

2025 Workplace Trends



Meet Our Team



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Executive Summary

The world of work is set to undergo significant transformations in 2025, driven by evolving employee needs, technological advances, and shifting economic landscapes. This report delves into seven critical trends that we identified which will shape the future workplace and explores the challenges and opportunities in each area for HR leaders and companies alike. Below are the key insights from our report that we believe will be important for Human Resources leaders and their organizations in the upcoming year:

1. People Analytics and Data-Driven HR Practices

The rise of people analytics is transforming HR into a more strategic function, allowing companies to use data to predict turnover, improve hiring processes, and enhance employee experience. New technologies have emerged that help democratize access to people data to improve and accelerate decision making.

Key Insight: In 2025, companies leveraging people analytics, increasingly aided with innovation in HR technology, will gain a competitive edge by making informed decisions that directly impact employee engagement and business performance. Using data to inform messaging and storytelling will be a key skill for the most successful HR leaders in 2025.

2. Employee Financial Wellbeing

Financial stress remains one of the top concerns for employees, influencing not only their mental health but also job satisfaction and performance. Employers are introducing more robust financial wellness programs, including earned wage access, retirement planning tools, student loan assistance, and personalized financial coaching.

Key Insight: By providing tailored financial wellbeing programs, companies will help employees build financial resilience, leading to higher job satisfaction and better retention rates. Additionally, careful review of existing compensation policies is needed to ensure fairness, equity, and market competitiveness to help strengthen employee financial resilience.

3. AI Technology in the Workplace

AI is reshaping the workplace by automating routine tasks, improving recruitment processes, enhancing employee learning and development, and much more. However, managing the ethical implications and ensuring employees' comfort with AI tools will be important for successful adoption and results in 2025.

Key Insight: Organizations that adopt AI with a focus on augmenting human capabilities, rather than replacing them, will create more meaningful work experiences and drive innovation next year.

4. Employee Mental Health

The growing focus on mental health in the workplace is reshaping benefits packages and support programs, with companies offering therapy, mental health days, and resilience training. New approaches to employee mental health support are emerging, offering organizations new ways to provide support to employees where, when, and how they need it.

Key Insight: Addressing mental health proactively, rather than reactively, will be a critical differentiator for companies, fostering a healthier, more engaged, and productive workforce.

5. Remote and Hybrid Working

As the demand from workers for flexibility continues, hybrid and remote working models have become central to employee retention and engagement strategies. Organizations are developing more sophisticated tools to manage distributed teams effectively, while balancing goals for productivity, collaboration, and culture building.

Key Insight: The most successful companies in 2025 will prioritize both employee autonomy and the real value of in-person connection and collaboration, ensuring equitable access to career growth for remote and in-office workers alike, while emphasizing outcomes and results for individuals and teams.

6. Employee Caregiving Challenges

Caregiving responsibilities are increasingly affecting workplace productivity and employee retention. Companies are responding by offering more comprehensive support, including flexible schedules, financial assistance, and partnerships with caregiving services.

Key Insight: Businesses that lead with empathy by offering targeted caregiving benefits will see stronger employee loyalty and increased productivity. As more workers find themselves in a caregiving role, supporting this growing population in the organization can be a driver of engagement and retention.

7. Challenges and Opportunities with Corporate DE&I Programs

Diversity, Equity, and Inclusion (DE&I) programs are facing renewed scrutiny, with many organizations struggling to move beyond superficial initiatives. However, when fully integrated into company culture and leadership, DE&I programs can foster innovation and drive long-term business success.

Key Insight: In 2025, the companies that successfully embed DE&I into their core strategies will attract top talent, boost innovation, and improve overall business performance. It will be important for leaders to have a clear vision and consistent point of view on DEI in 2025, as organizations navigate increasingly complex environments.

Conclusion

As HR leaders and businesses navigate 2025, the opportunities to create more inclusive, flexible, and employee-centered workplaces are immense. By embracing technological innovation, supporting employees' financial and caregiving needs, and leading with empathy in areas like mental health and DE&I, companies will be well-positioned to attract and retain top talent, while fostering a culture of continuous growth and resilience. The future of work is bright, and those who adapt swiftly and thoughtfully will be the architects of thriving organizations.

2025 Workplace Trends



1 People Analytics

2 Financial Wellbeing

3 Artificial Intelligence

4 Mental Health

5 Hybrid Work

6 Caregiving and Alternative Benefits

7 Diversity, Equity, Inclusion, & Belonging

Trend 1: People Analytics

In today's fast-paced business environment, data-driven decision-making is essential for organizations aiming to stay competitive. A significant aspect of this transformation is the rise of people analytics technologies—tools and platforms specifically designed to analyze and manage data that impacts your workforce.

People analytics involves the systematic collection, analysis, and interpretation of employee data to enhance organizational performance. These technologies empower leaders to make informed choices regarding hiring, talent management, employee retention, and productivity by utilizing advanced data analytics, machine learning, and artificial intelligence (AI).

The increasing interest in, and significance of, people analytics stems from the needs of leaders to take a traditionally subjective, intuition-based HR function and transform it into an objective, data-driven function. Companies can now address questions such as:

- Which teams excel in performance?
- How can we minimize employee turnover?
- How can we retain our top performers?
- How can we create and measure a culture diversity and inclusion?

These insights allow businesses to refine their workforce strategies and ensure they align with long-term organizational objectives.

As workforce dynamics grow more intricate—particularly in the post-pandemic landscape with remote and hybrid work arrangements—People Analytics has become an essential resource for organizations aiming to tackle talent management challenges. In this report, we will delve into the current state of People Analytics technologies, examine key platforms shaping the industry, assess their impact on work, explore the challenges associated with their implementation, and discuss the future outlook for these tools.

Current Landscape

The adoption of People Analytics has experienced significant growth in recent years, as organizations increasingly acknowledge its potential benefits. “Seventy-four percent of respondents in [Deloitte’s 2024 Global Human Capital Trends survey](#) said it’s very or critically important to seek better ways to measure worker performance and value beyond traditional productivity. But change has been slow. Only 17% of respondents said their organization is very or extremely effective at evaluating the value created by individual workers in their organization, beyond tracking of activities or outputs.” This is exciting because it shows that leaders are more aware than ever that analysis is needed when making people decisions. Where we lack is in organizations having the tools to make those analyses.

A study by McKinsey found that only about 25% of companies identify as advanced users of people analytics, with the majority still in the nascent stages of adoption. Smaller organizations often lag behind, typically due to limited resources or a lack of understanding of how people analytics can create value. In contrast, larger enterprises are more likely to have fully integrated analytics programs with dedicated teams that are directly connected to C-suite decision-makers.



Nevertheless, more advanced use cases—such as forecasting future talent needs, evaluating leadership effectiveness, and measuring the impact of learning and development initiatives—are gaining traction as the technology continues to evolve.

Key Technologies and Platforms

Several platforms and technologies currently dominate the People Analytics landscape, each providing a diverse array of capabilities tailored to meet the distinct needs of organizations. Below is an overview of some of the most prominent and influential tools available in the market.

[Visier](#) is one of the leading People Analytics platforms, designed to provide businesses with deep insights into their workforce. Its strength lies in its pre-built analytics modules that allow HR leaders to quickly answer key questions related to hiring, employee performance, and turnover. Visier offers powerful data visualization tools that make complex workforce trends easy to understand. Additionally, it integrates with various HR systems, enabling organizations to consolidate data from different sources into one centralized platform.

Their creation of a generative AI digital assistant, [Vee](#), puts them solidly in the most innovative tech companies for people analytics. Vee, a recent HR Executive Top Product of the Year, is a domain specific data model that incorporates a dataset of 25 million anonymized employee records, over 2,000 business metrics and 250 million benchmarks. It uses this data to provide tailored responses to leaders who need insights on their workforce. It achieves this with a personalized, user-friendly conversational interface that can be accessed using Visier People and Microsoft Teams.

[OneModel](#) is another prominent player in the People Analytics space, known for its data integration capabilities. The platform connects with multiple HR data systems—such as payroll, learning management, and performance management systems—to offer a unified view of workforce data. OneModel is particularly strong in predictive analytics, helping organizations forecast future workforce trends and align their talent strategy with business needs. It also allows users to build custom dashboards that track key performance indicators (KPIs) relevant to their organization.

[Oracle's Human Capital Management \(HCM\) Cloud platform](#) combines advanced People Analytics features with a comprehensive HR management system. Oracle HCM includes AI-driven analytics that offer insights into employee engagement, turnover risks, and skills development. With its large-scale capabilities, Oracle provides organizations with the flexibility to track and analyze global workforce data. Oracle's platform is also noted for its powerful machine learning algorithms, which help automate complex HR tasks like talent sourcing and performance reviews.

[SAP SuccessFactors](#) is another robust tool offering People Analytics functionality within its broader suite of HR management tools. It is known for its scalability and integration capabilities, allowing organizations to conduct in-depth analysis across multiple regions or business units.

SuccessFactors offers a combination of operational reporting and predictive analytics, giving businesses the ability to not only assess current workforce trends but also anticipate future needs. The platform's integration with SAP's broader enterprise resource planning (ERP) systems further enhances its appeal for large-scale operations.

[Workday](#) provides a comprehensive suite of HR, finance, and planning solutions, with People Analytics as a core component. Workday's analytics offerings are known for their intuitive interface and ease of use, allowing HR professionals to extract actionable insights without the need for data science expertise. Workday's Prism Analytics tool is designed to blend HR data with financial and operational data, providing a holistic view of business performance and its relation to workforce strategies.

[Tableau](#) - While Tableau is not an HR-specific tool, it is widely used in People Analytics due to its strong data visualization capabilities. Tableau allows HR professionals to create custom dashboards that display workforce metrics in an interactive and easy-to-understand format. Its flexibility and ability to integrate with a wide range of HR data sources make it a popular choice for organizations that want to build tailored People Analytics solutions.

Impact on Work

The impact of People Analytics on organizational work processes has been profound, particularly in enhancing decision-making, talent processes, and overall people management and development.

1. Enhancing Decision-Making

People Analytics equips HR leaders and executives with the tools necessary to make data-driven decisions. Rather than depending on intuition or anecdotal evidence, organizations can leverage data to inform their workforce strategies. For instance, by examining patterns in employee turnover, businesses can pinpoint high-risk groups and deploy targeted retention initiatives. Additionally, People Analytics tools enable organizations to evaluate the efficacy of their diversity and inclusion programs by monitoring metrics related to hiring, promotions, and employee engagement across various demographic groups.

2. Optimizing Talent Processes

From hiring to performance management, People Analytics has transformed talent processes by providing insights that streamline HR operations. In recruitment, for instance, AI-powered analytics tools can sift through resumes and predict which candidates are most likely to succeed in a given role. During the employee lifecycle, organizations can use data to track performance, identify top talent, and design personalized development plans that align with individual strengths and business needs.

3. Improving People Management and Development

People Analytics is instrumental in facilitating employee growth and development. By monitoring skills, competencies, and learning outcomes, organizations can create targeted learning and development initiatives that address specific gaps within the workforce. Furthermore, People Analytics can illuminate leadership potential and identify future leaders, allowing HR departments to formulate succession plans and enhance internal mobility.

4. Enhancing Employee Experience

By collecting and analyzing data on employee engagement, satisfaction, and productivity, People Analytics allows organizations to identify factors that contribute to a positive work environment. Whether through analyzing survey data, monitoring workplace communication, or evaluating remote work effectiveness, these tools help HR teams craft better employee experiences, leading to higher job satisfaction and retention rates.

Challenges



Despite its many advantages, the implementation of People Analytics is not without challenges. Some of the most common obstacles include:

1. Awareness and Understanding

One of the primary obstacles to the adoption of People Analytics is the limited awareness and understanding among HR professionals. Many HR teams continue to depend on conventional methods for managing employee data, often overlooking the benefits that advanced analytics can offer. It is essential to educate HR leaders and equip them with the skills necessary to interpret and leverage data insights effectively, thereby maximizing the potential of these technologies.

2. HR Capability

Even with the right tools in place, organizations may struggle to leverage People Analytics effectively due to gaps in HR capability. Data literacy within HR teams is often limited, which can hinder the ability to generate meaningful insights from analytics platforms. Building HR teams with both analytics expertise and business acumen is essential for ensuring the successful application of these tools.

3. Application to Business

People Analytics must be closely aligned with overarching business objectives to achieve effectiveness. Human Resource teams frequently encounter difficulties in converting workforce data into actionable business insights. It is essential to integrate People Analytics initiatives into the overall business strategy to maximize their value.

4. Security and Privacy Concerns

Given the sensitive nature of employee data, organizations must navigate significant security and privacy challenges when implementing People Analytics. Strict data protection regulations—such as the General Data Protection Regulation (GDPR) in Europe—place additional pressure on companies to ensure that workforce data is handled securely and ethically. Balancing the need for data-driven insights with the responsibility of protecting employee privacy is a constant challenge for HR leaders.

5. Integration

Many organizations struggle with integrating People Analytics platforms with their existing HR systems. Disparate data sources, incompatible software, and legacy systems can complicate the process of centralizing workforce data for analysis. Ensuring that all systems communicate effectively, and that data is consistently updated is key to successful People Analytics adoption.

Future Outlook

As the significance of data-driven decision-making expands, the future of People Analytics appears bright. The tools and platforms in this field are anticipated to evolve into more advanced versions, fueled by advancements in AI, machine learning, and natural language processing, which will continue to unlock new functionalities.

As HR organizations become more advanced in their use of People Analytics, their effectiveness as organizational management tools increases. In 2025, through better understanding, more experience, and increased technological capability, organizations will progress higher up the analytics value chain. This will facilitate moving from descriptive analytics, to diagnostic analytics, to predictive analytics, then to prescriptive analytics.

Trend 2: Financial Wellbeing

Employees are facing a crisis of financial wellbeing. According to PwC's 2023 Employee Financial Wellness Survey, 60% of full-time employees report being stressed about their finances. This stress impacts various aspects of their lives, including mental health, sleep, and self-esteem. The weekly stress that faces a large majority of US workers is real and concerning.



There are a number of factors that are contributing to the crisis in financial wellbeing. The impact of the pandemic, where many workers initially faced job loss or a reduction in working hours, combined with an extended period of higher-than-average inflation combined to challenge worker financial health.

Personal debts, such as credit card debt and student loans, also significantly impact employee financial wellness. PwC's survey noted that record credit card debt is a major contributor to financial stress. And in the US, student loan debts are significant. As of the second quarter of 2024, the total outstanding student loan debt in the United States stood at over \$1.74 trillion. Many of the holders of student loan debt are early in their careers and struggling to manage these debts while trying to grow their careers.



The Workplace Minute Episode: Employee Financial Health Should Continue to be a Priority for Organizations

Employees facing stress over their financial well-being are impacted at work. The stress, pressure, and financial insecurity all contribute to reduced productivity, increased absenteeism, and decreased mental health. Financial stress from debts often leads to mental health issues, with 46% of people with debt also having a mental health diagnosis. This crisis in the workforce is real, and in 2025 employers will have to both recognize the challenge and take more proactive steps to bolster their employee's financial well-being – just like they have worked to improve physical and mental well-being in recent years.

Current State of Financial Wellbeing

There are several main challenges facing workers striving to improve their financial wellbeing. First, rising costs and inflation have significantly impacted workers' financial wellbeing, with increasing costs of living, including housing, food, and healthcare being the main contributors. This has made it difficult for many to create an emergency savings fund or invest for the future.

Next, overall high levels of debt are negatively impacting financial wellbeing. Many workers are burdened by high-interest credit card debt. As of 2024, the average American household owes around \$7,000 in credit card debt. Additionally, student loan debt burdens many workers. The total outstanding student loan debt in the US is over \$1.74 trillion, affecting millions of workers who struggle with these monthly payments.

A significant portion of the workforce lives paycheck to paycheck. Plus, there is a startling lack of emergency savings amongst workers. A SoFi survey found that nearly two out of three workers feel unprepared to handle a major unexpected expense.

Overall, this data shows the significant problem that employee financial wellbeing presents to employers and highlights the importance of developing and implementing measures to support employee financial wellbeing. Some of these measures and opportunities for employers are described below.

Employer Resources to Support Employee Financial Wellbeing

Employers can play a crucial role in enhancing their employees' financial wellbeing through various strategies and programs. As the challenges facing employees are numerous and diverse, the most effective approaches to supporting employees will have multiple dimensions.

Here are some effective ways to support financial wellness that can be incorporated into an overall employee financial wellbeing plan and that fit into the organization's comprehensive total rewards and benefits programs.

- **Financial Education and Literacy Programs** – Organizations can offer regular workshops on budgeting, saving, investing, and managing debt. Educational resources on the subject of financial planning can also be placed in employee portals and benefits websites.
- **Personalized Financial Planning** – Organizations can partner with financial services partners to make available one-on-one counseling sessions for employees. These sessions can help employees access advice and expertise from trusted financial professionals for personalized financial counseling. This is important for all generations in the workforce, from Gen Z to employees about to retire.



The Play by Play Podcast Episode: Gen Z's Roadmap to Financial Freedom

- **Financial Planning and Budgeting Tools** – Provide employees with access to budgeting and financial planning software. Tools that can be used on mobile and personal devices and offer employees access to savings goal setting, debt reduction plans, and information on retirement savings can be beneficial in increasing employee knowledge and awareness of their financial situation and reducing uncertainty and stress.
- **Student Loan Repayment Assistance** – Organizations can partner with third party service providers to facilitate employee student loan repayment assistance. These programs help manage employer contributions to student loan repayments as well as access to management and refinancing options.

- **Credit Counseling** – Employers can offer subsidized access to service providers who help employees manage and reduce credit card and other forms of personal debt.
- **Emergency Savings Programs** – Employers can offer contribution assistance to employee emergency savings funds. This helps encourage the creation of emergency savings accounts and with matching contributions or incentives more employees can establish a savings cushion to protect and prepare them for unexpected financial emergencies.
- **Earned Wage Access (EWA)** – Earned wage access, or what is sometimes known as payroll advances allow employees to access a portion of their earned wages before payday to avoid high-interest traditional payday loans. Access to EWA programs has become increasingly popular for employees, and for younger employees who are not conditioned to expect the traditional bi-weekly payroll cycle, EWA has become an essential employer offering. More and more employees will expect their paychecks to be on-demand and even daily in 2025.



- **Retirement Planning Support** – The establishment of employee retirement plan support and employer financial contribution to employee retirement savings have long been foundational elements of an employer’s commitment to employee financial wellbeing. Employers must continue to offer robust retirement savings plans, such as 401(k) with employer matching as well as education and incentives to boost employee participation in these retirement plans.

- **Compensation and Incentives** – The heart of employee wellbeing is compensation, wages, bonuses, and merit-based rewards. Organizations should at a minimum ensure they are compliant with all applicable wage and hour regulations and have systems in place to accurately account for time worked, overtime, differentials, and paid time off. Beyond the basics of compliance, organizations should actively evaluate compensation levels and philosophies to align company goals with market demands and employee expectations. Finally, organizations should consider the establishment of merit-based rewards and bonuses to recognize and incentivize excellence and contributions.

Employee Financial Wellbeing Solutions

There are several technology and service providers who either provide specialized financial wellbeing products or have added new financial wellbeing capabilities into their existing product sets. Here are some of the types of providers and some examples of the HR technology and services companies developing tools in this functional area.

Payroll providers – Numerous payroll providers like [Paychex](#), [Paycom](#), [Dayforce](#), and [ADP](#) have incorporated capability in their solutions to allow employees more flexibility on how and when they receive their pay, including the ability to receive earned wages on a daily basis. As more employees come to see earned wage access as an essential offering, these large payroll providers, having millions of customers combined, have responded by incorporating EWA functionality into their applications.

Financial Budgeting and Planning Tools – Numerous providers of employer sponsored financial budgeting and planning tools and services have entered the market in recent years. Some companies include:

- [LearnLux](#) – Offers a comprehensive financial wellness platform that includes personalized financial education, budgeting tools, and access to financial advisors. Their services are designed to help employees manage their finances, reduce debt, and save for the future.

- Enrich – Provides a highly customizable financial wellness platform that includes interactive courses, budgeting tools, and financial assessments. Their platform is designed to improve financial literacy and help employees make informed financial decisions.
- Best Money Moves – Best Money Moves uses artificial intelligence to power a mobile-first platform that measures employee financial stress, then dials it down with a unique content-mapping system that pushes the right information, tools, solutions – and your own corporate-paid benefits – to the employee, right when they’re looking for it, to help reduce and resolve workforce financial pain points.



HR Means Business Podcast Episode: HR’s Role in Promoting Financial Wellness and Reducing Money Stigma

Benefits Providers – Many “traditional” employee benefits providers of insurance and retirement products have expanded their offerings to include financial wellbeing tools and resources. These services are often bundled with existing financial products and offered by employers for use by their employees. Examples of some of these companies include:

- MetLife provides a range of financial wellness programs, including budgeting tools, financial education, and access to financial advisors. Their services are designed to help employees manage their finances, plan for retirement, and reduce financial stress.
- Prudential offers financial wellness solutions that include personalized financial assessments, budgeting tools, and educational resources. They also provide access to financial advisors to help employees with retirement planning and debt management.
- Voya Financial offers financial wellness solutions that include budgeting tools, financial education, and access to financial advisors. Their services are designed to help employees manage their finances, plan for retirement, and improve overall financial well-being.

These and other providers can be good options for employers and employees as they typically have existing relationships through retirement, insurance, or other benefits products.

Earned Wage Access Providers – Initially, Earned Wage Access, or payday on demand solutions were developed by innovative technology startups, before the baseline capabilities were adopted by the existing and established payroll providers. These third-party solutions typically made partnerships and integrations with legacy payroll providers while offering the new “on-demand” types of wage access to employees. While all the major payroll providers now offer this capability, some of these third-party solutions are still in the market and offering their own approaches to Earned Wage Access. The most well-known is DailyPay, one of the earliest pioneers in the EWA industry. Whether you take advantage of EWA and flexible pay options from your existing payroll solution, or work with a third-party provider, in 2025 it is essential that you offer EWA, as the value and benefits to employees are highly valued and much appreciated by workers under financial stress.

Conclusion

Employee financial wellbeing has emerged as a critical issue for employers heading into 2025. The percentage of employees who are facing financial stress on a weekly or monthly basis is substantial – as many as two-thirds of employees are only one or two paychecks away from financial problems. Increased attention to this issue is essential for HR leaders next year.

By implementing a diverse set of strategies and new benefits, employers can help alleviate financial stress, improve productivity, and enhance overall employee wellbeing. These insights highlight the critical need for comprehensive financial wellness programs and support systems to help workers manage their financial challenges effectively, which will ultimately lead to employees with less overall stress, better ability to be productive and focused, and more likely to remain with the organization.

Trend 3: Artificial Intelligence

The rapid pace of technological advancement in recent years has led to a seismic shift in how businesses and industries operate. At the forefront of this transformation are artificial intelligence (AI) and automation, two interconnected technologies that are reshaping economies, altering the nature of work, and forcing societies to reimagine the future of the workforce.

From automating repetitive tasks to enabling machines to "think" and make decisions, AI and automation are no longer the stuff of science fiction but an integral part of the modern economy. While they offer unprecedented efficiency and innovation, they also pose critical challenges, especially concerning job displacement, ethical considerations, and the need for workers to adapt.

Definition and Overview of AI and Automation

AI refers to the simulation of human intelligence by machines, primarily computer systems, to perform tasks that typically require human cognitive functions such as learning, problem-solving, reasoning, and decision-making. AI systems can range from narrow AI, which is designed for specific tasks (e.g., chatbots or recommendation systems), to general AI, which aims to replicate human cognitive abilities more broadly.



HR Happy Hour Podcast Episode: [Harnessing AI to Transform the Job Search and Recruitment Process](#)

Automation, on the other hand, refers to the use of machines, robots, or software to perform tasks without human intervention. While automation has been a staple of industries since the advent of machines, it has evolved dramatically in recent decades, powered by advances in AI, machine learning, and robotics. Automation now extends beyond the simple mechanical processes of assembly lines and into complex decision-making systems in industries such as finance, healthcare, and logistics.

AI and automation are closely linked, as AI technologies increasingly power automation systems, enabling them to perform more complex, adaptive tasks that go beyond pre-programmed instructions. As AI becomes more sophisticated, the potential applications of automation expand, leading to a growing integration of both technologies in everyday business operations.

Technological Advances

Recent technological advances have accelerated the adoption and impact of AI and automation across sectors. One major development is the increased capability of machine learning (ML) algorithms. ML enables machines to learn from data and improve their performance over time without needing to be explicitly programmed for each task. Deep learning, a subset of ML, has further enhanced the ability of AI systems to process vast amounts of unstructured data such as images, video, and natural language.

Another breakthrough is the development of natural language processing (NLP), which allows machines to understand, interpret, and generate human language. This has led to the rise of more intuitive AI-powered chatbots, virtual assistants, and tools capable of performing complex tasks like sentiment analysis or even drafting written content.

In the realm of automation, advances in robotics have played a crucial role, particularly in industries such as manufacturing and logistics. Collaborative robots or "cobots" are designed to work alongside humans in a shared workspace, boosting productivity while reducing physical strain on workers. Meanwhile, autonomous vehicles and drones powered by AI are transforming sectors like transportation, delivery services, and even emergency response.

The increasing computational power available to AI systems, coupled with the growing availability of big data, has also been critical in driving forward innovation in AI and automation. Cloud computing and edge computing have made it possible to store, process, and analyze large data sets in real-time, enabling more efficient and responsive automation systems.

Impact on Jobs

The integration of AI and automation into various industries has inevitably led to concerns about its impact on employment. According to numerous studies, certain jobs that involve routine or repetitive tasks are at a high risk of being automated. Jobs in sectors such as manufacturing, retail, and administrative support are particularly vulnerable, as AI-driven machines and software can perform these tasks more quickly and efficiently than human workers.

For example, automated checkout systems in retail stores have already reduced the demand for cashiers, while robotic process automation (RPA) is replacing clerical tasks in accounting and administrative roles. In the manufacturing sector, industrial robots are taking over many of the labor-intensive jobs previously done by humans, raising concerns about job losses in these fields.

However, while AI and automation may displace some jobs, they are also creating new roles, many of which did not exist just a few years ago. The rise of AI has led to a surge in demand for data scientists, AI specialists, and machine learning engineers, who are responsible for developing and managing AI systems. Moreover, automation technologies require constant monitoring, maintenance, and optimization, generating roles for technicians, engineers, and managers skilled in working with AI-powered systems.



HR Happy Hour Podcast Episode: [Using AI & Skills Technology to Empower Business Leaders](#)

The nature of work is also changing. As machines take over routine tasks, human workers are shifting toward roles that require higher-level cognitive abilities, creativity, and emotional intelligence. This is especially true in fields such as healthcare, education, and customer service, where human empathy and decision-making are difficult to replicate with AI.

The shift toward automation has also underscored the need for reskilling and upskilling. To remain competitive in the job market, workers must learn new skills that complement automated systems, such as data analysis, machine learning, or AI ethics. Governments, companies, and educational institutions are increasingly recognizing the importance of investing in training programs that can help workers transition to new roles and industries.

Industries Transformed

The transformative power of AI and automation is already visible across several industries and job categories. In customer service, for instance, AI-powered chatbots and virtual assistants are becoming standard tools for handling routine inquiries and providing support. These tools offer instant responses and can handle multiple queries simultaneously, significantly improving efficiency and customer satisfaction. Companies like Amazon and Google have developed sophisticated AI-driven customer service platforms that can engage in natural conversations with users, reducing the need for human agents in basic support roles.

In manufacturing, automation has long played a central role, but advancements in AI and robotics are enabling factories to become even more efficient. Smart manufacturing technologies allow machines to communicate with each other, optimize production processes, and predict equipment failures before they occur. This not only reduces downtime but also enhances quality control and minimizes waste.

The healthcare sector has seen a surge in AI applications, from diagnostic tools to robotic-assisted surgery. AI-powered algorithms can analyze medical data, such as X-rays or MRIs, and identify patterns that may be invisible to the human eye, leading to faster and more accurate diagnoses. Automation also helps to streamline administrative tasks in hospitals, such as scheduling, billing, and patient record management.

Logistics and supply chain management have similarly benefited from automation, with AI-powered systems optimizing inventory levels, predicting demand, and automating transportation logistics. Autonomous vehicles and drones are beginning to play a role in delivering goods, while AI-powered software is improving warehouse management and order fulfillment.

AI Agents – The Evolution AI and Automation in HR Technology

As 2025 approaches, the development of more advanced AI and automation technologies in HR technology are taking a new form – the creation of what are being called “Agents” – sophisticated tools that combine AI technology like Generative AI with automation concepts to deliver robust, intelligent, and efficient workflows. For example, in late 2024 Oracle Cloud HCM announced the availability of nineteen new AI Agents across functional HR areas like employee lifecycle management, career and performance development, compensation and benefits management, and for compliance and information management.

[The Oracle AI agents](#) can help organizations redefine and simplify business operations by providing services tailored to the specific needs of business processes within HCM. By streamlining workflows, reducing administrative burdens, and enabling strategic human resource management by automating routine tasks, the HR organization can provide better, faster, and more personalized levels of service. The Agents can assist organizations in recruiting top talent, upskilling their workforce, driving better performance, and in all stages of the employee lifecycle. They can be deployed to help with important functions such as answering questions, providing guidance, offering personalized recommendations, and completing tasks on behalf of the employee—all embedded directly and in context of a specific business process or transaction.

Workday also announced new [AI Agents for HCM](#) in late 2024. For example, the Workday Recruiter Agent is designed to proactively source passive candidates, automate candidate outreach, and recommend top talent

for open roles – significantly reducing time-to-fill roles and improving hiring quality. The Workday agent automates tasks like creating job descriptions, sourcing candidates, and scheduling interviews, and provides AI-powered insights into candidate profiles. Recruiter Agent also integrates with communication platforms like Microsoft Teams, enabling hiring managers to receive notifications and leave interview feedback directly within the users' natural flow of work.



HR Happy Hour Podcast Episode: [AI in HR Tech, The Latest from Workday Rising](#)

In 2025, we expect the Agents concept to further develop to extend the capabilities of Generative AI and traditional process automation by combining to form powerful, flexible, and effective tools to support HR organizations with their digital transformation objectives.

Ethical Considerations

The rise of AI and automation brings with it a host of ethical considerations. One of the most pressing concerns is the potential for AI to exacerbate social inequalities. If certain sectors and jobs are more vulnerable to automation, there is a risk that large portions of the workforce, particularly low-skilled workers, could be left behind. This highlights the importance of ensuring that the benefits of AI and automation are distributed equitably and that opportunities for reskilling and upskilling are made available to all.

Data privacy and security are also significant concerns, as AI systems often rely on vast amounts of personal data to function effectively. The collection and use of this data raise questions about how it is stored, who has access to it, and how it can be protected from misuse.

Another ethical dilemma is the potential for AI to perpetuate bias. AI systems learn from the data they are trained on, and if that data contains biases, the AI can replicate or even amplify those biases in its decision-making processes.

This is particularly concerning in sectors like hiring, lending, and law enforcement, where biased AI systems could have real-world consequences for individuals' lives.

As a result of these concerns, there is growing debate around the need for regulation and oversight of AI and automation technologies. Governments and organizations are beginning to establish frameworks to ensure that AI is developed and deployed responsibly, with an emphasis on transparency, accountability, and fairness.

Future Outlook

Looking ahead, AI and automation are poised to continue transforming industries and reshaping the workforce. In the near term, we can expect to see even more widespread adoption of AI-powered tools in sectors such as healthcare, finance, and education, where automation can enhance efficiency and deliver personalized experiences.

In the longer term, the development of more advanced AI, including general AI, could lead to even more profound changes. While this could unlock new levels of productivity and innovation, it also raises fundamental questions about the future role of human workers and the need for new social safety nets in an increasingly automated world.

Ultimately, the future of AI and automation will depend on how societies choose to harness these technologies. By focusing on reskilling, ethical governance, and equitable distribution of benefits, it is possible to ensure that AI and automation drive positive change for all.

Trend 4: Mental Health

In 2025, mental health will continue to be a critical component of workplace well-being and productivity, with organizations recognizing it as both an ethical responsibility and a strategic advantage.



While the number of individuals with a diagnosed mental illness is high, individuals with poor general mental health is even higher. These issues include a person's social, emotional, and psychological well-being in the moment. This can be affected by mental exhaustion, fatigue, grief, work burnout, stress, finances and more.

Organizations that recognize and look for ways to improve their employee's mental well-being will actively serve their entire workforce community. Providing a culture of openness, vulnerability, and human connection will not only help those suffering with a mental health issue in the moment but also serve as a preventive measure for everyone else moving forward.

Prioritizing mental health in the workplace fosters a culture of inclusivity and resilience, which is essential for sustaining high performance and a positive workplace culture. The importance of providing mental health support cannot be overstated, as it directly impacts every employee. Let's explore the key areas that mental health values are expected to shape the workplace in the coming year.

Workplace Culture and Inclusivity

Fostering a supportive and open culture where mental health is openly discussed and prioritized creates an environment where employees feel safe to express their needs and concerns. In our recent podcast interview with Dr. Belinda Carrasco from Koa Health, she said "Koa Health really aims at democratizing access to care. We know that access to care has

improved since the pandemic, but the reality is that still about 8 out of 10 people don't ask for help when they need it."



HR Happy Hour Podcast Episode: Strategies for Reducing Employee Burnout and Supporting Mental Well-Being

This can be achieved by offering a variety of mental health care options through EAPs, alternative wellness programs, and/or mental health days. But simply offering these options is not enough. Organizations must also cultivate a supportive culture that encourages open conversations, reduces stigma, and integrates mental health support into daily practices. Options such as providing regular check-ins with employees about their mental well-being and resources for stress management allows the organization to keep ahead of potential disruptions.

Creating a more inclusive workplace by respecting the diverse mental health needs of their workforce, organizations will be better positioned to reach their goals. Ensuring that all employees feel valued, supported, and able to contribute their best work not only improves individual well-being but also strengthens organizational resilience and performance.

Productivity and Employee Well-being

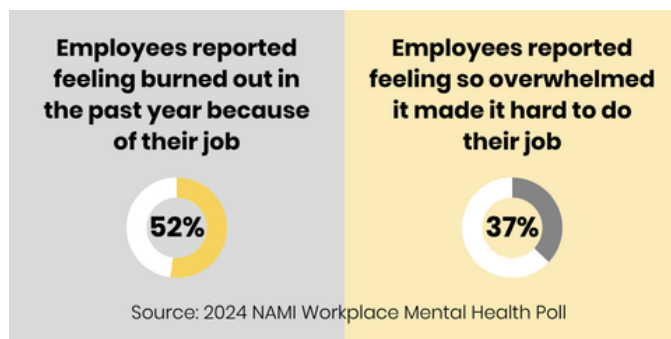
Understanding the link between mental health and productivity reveals how supporting mental well-being enhances focus, creativity, and overall job satisfaction. Well-being is not just about physical health. Psychology Today says, "well-being is the experience of health, happiness, and prosperity." Based on this definition, employees with a sense of purpose can be more connected to their organization, allowing greater productivity.

On a recent HR Means Business podcast with Mervyn Dinnen, Colin Minto shared "It's not just about general wellbeing we all know that a happy workforce is a productive workforce. We know that if you invest in your workers, they will credit you for that, therefore, they will stay - so you solve retention to a certain extent. They will work hard; therefore, you get performance."

Prioritizing mental well-being not only helps the employee, but it helps the organization too. According to the World Health Organization, an estimated 12 billion workday days are lost every year globally to depression and anxiety at a cost of 1 trillion US\$ per year in lost productivity.

Burnout Prevention and Resilience

Addressing the growing issue of burnout and promoting resilience-building initiatives is crucial. By helping employees manage stress and maintain a healthy work-life balance, organizations demonstrate their commitment to supporting and caring for their workforce. In recent years, burnout has become increasingly prevalent, affecting employees of all levels and across all industries. Some factors that contribute to burnout include increased workloads, blurred work-life boundaries (with the increase in remote and hybrid work), lack of support or insufficient resources, and a negative workplace culture.



Let's talk about it!

According to NAMI, “employees who are less comfortable talking about their mental health at work are more likely to report feeling burnout and their mental health suffering because of work.”

Building resilience among your workforce will help employees cope with stress and recover from setbacks. Organizations that promote open communication among all employees offer support without fear of stigma or retaliation. Training resources on stress management, mindfulness, and coping strategies should be available to the workforce. Support employees in taking regular breaks as well as utilizing their PTO to recharge.

Access to Diverse Mental Health Resources

Mental health exists on a spectrum and it's imperative that every employee has access to the type of mental health resources they need. This might include access to counseling services, flexible work arrangements, mental health days, stress management workshops, mindfulness training, or alternative mental health solutions. All resources should be accessible and confidential.

During a recent podcast interview with Rett Kearbey from Sholder, we learned more about modern, alternative mental health resources. "Mental and emotional health are deeply personal, and employees' needs vary widely based on factors like culture, background, and life experiences. Having a diverse set of solutions in place helps ensure that each person's unique needs can be met."



At Work in America Podcast Episode: [Innovating Mental Health Care through Human Connection](#)

By providing a variety of options, employers acknowledge that mental health needs are unique to each individual and can change over time.

Leadership and Training

Leaders have a crucial role in setting the tone for mental health support. Training managers to recognize and respond effectively to mental health concerns will foster a culture of openness and care that prioritizes employee well-being. This proactive approach empowers leaders to make an impact on their teams every day.

There is a significant gap in leadership development and training around mental health support. Leaders who are ill-equipped to support their teams effectively can lead to missed opportunities for early intervention, increased stress among their teams, and a culture where mental health issues remain stigmatized.

Implementing comprehensive mental health training can bridge this gap, equipping leaders with the tools to initiate these crucial conversations. Building trust through personal vulnerability opens the workplace conversation where everyone feels valued and important.



In our recent interview with Pat Wadors of UKG, she talked about how to start this important conversation.



HR Happy Hour Podcast Episode: Vulnerability, Leadership, and Trust in the Workplace

Long-term Impact and Sustainability

The benefits of ensuring the mental well-being of your employees are far-reaching.

- * Improved productivity
- * Reduced absenteeism
- * Higher employee engagement
- * Improved employee retention
- * Cost savings on health issues
- * Enhanced creativity
- * Positive organizational culture

Conclusion

Prioritizing mental health is recognized as a critical component of workplace well-being and productivity in 2025. Organizations are not just talking the talk, but walking the walk – creating a supportive and inclusive workplace culture. When people feel better, the whole company thrives.

Trend 5: Hybrid Work

Of all the massive disruptions to the workplace caused by the events of the pandemic, perhaps the one that continues to impact and drive human resources leader's agendas heading into 2025 is remote, and increasingly, hybrid working models.

The debates, research, and at times heated discussions around remote, in-person, and hybrid working models among organizational and human resources leaders, and their employees, have seemingly raged on much past the effects of the pandemic, and continue to be a source of tension in many organizations. In more recent months, many organizations and leaders have intensified their calls and ramped up pressure for employees to perform more of their work in-person, while others reiterate their commitments to remote, hybrid, and more flexible approaches. How HR leaders and their executive colleagues navigate the myriad issues surrounding hybrid working – employee productivity, work/life balance, real estate costs, impact on recruiting and retention and more – will remain a dominant workplace trend in 2025.

Historical Context

Leading remote and hybrid working researchers from WFH Research have noted that the pandemic disruptions dramatically accelerated remote working trends. While remote working was rising, it was only slowly, and just prior to the onset of the pandemic in early 2020, only an estimated 6 – 7% of working days were conducted remotely, (among workers whose jobs could reasonably be conducted remotely).

The widespread shutdown of workplace facilities, local stay-at-home orders, the need for working parents to care for children who were suddenly at home as most schools closed for in-person instruction for some period, and even individual employee's reluctance to return to workplaces combined to rapidly increase working from home rates to just over 61% of working days in early 2020.

From the early 2020 remote working peak, the percentage of days worked from home, according to the WFH Research data, began to slowly but steadily decline as more workplaces and schools re-opened, lockdowns and stay-at-home orders expired, and fueled by general and widespread availability of effective vaccines and post-COVID treatments, more organizations began to encourage and even require more in-person working.



Within that data of course there exists all manner of working arrangements – fully remote, fully in-person, and in what has emerged as the dominant form of working arrangements for many organizations and employees – some form of hybrid working.

Current State

Recently, several high-profile companies in technology, finance, professional services and others have renewed or even increased the in-person working requirements for office-based workers. The reasons behind these so-called “Return to Office” (RTO) mandates are generally explained or justified by one or more of the following elements:

- **Improved collaboration and teamwork** – many leaders feel that people collaborate more effectively when they can “see” and interact with each other. Many important non-verbal clues and communication are lost when colleagues are not in the same physical space. And in hybrid environments, team members working remotely can feel excluded from interactions and decision-making processes.
- **Building or maintaining organizational culture** – since most organizations started out as “in-person” operating models, and their unique organizational culture was developed in that context, it’s believed by many that the best, (or only), way to maintain, sustain, and strengthen culture is through in-person working, collaborating, and interacting.

- **Onboarding, training, and mentoring** – there has been a clear trend in many organizations, even ones that have continued to embrace hybrid and even remote working, that there are some specific employee journey elements that benefit greatly from in-person gathering and co-location of teams. New employee onboarding, specifically, has been called out as an important activity that many leaders see as greatly enhanced by in-person execution. Connecting new hires to the organization, helping them learn about organizational culture, connecting with colleagues and mentors, feeling part of the team as it were, all seem to be improved when conducted via in-person settings.
- **Enhanced innovation and “moments of serendipity”** – that are more likely to occur when colleagues are in-person. Frequently, you will read mentions of “water cooler moments” or serendipitous encounters that happen when colleagues simply cross paths in the workplace – outside of formal meeting settings. These informal encounters and conversations have been much more difficult to replicate in remote and virtual working environments.
- **Improved productivity** – some leaders firmly believe that remote and hybrid workers are more likely to slack off since they are out of sight (literally). Old fashioned methods of management and supervision guide many leaders to think that workers have to be physically present in order for them to be productive and effectively managed. This “feeling” is not backed up by research, and most studies of remote and hybrid working environments indicate that employees are at least as productive, if not more productive, in these models than they are in fully in-person working environments.

Finally, in-person working just “feels” right to leaders. Most built their careers working in-person, it is largely all they know, and they are less comfortable leading and managing a remote team. Often, organizations have not provided managers and leaders with specific training, resources, and tools to help them effectively manage and lead in remote and hybrid environments.

However, many employees after navigating the pandemic era, and adapting and embracing the benefits of working less often in-person, are understandably reluctant to return to the “old ways”, as in-person working is often seen. Numerous published studies show employees both have a high preference of at least hybrid working arrangements, and also feel their outputs and productivity are enhanced by more flexible working arrangements.



HR Means Business Podcast Episode: [Making Remote and Flexible Work Successful for our People](#)

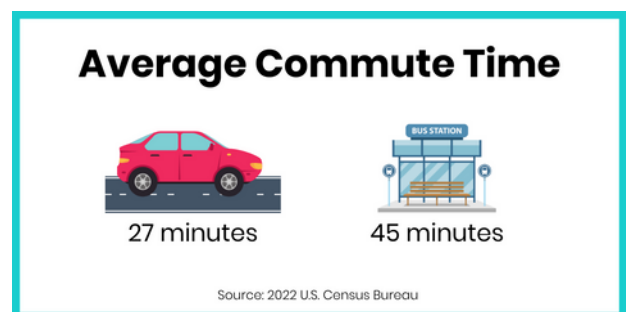
Benefits and Challenges – For Employees

Hybrid working arrangements and models offer several benefits for both organizations and for their employees. For employees, the primary benefits from hybrid work fall into three groups: Improved Work/Life Balance, Reduction in Commuting Time and Costs, and most importantly, enhanced autonomy and control over their work. Let’s examine each type of benefit and its impact on employees.

Improved Work/Life Balance: The Harvard Business Review highlights that remote work can blur work-life boundaries, leading to potential burnout. However, it also offers significant flexibility, which is particularly valued by employees with caregiving responsibilities. For example, parents can be more available for school aged children and their activities, while being able to balance their own work responsibilities.

Reduced Commuting Time and Costs:

Estimates show that commuting costs on an annual basis range from, on average, \$5,000 – \$8,500 per worker. Clearly, hybrid and remote working significantly reduces both the time spent and employee out of pocket expenses.



Enhanced Autonomy and Control: Having control and a level of autonomy over how, where, and when work gets done can benefit employees both in their productivity as well as their job satisfaction. Hybrid and flexible working allow employees to organize and structure their work in ways which can lead to more efficient and productive work outcomes. Additionally, research from the University of Birmingham has shown that employees with higher levels of autonomy reported better overall well-being and job satisfaction.

Benefits and Challenges - For Employers

Similarly, hybrid working arrangements have been shown to drive several important benefits for organizations. Key areas of benefit for organizations include cost savings, increased productivity, access to a wider talent pool, and improved employee retention. Breaking each of these areas down we see clear benefits and improved business outcomes for the organization.

Cost savings – Reducing organizational costs has been a clear benefit from increased adoption of hybrid and remote working arrangements. Some of the types of cost savings that can be realized from the adoption of hybrid work arrangements include:

- Real estate – Hybrid schedules can reduce the amount of office space and locations needed to be operated, potentially reducing costs
- Utilities – Operation of fewer and smaller work locations drives reductions in utilities and other office overhead costs
- Commuting Subsidies – Firms that offer employee subsidies or stipends for commuting and parking can see these costs reduced
- Office Supplies and Equipment – Hybrid arrangements with fewer employees in work locations should drive reduced overall costs for office supplies, furniture, and equipment needed for operations
- Facility Management – Hybrid working will lead to reduced costs for cleaning, security, and other facilities management services

Estimates on total employer cost savings from adoption of hybrid working schedules vary widely. Much depends on how many employees are affected by the schedule, the amount of in-person work that is expected, and the specific facilities cost basis experienced by the organization. But some data has indicated that cost savings as high as 40 – 50% can be reached. While cost savings alone should not be the driver for hybrid working, it can provide a needed beneficial outcome.

Increased productivity – The productivity debate centered around how and where employees are more productive, in-person at company locations or working more flexibly, is contentious and ongoing. There have been studies that show that remote work can increase productivity by at least 5%, including a Stanford University study published in June 2024. But even without the ability to directly connect productivity improvements to hybrid work schedules, it has been shown that most employees would choose to work hybrid over working full-time in person, as it enhances overall job satisfaction and well-being. It is therefore reasonable to expect some productivity improvements from more satisfied and healthier employees.



The Workplace Minute Episode: [How the CEO of Tech Company Dropbox is Bucking the Return to Office Trend](#)

Access to a wider talent pool – Experience from the largely fully remote working arrangements showed that organizations could benefit from the much wider talent pool when compared to in-person work, or even in hybrid working schemes. Clearly relying only on a talent pool physically living within reasonable commuting distance from specific work locations places significant limitations on any organization's ability to find the best-fit talent for their roles. While hybrid working generally offers flexibility to workers, it does not meaningfully broaden the talent pool, as some in-person work, usually two or more days a week, places the same physical limitations as does full in-person work. The only incremental benefit of hybrid working would be to potentially include workers who may be unwilling or unable to commit to full-time in-person work but would be amenable to a hybrid work schedule.

Improved employee retention – It's certainly anecdotally true that hybrid and flexible working arrangement, which large majorities of workers prefer to fully in-person work would lead to improved retention and overall satisfaction. But in addition to that somewhat intuitively obvious conclusion, data backs up the argument that hybrid work improves retention. The above-mentioned Stanford study also shows that in a large, controlled study of hybrid work resignations fell by 33% among workers who shifted from working full-time in the office to working a hybrid schedule.

Key Considerations

Research has provided HR leaders and organizations with an emerging set of operating principles and leading practices to consider when developing, implementing, and managing a hybrid working model. Key elements that HR and business leaders should evaluate when setting working arrangements, and the expectations and principles that will guide them.

- **Management Styles** – Are the organization's leaders and managers receptive to alternative working arrangements? Do you have the necessary training to make managers successful in hybrid environments?
- **Productivity** – If worries about productivity are expressed, does the organization have relevant data and measurable outcomes to understand the impact of hybrid and remote working on productivity?
- **Employee Work/Life Balance** – Are there challenges with overwork, burnout, and consequent employee attrition? Could more flexible working arrangements be one way to make meaningful improvements in the overall lives of employees?
- **Collaboration/Technology** – Does your organization have preferences and expectations for collaborative work, and do you have the best set of technologies to support collaborative efforts? Where can you improve to make remote and hybrid working most effective for employees and teams?

- **Onboarding** – One of the more common complaints of remote working is that new employee onboarding is less successful when conducted remotely. When adopting remote and hybrid working arrangements, HR leaders should carefully evaluate new hire onboarding processes, expectations, and desired outcomes to ensure that the optimal mix of in-person and remote activities are executed.
- **Organizational Culture** – Building and maintaining a strong company culture and a sense of connection among employees can be challenging. It is important for HR leaders to carefully monitor and actively maintain its distinct culture, norms, expectations, and artifacts when employees are not regularly or normally gathering in-person in the same location.



The Workplace Minute Episode: [Company Culture is Not Built Only in the Office](#)

Future Outlook

Moving forward, one of the primary challenges for HR leaders will be to understand how different working models will work best for their organizations and for their employees. More than four years after the Covid-19 pandemic dramatically increased the pace of adoption of remote and hybrid working, it's clear that, despite some organizations' attempts to mandate employees back to the office full-time, hybrid work arrangements are here to stay.

Organizations that will lead into 2025 and beyond will be the ones that most successfully navigate the new world of work, post-pandemic, and for many organizations, that will mean hybrid working. For many, the key to becoming a successful hybrid company will be to identify key jobs and tasks, determine what the drivers of productivity and performance are for each, then consider which arrangements would serve them best, and engage employees in the design process. The Future of (Most) Work is Hybrid. We now know much more about how to make it work for everyone.

Trend 6: Caregiving & Alternative Benefits

With millions of workers wrestling with caregiving responsibilities, HR must understand key issues and available benefits and resources. The Cambridge Dictionary defines caregiving as the activity of providing for the care of another person who is young, old, sick, or disabled (having an illness, injury, or condition that makes it difficult for them to do some things that other people do), either as a family member or friend, or as a job.

Historical Context

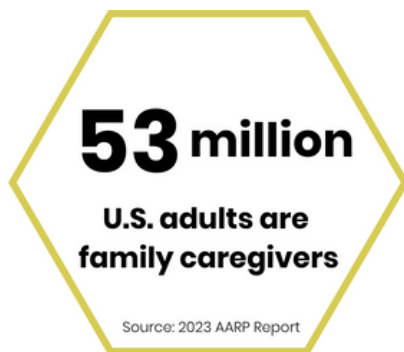
Caregiving in the United States has undergone significant changes over the past 50 years, reflecting broader societal shifts and evolving family dynamics. In the 1970s and 1980s, caregiving was largely an invisible job, often unrecognized by organizations, government policymakers, and healthcare professionals. Most caregiving responsibilities fell to women who most often provided care for their children or other family members with little external support.



Over time, greater awareness of the caregiving challenges led to the formation of organizations like the National Alliance for Caregiving (1996), and importantly, the passage of the Family and Medical Leave Act (FMLA) in 1993. The FMLA provided employees with the ability to take unpaid leave from their jobs for many reasons, including for caregiving, without the fear of losing their jobs. These advances became more important given the increased challenges that caregivers were facing, particularly balancing their jobs with their caregiving responsibilities.

By the decade of the 2010s, more technological solutions had been developed to help caregivers manage their tasks, find access to services and support, and even provide remote monitoring capabilities. But despite more awareness and support for caregivers, the challenges have continued to mount, and with so many US workers also providing care, organizations and leaders must continue to address these issues.

Current State



These caregivers assist with daily activities, medical tasks, and other responsibilities, often devoting over 20 hours per week to caregiving—equivalent to a part-time job.

Additional analysis of the state of caregiving shows that the combined pressures of work and caregiving are creating a crisis for many American workers, with updated AARP data from 2023 revealing that 67% of working caregivers struggle to balance their job responsibilities with caregiving duties. This has led to some caregivers reducing work hours, turning down promotions, or even leaving the workforce entirely. The challenges are exacerbated by factors like inflation and a lack of employer support, particularly for those providing care to adults rather than children.

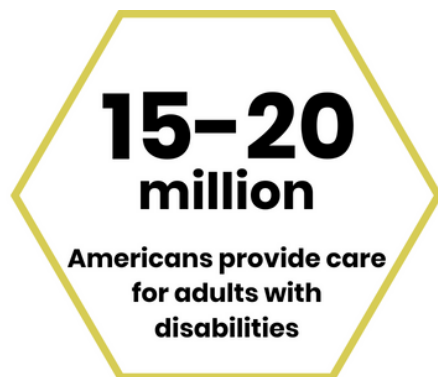
Caregiving responsibilities vary across the type of care being provided, generally broken down into three main categories – childcare, elder care, and other adult care, (primarily for persons with disabilities).

The breakdown of caregivers in the U.S. by the type of care they provide is as follows:

- **Childcare:** A significant portion of caregivers in the U.S. are parents or guardians caring for minor children. According to data from the Bureau of Labor Statistics, approximately 33% of U.S. households with children

under 18 include someone who provides childcare. Many of these caregivers also juggle work responsibilities, with some studies indicating that about 35–40% of all U.S. workers are involved in childcare, either directly or indirectly.

- **Elder Care:** Elder care represents a substantial and growing segment of caregiving. The 2023 AARP report estimates that approximately 34 million Americans are providing care for an older adult, typically a parent or grandparent. These caregivers often help with activities of daily living, medical tasks, and emotional support. The number of people providing elder care is expected to increase as the U.S. population ages.
- **Care for Adults with Disabilities:**



This group includes individuals who care for family members or others with physical or intellectual disabilities that require assistance with daily activities. This form of caregiving is particularly demanding, with many caregivers providing over 20 hours of care per week.

Employee Challenges and Benefits

The prevalence and growth of employee caregiving demands on workers is creating a crisis of sorts among working Americans. Increasingly, workers are looking to their employers, and their employer sponsored benefits programs, to provide additional resources and support for caregiving. For example, regarding childcare, the KinderCare Parent Confidence Report 2023 states that 69% of workers ranked childcare benefits in the Top 5 of all benefits in their total compensation packages.

Additionally, according to the Bureau of Labor Statistics approximately 37.1 million families are providing unpaid eldercare, and they're spending at least 4 hours a day doing so, making this challenge for many mid-career workers particularly important. What's more, a Deloitte survey from 2022 found that 75% of Baby Boomers and 68% of Gen X workers would prefer to stay with an employer who offers robust elder care benefits. To meet these challenges, and to help employees with their caregiving responsibilities, several technology and services providers have established programs and resources that are designed for employers to incorporate into their overall employee benefits offerings.

[KinderCare Learning Companies](#) helps organizations, and their employees better integrate work with life as the nation's leading provider of employer-sponsored childcare benefits. They have partnered with over 600 organizations to answer their working parents' call for quality childcare in the communities where they work and live nationwide. KinderCare works with employers in several ways – through onsite and near-site centers, back-up care options for employees, and tuition assistance programs that can be offered to employees as part of their overall benefits program.

We recently interviewed Jessica Harrah, Chief People Officer at KinderCare, on the HR Happy Hour podcast. Learn more about supporting working parents on the episode.



The HR Happy Hour Podcast Episode - [Supporting Working Parents: The Impact of Childcare Benefits](#)

[Cariloop](#) offers a caregiving support solution for diverse workforces. Cariloop focuses on easing the burden of caregiving responsibilities and improving overall well-being. Cariloop helps families manage their loved ones' care needs by connecting them to an employer-sponsored caregiver support platform. Their experienced Care Coaches provide personalized guidance and professional support, while a digital platform

provides easy access to robust collaboration tools and critical caregiving resources. The comprehensive solution helps reduce stress and burnout for caregivers, and helps employers drive increased employee productivity and reduced absenteeism.

[Homethrive](#) is a technology-enabled healthcare service company that reduces work, worry, and stress for unpaid family caregivers, their loved ones, and their employers. Our family caregiving platform uniquely integrates our digital assistant for coaching, navigation, and resources with expert personal interaction and service coordination to help ease the difficult and stressful responsibility of supporting loved ones who are aging or have special needs. Family, or unpaid caregivers, and their loved ones get the support they need to confidently maneuver the aging, eldercare, and special needs journeys.

[Unum Care Hub](#) offers best-in-class resources to support employees when it matters most and can be accessed through the Unum leave and disability experience. Whether employees are taking a leave, embarking on a journey toward mental health and physical wellbeing, welcoming a new baby, caring for a loved one or simply could use some support through life's challenges, Unum Care Hub is ready with a wide selection of curated services, tools and educational resources. The solution allows employers to offer access to a suite of benefits and resources driving not only better leave and disability experiences but also healthier and happier employees.

Case Studies

[Dow](#) is one of the world's leading materials science companies with approximately 19,000 North American employees who are balancing work and caring for loved ones. Dow partnered with Cariloop to leverage Cariloop's caregiver support across pediatrics, childcare, education, adult, and elder care, making caregiving support an important element of its overarching Total Rewards philosophy. The demand for support among Dow's population caring for aging parents exceeded expectations and met a previously unknown need among the workforce.

Daimler Trucks, a truck manufacturer based in Portland, Oregon, made comprehensive family benefits a foundation of their people strategy to become an Employer of Choice by 2020. To achieve this, Daimler needed to partner with a childcare provider who could offer nationwide coverage in addition to the development of a custom on-site childcare center. They chose KinderCare Education at Work to build the custom on-site childcare center and answer the childcare needs of their diverse workforce.

Daimler partnered with KinderCare to build an on-site center, First Gear Academy, on their campus. With views of Portland's downtown waterfront and room for 118 children, First Gear quickly reached capacity. Daimler then offered their employees Priority Access and Tuition Benefit, providing waitlisted families and its national workforce assistance with dedicated placement and tuition savings at any KinderCare Learning Center across the country.

Future Outlook

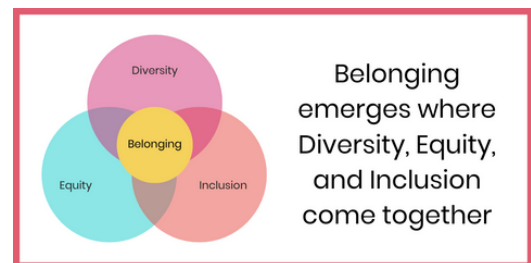
One of the lasting effects of the pandemic era on the workplace has been the reevaluation and reassessment of the role of work in our lives, and the increasing importance of integrating all aspects of our lives – work and our life outside of work. For millions of US workers, the most important and challenging element of our non-working lives are caregiving roles and responsibilities. Whether it is providing care for minor children, aging parents or other relatives, or persons working to overcome and manage disabilities, caregiving has become an essential part of life for millions of working adults.

Organizations in 2025 and moving forward will need to focus on meeting the needs of their caregivers, with flexible work schedules, enhanced paid time off and parental leave, employee assistance programs, employee resource groups, specific benefits for caregivers, and more inclusive policies that meet employee needs and expectations. We expect that organizations more responsive to the needs of their employee caregivers will be positioned to better compete for talent, generate more employee commitment and loyalty, and ultimately, better job satisfaction, engagement, and performance.

Trend 7: Diversity, Equity, Inclusion & Belonging

In recent years, Diversity, Equity, Inclusion, and Belonging (DEIB) programs have become a focal point for organizations aiming to foster more inclusive workplaces. Despite this momentum, many companies are still struggling to move beyond superficial initiatives that fail to make lasting impact.

In 2025, the organizations that successfully embed DEIB into their core strategies will stand out, attracting top talent, fostering innovation, and improving overall business performance. Leaders who have a clear, consistent vision and point of view on DEIB will be better positioned to navigate increasingly complex global business environments.



Current State of DEIB Programs

Throughout 2024, DEIB has become a popular topic of organizations, and not always for great cause. Many are falling short when attempting to fully integrate DEIB programs into their culture and operations.

Companies that provide a surface-level effort, utilizing only one-off training, special hires, or other single initiatives, may check a box but fail to address the root causes of inequity or promote sustainable inclusivity within the workforce. According to Harvard Business Review, DEI initiatives should be deeply woven into an organization's mission, culture, and values.

Employees are growing increasingly critical of how DEIB is handled where they work, demanding a genuine commitment to diversity and equity rather than performative or political gestures. DEIB practices are also feeling further pressure on their decisions from outside political and social groups. In 2024, many companies have backed away from their original DEIB plans in the face of increased online pressure.

On a recent Workplace Minute episode, we discuss this topic.



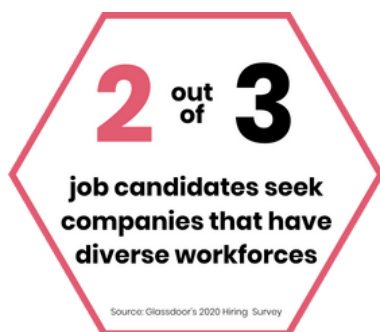
Workplace Minute Episode: At Least 7 Major Companies have Backed Away from DEI Initiatives

To effectively navigate how to proceed with a DEIB plan, companies need to move beyond mere representation and toward creating environments where all individuals feel a sense of belonging and have equitable access to all opportunities.

Business Care for DEIB

The value of embedding DEIB into an organization's culture extends far beyond fulfilling ethical obligations. Prioritizing diversity and inclusion enhances innovation and creativity throughout the team, leveraging a variety of perspectives and talents. A diverse workforce brings together individuals with different backgrounds, experiences, and viewpoints, which facilitates better decision-making, vision in product development, better responsiveness to a diverse customer base, increased creativity, and a more agile response to market changes.

A comprehensive DEIB culture is a key differentiator in the competitive talent market. Top candidates are seeking out employers that demonstrate a genuine commitment to inclusivity, and companies that can provide such environments are more likely to attract and retain high-caliber talent.



Diverse teams are more likely to attract a broader pool of candidates. This is particularly true for younger generations, with 74% of millennial employees believing their organization is more innovative when it has a culture of inclusion according to research from Deloitte.

Trends Shaping DEIB in 2025

Several key trends will shape the future of all DEIB initiatives. Organizations that are able to stay ahead of these trends will be better equipped to meet the needs of their employees and customers and remain competitive in their markets and be better positioned to attract and retain diverse talent.

Leadership Accountability – Leaders play a crucial role in setting the standards for DEIB and fostering an inclusive workplace culture that makes all employees feel valued and respected. Leaders should be accountable to DEIB goals through making visible and tangible commitments to DEIB, building trust and safety throughout the organization, maintaining personal accountability in their decisions actions, and by investing company resources towards DEIB efforts.

Evolving Definitions of Equity – The concept of equity has evolved significantly over time. Historically, equity was often seen as a principle aimed at general fairness in decision making. However, in recent years, the term has expanded to encompass broader concepts, including addressing structural barriers and ensuring equal opportunities for all individuals. This modern interpretation of equity focuses on creating conditions where everyone in the organization can thrive, regardless of their background or identity.

Technology and DEIB – Numerous HR technology solutions have been developed or enhanced to support an organization's DEIB programs and efforts. Recruitment platforms now can use AI technology to scan candidate profiles and conduct virtual interviews, reducing human bias in the hiring process. Other technologies help an organization analyze compensation data for pay disparities and can make recommendations to organizations to ensure pay equity regardless of employee gender, race, or other factors. Finally, many HR technologies have developed analytics to help companies understand trends to examine for potential disparities in opportunities and outcomes across their workforce. These tools can provide early warnings to potential problems where additional research and remediation may be needed.

Intersectionality and Inclusion - Intersectionality is a framework for understanding how various aspects of a person's identity—such as race, gender, sexual orientation, disability, and more—intersect and interact to create unique experiences of discrimination and privilege.

Intersectionality helps companies recognize that employees are not defined by a single identity. By considering intersectionality, companies can better understand and address the unique challenges faced by employees who belong to multiple marginalized groups. This can lead to more effective diversity and inclusion strategies.

Key Metrics for 2025

To determine the effectiveness of an organization's DEIB success, key metrics need to go beyond surface-level numbers. The most impactful organizations will measure not just how many underrepresented individuals they have hired but also how included and engaged their employees feel and the potential impact that DEIB initiatives have on organizational outcomes. Some key metrics that organizations should monitor include:

Employee Engagement and Satisfaction - Conducting regular employee surveys to measure feelings of inclusion, belonging, and overall job satisfaction. Lower levels of engagement and satisfaction among diverse employees could indicate the lack of a positive and inclusive workplace culture. This metric can reveal how well the organization supports its diverse workforce.

Representation at All Levels - Tracking the percentage of employees from various demographic groups (e.g., gender, race, ethnicity, age) at different levels of the organization. These metrics help assess the general diversity in the organization and highlight instances of underrepresentation.

Retention and Promotion Rates – Monitoring the retention and promotion rates of employees from various demographic groups and comparing them to the overall retention rate and promotion progression rates. High turnover rates among specific groups may indicate issues with inclusivity or workplace culture. Lagging promotion rates could indicate whether issues arise at specific career steps in the employee journey.

Pay Equity Scorecard – Conducting pay audits to compare compensation across different demographic groups for similar roles and publishing results to key stakeholders. This metric identifies any pay disparities that need to be addressed.

Innovation and Market Success – Finally, organizations should begin to track and assess progress on important DEIB measures like representation and progression against business outcomes like new product innovation, market share, customer satisfaction and other important business metrics. Ultimately, the success of DEIB initiatives will be measured by the business success that they help deliver.

Case Studies

While much of the recent headlines about corporate DEIB programs have been focused on which major companies are scaling back, rebranding, or even eliminating prior commitments to DEIB initiatives, there remains many success stories with DEIB and as many companies staying true to their DEIB positions and programs. Notable examples include:



[Salesforce](#) has been a pioneer in DEIB initiatives. They have continued to focus on equal pay, diverse hiring practices, and creating an inclusive workplace. Additionally, Salesforce has received numerous awards for its DEI efforts, including being named one of the “Best Workplaces for Diversity” by Fortune.

Google has implemented various DEIB programs, including unconscious bias training, diverse hiring practices, and support for employee resource groups (ERGs). They also focus on creating an inclusive culture through initiatives like their “Google Diversity Annual Report”, which shows internal progress against key DEIB metrics. Google tracks the diversity of new hires, retention rates of underrepresented groups, and employee feedback on inclusion. Notably, Google has been recognized by the Human Rights Campaign as one of the “Best Places to Work for LGBTQ Equality”.

Accenture has a comprehensive DEIB strategy that includes goals for gender parity, support for LGBTQ+ employees, and initiatives to increase racial and ethnic diversity. They also offer extensive training programs on inclusion and diversity. Accenture tracks metrics such as gender parity in leadership roles, the diversity of their workforce, and employee satisfaction scores related to inclusion. The company has received numerous accolades, including being named one of the “World’s Most Ethical Companies” by Ethisphere.

Challenges

In 2025, organizations will face several challenges in their DEIB programs. First, the lack of leadership support remains an issue. Many organizations struggle with insufficient backing from top management, which is crucial for the success of DEIB initiatives. Next, DEIB efforts are often frustrated by the difficulty in measuring progress. Without clear metrics, it’s challenging to assess progress and make data-driven decisions. For many organizations there are insufficient budget and resources allocated to DEIB. Many organizations do not budget enough financial and human resources to effectively implement and sustain DEIB programs long enough for them to be effective and impactful in the organization. Finally, the previously mentioned external challenges from some conservative activists will challenge leaders and organizations and may actively apply pressure to force a reduction of DEIB efforts. Leaders who make DEIB a priority will have to stand firm in 2025 in the face of these pressure campaigns.

Future Outlook

While DEIB programs are under increasing scrutiny and are even facing external pressure and criticism, most organizations remain committed to the fundamental principles which are the foundation of DEIB programs. To improve their DEIB efforts in 2025, organizations can consider the following strategies:

- **Emphasize Leadership Commitment:** Ensure that leaders are visibly committed to DEIB by setting clear goals, communicating the importance of these initiatives, and holding themselves accountable.
- **Establish Data-Driven Approaches:** Implement robust systems for tracking and measuring DEIB metrics. This can include regular surveys, diversity audits, and using analytics to identify areas for improvement.
- **Prioritize an Inclusive Culture:** Foster an inclusive culture by promoting open dialogue, encouraging diverse perspectives, and providing training on unconscious bias and inclusive behaviors.
- **Support Employee Resource Groups (ERGs):** Support ERGs that provide a platform for underrepresented groups to share their experiences and contribute to the organization's DEIB strategy and goals.
- **Create Flexible Policies:** Implement flexible work policies that accommodate diverse needs, such as remote work options, flexible hours, and support for work-life balance across the organization.

By addressing these challenges and implementing these strategies, organizations can create a more inclusive and equitable workplace, even amidst external pressures.

Conclusion

As we look ahead to 2025, the trends shaping the future of work are driven by evolving employee expectations, rapid advancements in technology, and a growing emphasis on holistic well-being. Companies that embrace these changes with agility and a human-centered approach will be well-positioned to thrive.

From navigating the complexities of hybrid work and caregiving responsibilities to leveraging AI and people analytics for strategic advantage, HR leaders will play a pivotal role in shaping work environments that prioritize flexibility, inclusion, and mental health. The organizations that foster a culture of empathy, innovation, and inclusivity will not only enhance employee engagement but also drive business performance in an increasingly competitive landscape.

As the world of work continues to evolve, staying responsive to these emerging trends will be key to building sustainable success in the years ahead. We at H3 HR Advisors are excited and optimistic about the world of work in 2025, and we hope that you and your organizations continue to thrive in the new year.







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