trinet
People Matter

STATE OF THE WORKPLACE

Emerging Trends in Small and Medium-Size Business: 2024
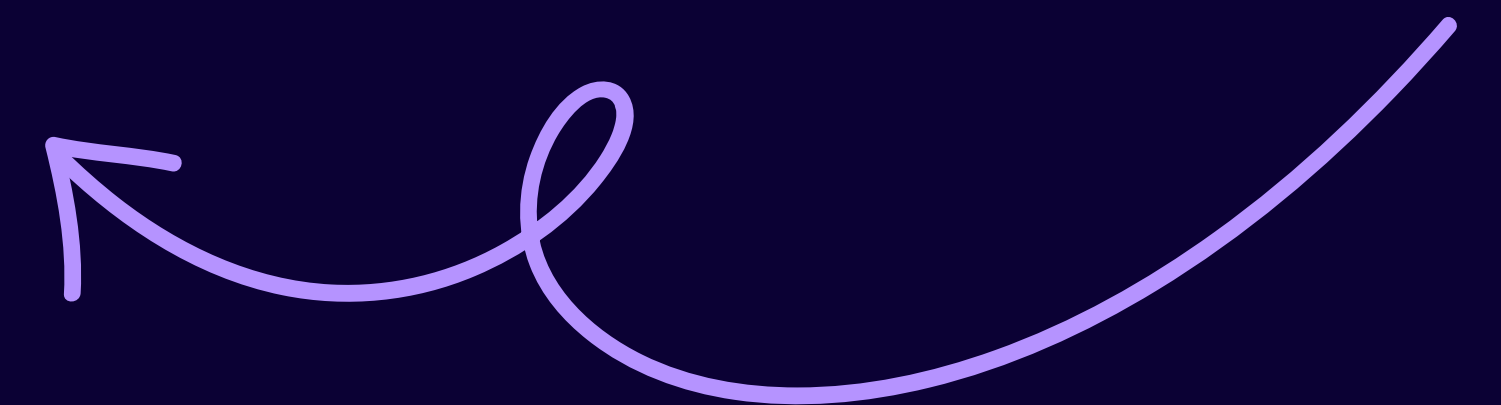
TABLE OF CONTENTS

01. INTRODUCTION

People in charge of workplace culture need to understand

MODERN WORKPLACE DYNAMICS

and build systems that help their organizations thrive.

In today's competitive talent market, managers face significant challenges: 90% report difficulty in finding skilled talent[1], and 33% expect increased turnover in the coming year[2]. This has a profound financial impact, as losing an employee can cost a company up to twice the employee's salary[3].

A crucial factor in attracting and retaining talent is understanding employee expectations, yet only 51% of employers have conducted comprehensive employee engagement surveys[4], and likely fewer than that in the small business community specifically. Especially as modern workplace dynamics are changing, such as hybrid work schedules and integration of AI and automation–many things that once were standard business procedures—are now being called into question. This could potentially shift both workplace behaviors and the employer-employee relationship and certainly underscores an urgency for people in charge of designing workplace operations and culture to consider what (if anything) has changed.

The time to understand workplace expectations from both employees and employers — could not be higher. People in charge of workplace culture need to understand the modern workplace dynamics and build systems that help their organizations thrive.

The State of the Workplace provides a comprehensive analysis of employer and employee perspectives in the U.S. small business community, covering key topics like employee engagement, work/life satisfaction, AI usage and benefits understanding and technology. This dual perspective (of both employer-specific responses juxtaposed to employee-specific responses) offers valuable insights into potential blind spots and fosters a deeper understanding that can enhance workforce satisfaction and retention.

Various slices in the data have been applied to specific questions to explore how trends among employers and employees vary based on generational influences or industry trends. This approach helps identify distinct differences and similarities across age groups and business sectors, providing a deeper understanding of generational factors or the nature of work that can help shape workplace attitudes and behaviors.

1 https://www.roberthalf.com/us/en/insights/salary-hiring-trends/demand-for-skilled-talent/hiring-trends-and-challenges

2 Express Employment Professionals-Harris Poll survey 2024

3 https://www.gallup.com/workplace/247391/fixable-problem-costs-businesses-trillion.aspx

4 https://investor.ajg.com/news/news-details/2023/Employers-Perceptions-of-Employee-Engagement-May-Not-Match-Reality/default.aspx

01. INTRODUCTION

◉ KEY TAKEAWAYS

Employers are more satisfied with work/life balance than employees.

61%

OF EMPLOYERS ARE "SATISFIED" OR "VERY SATISFIED" WITH THEIR WORK/ LIFE BALANCE,
while only 52% of employees say the same. The least satisfied generation are Gen Z with only 38% reporting being "satisfied" or "very satisfied."

Most people want to work in the office at least one day a week, and both employees and employers prefer

A HYBRID SCHEDULE

over a fully remote schedule.

Both employers and employees are harnessing AI at work.
88% OF EMPLOYERS AND 71% OF EMPLOYEES USE

AI AT WORK

AT LEAST "OCCASIONALLY."

Employers overestimate how easily employees can access their benefits support and technology. Only 59% of employees say they can easily access support for their benefits-related questions and only

58%

FIND THE TECHNOLOGY FOR ENROLLMENT EASY TO USE. GEN Z'S NUMBERS ARE EVEN LOWER IN BOTH CASES.

Employees are more engaged than employers realize.
85% of employees report being "moderately" or "extremely

ENGAGED" WITH THEIR WORK,

compared to employers' estimate of 81%.

02.
METHODOLOGY

TriNet surveyed 630 full-time employees and 588 full-time employers, working in the U.S. from companies with five to 500 employees in two separate, but related, surveys between May 30 through June 11, 2024.

Both surveys were authored by TriNet and administered by a third-party company, Qualtrics. "Employers" were people who identified themselves as either a managing director, CEO/president, HR manager/director/ partner, people operations manager / director / other executive staff, CTO, principal, COO, CFO, HR decision maker, controller, CMO, HR generalist, or CHRO. "Employees" were people who identified as independent contributors, managers, directors and executive or senior management. Respondents worked in one of the following industries: financial services, life sciences, "main street", nonprofit, professional services or technology.

DEFINITIONS

Industries:

Financial services: Finance / financial services or insurance

Life sciences: Healthcare, science, biotech, R&D, pharmaceuticals

Main street: Arts, entertainment, recreation, construction, property management, skilled trades, hospitality, food services, manufacturing, retail, wholesale

Nonprofit: Education, nonprofit, charity organization, social services

Professional services: Accounting, consulting, law or legal services, media, marketing, advertising, PR, real estate, recruitment, HR

Technology: IT, software, cybersecurity, social media, etc.

Generations:

Baby Boomers: 1946-1964

Gen X: 1965-1980

Millennials: 1981-1996

Gen Z: 1997-2012

The margin of error for the employee survey is +/- 4 points and +/- 5 points for the employer survey, both with 95% confidence and 0.5 estimated proportion.

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

About half of the small business community reports work/life satisfaction. While employers have greater satisfaction on average than employees (61% of employers vs 52% of employees), both groups see the effort small businesses place on work/life satisfaction. 94% of employers and 87% of employees can point to at least one way companies make a point to increase work/life satisfaction and agree almost identically on the tactics small businesses are using to boost satisfaction rates like offering flexible work hours and encouraging teamwork.

PRIORITIZING WORK/LIFE BALANCE

When looking at how, and if, companies are prioritizing work/life balance at their firms, the majority are indeed

MAKING THIS A FOCUS.

94%

of employers and 87% of employees can point to at least one way that companies make a point to increase work/life satisfaction.

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **PRIORITIZING WORK/LIFE BALANCE**

How Small Businesses Prioritize Work/Life Balance

QUESTION (Employers & Employees):

How does your company prioritize work/life balance? (Select all that apply)

94% of employers and 87% of employees can point to at least one way that companies make a point to increase work/life satisfaction, and surprisingly, they point to almost identical efforts. Flexible work hours, encouraging teamwork, and managing workflow top the charts as ways in which the small business community is aiding in work/life balance.

Only 4% of small business employers and 12% of employees say specifically prioritizing work/life balance is "Not a Focus of the Company."

This reflects a shared and somewhat equal understanding between management and employees about the intentions of the company and where they are making investments, either culturally or fiscally.

Employees

Flexible Hours Options	37%
Encouraging Teamwork	37%
Managing Workflow	31%
Work From Home (WFH) / Hybrid Options	31%
Generous PTO Options	25%
Balancing Working Hard and Playing Hard	25%
Rewarding Healthy Habits	21%
Modeling Healthy Habits	17%
Company-Wide Non-Holiday Time Off (i.e., Summer Fridays)	16%
This is Not a Focus of the Company	12%
Other	1%

Employers

Flexible Hours Options	44%
Encouraging Teamwork	40%
Managing Workflow	38%
Work From Home (WFH) / Hybrid Options	32%
Generous PTO Options	29%
Balancing Working Hard and Playing Hard	29%
Rewarding Healthy Habits	29%
Company-Wide Non-Holiday Time Off (i.e., Summer Fridays)	23%
Modeling Healthy Habits	21%
This is Not a Focus of the Company	4%
Other	0%

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **PRIORITIZING WORK/LIFE BALANCE**

While both employers and employees recognize their company's efforts to promote work/life balance, employers appear to be benefiting more. Two-thirds of employers (61%) report being "satisfied" or "very satisfied" with their work/life balance, compared to just 52% of employees who feel the same.

Satisfaction with Work/Life Balance

QUESTION (Employers & Employees):

How satisfied or dissatisfied are you with your work/life balance?

Chart: Satisfaction with work/life balance (Employee vs Employer)

Category	Employee	Employer
Very Dissatisfied	3%	2%
Dissatisfied	3%	3%
Somewhat Dissatisfied	10%	6%
Neither Satisfied nor Dissatisfied	9%	5%
Somewhat Satisfied	23%	22%
Satisfied	29%	33%
Very Satisfied	23%	28%
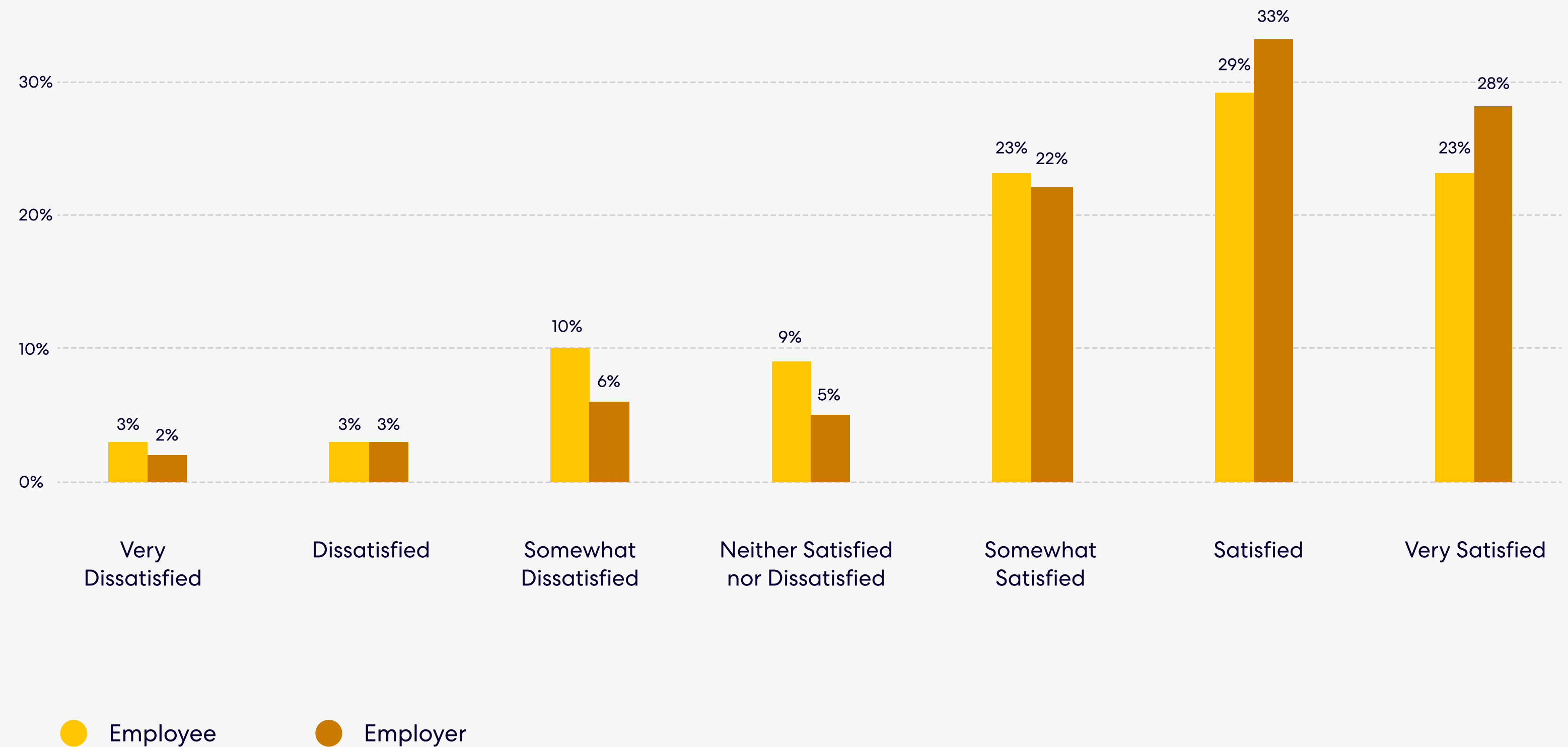
● Employee ● Employer

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **PRIORITIZING WORK/LIFE BALANCE**

Gen Z employees report the lowest level of satisfaction with their work/life balance (38%); Baby Boomers report the highest (62%).

Satisfaction with Work/Life Balance by Generation

QUESTION (Employers & Employees):

How satisfied or dissatisfied are you with your work/life balance?

	Employees (Satisfied + Very Satisfied)	**Employers** (Satisfied + Very Satisfied)
All	52%	61%
Baby Boomers	62%	55%
Gen X	45%	60%
Millennials	56%	60%
Gen Z	38%	59%

EMPOWERED EMPLOYEE EXPERIENCE

EMPLOYERS AND EMPLOYEES GENERALLY AGREE ON WHAT CONSTITUTES AN EMPOWERED EMPLOYEE EXPERIENCE.

BOTH GROUPS RANK TRAINING AND DEVELOPMENT AND SEEKING EMPLOYEE INPUT/VOICES HEARD AS TOP FACTORS IN EMPLOYEE EMPOWERMENT.
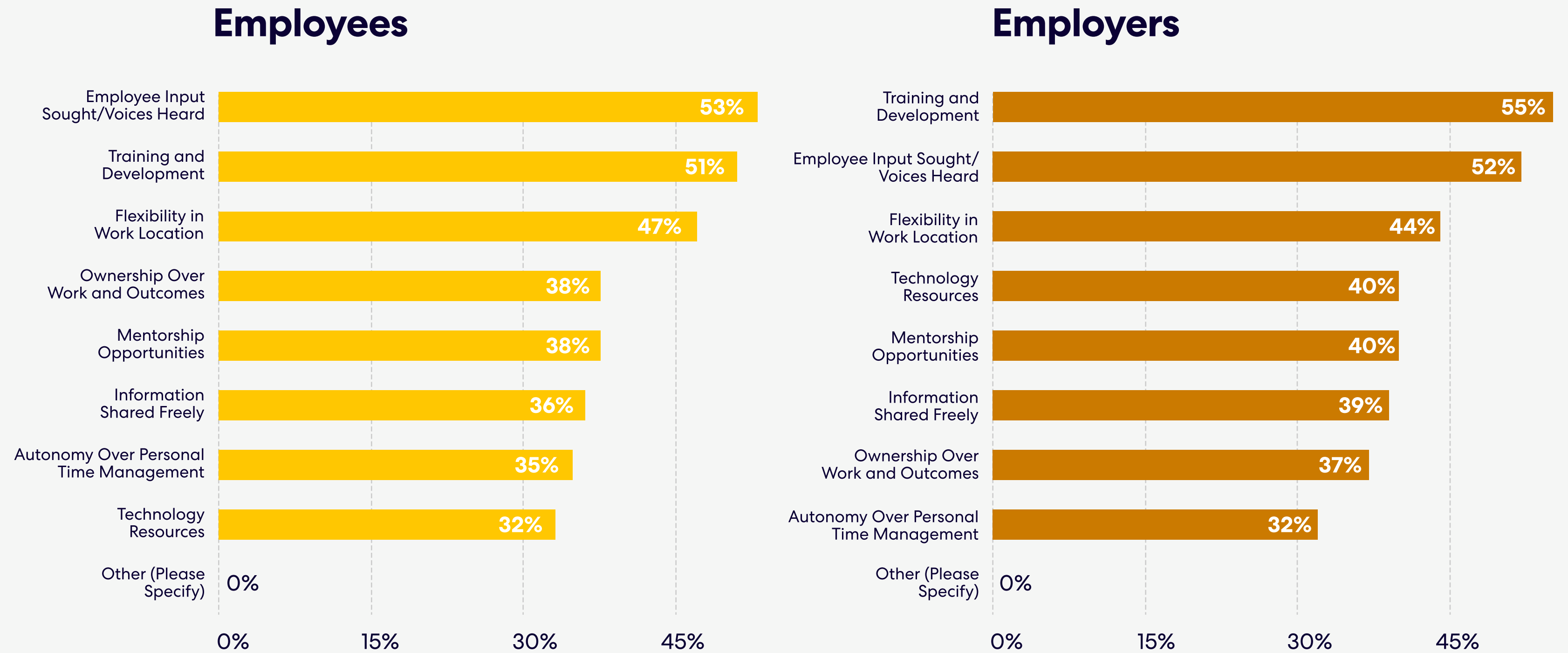
03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **EMPOWERED EMPLOYEE EXPERIENCE**

How Small Businesses Define an "Empowered Employee Experience"

What does an empowered employee experience look like for you? (Select all that apply)

Employees share the ways in which employers can engage them. An empowered employee experience includes "employee input sought / voices heard" (52%), "training and development" (50%), and "flexibility in work location" (46%).

Employees

Category	%
Employee Input Sought/Voices Heard	53%
Training and Development	51%
Flexibility in Work Location	47%
Ownership Over Work and Outcomes	38%
Mentorship Opportunities	38%
Information Shared Freely	36%
Autonomy Over Personal Time Management	35%
Technology Resources	32%
Other (Please Specify)	0%

Employers

Category	%
Training and Development	55%
Employee Input Sought/Voices Heard	52%
Flexibility in Work Location	44%
Technology Resources	40%
Mentorship Opportunities	40%
Information Shared Freely	39%
Ownership Over Work and Outcomes	37%
Autonomy Over Personal Time Management	32%
Other (Please Specify)	0%

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◎ **EMPOWERED EMPLOYEE EXPERIENCE**

How Employees Across Generations Define an "Empowered Employee Experience"

QUESTION

What does an empowered employee experience look like for you? (Select all that apply)
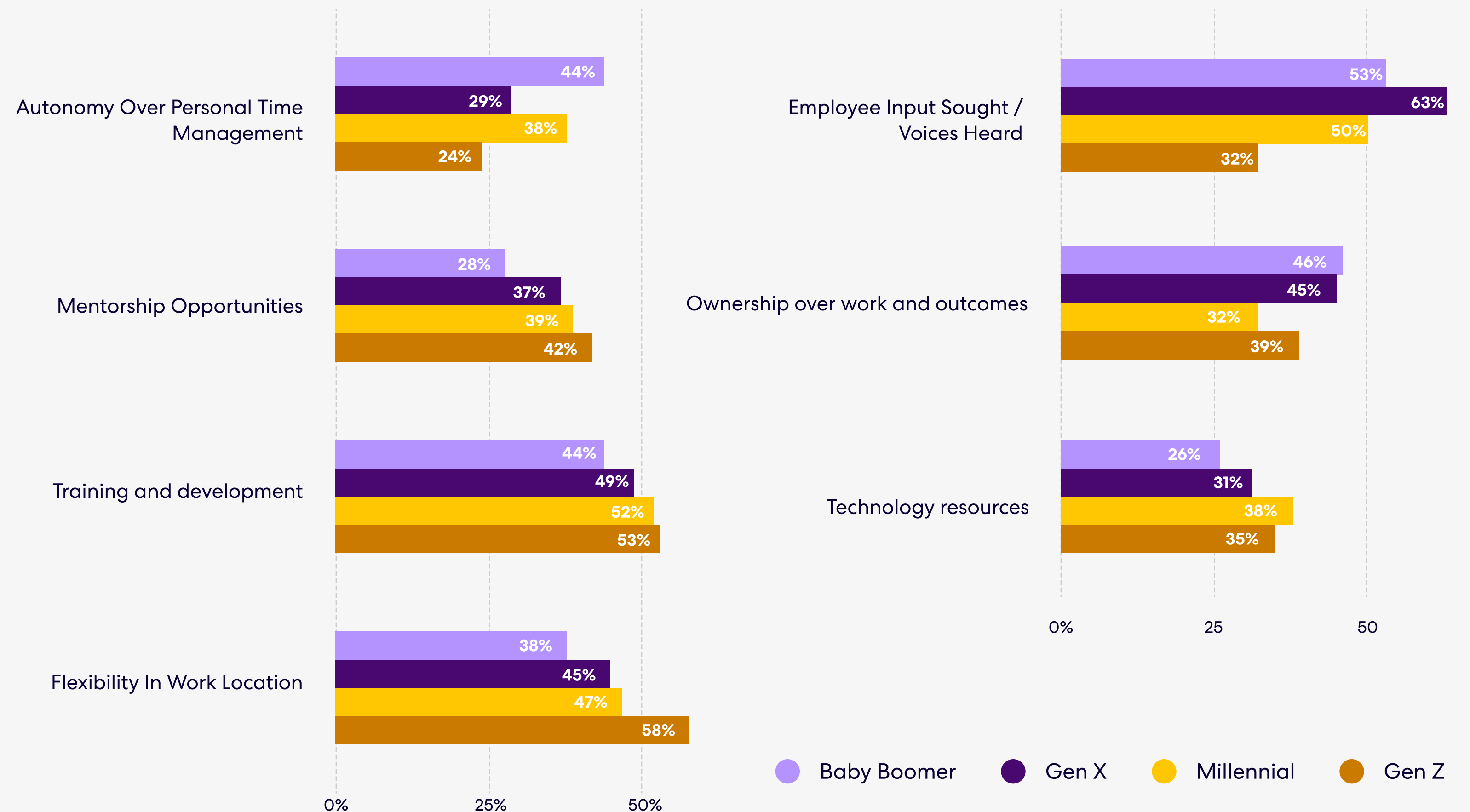
The ideal empowered employee experience can differ widely among individuals. While managers are generally aware of their direct reports' motivations, companies have the opportunity to foster environments that enhance overall employee satisfaction. One possible effective approach could be to consider these generational preferences:

- Baby Boomers and Gen X employees prioritize having their input actively sought.

- Gen Z employees value flexibility in work location the most.

- Millennials place the highest importance on training and development.

Autonomy Over Personal Time Management
- 44%
- 29%
- 38%
- 24%

Mentorship Opportunities
- 28%
- 37%
- 39%
- 42%

Training and development
- 44%
- 49%
- 52%
- 53%

Flexibility In Work Location
- 38%
- 45%
- 47%
- 58%

Employee Input Sought / Voices Heard
- 53%
- 63%
- 50%
- 32%

Ownership over work and outcomes
- 46%
- 45%
- 32%
- 39%

Technology resources
- 26%
- 31%
- 38%
- 35%

Legend: ● Baby Boomer ● Gen X ● Millennial ● Gen Z

EVERYTHING IN MODERATION

FULLY REMOTE WORK ISN'T AS SOUGHT AFTER AS A HYBRID WORK SCHEDULE.

THE SMALL BUSINESS COMMUNITY PREFERS A HYBRID WORK SCHEDULE OVER FULLY-REMOTE WORK.

INDEED, META ANALYSES INDICATE FULLY IN-OFFICE SCHEDULES ARE RELATED TO LOWER LEVELS OF SATISFACTION WORK/LIFE BALANCE.

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **WORK LOCATION & HOURS**

How Often People Come into the Office, and What Would Be Optimal

Most small business employers and employees report working in the office five days per workweek, with 38% of employers and 44% of employees following this schedule. The next most common arrangements are four-day work weeks for employers (17%) and either four-day work weeks or fully remote schedules for employees (both 13%).

However, these current schedules do not align with the *preferences* of most respondents. A significant majority—86% of employers and 81% of employees—favor a hybrid work model, defined by least one day in the office but less than a full workweek. This could indicate a notable shift in U.S. work preferences, moving away from either fully remote or full-time in the office workwork.
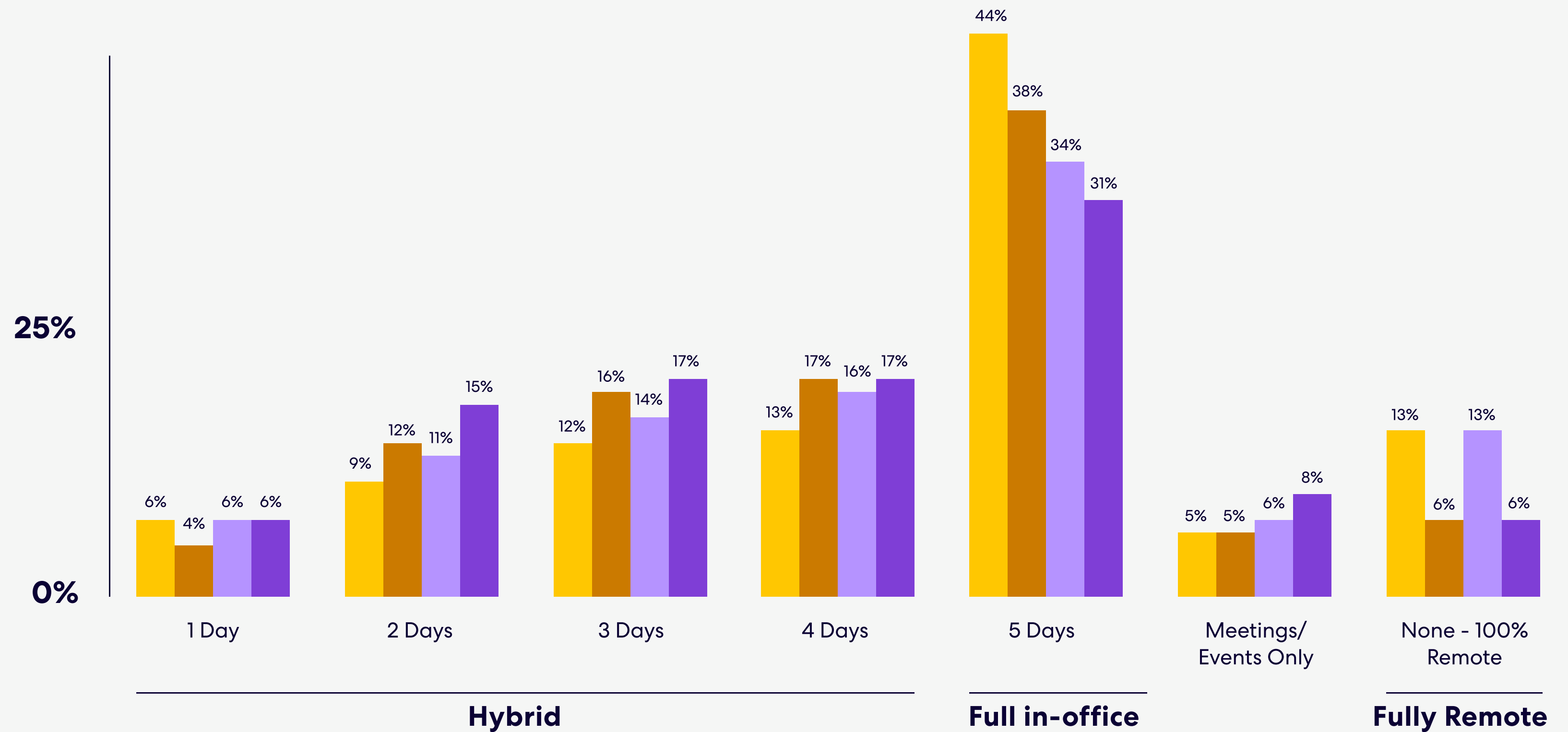

Days per week you are currently working in office

What would be the optimal number of days in the office?

● Employee   ● Employer   ● Employee   ● Employer

14

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **WORK LOCATION & HOURS**

For the most part, industries with the highest percentage of employees working in office all week are the ones that also have the lowest work/life balance satisfaction.

- Financial services and technology have the lowest percentage of employees in office all week (27% and 20% respectively)—and report the highest levels of employee and employer satisfaction (68%, 69%).

- The nonprofit sector has the highest percentage of employees who work in office all week (61%) and the lowest level of employee and employer satisfaction (43%).

Rate of Work/Life Balance and All Workweek In-Office Vary Across Industries

META ANALYSIS

When looking at industries specifically, what percent of employees report being "satisfied or "very satisfied" with their work/life balance when they work in the office all week?
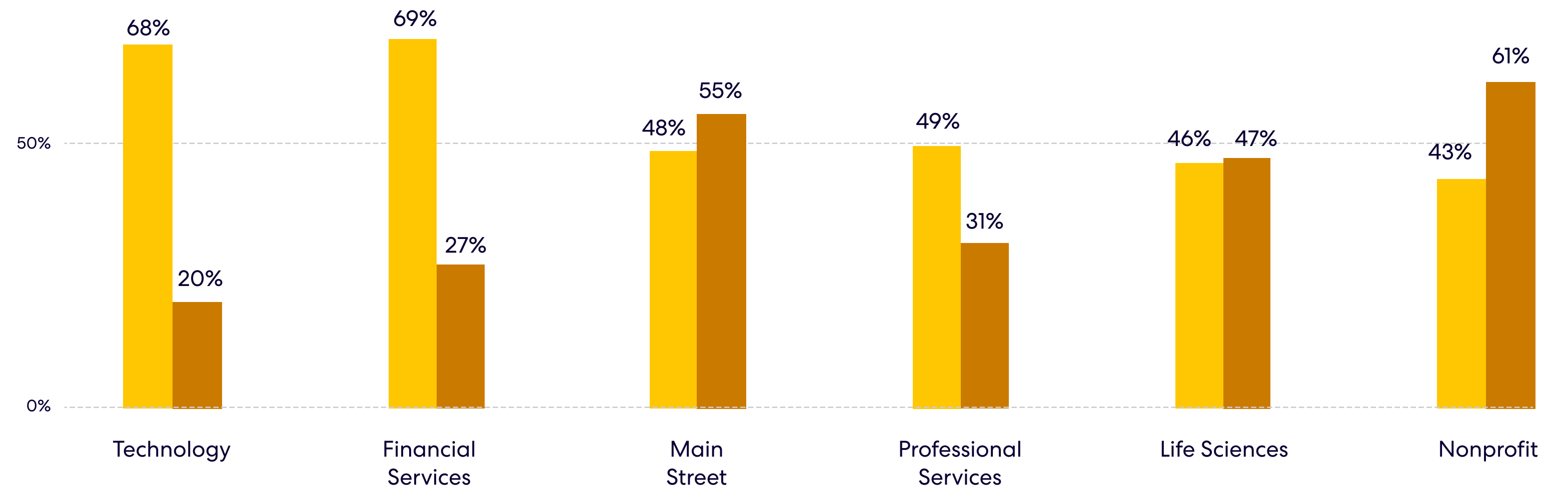
*Main Street employees are expected to be in the office given nature of the business over other industries.

Percentages reflect those people who selected "satisfied" or "very satisfied"

● Employee Satisfaction   ● Employee: Currently In Office All Week

ENGAGEMENT & CONNECTION

Understanding employee engagement requires a nuanced approach as the data reveals disparities between employer perception and employee experience. Employees are more engaged than employers believe with motivations and connections that vary across generations.

WORK /LIFE BALANCE ISN'T THE SAME THING AS EMPLOYEE ENGAGEMENT.

EMPLOYEES ARE MORE ENGAGED WITH THEIR WORK THAN EMPLOYERS REALIZE.

- 85% of employees report being moderately or extremely engaged with their work
- Employee engagement is high across all generations: 80% of Boomers report high levels of engagement, 85% of Gen X, 87% of Millennials, and 85% of Gen Z.

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **ENGAGEMENT & CONNECTION**

85% of small business employees report being "moderately" or "extremely" engaged in their work. This level of engagement is slightly higher than employers' expectations, with 81% of employers estimating similar engagement levels. This discrepancy suggests that employees are more engaged than employers might anticipate and could indicate that employers have a solid understanding of their employees' engagement levels.

Employee Engagement Rates Show High Engagement

QUESTION (Employee):

How engaged are you at work?

QUESTION (Employer):

How engaged **do you believe** employees at your company are at work?

- 🟡 Employees
- 🟤 Employers

Not At All Engaged: Employees 1%, Employers 2%
Slightly Engaged: Employees 3%, Employers 7%
Somewhat Engaged: Employees 11%, Employers 10%
Moderately Engaged: Employees 36%, Employers 41%
Extremely Engaged: Employees 49%, Employers 40%

Employee Engagement Rates by Generation

How engaged are you at work?
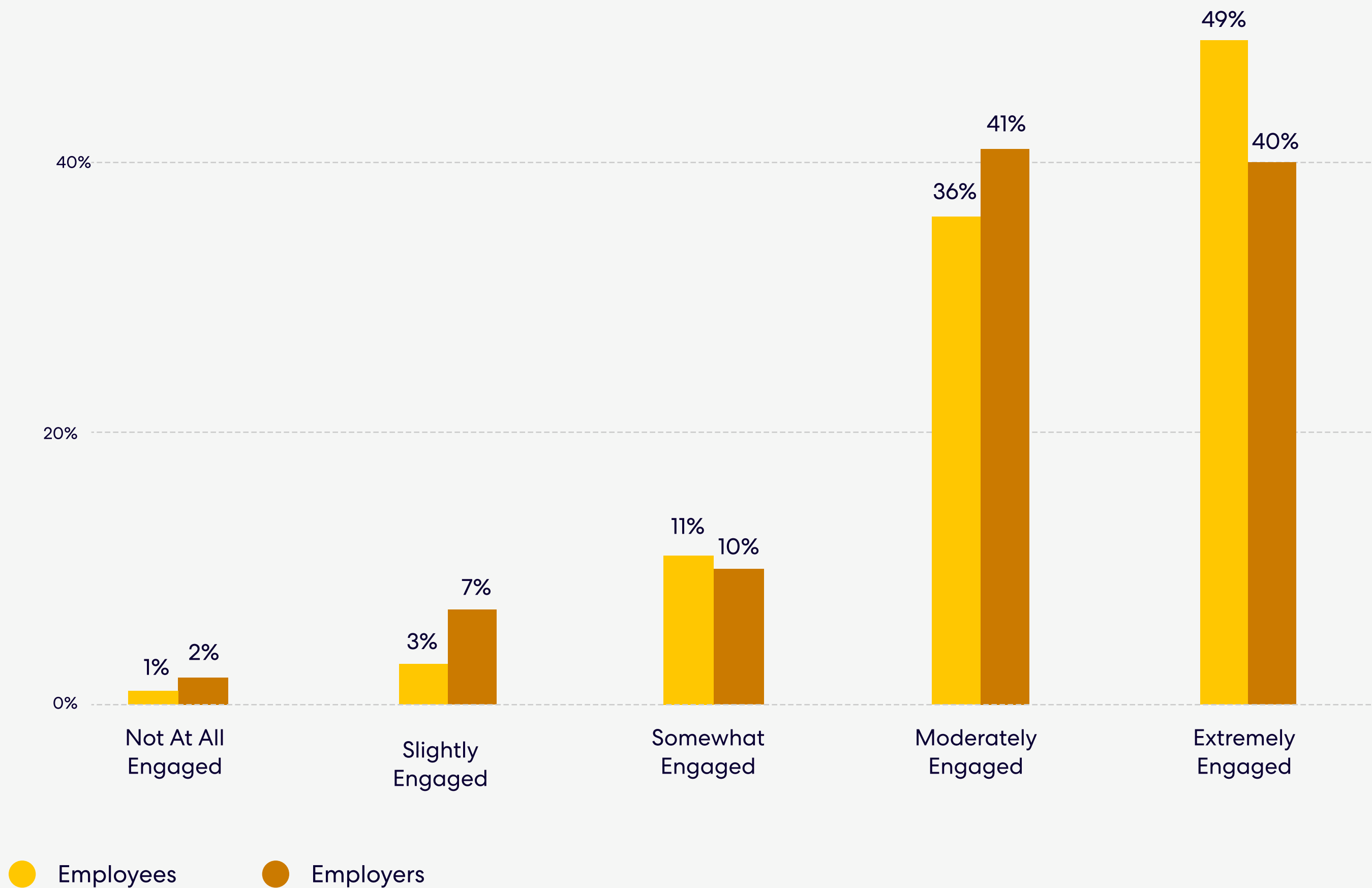
Generation doesn't have a significant impact on employee engagement levels. There are fairly consistent engagement rates across the working generations.

Millennials (87%) report the highest employee engagement, Baby Boomers the least (80%).

Employee Engagement

Millennials	87%
Gen X	85%
Gen Z	85%
Baby Boomers	80%

● Baby Boomer ● Gen X ● Millennial ● Gen Z

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **ENGAGEMENT & CONNECTION**

What Influences Feelings of Engagement at Work

QUESTION (Employee):

Please indicate the level of influence the following factors have on your engagement at work

When asked what contributes to engagement at work, employees rank "a sense of productivity / accomplishment" highest.

This is followed by "compensation/incentives," "interesting work assignments," "ability to make decisions," "my work is recognized/rewarded."

The lowest ranking factor is "ability to work remotely."

Mean Scores for Influence on Engagement

Factor	Score
A Sense of Productivity / Accomplishment	3.99
Compensation / Incentives	3.91
Interesting Work/ Assignments	3.9
Ability to Make Decisions	3.87
My Work is Recognized / Reworded	3.84
Belief in Company Mission	3.83
Teammate / Colleague Interactions	3.83
Manager Interactions	3.81
Confidence in Company Leadership	3.81
Work that Allows for Learning / Development	3.8
Having a Leadership Role	3.68
Work that Ties to Business Results	3.67
Ability to Work Remotely	3.5

Scale:
1 — Not At All Influential
2 — Slightly Influential
3 — Somewhat Influential
4 — Moderately Influential
5 — Extremely Influential

Numbers shown are mean scores calculated be attributing a quantitative scale to the qualitative responses.

03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **ENGAGEMENT & CONNECTION**

Motivators at work may change with generations, life situations, and other personal needs. While we can't look at every situation, the data reveal differences between generations that give us a proxy for understanding the nuance of employee motivation and engagement.

Companies can look to ask employees questions or run employee engagement surveys to reveal deeper understanding of what makes their staff tick.

- **Baby Boomers:** 71% are driven by a belief in the company mission

- **Gen X:** 74% cite a "sense of productivity/ accomplishment as a motivator"

- **Millennials:** 76% say "compensation/ incentives drives their engagement"
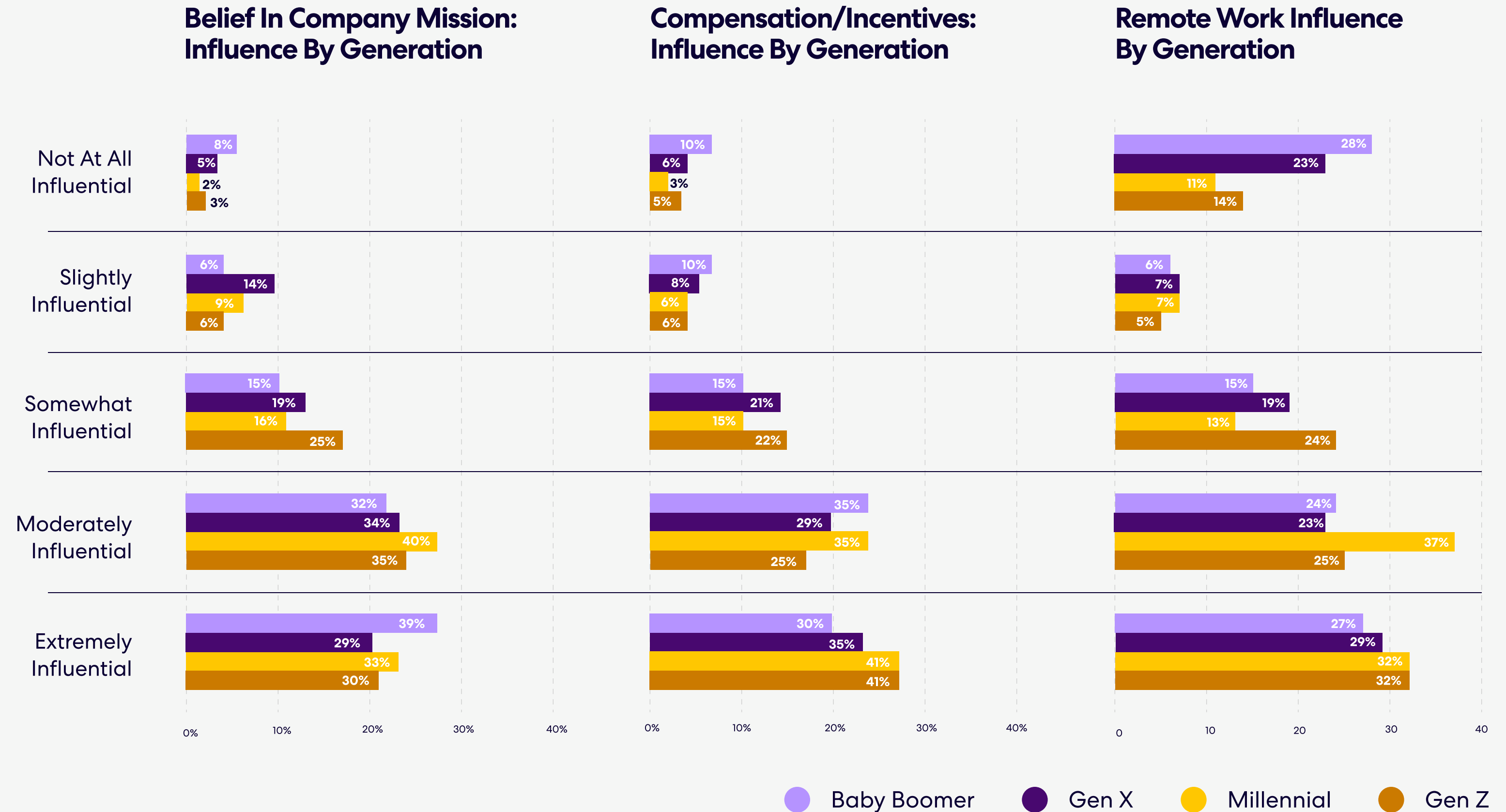
- **Gen Z:** 69% of Gen Z employees are engaged by interesting work/assignments

What Influences Feelings of Engagement at Work by Generation

QUESTION (Employee):

Please indicate the level of influence the following factors have on your engagement at work

Belief In Company Mission: Influence By Generation

Compensation/Incentives: Influence By Generation

Remote Work Influence By Generation

	Belief In Company Mission	Compensation/Incentives	Remote Work
Not At All Influential	8% / 5% / 2% / 3%	10% / 6% / 3% / 5%	28% / 23% / 11% / 14%
Slightly Influential	6% / 14% / 9% / 6%	10% / 8% / 6% / 6%	6% / 7% / 7% / 5%
Somewhat Influential	15% / 19% / 16% / 25%	15% / 21% / 15% / 22%	15% / 19% / 13% / 24%
Moderately Influential	32% / 34% / 40% / 35%	35% / 29% / 35% / 25%	24% / 23% / 37% / 25%
Extremely Influential	39% / 29% / 33% / 30%	30% / 35% / 41% / 41%	27% / 29% / 32% / 32%

⬤ Baby Boomer ⬤ Gen X ⬤ Millennial ⬤ Gen Z

CONNECTION

WHAT DO EMPLOYEES REALLY CARE ABOUT?

Understanding the answer to this question could help drive greater productivity, reduce stress, and encourage more collaborative teams.

# 03. WORK/LIFE SATISFACTION & EMPLOYEE ENGAGEMENT

◉ **CONNECTION**

Employee's levels of connection seem to be related to how "close" or "far" the area of influence is from them. Employees feel most connected to their work, with 79.4% of employees feeling "moderately" or "extremely" connected to it. This is followed closely with teammates (74.9%), the company and its mission (68.4%) and colleagues (outside of direct team) (67.7%). Employees ranked feeling connected to company leadership and direct reports lowest (65.1% and 66.1% respectively).

What Employees Report Feeling Most Connected to at Work

QUESTION (Employers & Employees):

How connected do you feel to your:
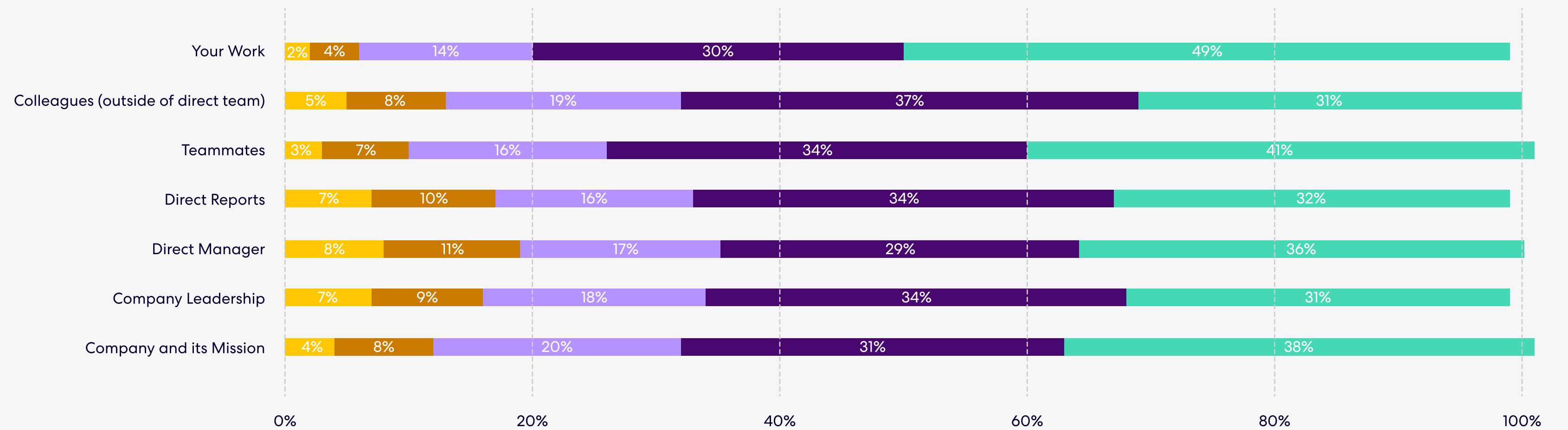
	Not at all Connected	Slightly Connected	Somewhat Connected	Moderately Connected	Extremely Connected
Your Work	2%	4%	14%	30%	49%
Colleagues (outside of direct team)	5%	8%	19%	37%	31%
Teammates	3%	7%	16%	34%	41%
Direct Reports	7%	10%	16%	34%	32%
Direct Manager	8%	11%	17%	29%	36%
Company Leadership	7%	9%	18%	34%	31%
Company and its Mission	4%	8%	20%	31%	38%

● Not at all Connected   ● Slightly Connected   ● Somewhat Connected   ● Moderately Connected   ● Extremely Connected

04. BUILDING AN EMPOWERED WORKFORCE

About half of employees and employers agree that workers have the skills needed for current success. But a gap exists. Employees are less confident than employers that their company is preparing them for the future. They're unclear about their growth path and potential, and they desire more regular feedback from their managers.

This disconnect could hurt employee retention and attraction, especially since "better growth opportunities" is a top reason employees leave their jobs. In fact, 76% of employees consider growth and development when looking for a new role.

LOOKING
FOR WORK

27%
OF U.S. SMALL BUSINESS EMPLOYEES ARE ACTIVELY LOOKING FOR A NEW JOB,
WHILE ANOTHER 30% ARE OPEN TO OPPORTUNITIES BUT NOT ACTIVELY SEARCHING.

04. BUILDING AN EMPOWERED WORKFORCE

◉ **LOOKING FOR WORK**

While most employees at small businesses aren't actively seeking new job opportunities, approximately 25% remain open to hearing about new roles, and 27% are actively looking.
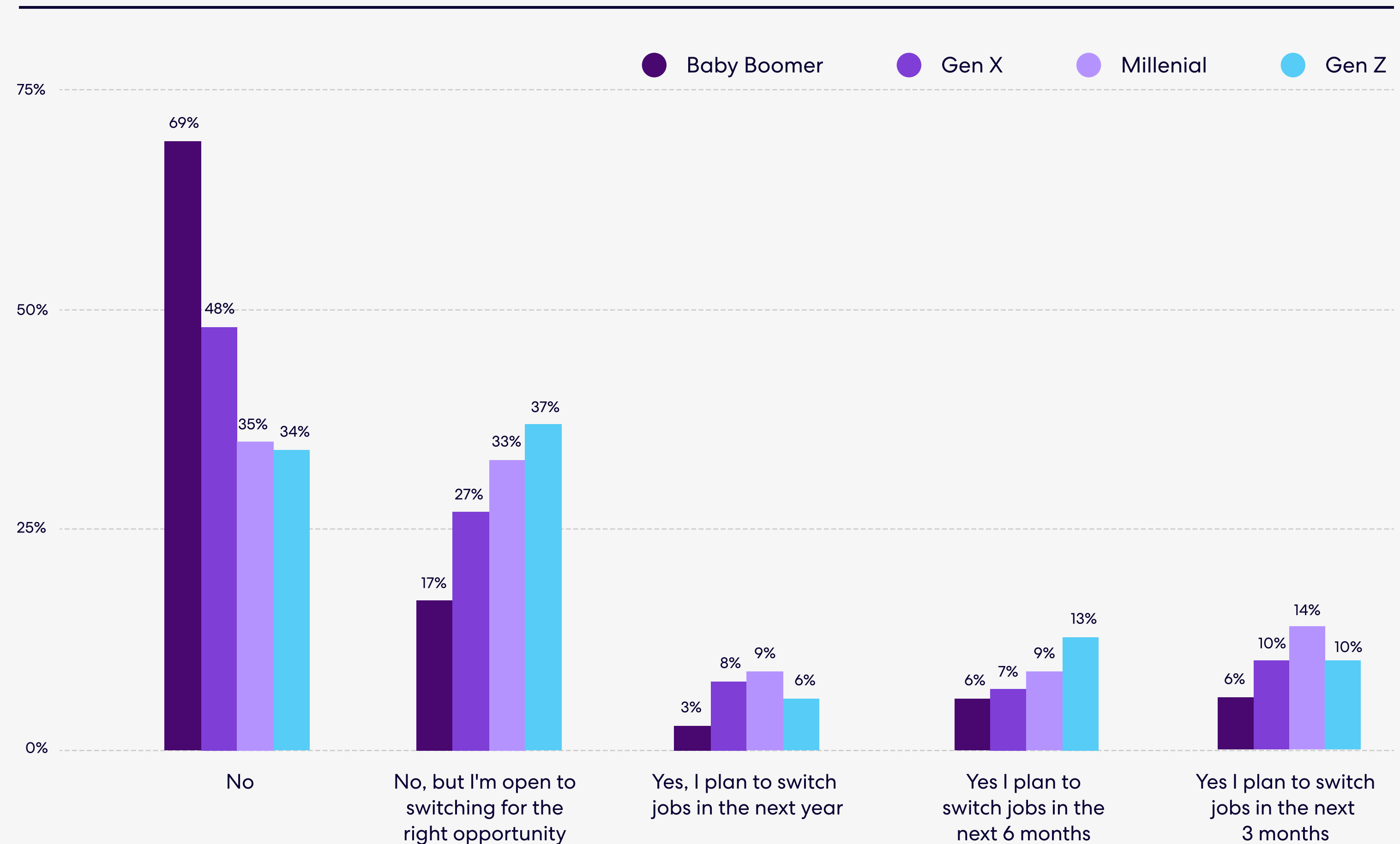
Attrition is an expected aspect of any business's lifecycle. However, retaining top talent is crucial for companies aiming to maintain stability and growth.

The unexpected departure of a high-performing team member can significantly disrupt operations, particularly in small businesses where the team is often small and each role is critical.

How Many People Are Looking to Switch Jobs

QUESTION

Are you currently looking for a new job?

Legend: ● Baby Boomer ● Gen X ● Millenial ● Gen Z

	Baby Boomer	Gen X	Millenial	Gen Z
No	69%	48%	35%	34%
No, but I'm open to switching for the right opportunity	17%	27%	33%	37%
Yes, I plan to switch jobs in the next year	3%	8%	9%	6%
Yes I plan to switch jobs in the next 6 months	6%	7%	9%	13%
Yes I plan to switch jobs in the next 3 months	6%	10%	14%	10%

04. BUILDING AN EMPOWERED WORKFORCE

◉ **LOOKING FOR WORK**

Why do employees leave their jobs? We all know this one: "I've received an offer I can't refuse." Which usually means the person is leaving for pay, a better growth opportunity, or a title/company that looks better on their resume.

We see this in the data too with "for better pay" (34%) and "for better growth opportunities" (24%) topping the charts as to why employees leave. "Better benefits" comes in third (23%) and "better work life balance" ranks number four (22%).

At the bottom of the list are "didn't believe in company mission" (8%) and "laid off or furloughed" (9%).
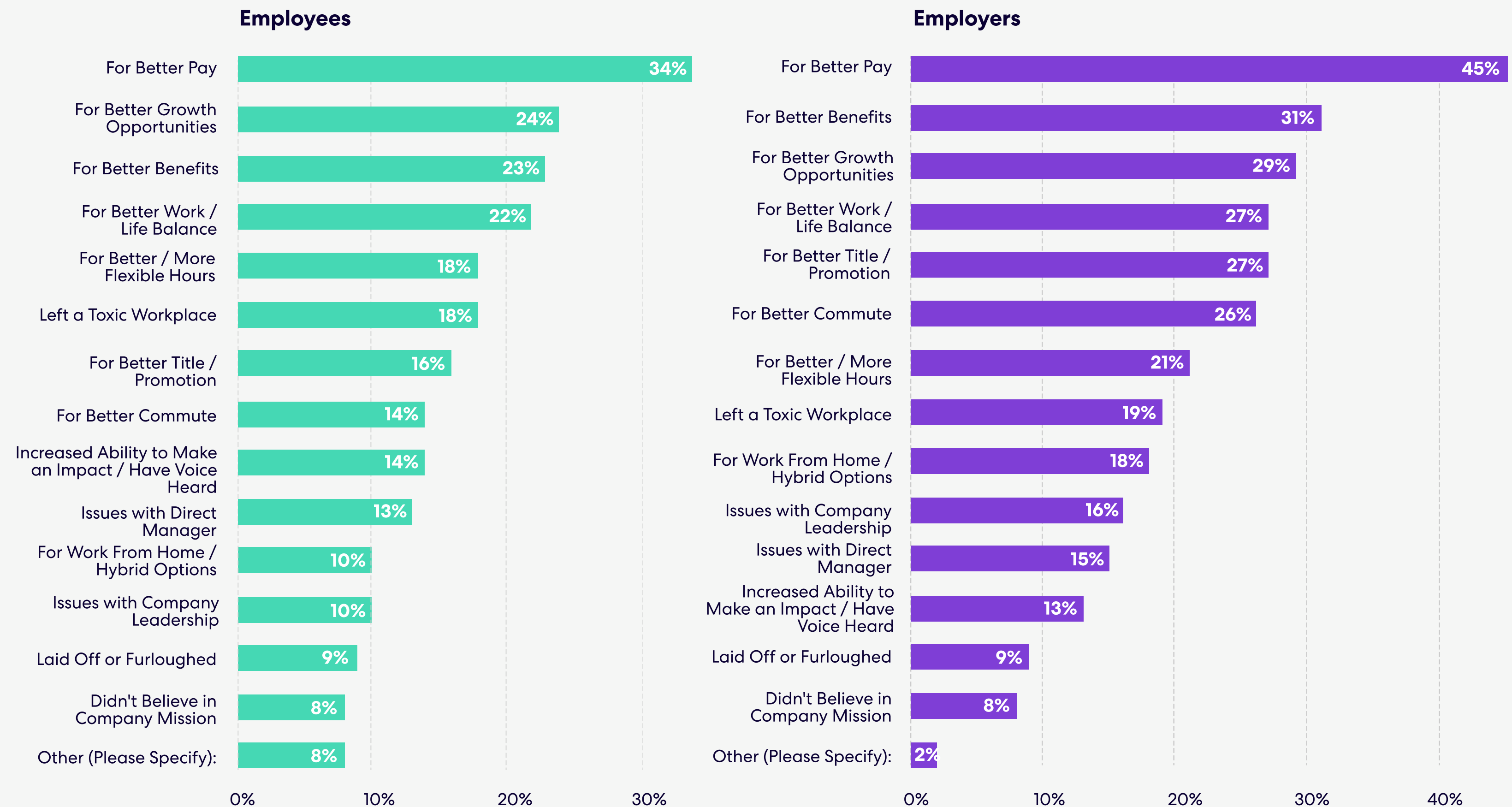
Why Employees Leave Their Jobs

QUESTION (Employee):

Why did you leave your last job? (Select all that apply)

QUESTION (Employers):

Why do you believe employees leave their jobs at your company? (Select all that apply)

Employees

For Better Pay	34%
For Better Growth Opportunities	24%
For Better Benefits	23%
For Better Work / Life Balance	22%
For Better / More Flexible Hours	18%
Left a Toxic Workplace	18%
For Better Title / Promotion	16%
For Better Commute	14%
Increased Ability to Make an Impact / Have Voice Heard	14%
Issues with Direct Manager	13%
For Work From Home / Hybrid Options	10%
Issues with Company Leadership	10%
Laid Off or Furloughed	9%
Didn't Believe in Company Mission	8%
Other (Please Specify):	8%

Employers

For Better Pay	45%
For Better Benefits	31%
For Better Growth Opportunities	29%
For Better Work / Life Balance	27%
For Better Title / Promotion	27%
For Better Commute	26%
For Better / More Flexible Hours	21%
Left a Toxic Workplace	19%
For Work From Home / Hybrid Options	18%
Issues with Company Leadership	16%
Issues with Direct Manager	15%
Increased Ability to Make an Impact / Have Voice Heard	13%
Laid Off or Furloughed	9%
Didn't Believe in Company Mission	8%
Other (Please Specify):	2%

04. BUILDING AN EMPOWERED WORKFORCE

◉ **LOOKING FOR WORK**

The Importance of What Employees Consider when Looking for a New Job
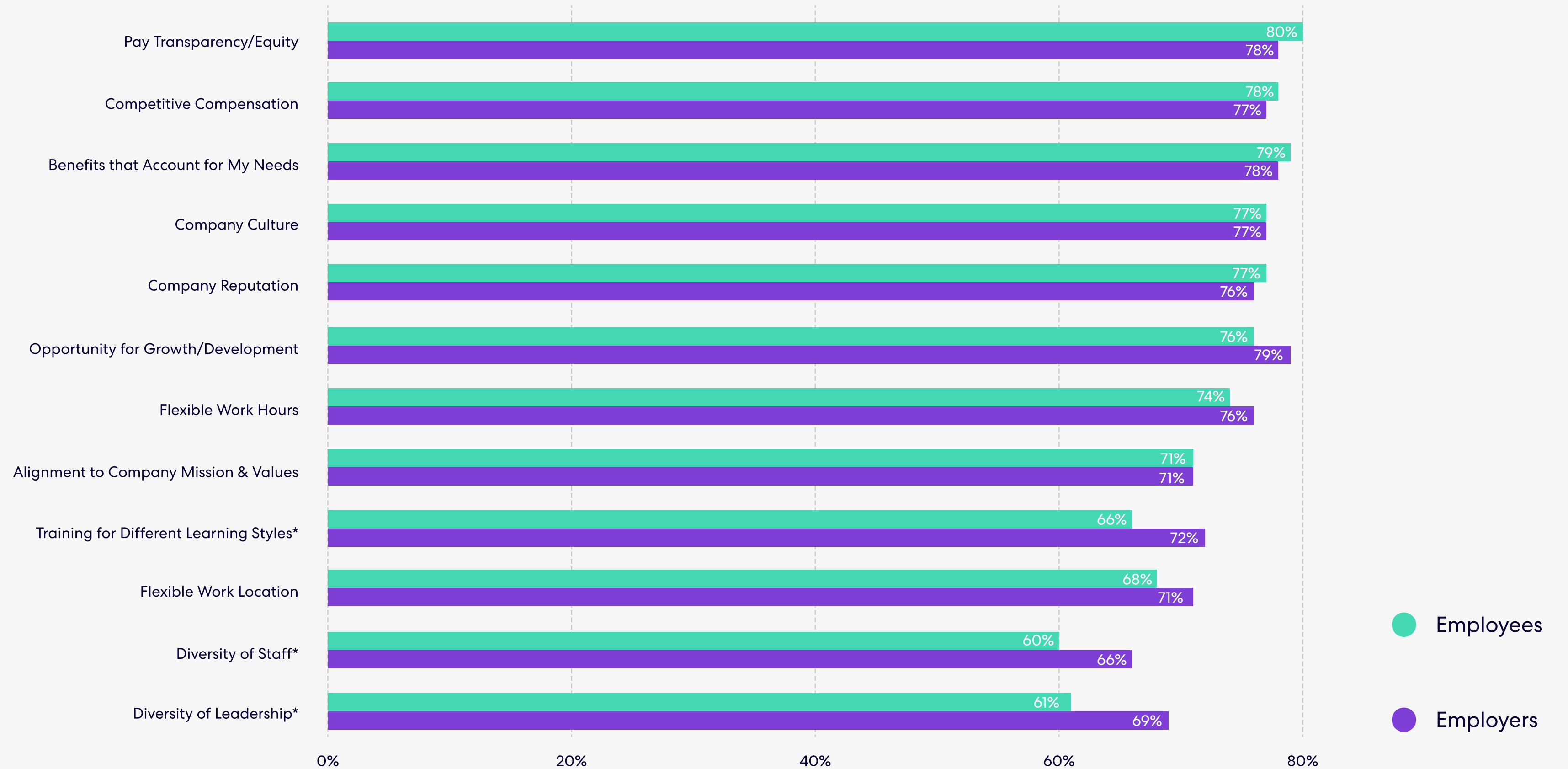
QUESTION (Employee):

Please indicate how important the following considerations are when looking for a job and

QUESTION (Employers):

Based on your experience, please indicate how important the following employee considerations are when looking for a job.

(Moderately Important + Extremely Important)

Why employees leave is similar to what they look for in another role. Though not exactly so. "Pay transparency / equity" tops the charts as the key consideration for employees when looking for a new job (80%), followed closely by "benefits that account for my needs" (79%) "competitive compensation" (78%), "company culture" (77%) and company reputation (77%).

At the bottom of the list are diversity of staff (60%) and diversity of leadership (61%).

Consideration	Employees	Employers
Pay Transparency/Equity	80%	78%
Competitive Compensation	78%	77%
Benefits that Account for My Needs	79%	78%
Company Culture	77%	77%
Company Reputation	77%	76%
Opportunity for Growth/Development	76%	79%
Flexible Work Hours	74%	76%
Alignment to Company Mission & Values	71%	71%
Training for Different Learning Styles*	66%	72%
Flexible Work Location	68%	71%
Diversity of Staff*	60%	66%
Diversity of Leadership*	61%	69%

● Employees

● Employers

Numbers with an asterik note a statistical significance between employer and employee.

KNOWLEDGE & UPSKILLING

EMPLOYEES ARE MORE OPTIMISTIC THEY HAVE THE SKILLS TO BE SUCCESSFUL VS EMPLOYERS.

59%

of employees stated they currently possess the knowledge and skills to be successful, while only

46%

of employers agreed their workforce was ready.

MILLENNIALS ARE THE MOST CRITICAL OF THEIR CURRENT SKILLS,

with the greatest number saying "no" or "somewhat" when asked whether they have the skills necessary to be successful in their role. Baby Boomers are the most confident, with 73% who say they have the knowledge and skills to be successful in their role.

04. BUILDING AN EMPOWERED WORKFORCE

◉ **KNOWLEDGE & UPSKILLING**

Employees' Feelings of Preparation for Success in Roles

Both employees and employers generally agree that the workforce possess the skills needed for their roles. However, there's a discrepancy in their perceptions. While 59% of employees believe they fully have the necessary skills, only 46% of employers share this view. Additionally, 26% of employees consider their skill level to be "somewhat" adequate, compared to 37% of employers who describe it this way. This gap in perceptions may indicate a communication disconnect regarding role expectations, potentially leading to further challenges within companies.

Another way to look at this is how many employees feel unsupported in their growth. 4x as many employees (25%) say that their company is not equipping them for future roles vs. employers (6%).

- Employees
- Employers

	Employees	Employers
No	1%	1%
Somewhat	10%	16%
Mostly	29%	37%
Yes	59%	46%

04. BUILDING AN EMPOWERED WORKFORCE

◉ **KNOWLEDGE & UPSKILLING**

Skills Employers and Employees See as Important in Next 3+ Years

Both employees and employers largely agree on the key skills needed to acheive success over the next three years. Leadership and managerial skills top the lists (42% and 53% respectively), followed by creative skills (42%, 50%) and the ability to upskill and adapt to market changes (32%, 44%).

However, there is a notable difference in how AI expertise is valued. Employers place relatively more importance on "role-related AI expertise" compared to employees, who rank it lower. In fact, employees consider AI expertise to be the least important factor.

This disparity raises a question: Does this suggest that AI is intuitive enough to require minimal upskilling, or does it imply that other areas of development are viewed as more critical?

Employee—Skills You Need to Develop in Next 3+ Years to Be Successful

Skill	Percentage
Leadership / Managerial Skills	42%
Creative Skills	42%
Upskilling: Adjusting to Market Changes Around Same Core Skills	32%
Data Analytics	30%
Reskilling: Fundamental New Core Skills	23%
Role-Related AI Expertise	23%
None of the Above	14%
Other (please specify):	1%
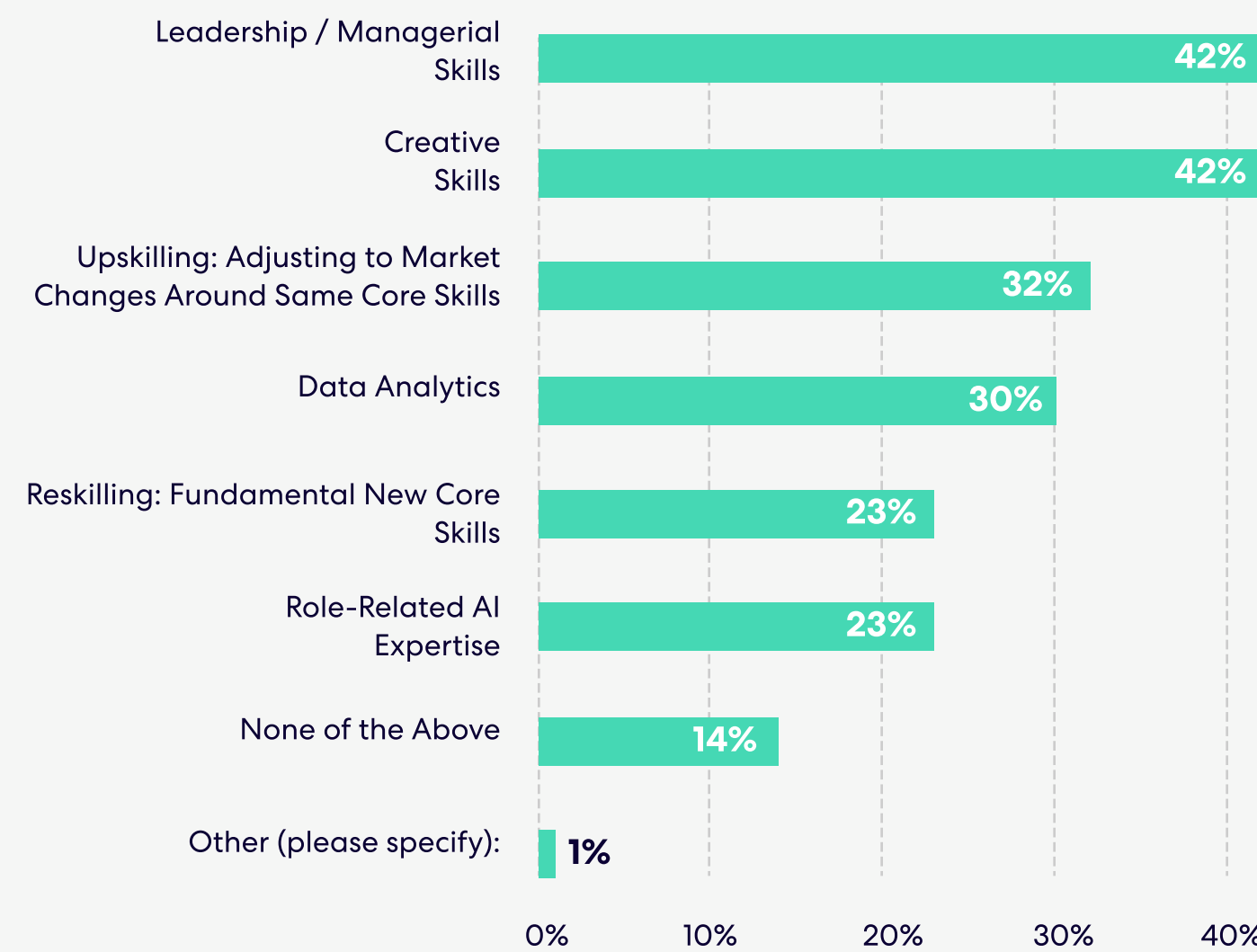
Employer—Skills Employees Need to Develop in Next 3+ Years to Be Successful

Skill	Percentage
Leadership / Managerial Skills	53%
Creative Skills	50%
Upskilling: Adjusting to Market Changes Around Same Core Skills	44%
Data Analytics	39%
Role-Related AI Expertise	29%
Reskilling: Fundamental New Core Skills	27%
None of the Above	3%
Other (please specify):	1%
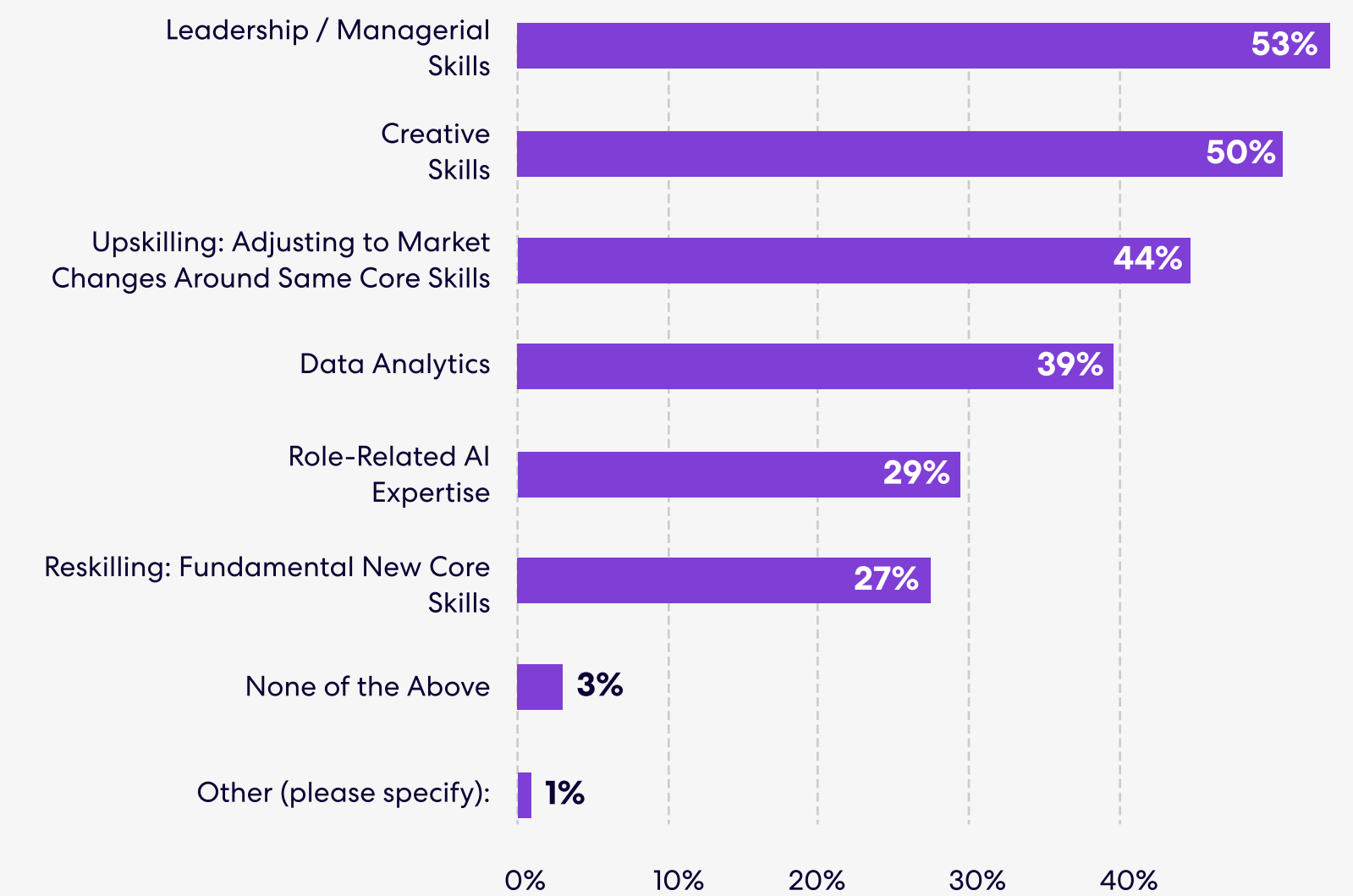
PERFORMANCE FEEDBACK & REVIEWS

One-third of employees say they receive feedback through an annual manager review, but most employees prefer more

FREQUENT FEEDBACK

—EITHER IN REAL-TIME OR VIA QUARTERLY REVIEWS.

1:1 REVIEWS ARE PREFERRED OVER 360 REVIEWS

Employees prefer feedback directly from their manager.

04. BUILDING AN EMPOWERED WORKFORCE
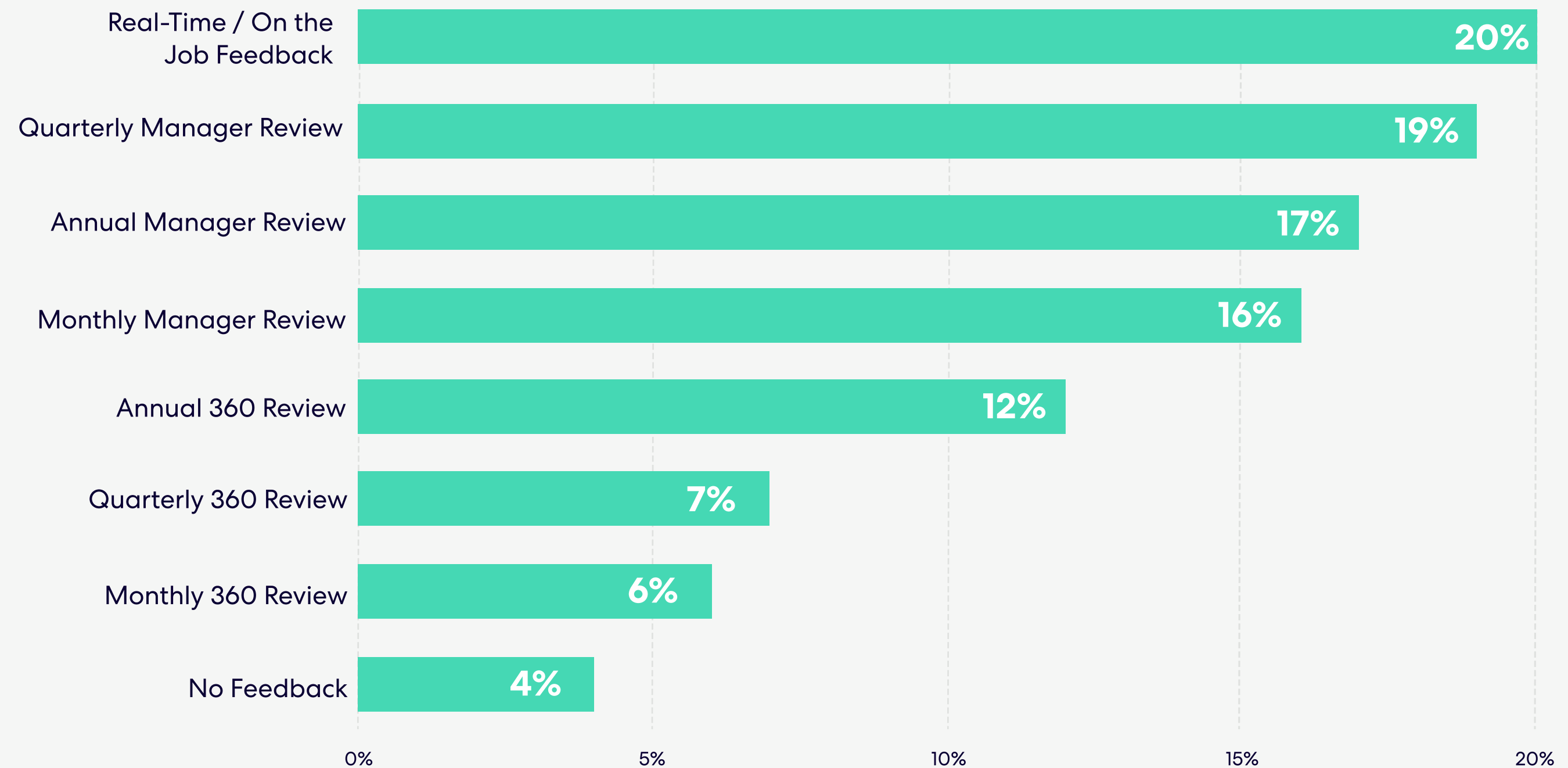
◉ **PERFORMANCE FEEDBACK & REVIEWS**

How Employees Want to Receive Feedback at Work

QUESTION (Employee)

How would you most like to receive feedback and reviews from your manager?

The largest group of respondents (20%) want direct feedback and they want it real time. They also prefer manager reviews to "360" reviews which are generally more comprehensive reviews conducted by a variety sources such as of managers, peers, and direct reports.

This could be due to the nature of 360 reviews - it takes longer than having a real time conversation and there is more process involved.

Real-Time / On the Job Feedback — **20%**
Quarterly Manager Review — **19%**
Annual Manager Review — **17%**
Monthly Manager Review — **16%**
Annual 360 Review — **12%**
Quarterly 360 Review — **7%**
Monthly 360 Review — **6%**
No Feedback — **4%**

0%   5%   10%   15%   20%

04. BUILDING AN EMPOWERED WORKFORCE

◉ **PERFORMANCE FEEDBACK & REVIEWS**

How Employees Want to Receive Feedback at Work by Generation

How would you most like to receive feedback and reviews from your manager?

While employees agree the 360 review is least preferred, a look at each generation independently shows different groups may prefer different methods of feedback.

- Baby Boomers prefer annual manager reviews
- Gen X favors real-time, on-the-job feedback
- Millennials prefer quarterly manager reviews
- Generation Z opts for monthly manager reviews

Annual 360 Review
- 13%
- 12%
- 13%
- 6%

Annual Manager Review
- 29%
- 15%
- 14%
- 18%

Monthly 360 Review
- 3%
- 5%
- 6%
- 6%

Monthly Manager Review
- 10%
- 10%
- 17%
- 27%

No Feedback
- 14%
- 4%
- 2%
- 5%

Quarterly 360 Review
- 1%
- 7%
- 9%
- 8%

Quarterly Manager Review
- 11%
- 20%
- 20%

Real-Time / On the Job Feedback
- 19%
- 26%
- 17%
- 16%

● Baby Boomer   ● Gen X   ● Millenial   ● Gen Z

33

05. THE SIGNIFICANCE OF BENEFITS

Employees highly value benefits, saying they're a top reason for both leaving a job and considering a new one. So it's important to understand how employees and employers prioritize them, particularly as the significance of some benefits varies across generations. The data also suggests that employers might need to do more to help employees understand the benefits they're currently offered.

PRIORITIZATION OF BENEFITS

TRADITIONAL HEALTH BENEFITS ARE SEEN AS MORE IMPORTANT THAN FRINGE BENEFITS:

- MEDICAL INSURANCE
- PAID VACATION/SICK TIME
- DENTAL INSURANCE
- PENSION/RETIREMENT PLANS
- VISION INSURANCE

05. THE SIGNIFICANCE OF BENEFITS

◎ **PRIORITIZATION OF BENEFITS**

Benefits play a crucial role in both job selection and retention. Employees prioritize medical insurance, paid vacation and sick leave, dental insurance, pension and retirement plans, and vision insurance as the top five important benefits provided by employers.

Fertility and pet insurances rank lowest in terms of importance. However, it's worth noting that "fringe" benefits like pet insurance may be valued differently depending on individual circumstances—those with pets may find it more valuable, while those without may place less importance on it.

We'll explore generational differences in benefit preferences on the next page.

The Importance of Benefits as Ranked by Employees and Employers

QUESTION (Employee):
Please indicate how important the following benefits are when looking for a job.

QUESTION (Employer):
Based on your experience, please indicate how important the following benefits are to employees considering a new job.

(Moderately Important + Extremely Important)

	Employees	Employers
Medical Insurance	85%	82%
Paid Vacation/Sick Time*	83%	79%
Dental Insurance	80%	79%
Pension/Retirement Plans	79%	77%
Vision Insurance	71%	75%
Mental Health Insurance	70%	67%
Life Insurance	66%	70%
Education Reimbursement	57%	64%
Employee Discounts	55%	64%
Parental Leave	56%	68%
Wellness Activity Discounts	53%	61%
Wellness Classes/App	47%	55%
Childcare Assistance	49%	62%
Fertility Coverage	41%	53%
Pet Insurance	38%	43%

Highlighted numbers note a statistical significance between employer and employee.

05. THE SIGNIFICANCE OF BENEFITS

◉ **PRIORITIZATION OF BENEFITS**

When examining "fringe" benefits by generation, the perceived importance can vary significantly with generation. This data suggests that the value placed on certain benefits is often influenced by individual circumstances.

Employers should consider the demographics of their workforce to determine which fringe benefits are more meaningful to their employees.

Generational Differences in the Importance of Benefits

QUESTION (Employee):

Please indicate how important the following benefits are when looking for a job.

(Moderately Important + Extremely Important)

Benefit	Baby Boomers	Gen X	Millennials	Gen Z
Educational Reimbursement	31%	57%	63%	63%
Childcare Assistance	25%	42%	55%	63%
Fertility Coverage	23%	33%	49%	45%
Parental Leave	33%	47%	66%	71%

BENEFITS EASE & USAGE

The older and younger generation employees

FEEL DIFFERENTLY

when it comes to the ease of their benefits program. Baby Boomers have a better handle on things and Gen Z could use additional support.

Employers overestimate how easily employees can access

BENEFITS SUPPORT AND TECHNOLOGY.

Only 59% of employees say they can easily access support for their benefits-related questions (versus 64% of employers) and only 58% find the technology for enrollment easy to use (versus 62%).

05. THE SIGNIFICANCE OF BENEFITS

◉ **BENEFITS EASE & USAGE**

Overall, employers and employees generally agree on the ease and accessibility of benefits offerings, with around two-thirds of employees reporting a positive experience and one-third having a neutral to negative experience.

Much of this sentiment is explained by a generational disparity: older generations largely have a more positive experience with their benefits compared to younger generations. For example, only around half of Gen Z employees understand and utilize their benefits. This presents a significant opportunity for businesses to invest in improving benefits enablement and tools, especially for their younger workers with less experience using benefits.

The Benefits Experience for Employees and Employers

QUESTION (Employee):
When considering your company benefits, to what extent do you agree or disagree with the following statements:

QUESTION (Employer):
When considering your company benefits, to what extent would employees at your company agree or disagree with the following statements:

(Agree and Strongly Agree)

	Employers	Employees	
I understand the benefits that are available to me.	**69%**	**70%**	Baby Boomers: 87% Gen Z: 52%
I have adequate information to make informed decisions about my benefits.	**66%**	**63%**	Baby Boomers: 82% Gen Z: 52%
I can easily access support for my benefits-related questions.	**64%**	**59%**	Baby Boomers: 77% Gen Z: 48%
I take full advantage of my benefits.	**63%**	**61%**	Baby Boomers: 72% Gen Z: 50%
The benefits enrollment technology available to me is easy to use.	**62%**	**58%**	Baby Boomers: 64% Gen Z: 52%

06. THE DEMAND FOR 24/7 HR

As a trend, 24/7 access to HR support is crucial for both U.S. small business employees and employers. Round-the-clock access can help address important concerns like benefits inquiries or payroll discrepancies at any time.
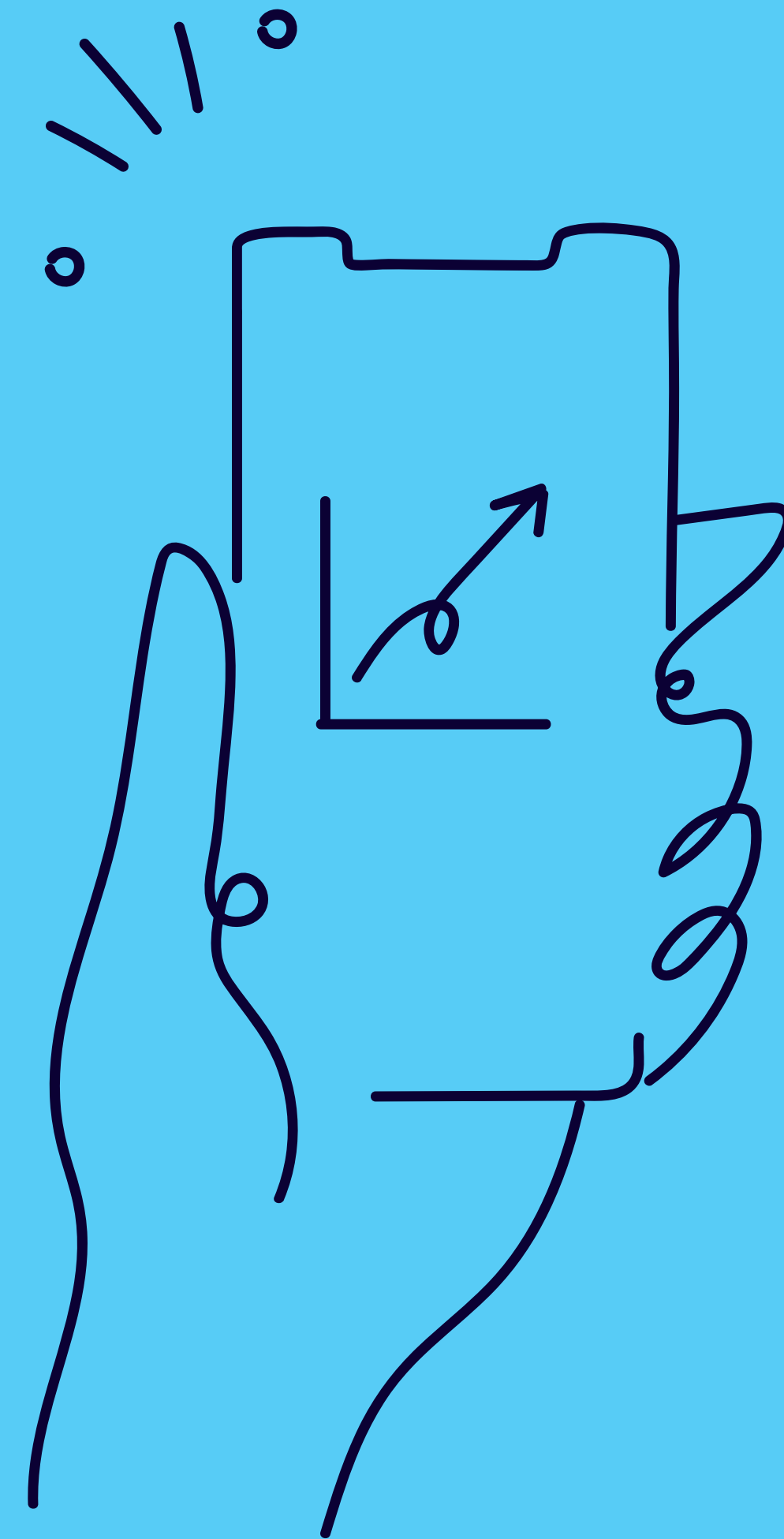
EXPECTATIONS & PRIORITIES

ROUGHLY 1/2 OF EMPLOYEES AND EMPLOYERS FEEL

HR SHOULD BE AN "ALWAYS ON" FUNCTION.

06. THE DEMAND FOR 24/7 HR

◉ **EXPECTATIONS & PRIORITIES**

HR plays a crucial role in both professional and personal aspects of employees' lives. Almost half of the U.S. small business community (51% of employers and 44% of employees) agree or strongly agree HR should be a 24/7 function, providing immediate support and answers regardless of the time.

How Many People Think HR Should Be an Always On Function

QUESTION (Employee):

To what extent do you agree or disagree with the following statement: HR should be a 24-7 function: If I have critical questions, I should be able to receive an immediate reply at any time or day of the week.

QUESTION (Employer):

To what extent do you agree or disagree with the following statement: HR should be a 24-7 function: If employees have critical questions, they should be able to receive an immediate reply at any time or day of the week.

(Select all that apply)

4.00

5.23
Mean Score

1.00   7.00

4.00

4.93
Mean Score

1.00   7.00

	Strongly Disagree	Disagree	Somewhat Disagree	Neither Satisfied nor Disagree	Somewhat Agree	Agree	Strongly Agree
Employers	3%	8%	10%	13%	21%	23%	21%
Employees	2%	5%	7%	12%	22%	28%	23%
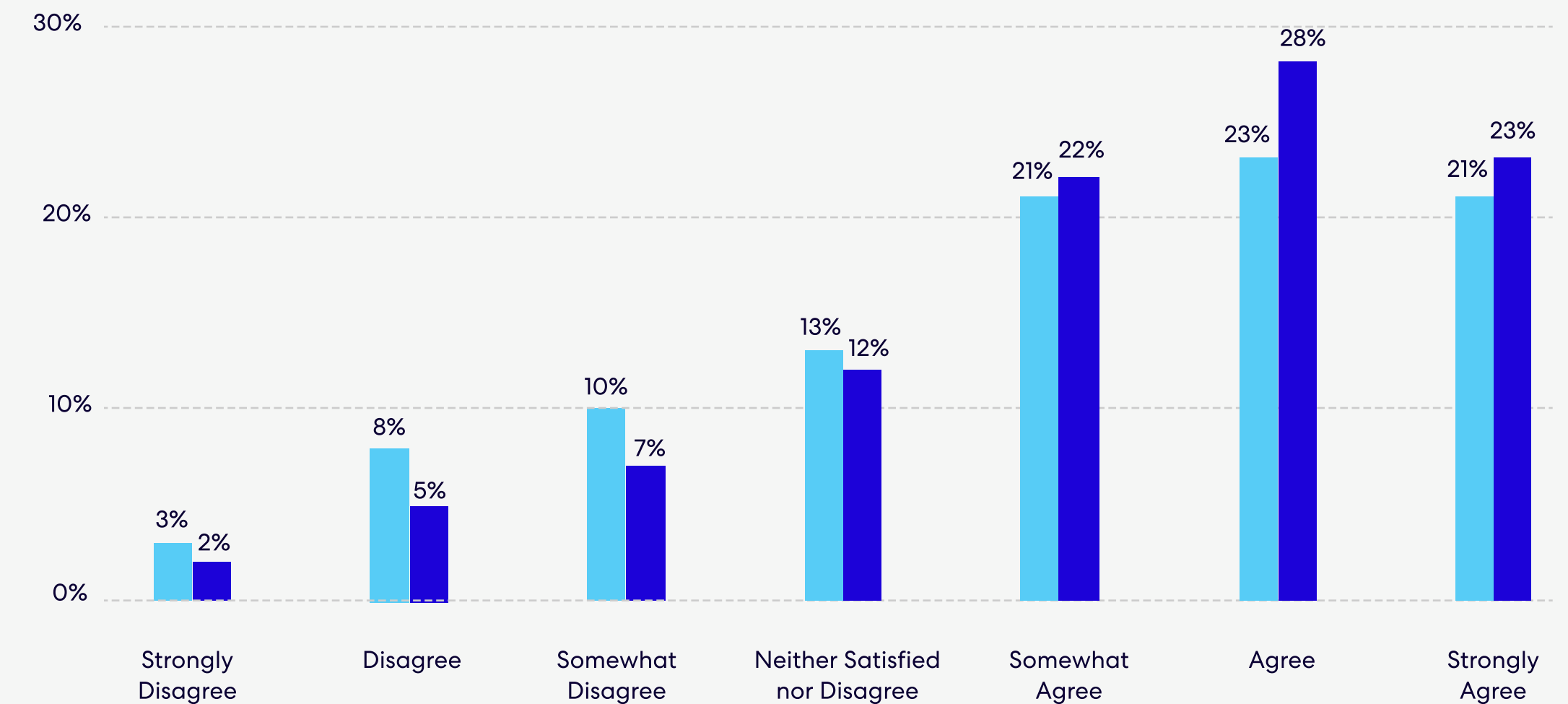
● Employees   ● Employers

06. THE DEMAND FOR 24/7 HR

◎ **EXPECTATIONS & PRIORITIES**

The Parts of HR Employees and Employers Expect to Be Accessible "On Demand"
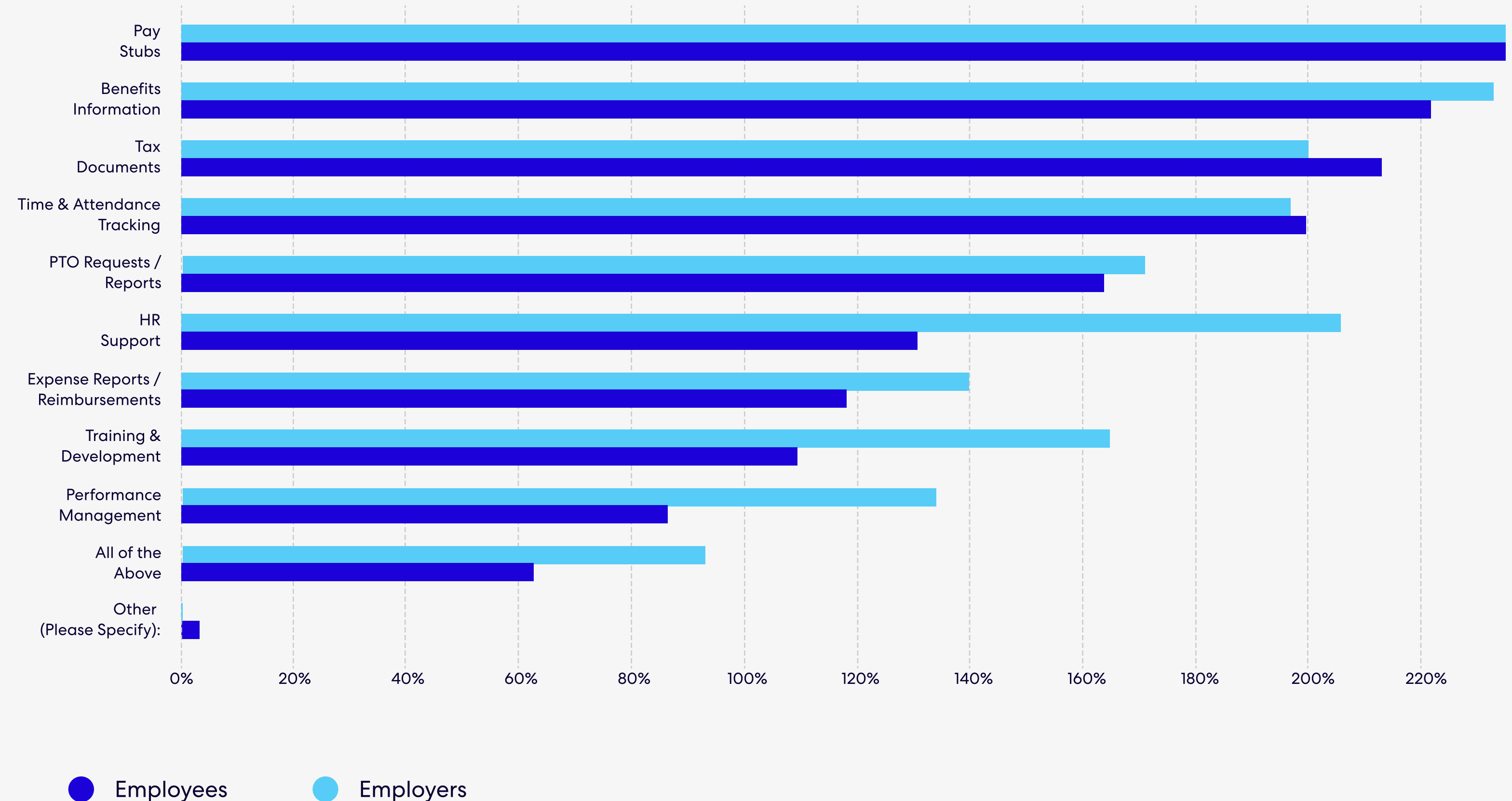
QUESTION (Employee):
Which of the following aspects of your HR experience do you expect to be available on demand via online portal, mobile app or chat?

QUESTION (Employer):
Which of the following aspects of your employees' HR experience do you think they expect to be available on demand via online portal, mobile app or chat?

(Select all that apply)

When asked to rank which parts of the HR role are most important to be "on demand" (meaning available at any time), most of the U.S. workforce points to things that aren't required for work, but personal life.

Topping both employees' and employers' charts are pay stubs. Pay stubs are often required as proof of employment for various life situations like applying for a mortgage. Next is benefits information. Benefits, specifically health benefits, are often used in emergencies or outside work hours. It makes sense these would be required "on demand."

In the third place, employees place higher emphasis on the importance of HR support, while employers look for tax-related documents.

Most of these on demand features are available with modern HR technology, which could be a consideration for businesses looking to modernize.

Chart categories (top to bottom): Pay Stubs, Benefits Information, Tax Documents, Time & Attendance Tracking, PTO Requests / Reports, HR Support, Expense Reports / Reimbursements, Training & Development, Performance Management, All of the Above, Other (Please Specify):

X-axis: 0% 20% 40% 60% 80% 100% 120% 140% 160% 180% 200% 220%

● Employees ● Employers

IMPORTANCE OF HR TASKS

THE THREE MOST IMPORTANT HR ACTIVITIES

are payroll processing, benefits management and handling employee inquiries/complaints, according to U.S. employers and employees.

Gen X places particular importance on benefits management, Millennials lead the generations on rewards & recognition and both generations

PRIORITIZE MENTAL HEALTH & WELLBEING

MORE THAN BABY BOOMERS AND GEN Z.

06. THE DEMAND FOR 24/7 HR

◉ **IMPORTANCE OF HR TASKS**

The Importance of HR Functions, According to Staff

When evaluating the importance of various HR functions beyond immediate on-demand access, U.S. employees and employers provided a prioritized list of what they value.

At the top of the list for both groups are payroll processing, with 81% of employers and 79% of employees deeming it crucial. Following closely, employees prioritize addressing their inquiries and concerns, while employers emphasize the significance of benefits management.

Both groups regard "office perks" and "work parties/social activities" as the least critical HR functions.

HR Function	Employees	Employers
Employee Inquiries/Complaints	79%	77%
Payroll Processing	79%	81%
Benefits Management	77%	79%
Compliance with Federal & State Regulations	77%	76%
New Hire Onboarding	73%	75%
Conflict Resolution Guidance/Support	73%	74%
Learning & Development	72%	77%
Employee Mental Health/Wellbeing	70%	73%
Office Environment	70%	76%
Rewards & Recognition	67%	74%
Employee Offboarding	66%	71%
DEI Program/Tools	53%	66%
Office Perks	49%	58%
Work Parties/Social Activities	48%	61%

21% of Boomers state that this is not important at all while the rest of the generations are <10%

Boomers: 33%, Gen X: 48%
Millennials: 56%, Gen Z: 47%

● Employees   ● Employers

45

CUSTOMIZATION/
PERSONALIZATION

4 OUT 5

employees want their benefit
offerings to be personalized.
This ranks higher than feedback,
growth plan, recognition, onboarding.

Interestingly, other than customized benefits
and work arrangements, Baby Boomer, Gen X
and Millennial employers
ALL PLACE MORE IMPORTANCE ON EVERY ASPECT OF
CUSTOMIZATION
COMPARED TO THEIR EMPLOYEE COUNTERPARTS.

06. THE DEMAND FOR 24/7 HR

◉ **CUSTOMIZATION/PERSONALIZATION**

When evaluating various aspects of the employee experience, U.S. small business employers and employees have differing views on what should be most personalized or tailored.

Employers prioritize customizing the work environment (80%), while employees consider benefits offerings as the most crucial aspect that should be personalized (79%). Benefits are ranked higher by employees than other factors like training and development (78%), feedback (76%), and growth plans (74%).

Both employers and employees ranked onboarding the lowest.

Where Workers Want to Have Personalized / Customized Work Experiences

QUESTION (Employee):

Please indicate how important it is that each of the following are personalized / customized to your experience.

(Moderately Important + Extremely Important)

	Employee		Employer	
Benefit Offerings*	**79%**	Boomers: 77%, Gen X: 80%, Millennials: 77%, Gen Z: 87%	**73%**	Boomers: 77%, Gen X: 78% Millennials: 74%, Gen Z: 63%
Training & Development	**78%**		**79%**	
Work Environment	**78%**		**80%**	
Work Arrangements (Hours, etc.)	**77%**		**76%**	
Feedback	**76%**		**74%**	
Growth Path	**74%**		**76%**	
Recognition*	**72%**		**77%**	
Communication Methods	**74%**		**77%**	
Onboarding*	**66%**		**70%**	

* Categories with asteriks note a statistical significance between employer and employee.

07. WELCOMING AI TO HR

Artificial Intelligence (AI) is increasingly shaping the landscape of the U.S. small business economy, revolutionizing the way these enterprises operate and manage their workforce. Remarkably, 3 in 4 small businesses are already harnessing AI technologies to enhance their operations, with 2 in 3 specifically applying AI to streamline HR tasks. This widespread adoption reflects AI's growing influence, as small businesses leverage these advanced tools to help **proactively** enhance employee experiences and address complex challenges with greater agility. As AI continues to evolve, its role in optimizing business processes and transforming HR functions will likely expand, potentially driving things like **predictive** workforce analytics and greater **personalization** of things like benefit offerings and work policies.
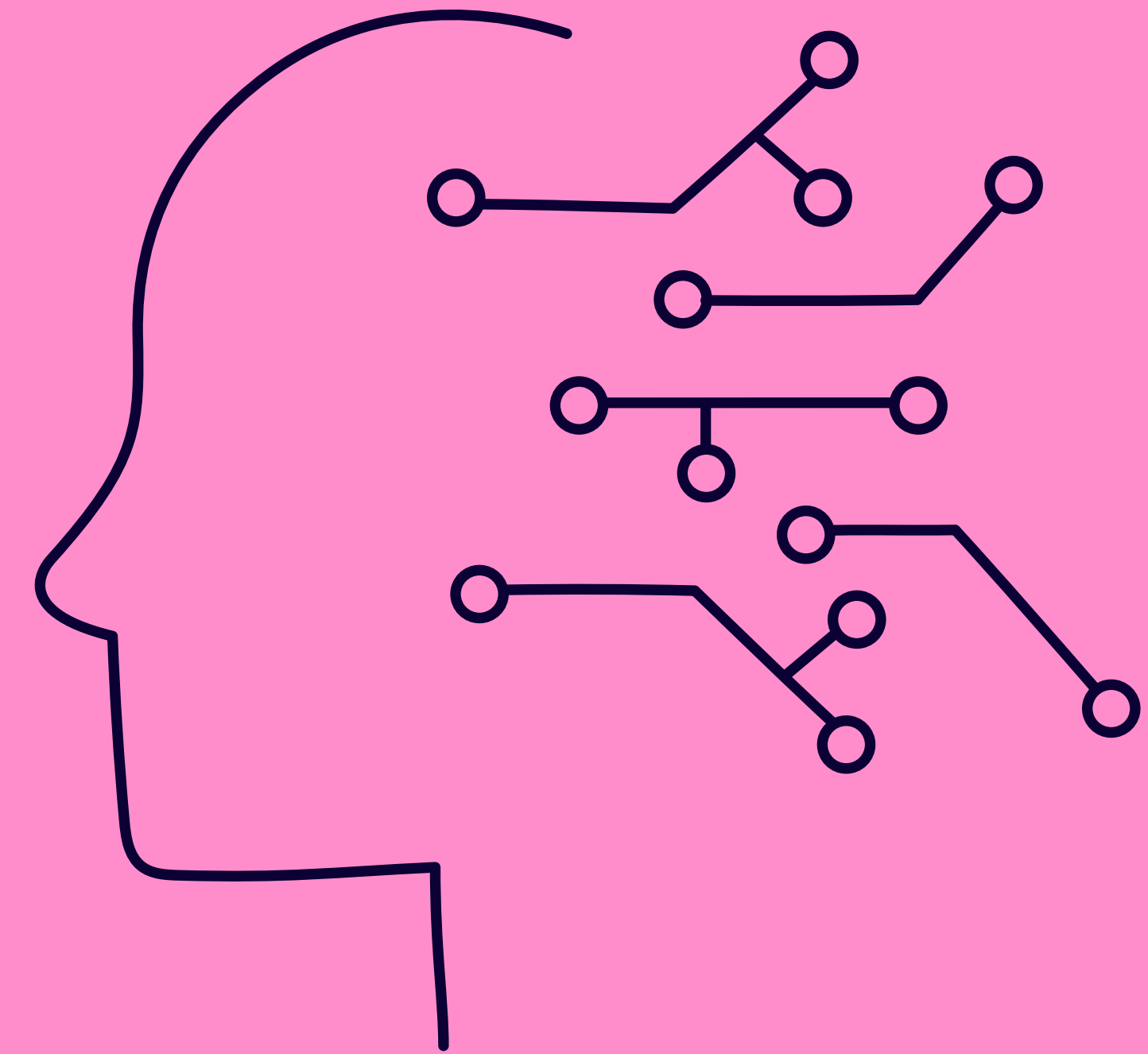
AN UNMISSABLE TREND

AI

IS RESHAPING THE WORKFORCE
—and not just in individuals' professions, but even in HR.

75%

**OF EMPLOYERS AND 66% OF EMPLOYEES
IN SMALL AND MEDIUM-SIZE BUSINESSES**
are now harnessing AI on the job. When it comes to HR-specific tasks, one-third or more of employees are using AI frequently.

EMPLOYERS WANT MORE.

Employers have high acceptance of AI use in the workplace, indicating a throttle of the trend versus a threshold.

07. WELCOMING AI TO HR

◎ **AN UNMISSABLE TREND**

In a tech takeover like no other, it's clear AI is reshaping the U.S. workforce—and not just in individuals' professions, but in HR. A staggering 75% of full-time employees in small and medium-size businesses are now harnessing AI on the job. Even when it comes to HR-specific tasks—tasks like payroll processing, benefits administration and interpersonal questions (like how best to deal with a difficult coworker)—which have traditionally been very human-to-human in nature, 66% of U.S. employees are using AI for help.

Use of AI in the Workplace

QUESTION (Employee):

How frequently are you using AI at work?

QUESTION (Employer):

How frequently are you using AI at work?
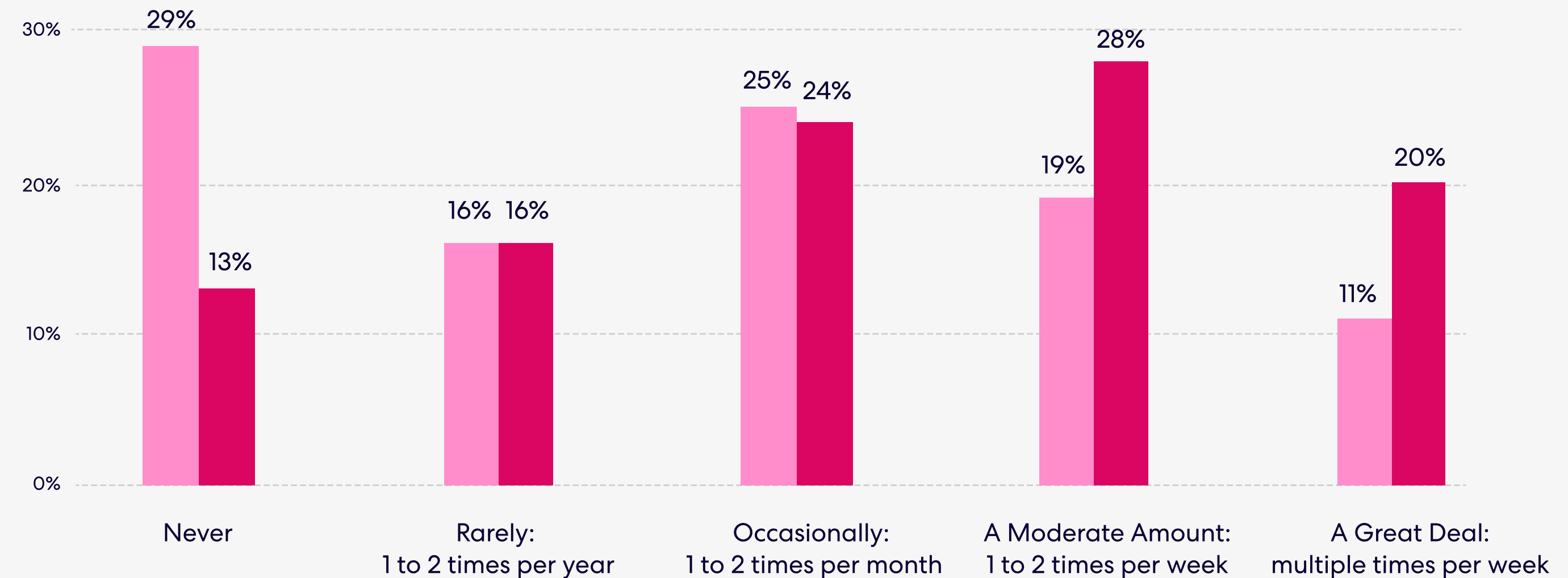
AI Frequency of Use

● Employees   ● Employers

07. WELCOMING AI TO HR

⊙ **AN UNMISSABLE TREND**

Employers are more all-in on AI than their employees. For example, when it comes to benefits-related questions, 59% of employers approve of AI use at a moderate or extremely acceptable level, but just 41% of employees use it "almost every time" or more. Even for personal HR questions (like something health related), often sensitive in nature, 49% of employers back AI, while only 35% of employees use it.

The reason employee's use is low is unclear. It could be they feel uncomfortable with the technology or its use at work, or it could simply be it's not available to them in their line of work.
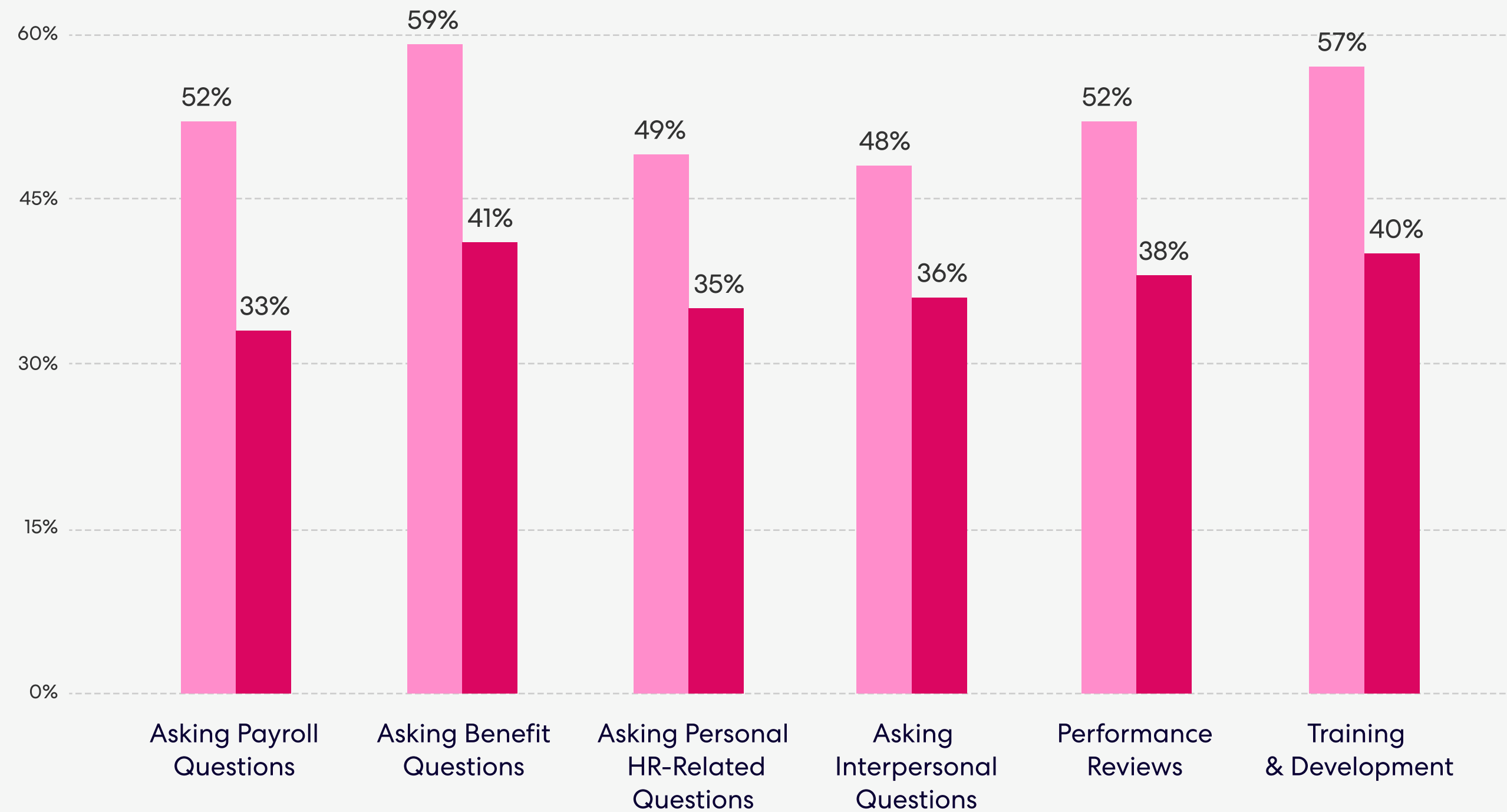
Employer's Acceptance of AI Outpaces Employee's Use

QUESTION (Employee):

How frequently are you using AI for the following HR-related tasks (Moderately Acceptable + Extremely Acceptable)

QUESTION (Employer):

Please indicate how acceptable it is for employees to use an AI assistant in your HR platform to complete the following tasks versus reaching out to an HR admin. (Moderately Acceptable + Extremely Acceptable)

	Asking Payroll Questions	Asking Benefit Questions	Asking Personal HR-Related Questions	Asking Interpersonal Questions	Performance Reviews	Training & Development
Employer's Acceptability	52%	59%	49%	48%	52%	57%
Employee's Use	33%	41%	35%	36%	38%	40%

⬤ Employer's Acceptability ⬤ Employee's Use
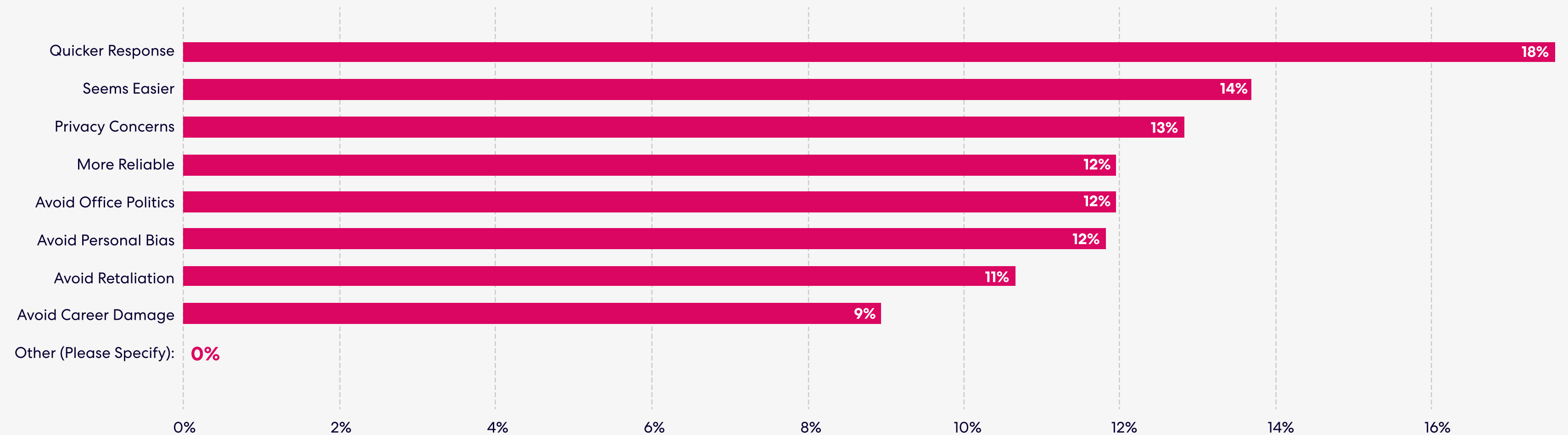
07. WELCOMING AI TO HR

◉ **AN UNMISSABLE TREND**

One in three U.S. employees would prefer to consult an AI assistant over a real human interaction on employment issues, citing quicker response (45% of employers, 50% of employees), seems easier (41% of employers, 39% of employees) and privacy concerns (42% of employers, 36% of employees). Additional reasons for choosing AI include greater reliability (41% of employers, 34% of employees), avoiding office politics (30% of employers, 34% of employees) and bypassing personal bias (33% of employers, 33% of employees).

Why People Use AI vs. a Human

QUESTION (Employee):

Select from the following reasons why you chose AI Assistant for one or more of the previous scenarios. (Select all that apply)

Category	Percentage
Quicker Response	18%
Seems Easier	14%
Privacy Concerns	13%
More Reliable	12%
Avoid Office Politics	12%
Avoid Personal Bias	12%
Avoid Retaliation	11%
Avoid Career Damage	9%
Other (Please Specify):	0%

07. WELCOMING AI TO HR

◎ **AN UNMISSABLE TREND**

Use of AI generally sees an uptick by younger generations with Millennials and Gen Z using it more than Gen X or Baby Boomers.

Use of AI for HR-Specific Tasks by Generation
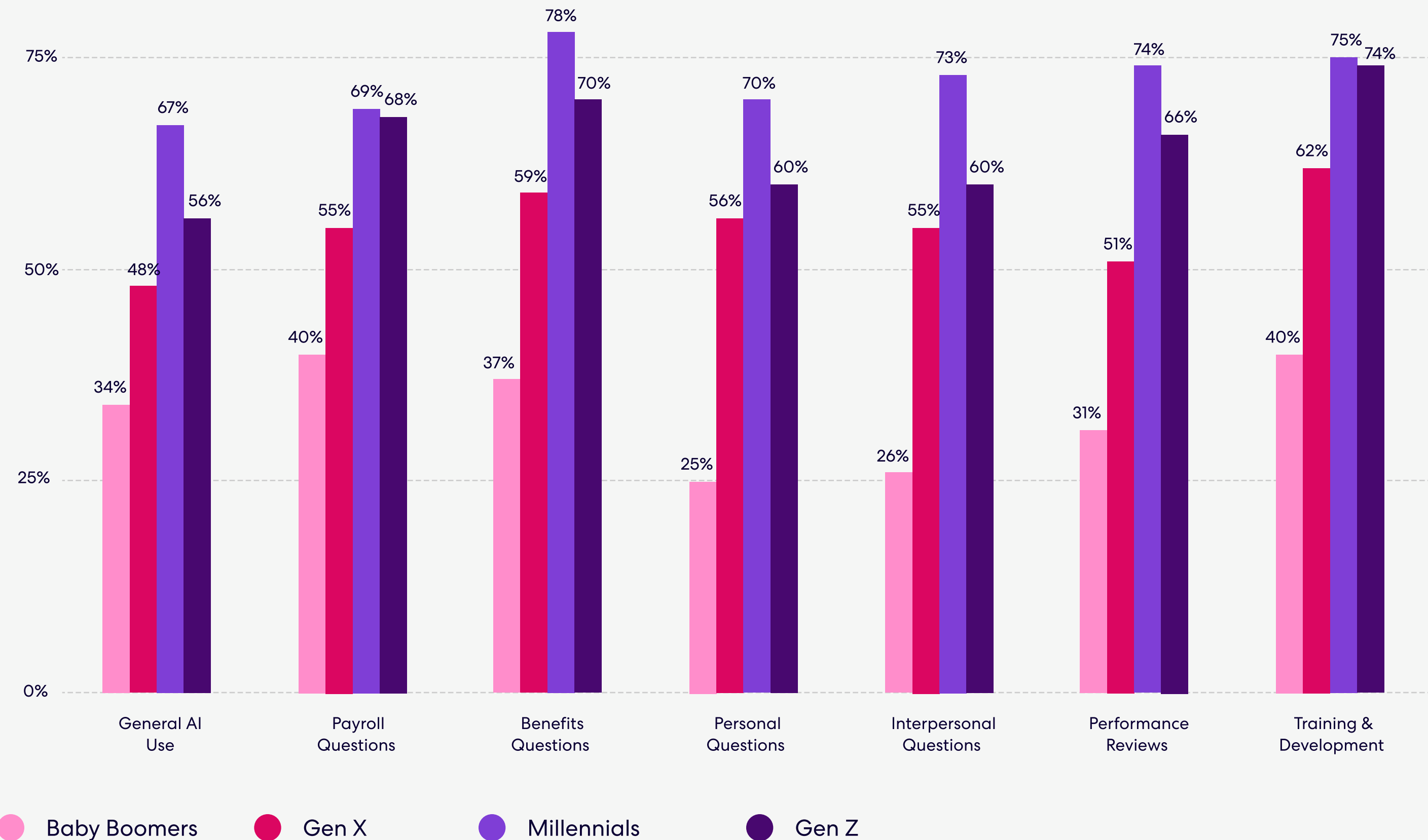
QUESTION (Employee):

How frequently are you using AI at work?

(Almost Every Time + Every Time + Occasionally)

QUESTION (Employee):

How frequently are you using AI for the following HR-related tasks?

(Almost Every Time + Every Time + Occasionally)

Category	Baby Boomers	Gen X	Millennials	Gen Z
General AI Use	34%	48%	67%	56%
Payroll Questions	40%	55%	69%	68%
Benefits Questions	37%	59%	78%	70%
Personal Questions	25%	56%	70%	60%
Interpersonal Questions	26%	55%	73%	60%
Performance Reviews	31%	51%	74%	66%
Training & Development	40%	62%	75%	74%

● Baby Boomers ● Gen X ● Millennials ● Gen Z

07. WELCOMING AI TO HR

◉ **AN UNMISSABLE TREND**

AI isn't just for tactical queries—it seems to be trusted for personal and interpersonal issues, too. The workforce is turning to AI in near equal measure for administrative questions (such as benefits and pay) and handling peer-to-peer questions (like conflict resolution or group dynamics). Employers are slightly more likely than employees to use AI in general (36% vs. 30%). This is consistent with employers' higher acceptance of AI , as reported within this survey.

Percent of People Who Want to Ask a Question to an AI Assistant vs. an HR Admin

QUESTION (Employee):

Please indicate if you would rather interface with an **AI Assistant** (no human interaction) or **HR Administrator** (human interaction) in the following scenarios.
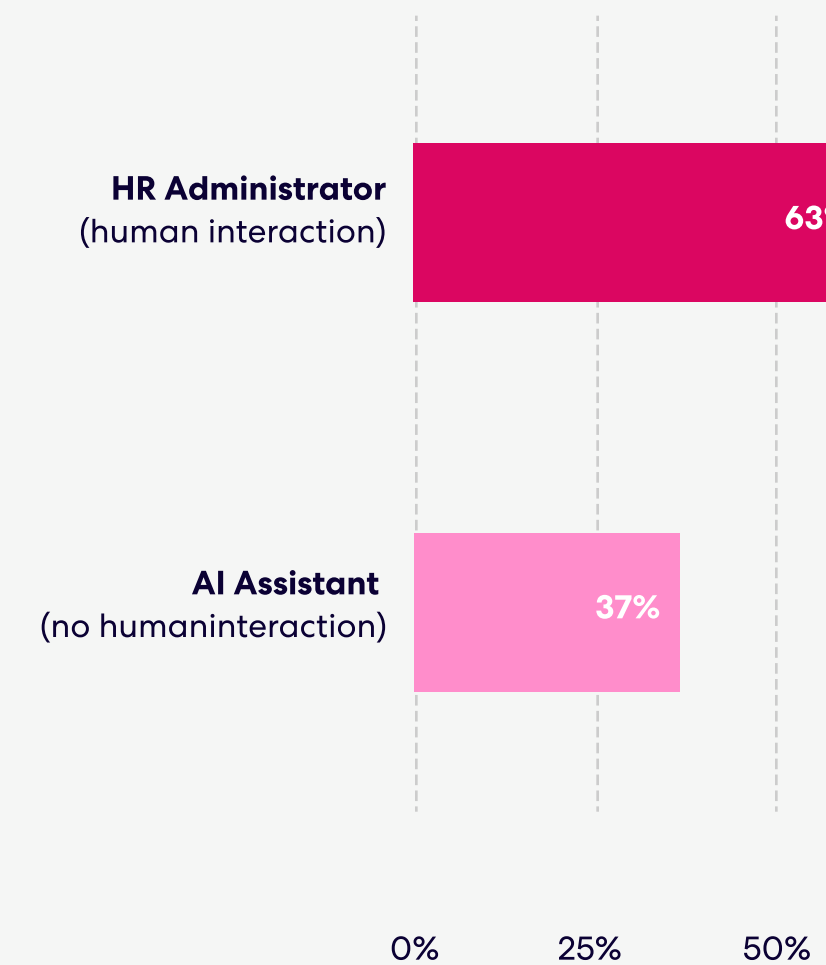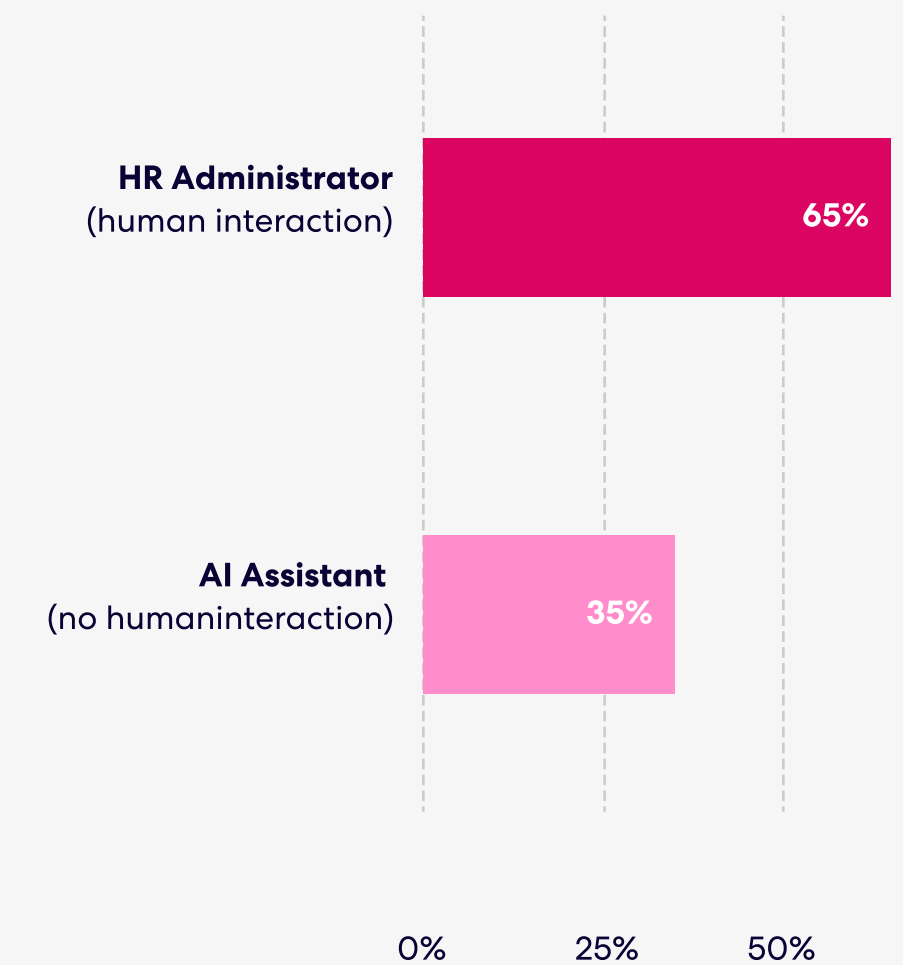
QUESTION (Employer):

Please indicate if you believe employees at your company would rather interface with an **AI Assistant** (no human interaction) or **HR Administrator** (human interaction) in the following scenarios.

You have a general HR question, like something related to compensation or benefits option:

HR Administrator (human interaction): 51%

AI Assistant (no humaninteraction): 49%

0% 25% 50%
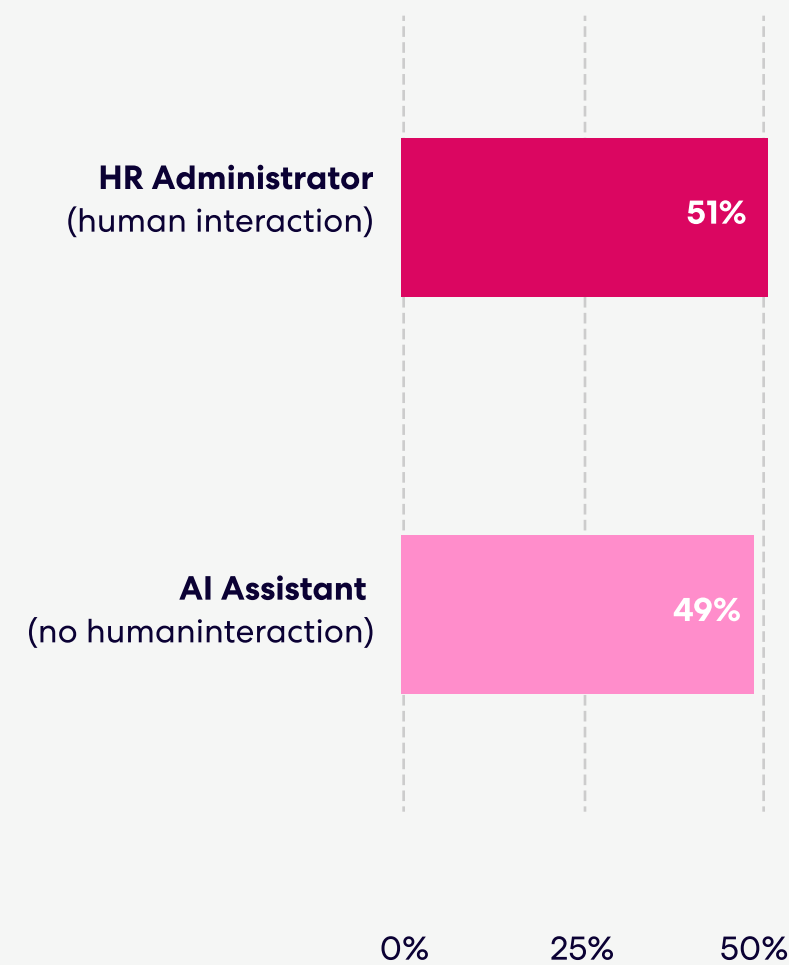
You have a personal question, like something health related:

HR Administrator (human interaction): 63%

AI Assistant (no humaninteraction): 37%

0% 25% 50%

You have an interpersonal question, like how to best deal with a difficult coworker:

HR Administrator (human interaction): 65%

AI Assistant (no humaninteraction): 35%

0% 25% 50%
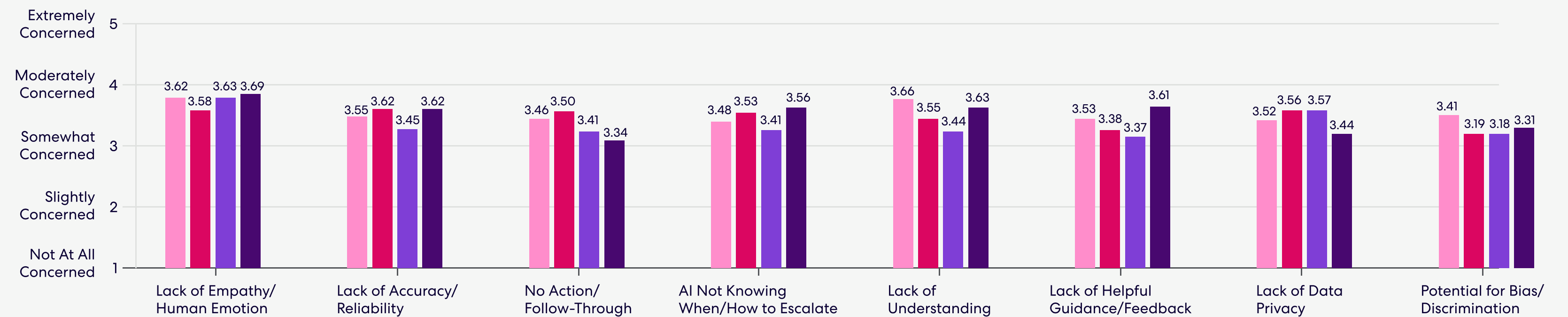
07. WELCOMING AI TO HR

◉ **AN UNMISSABLE TREND**

Baby Boomer and Gen Z employers are often more worried about potential pitfalls of AI as compared to other generations.

Concerns About Using AI by Generation

QUESTION (Employee):

Which of the following concerns do you have (if any) regarding use of AI in HR-related tasks? (Select all that apply): Other (please specify)

Mean Scores for Concern

	Lack of Empathy/ Human Emotion	Lack of Accuracy/ Reliability	No Action/ Follow-Through	AI Not Knowing When/How to Escalate	Lack of Understanding	Lack of Helpful Guidance/Feedback	Lack of Data Privacy	Potential for Bias/ Discrimination
Baby Boomers	3.62	3.55	3.46	3.48	3.66	3.53	3.52	3.41
Gen X	3.58	3.62	3.50	3.53	3.55	3.38	3.56	3.19
Millennials	3.63	3.45	3.41	3.41	3.44	3.37	3.57	3.18
Gen Z	3.69	3.62	3.34	3.56	3.63	3.61	3.44	3.31

Numbers shown are mean scores calculated be attributing a quantitative scale to the qualitative responses.

● Baby Boomers   ● Gen X   ● Millennials   ● Gen Z

PREDICTIVE
PROACTIVE
PERSONALIZED

EMPLOYERS WANT TO LEVERAGE PREDICTIVE INFORMATION

to improve employee morale, increase employee retention, improve employee engagement and support employee development.

07. WELCOMING AI TO HR

◉ **PREDICTIVE, PROACTIVE, PERSONALIZED**

Employers ranked a list of ways in which predictive HR could help the workforce. Topping the list are "improving employee morale" (37%), "increasing employee retention" (37%), "improving employee engagement" (36%) and "improving employee development" (36%).

At the other end of the spectrum, the least prioritized benefits were "Identifying needed tools or processes" (27%) and "optimizing current tools and processes" (24%).

How Predictive HR Could Help, According to Employers

QUESTION (Employers)

How would this predictive information most help you? (Select all that apply)

Improving Employee Morale	37%
Increasing Employee Retention	36%
Improving Employee Engagement	36%
Improving Employee Development	36%
More Accurate Staff Planning	30%
Accomplishing Business Goals	29%
Maximizing Work Output	28%
Cost Reduction or Efficiency	28%
Improving Recruiting Practices & Outcomes	28%
Improving Internal Communications	28%
Identifying Needed Tools or Processes	27%
Optimizing Current Tools or Processes	24%

0%   15%   30%   45%

08. CONCLUSION

Understanding the perspectives of both employers and employees in the small and medium-size business community. It helps employers make informed choices that align with the needs and expectations of of the workforce and gives, whil simultaneously giving employees insight into where employers stand on topics that are important to them.

In some places, the groups are aligned. In others, their points of view are fairly different. In all cases, the groups can learn from one another—and hopefully use the information to create a more engaged and satisfied workforce. This in turn helps drive a more engaged workforce, greater work/life satisfaction, and ultimately could help drive a more profitable and resilient business.

KEY LEARNINGS:

1. Employees are engaged but

MORE CAN BE DONE

to improve their satisfaction. Employers should consider recognizing the actual engagement levels of their employees and address their lower levels of work/life balance satisfaction.

2. When considering why employees left their last job and what they look for in a new one, benefits are the most important factor after compensation. However, offering benefits alone is not enough;

PROVIDING A QUALITY BENEFITS EXPERIENCE IS CRITICAL.

Over 30% of employees don't understand their benefits and are not taking advantage of them.

3. Benefits support and enrollment technology present challenges with significant underutilization of available benefits. Digging into these challenges can lead to improvements in how benefits are communicated and administered.

THIS MAY INCREASE EMPLOYEE SATISFACTION

and reduce turnover.

4. There can be benefits to greater AI integration and the workplace may be ready for it. Modern HR practices are increasingly embracing AI with a shared belief in the necessity of an "always-on" HR function and employers who appear eager to integrate advanced predictive tools for enhancing employee well-being and success. This landscape suggests

A NEED FOR MORE AI-BASED SOLUTIONS

for both employers and employees.

About TriNet

TriNet (NYSE: TNET) provides small and medium-size businesses (SMBs) with full-service industry-specific HR solutions, providing both professional employer organization (PEO) and human resources information system (HRIS) services. TriNet offers access to human capital expertise, benefits, risk mitigation, compliance, payroll, and R&D tax credit services, all enabled by industry-leading technology. TriNet's suite of products also includes services and software-based solutions to help streamline workflows by connecting HR, benefits, employee engagement, payroll and time & attendance. Rooted in more than 30 years of supporting entrepreneurs and adapting to the ever-changing modern workplace, TriNet empowers SMBs to focus on what matters most—growing their business and enabling their people.

Go to TriNet.com for more information or speak with a TriNet representative at **888.874.6388**.