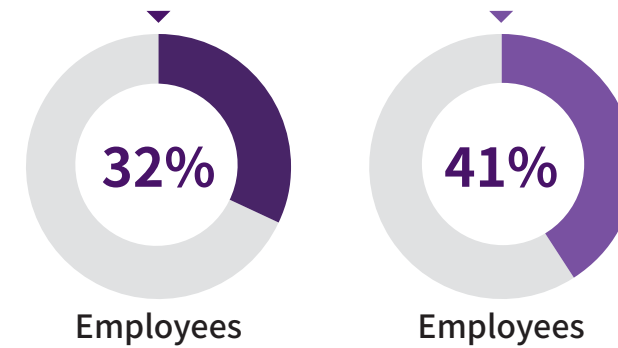
So, what should employers do to more confidently attract and retain talent?

Organizations need to better understand what is important to employees when it comes to attraction and retention. It shouldn't come as any surprise that compensation is the number one priority for employees, but did you know that it's also number two? "Offering more bonuses" was the second highest response when employees were asked how an organization could best recruit or retain them:

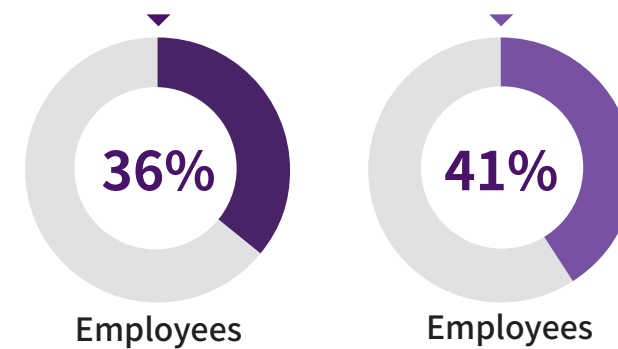
Increasing compensation.



Offering more bonuses.



Offering better employee benefits.



► Get the latest salary data for your market.

Contact your local recruitment experts and ask for our 2024 Salary Guide.

► Besides compensation and bonuses, there are several areas employers can better align with employees to achieve better talent attraction and retention.

Thinking back on the gap between the importance placed on flexible/remote working options (employers 41% vs. employees 32%), perhaps employees have begun to think of flexible work as a given in employment agreements these days. Or, maybe they are simply preparing to spend more time in the workplace soon—74% of employees did say their employer is prioritizing a return to in-person work. Either way, employers should recognize that flexible/remote working options are still valuable to employees, but these types of arrangements may be seen as a presumed part of modern working and not as much of a differentiator as they once were.

The other, most pronounced misalignment between employers and employees was in how much companies are doing to promote diversity in the workplace—91% of employers say they are doing enough, while 68% of employees say more can be done. That said, only 26% of employers say they are making diversity, equity and inclusion (DEI) a priority in 2024—a major missed opportunity to align with what many employees feel is an important element of talent attraction, development, and retention.



At LHH, we exist to help people, teams and organizations find and prepare for what's next.

Our end-to-end HR solutions future-proof organizations and careers all over the world. Through Career Transition & Mobility, Leadership Development and Recruitment Solutions, we enable transformation, and our job is never done because there's always another tomorrow to prepare for. We make a difference to everyone we work with, and we do it with local expertise, backed by a global infrastructure and industry-leading technology.

LHH's over 8,000 colleagues and coaches span 66 countries worldwide, working with more than 15,000 organizations, a majority of Fortune Global 500, and nearly 500,000 candidates each year. Together we address needs across the entire talent journey, helping organizations build their capabilities and individuals build brighter futures.

There is a world of opportunity out there. Let's get to work.

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