

The Top 10 Workplace Trends For 2014

By Dan Schawbel

2014 will be a slow period, where a lot of major workplace issues will surface and executives will be scrambling. As more boomers retire and more people work from home, the idea of “work” will start to change. Hiring processes are going to start to shift as more recruiters rely on the Internet and the word “reputation” will become even more important to professionals and companies alike. Here are the trends I’m following that will affect you one way or another next year:

1. Healthcare’s impact on the workplace

CNNMoney.com found that 9 out of 14 economists say that businesses are putting off hiring because of health care reform next year. The reform will force employers with 50 or more workers to provide affordable health insurance starting in 2015. Starting next year, small businesses will be able to get a credit for up to 50% of their health care premium costs if they buy insurance. It’s debatable exactly how Obamacare will impact the workplace but many are saying (at least Republicans and some economists) that companies will be laying off more full-time workers and hiring more contingent workers in order to dodge the penalty.

2. Freelancing becomes a normal way of life

One third of Americans are freelancers (17 million people), contractors and consultants right now and there will be more of them than full-time employees in six years. Employers are saving more money hiring freelancers because they don’t have to pay benefits (they will want to avoid the Obamacare penalties for instance) and they are looking to hire experts who can complete specialized projects. This also means that more professionals will be working from home instead of a traditional office setting, which saves

companies money. Despite how the public views the working from home phenomenon, Gallup reports that you are more engaged when working from home.

3. Gender pay gap starts to close

Earlier this year, Gallup found that only 24% of women are happy with what they earn at work compared to 32% of men. This was a more general view of the workforce but what we found recently was that if you break it down by generation, there isn't much discrepancy between millennials. After controlling for all other factors, there is only a 2-3% difference between male and female pay across all 3 generations, and that difference is the smallest for Gen Y. The gap is going to shrink overall because 36% of the American workforce will be millennials by next year and that number will continue to rise. As more women are becoming educated and more men leave the workforce, the gap will shrink even more. Millennials are all about equality in every aspect of life and want women and men to be treated the same. For instance, 74% of millennials support same sex marriage, which is a big reason why it passed in many states.

4. The economy delays career growth

The economy hit the workforce really hard and there are no clear signs that it's going to bounce back any time soon. The Congressional Budget Office expects unemployment to remain near 8% in 2014 and Generation Opportunity reports that there is a 15.9% unemployment rate for millennials. A new study between my company and PayScale.com shows that millennials are most likely to have had to move back home with their parents due to financial hardship after starting their careers (28 percent) compared to Gen X (11 percent) or Baby Boomers (5 percent). Millennial workers are now 30 years old before hitting a median wage of \$42,000—up from 26 back in 1980. Millions of millennials are moving back in with their parents when they graduate and Pew Reports that 36% of millennials are choosing to put off moving out on their own. Many recent graduates are finally getting internships, which delay their ability to actually get a full time job. Degrees and internships don't guarantee jobs anymore and the economy has slowed down career development for many.

5. Boomers retiring – changing demographics in the workplace

We're going to see a lot of boomers retire starting next year and it's going to cause major shifts in workplace demographics. In fact, 18% of boomers will retire within five years and 68% of HR professionals say that boomers retiring will have a major impact on the workforce. Next year, millennials will account for 36% of the American workforce too. One of the biggest problems companies will have is succession planning. They are going to have to train Gen X'ers and Gen Y'ers before their boomers retire or they will be in major trouble. On the flip side, new opportunities will be created for younger generations who are more loyal to their companies.

6. Employers create new ways of filtering candidates

Every year it becomes more competitive to apply for jobs because there are more applicants for fewer positions. In the past, I've called this the black hole of resumes and the Wall Street Journal calls it "resume oblivion". Companies, especially larger ones, are finding new ways to filter candidates. One of them is to have HR programs that filter out those who didn't graduate from college. The second way is to use social networks to screen candidates.

Jobvite.com reports that 94% of employers are using social networks for recruiting and that number will be about 100% next year I predict. More smaller companies and even midsize companies are looking at your online footprint first before giving you an interview to see if you would fit into the corporate culture and if there's anything negative that comes up for your name. More companies will be using tests next year to try and close the skills gap. One test is called the "Collegiate Learning Assessment", which provides an objective, benchmarked report card for critical thinking skills.

7. More companies provide wellness programs

Health and wellness at work will become one of the biggest conversations next year, especially with the Affordable Care Act coming into effect. Employers will be able to use financial rewards and penalties to encourage healthier behaviors. Currently, employees who smoke cost companies an average of \$5,800 per year and depressed employees cost companies \$23 billion each year in loss of productivity. 10.8% of the workforce suffers from depression and they miss an average of 8.7 days per year due to poor health. Companies know they can save a lot of money and be

more productive and effective with a healthier workforce. Professionals who are healthier are happier in their jobs too.

8. The continuous job search

Research shows that people are always searching for new jobs and opportunities. People are just not satisfied anymore with the work they do so they are continuously searching even after getting a new job. 73% of workers don't have a problem looking for new employment before leaving their current employer and 48% of millennials say they conduct job search activities at work. The Bureau of Labor Statistics reports that people have about eleven jobs between the ages of 18 and 34. People are going to get even more restless in the future as the internet creates an even larger marketplace for jobs.

9. ROI of college is looked at closer

Next year the pressure is going to be on colleges much more than in years past. College's continue to increase their tuition rates for 2014 and there are still one trillion outstanding student loans out there. Due to all the unpaid internships, it's becoming harder for students to pay back their loans and save up to live on their own when they graduate (26 million of them live at home). In response, colleges are being forced to prove their worth and one way they are doing it is to offset unpaid internships with money. The other threat that college's have to worry about is MOOC's that offer free online courses that people can take from their homes. More colleges are going to be offering online courses next year in order to lower costs and allow for more diversity in the student body.

10. Reputation become more important for both professionals and companies

The word "reputation" will be talked about in length next year by employers and professionals alike because people will be hired and promoted based on it and will only work at a company that has a positive one. For professionals, companies are focusing their recruiting on outcomes, waiting for the perfect hire and are more risk averse. They want to hire a candidate that already has a reputation built on a strong track record. From the professionals standpoint, they are starting to judge companies based on reputation when

deciding where to work. A recent study by CareerBuilder shows that about 75% of job seekers will accept a lower salary for a good brand.