

# Latest workplace trends – how employers should adapt to changing conditions 2/44/24



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The growing job market requirements both locally and globally are forcing employers to identify HR policy improvements capable of attracting and retaining today's workforce. Yet strategies for attracting talent, adopting GenAI tools, understanding and satisfying workers' needs are only the tip of the iceberg.

With increased challenges to reduce staff turnover and create an inclusive and growth-oriented working environment, organisations should be putting more effort into identifying the current market trends and building their value proposition. In this article we will present the findings of 'Workforce Radar', a PwC US study of organisations across the PwC network, and the findings of 'Hopes and Fears 2024', a PwC survey of more than 20,000 employees, business leaders and HR leaders.

## A talent magnet and a talent factory

The study suggests it's important for employers not only to compete for experienced hires by offering better pay and better working conditions but to take an active part in developing their staff. Your organisation should become a talent factory that recruits people with diverse backgrounds and develops the professionals it needs.

This principle applies not only to young people (there are about 27,000 youngsters aged 15–29 in Latvia who are neither studying nor working) but also to other groups able to work who are exposed to a higher risk of facing unemployment, such as people at pre-retirement age. The Central Statistical Office's data confirms this: about 85,000 people aged 55–64 weren't employed in 2023. This is particularly relevant to the Latvian job market, given the ageing population, which is likely to increase the percentage of workers at pre-retirement and retirement age in the coming years. So we need to build an organisational culture that embraces diversity and inclusion today to ensure that, for instance, an older worker starting a career in a new field can feel comfortable working under a younger manager.

According to the study, although business leaders and HR leaders view their organisation as a talent magnet and a talent factory, there's a difference of opinion among workers. More than 30% of workers disagree, and there are big gaps between genders and generations. Only 54% of women see their workplace as a talent magnet and 52% as a talent factory, while men are 20 percentage points more likely to agree with these statements. 67% of workers aged up to 27 agree that their organisation is a talent factory, while only 41% of older workers (aged 60+) endorse this statement.

Under such conditions, when your organisation needs to take care of its emerging professionals, it's important to ensure that workers choose to stay on and build a career in your organisation regardless of gender and generation. It's also important to launch internal communication campaigns that would build a

common understanding of your organisation's development goals and personal growth opportunities for workers.

To minimise differences in perception and the impact of bias on career growth, it's advisable to conduct a diversity and communication audit in order to engage all worker groups. In this process you can rely on the support of diversity and inclusion professionals available from PwC Latvia Diversity & Inclusion services.

## Training opportunities

According to the surveys, workers appreciate the opportunity to develop their skills and gain new experience in their workplace. The findings of PwC's survey 'Hopes and Fears 2024' suggest that almost half (46%) of workers partly or completely agree that their employer gives them sufficient opportunities to master new skills that will be useful in their career.

There's a particular interest in how AI affects skill development – 76% of all AI users believe it will create opportunities to pick up new skills at work. However, employers will have to make significant investment to provide training and access to new technology. A third of workers who haven't used GenAI in their work in the last 12 months say they don't have an opportunity to use this technology, 24% say such tools aren't available in their workplace, and 23% say they don't know how to use them.

The study also shows that in an attempt to retain workers, organisations have been recruiting new workers and accelerating promotions in recent years. However, they have also been reducing investment in staff training and development. As a result, workers that are used to rapid changes feel less optimistic about their career growth opportunities, as promotions and the recruitment of new workers return to the normal pace.

No doubt, if workers are to continue feeling appreciated and see growth prospects, organisations need to offer development opportunities, such as training programmes, mentoring (coach/buddy) systems, training and certifications in their speciality. It's important to determine the skill development structure to understand what skills your organisation already has and to avoid excessive investment in useless or uniform programmes.

It's also important to bear in mind that women often don't feel sufficiently supported and engaged in development programmes offered by their organisation. For example, only 52% of women believe their organisation offers development opportunities, compared to 73% of men. It's therefore important to listen to the opinions of various worker groups and understand how they see their development in the organisation to create a more effective approach and provide all workers with equitable growth opportunities.

## Equitable reward and benefits

Against the general background, we can't ignore the need to offer an equitable and competitive reward, which is a key aspect workers expect from the employer for their work. 20% of workers say their present income is below the level of their needs, meaning they are unable satisfy their basic needs (e.g. it's difficult to pay for a home and transport).

However, compensation opportunities extend beyond base salary – stock options, additional leave, paying for student loans, pension savings programmes, financial literacy courses, compensation for setting up a home office, loans, etc.

An attractive benefits package can become a key differentiating factor if your organisation wants to retain employees, in particular those showing a great potential at the early stage of their career and workers with considerable experience who can help your organisation reach new levels.

The study shows that 96% of business leaders and 97% of HR leaders believe their organisation's benefits package is different from what their competitors offer. However, 25% of workers disagree, which indicates that organisations might be exaggerating the impact of their benefits package on attracting and retaining workers.

So it's essential for the employer to listen to workers' opinions and assess whether the solutions being offered indeed meet workers' needs, instead of merely reflecting the organisation's own perceptions of what is desired. There are various statistical methods and tools that can process and visualise information gleaned from worker surveys and summarise the results in a report giving insights into workers' satisfaction with the HR management policy, the existing benefits package and how they are informed of benefits the employer has to offer. Wider application of these tools can be useful for employers and workers alike. Based on the survey results, workers could also be given the opportunity to individualise the available benefits and thus maximise the value of the employer's offerings.

## Working hours and work locations

The Covid-19 pandemic has led to rapid changes in working routines, highlighting the significance of choosing your own working hours and work locations. Statistics show that only 67% of workers believe their working routine is flexible enough to satisfy their personal needs. This indicator is particularly low for workers that are unable to work remotely: only 48% say their working routine is flexible enough.

Flexibility is crucial not only to promote workers' satisfaction but also to improve your organisation's overall productivity. Workers that are allowed to adapt their working hours are often more motivated and satisfied, which has a positive effect on their performance. And a flexible working routine can help attract a wider range of talent, including people with a disability who might pass up a job if it doesn't meet their special needs.

Today's workplace is no longer limited to the physical environment but also includes a work culture. Whether your organisation wants to attract new talent or develop its existing talent, it's crucial that you invest and improve your facilities to promote both coworking and individual work. To provide an attractive working environment for all employees, it's important to offer facilities and resources supporting diverse working patterns, whether your employees prefer individual work, coworking, or a combination of both.