

# SHRM® WORKPLACE FORECAST

The Top Workplace Trends According to HR Professionals



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# Contents

About This Report .....	1
Key Themes and Top 10 Trends .....	3
Demographics and Society .....	11
Economics and Employment.....	23
Science and Technology.....	35
Public Policy and Law.....	45
Conclusion .....	57
Resources .....	65
Endnotes.....	66

# About This Report



The *SHRM Workplace Forecast* is published every two years by the Society for Human Resource Management. The structure of the report is based on a survey of human resource professionals on their views of key issues they feel will affect the workplace in the coming years. The report is divided into four broad sections covering demographics and society, economics and employment, public policy and law, and science and technology. The survey also asks HR professionals what actions they and their organizations are taking or are planning to take to address these trends, changes and challenges.

## About SHRM

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 250,000 members in over 140 countries, the Society serves the needs of HR professionals and advances the interests of the HR profession. Founded in 1948, SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China and India.

SHRM Research, as part of the Knowledge Development division supporting SHRM and its members, produces high-quality, leading-edge research and provides expertise on human resource and business issues. It acts as an advisor to SHRM for the purpose of advancing the HR profession and generates and publishes research used by human resource professionals to develop their knowledge and to provide strategic direction to their organizations.

# Key Themes and Top 10 Trends





SHRM has been conducting the Workplace Forecast Survey for a decade. Over the years, several key forces have emerged as top recurring trends. As shown in Table 1, where the top 10 trends from the past five Workplace Forecast Surveys are displayed, many of the same issues reappear as top trends each time the survey is conducted, most notably the high cost of health care.

Along with the high cost of health care, other ongoing themes from the last decade of Workplace Forecast Surveys include:

- A more competitive global business landscape and the rise of emerging economies.
- The impact of information and communications technologies.
- A more complex legal environment and changes to laws influencing employee rights and employer legal compliance.
- The aging of the workforce and retirement of the Baby Boom generation (those born between 1945 and 1964).
- Problems finding skilled workers.
- Economic uncertainty and volatility.
- Greater demand for work/life balance.

The Great Recession, which began at the end of 2007, had a strong influence on some of the findings of the previous two Workplace Forecast Surveys, which were more likely to emphasize economic issues and the impact of a global economic slowdown. These issues continue to be high on the list of forces HR professionals see shaping the workplace of the future.

Table 1   Top 10 workplace trends according to HR professionals: 2003 to 2011				
2003	2005	2007	2009	2011
1. Use of technology to communicate with employees	1. Rising health care costs	1. Rising health care costs	1. Continuing high cost of health care in the United States	1. Continuing high cost of employee health care coverage in the United States.
2. Rising health care costs	2. Focus on domestic safety and security	2. Increased use of outsourcing (offshoring) of jobs to other countries	2. Large numbers of Baby Boomers retiring at around the same time	2. Passage of federal health care legislation
3. Increased vulnerability of intellectual property	3. Use of technology to communicate with employees	3. Threat of increased health care/medical costs on the economic competitiveness of the United States	3. Threat of increased health care/medical costs on the economic competitiveness of the United States	3. Increased global competition for jobs, markets and talent
4. Managing talent	4. Growing complexity of legal compliance	4. Increased demand for work/life balance	4. Aging population	4. Growing complexity of legal compliance for employers
5. Greater demand for high-skilled workers than for low-skilled workers	5. Use of technology to perform transactional HR functions	5. Retirement of large numbers of Baby Boomers at around the same time	5. Growing need to develop retention strategies for current and future workforce	5. Changes in employee rights due to legislation or court rulings
6. Labor shortages	6. Focus on global security	6. New attitudes toward aging and retirement as Baby Boomers reach retirement age	6. Federal health care legislation	6. Large numbers of Baby Boomers leaving the workforce at around the same time
7. Change from manufacturing to information/service economy	7. Preparing for the next wave of retirement and labor shortages	7. Rise in the number of individuals and families without health insurance	7. Preparing organizations for an older workforce and the next wave of retirement	7. Economic growth of emerging markets such as India, China and Brazil
8. Increase in employment-related government regulation	8. Use and development of e-learning	8. Increase in identity theft	8. Threat of recession in the United States or globally	8. Greater need for cross-cultural understanding/savvy in business settings
9. Focus on domestic safety and security	9. Exporting of U.S. manufacturing jobs to developing countries	9. Work intensification as employers try to increase productivity with fewer employees	9. Labor shortages at all skills levels	9. Growing national budget deficit
10. Ability to use technology to more closely monitor employees	10. Changing definition of family	10. Vulnerability of technology to attack or disaster	10. Demographic shifts leading to a shortage of high-skilled workers	10. Greater economic uncertainty and market volatility
Source: SHRM workplace forecast (SHRM, 2003, 2005, 2007, 2009, 2011)				

Table 2   Top trends for 2013 and beyond			
Trend	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Continuing high cost of employee health care coverage in the U.S.	79%	20%	1%
Implementation of health care legislation	75%	23%	2%
A shortage of skilled workers	73%	25%	2%
Large numbers of Baby Boomers leaving the workforce at around the same time	68%	29%	3%
Implications of the outcome of the 2012 presidential and congressional elections	68%	28%	4%
Lack of science, technology, engineering and math (STEM) graduates in the U.S. compared with other countries	68%	29%	4%
Decline in employees' retirement savings	68%	29%	4%
Rise in fuel/gasoline prices in the U.S. and globally	68%	28%	4%
Threat of a dip back into recession in the U.S.	67%	30%	4%
Greater economic uncertainty and market volatility	66%	31%	3%
Source: SHRM workplace forecast (SHRM, 2013)			

Table 2 shows the 10 overall trends that HR professionals rated as most likely to have a major impact in the next five years.

- HR professionals have been concerned about the **high cost of employee health care** for many years. This trend was the top issue in the surveys of 2005, 2007, 2009 and 2011, and once again the continuing high cost of employee health care was at the top of the list of the most important trends identified in 2013. HR professionals rated the implications of **federal health care legislation** as the second most important trend affecting the workplace and the HR profession.

- **Skills issues**, specifically a shortage of skilled workers and a lack of science, technology, engineering and math (STEM) graduates in the U.S. compared to other countries, seem to have gained a new prominence and are now among the top trends that HR professionals think will affect the workplace in the coming years. This finding may be due to a more competitive global business environment and more specialized and technically demanding jobs; it may also be linked to another top trend, **large numbers of Baby Boomers leaving the workforce**.
- The impact of the Great Recession continues to be felt, and unsurprisingly **economic issues** remain top of mind for HR professionals. Issues such as a decline in employees' retirement savings, a potential rise in gas prices, the ongoing threat of dipping back into recession and greater economic uncertainty were all among the top trends HR professionals identified.
- Along with the implementation of health care legislation, the political factor that HR professionals also felt would have a wide-ranging impact on the workplace was **the outcome of the 2012 presidential and congressional elections**.

Responding to trends

Slight improvements in the economy are reflected in the actions HR professionals are taking in response to trends with a focus on **recruiting, retaining and developing employees**. They are updating their approaches to recruiting, linking employee performance and its impact on the organization's business goals, and putting more emphasis on succession planning and people readiness; many HR professionals also say they are hiring. Another theme to emerge in the actions HR professionals say they are taking is **technology**. HR professionals are using social networking sites for recruiting, employer branding and other purposes, updating technology use policies for employees, expanding the use of e-learning, and expanding the use of technology-based employee and manager self-service applications. The importance of **legal compliance** continues to be a force influencing the actions HR professionals are taking. The implementation of the Patient Protection and Affordable Care Act (PPACA) is no doubt on many HR professionals' minds, and many say they are changing organizational policy in response to federal and state regulations and changing employment practices to minimize legal risk. The top 10 actions HR professionals are taking in response to trends are shown in Table 3.

Table 3   Actions HR professionals are most likely to say they are taking in response to trends			
	Yes	No	Plan to in the next 12 months
Using social networking sites for recruiting, employer branding and other purposes	68%	20%	12%
Updating technology use policies for employees (use of social networking sites, e-mail for nonbusiness use, etc.)	65%	21%	14%
Linking employee performance and its impact on the organization's business goals	63%	23%	14%
Changing organizational policy in response to federal and state regulations	60%	22%	18%
Expanding the use of e-learning	59%	25%	17%
Using nondisclosure and noncompete agreements for intellectual property	56%	40%	4%
Putting more emphasis on succession planning and people readiness	55%	24%	21%
Changing employment practices to minimize legal risk	54%	35%	12%
Hiring workers (or increasing size of workforce)	53%	37%	11%
Expanding the use of technology-based employee and manager self-service applications	52%	30%	18%
Source: SHRM workplace forecast (SHRM, 2013)			

# Research Spotlight:

## Key findings from SHRM's Challenges Facing HR Over the Next 10 Years survey

### What challenges will HR executives face over the next 10 years?

More than one-half of HR professionals think that retaining and rewarding the best employees (59%) and developing the next generation of corporate leaders (52%) will be the greatest challenges. About one-third predict the challenges will be creating a corporate culture that attracts the best employees to the organization (36%), remaining competitive in the talent marketplace (34%) and finding employees with the increasingly specialized skills the organization needs (33%). Compared with responses to this question in 2010, HR professionals are more concerned with developing future leaders and remaining competitive in the talent marketplace, whereas they are less concerned with finding employees in global markets and breaking down cultural barriers to create a truly global organization.

### What will be the biggest investment challenge facing organizations in the next 10 years?

Forty-three percent of HR professionals see human capital as the biggest investment challenge. About one out of five think financial (22%) or technological (19%) capital will be most challenging. Fourteen percent expect intellectual capital to be the greatest challenge, and only 3% think it will be physical capital.

### Which tactics will be most effective in attracting, retaining and rewarding the best employees over the next 10 years?

Providing flexible work arrangements (40%) and a culture of trust, open communication and fairness (37%) were the top two tactics in 2012 and 2010. One-quarter said offering a higher total rewards package than competitors (26%) and providing career advancement opportunities (26%) would be most effective, whereas in 2010 the third most common response was meaningful work with clear purpose in meeting the organization's objectives (40%).

**Figure 1 | Challenges facing HR executives**

Over the next 10 years, what do you think will be the three biggest challenges facing HR executives at your organization?

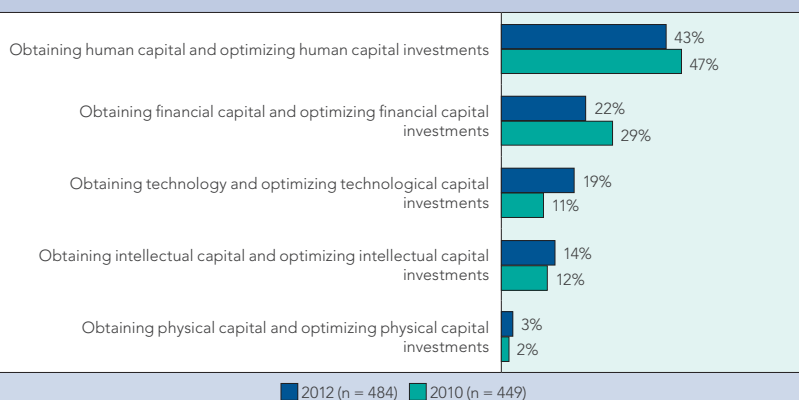


Note: Percentages do not total 100% due to multiple response options. Respondents were asked to select up to three options.

Source: Society for Human Resource Management. (2012). *SHRM research spotlight: Challenges facing HR over the next 10 years*. Retrieved from <http://www.shrm.org/research/surveyfindings/articles/pages/challengesfacinghrroverthenext10years.aspx>

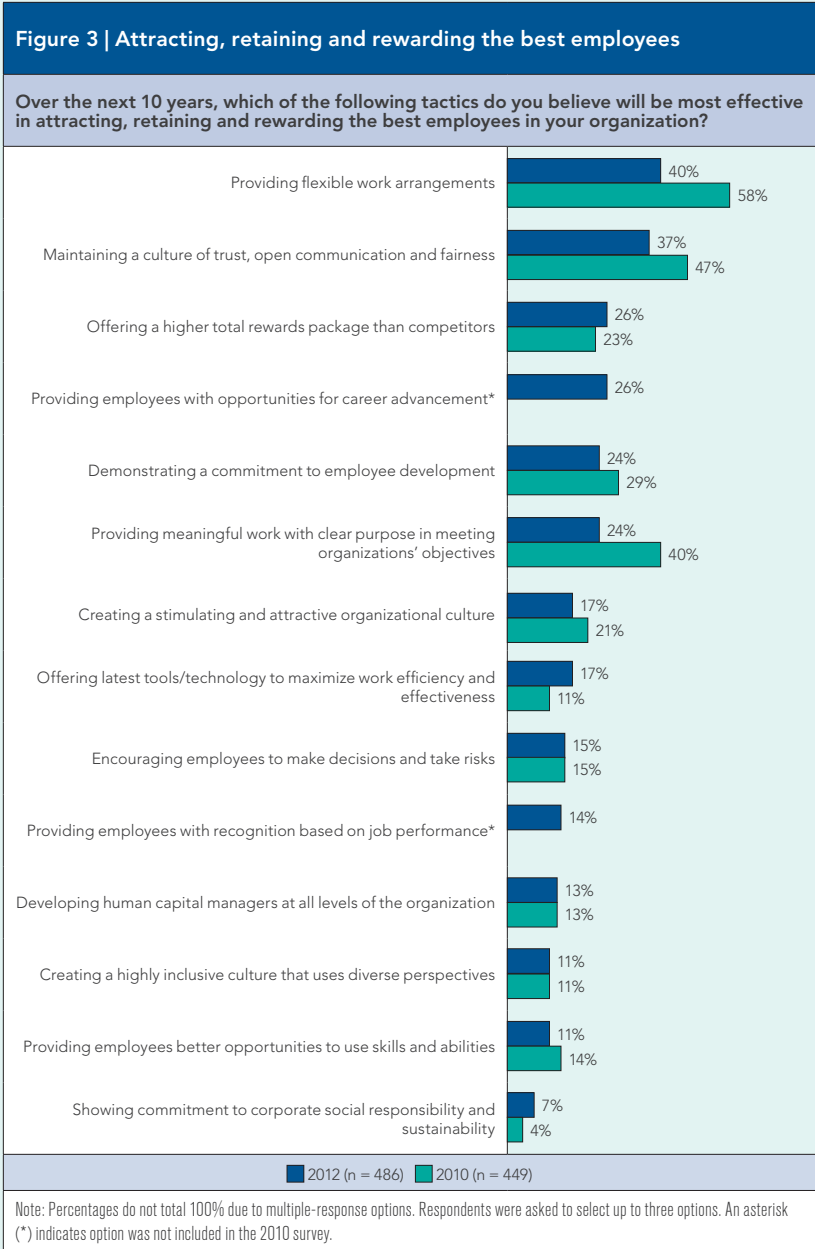
**Figure 2 | Investment challenges facing organizations**

Over the next 10 years, what do you think will be the biggest investment challenge facing organizations?



Note: Percentages do not total 100% due to rounding.

Source: Society for Human Resource Management. (2012). *SHRM research spotlight: Challenges facing HR over the next 10 years*. Retrieved from <http://www.shrm.org/research/surveyfindings/articles/pages/challengesfacinghrroverthenext10years.aspx>



Methodology

A sample of HR professionals was randomly selected from SHRM’s membership database, which included approximately 250,000 individual members at the time the survey was conducted. Overall, 487 (2012) and 449 (2010) responses were received, yielding a response rate of 17% each year. The margin of error is +/- 5%. Data were collected Sept. 14-28, 2012, and Aug. 10-23, 2010.



# Demographics and Society





Demographic and social issues include factors related to population, gender, age, ethnicity, language and geographic issues such as immigration and mobility. The way these issues play out in the workplace can have a direct impact on HR challenges and strategies. Demographic, social and cultural factors may influence access to talent, employee relocation, gender balance and equity, generational issues, and conflict in the workplace. A number of demographic and social issues that HR professionals identify as trends will have a significant impact on the workplace in the years to come.

Foremost among these—and as it was in the 2011 Workplace Forecast Survey—is the exodus of Baby Boomers (those born between 1946 and 1964) from the workplace. But whereas in previous years this issue was more a theoretical future event rather than an actual, current challenge, today large numbers of Baby Boomers have already begun to retire. HR professionals are not just preparing for the loss of this generation of workers but are now actively managing the impact of the first wave of Baby Boomer retirements in their organizations.

While HR professionals are preparing for the retirement of many valuable older employees, they are also getting ready for an increased proportion of older workers in the workforce, as many older workers will continue to put off retirement. Thus, issues related to aging are high on the list of demographic and social trends HR professionals forecast to influence the workplace in the coming years. For example, another key trend they identify is the rise in the number of employees with caring responsibilities. More employees will become members of the so-called sandwich generation, who are caring for both young and elderly family members simultaneously. HR professionals are also concerned that the retirement of the massive Baby Boomer generation will put excessive pressure on retirement funds, leading to underfunded pensions and destabilizing government retirement programs or institutions. Aging also brings with it a potential rise in chronic health conditions—another prominent

trend identified. With U.S. health care costs the highest in the world, this trend could have serious ramifications for employee benefits costs.

Looking to the younger generations, trends that HR professionals list are an overall decline in the workforce readiness of new entrants to the labor market, large numbers of Millennial/Generation Y workers entering the labor market and reduced opportunities for career advancement among younger generations as many older workers delay retirement.

Table 4   Top demographic and society trends according to HR professionals			
Trend	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Large numbers of Baby Boomers leaving the workforce at around the same time	68%	29%	3%
Growth in the number of employees with caring responsibilities (elder care, child care, both elder care and child care at the same time)	63%	35%	2%
Underfunded pensions and the stability of the federal Pension Benefit Guaranty Corporation	62%	32%	6%
Increase in chronic health conditions, such as diabetes and heart disease, among employees	59%	36%	5%
Overall decline in the workforce readiness of new entrants to the labor market	59%	37%	5%
Increased employee demand for work/life fit (flexible work arrangements)	58%	37%	5%
Large numbers of Millennial/Generation Y workers entering the labor market and workforce	58%	39%	3%
An increased proportion of older workers in the workforce	52%	43%	5%
Reduced opportunities for career advancement among younger generations as large numbers of Baby Boomers put off retirement	52%	45%	3%
Increase in the number of workers without health insurance	44%	44%	12%
Greater need for cross-cultural understanding/savvy in business settings	42%	49%	9%
Rise in the number of employees with untreated physical and mental health conditions in the workplace	42%	49%	10%
Higher rates of immigration and an increase in the number of foreign-born workers	41%	50%	10%
Growth in the number of employees for whom English is a second language	40%	52%	8%
Rise in student debt	39%	46%	15%
Increase in the number of employees with mental health conditions such as depression	38%	52%	10%
Increased demand for greater transparency of corporate data and information	38%	53%	9%
Growth in the recognition and response to generational differences among employees	38%	53%	9%
Increase in the legal retirement age in countries around the world with aging populations	37%	49%	13%
Increased multiculturalism within organizations	33%	56%	12%
Increased concerns about safety and security in the workplace	32%	58%	11%
Increased global labor mobility	29%	60%	11%
Lower birthrates contributing to smaller pipelines of talent in future generations	29%	49%	23%
Increased economic, social and political power of women around the world	28%	59%	13%
Increased demand by company stakeholders/shareholders for input into corporate decision-making	27%	61%	12%
Need for increased security abroad for expatriates	27%	55%	18%
Increase in employee identity theft	25%	59%	17%
Increase in the number of individuals with disabilities in the workforce	25%	62%	14%
Growing employee demand for sustainable and green business practices	20%	63%	18%
Public backlash against globalization and power of multinational corporations	20%	60%	20%
Reduction in employee mobility due to the housing downturn	18%	63%	19%
Increased corporate leadership role in dealing with global problems such as poverty, environmental damage and disease	17%	62%	21%
Rise in protests against the financial establishment (e.g., Occupy Wall Street)	16%	56%	28%
Decline in the number of foreign students who stay and work in the U.S.	13%	58%	29%
Growth in religious diversity in the workplace	12%	63%	25%
Source: SHRM Workplace Forecast (SHRM, 2013)			

## Large numbers of Baby Boomers leaving the workforce at around the same time

According to the U.S. Bureau of Labor Statistics' (BLS) "Employment Outlook: 2010-2020" report published in the January 2012 issue of *Monthly Labor Review*, slower population growth will lead to a decreasing rate of growth in the overall labor force from 2010 to 2020: only 0.7% annually, compared with 0.8% for 2000-2010 and with 1.3% for 1990-2000. Within this time frame, the Baby Boom generation will shift entirely into the 55-years-and-older age group. Though the 55-plus age group will increase within the labor market, the BLS projects the "prime-age" working group (ages 25 to 54) to drop to 63.7% of the workforce by 2020. The BLS also forecasts that there will be 54.8 million total job openings in the 2010-2020 time period with well over half—61.6%—from "replacement needs." These are jobs that result from the direct replacements of workers who retire or otherwise permanently leave an occupation. In four out of five occupations, openings due to replacement needs will exceed the number due to growth. A rise in replacement needs is expected in virtually every occupation,<sup>1</sup> including occupations in declining industries.

For HR professionals, the data mean that across industries they will potentially experience challenges related to the replacement of older workers who leave the workforce. Though the Millennial generation is even larger than the Baby Boom generation, employees in this younger generation may not be far enough along in their careers to replace retiring workers at higher levels. Thus, employers may look to the much smaller Generation X to step into these roles. Key factors that could influence how difficult replacing the Baby Boomers will be are the amount of education and training required for vacant jobs, outsourcing trends, and the move to automate some jobs currently done by workers. Many organizations are already actively developing their next generation of leaders to prepare for this shift.

## Growth in the number of employees with caring responsibilities

According to the National Alliance for Caregiving, an estimated 65.7 million people in the U.S. have served as unpaid family caregivers to an adult or a child, and an estimated of 36.5 million households have a caregiver present. One third of caregivers take care of two or more people (34%). With the population aging and with the number of caregivers increasing, the need for flexible work policies is also growing more urgent. For example, many caregivers must have flexibility around their arrival or departure times or take time off from work to meet their caregiving responsibilities.<sup>2</sup>

In addition to the need for flexibility, HR professionals must also consider ways to help their caregiver employees stay healthy. A 2010 MetLife study on employed caregivers found that "employees responsible for elder care report more health problems than noncaregiving employees and cost U.S. employers an estimated \$13 billion annually."<sup>3</sup> The study found the estimated average additional health cost to employers to be 8% more for those with elder care responsibilities. The stresses and time constraints associated with caregiving—in particular elder care—appear to have a significant health impact. This issue is of growing concern to HR professionals and employers because a larger number of employees of all ages will be assuming elder care responsibilities as the population ages. According to MetLife, "This brings to the forefront an urgent need for employers to actively address how to best facilitate the realities of em-

employees dealing with elder care responsibilities.”<sup>4</sup> Interestingly, the study found that younger caregivers (ages 18 to 39) showed significantly higher rates of cholesterol, hypertension, chronic obstructive pulmonary disease (COPD), depression, kidney disease and heart disease compared to their noncaregiving peers. The study thus concludes that elder care is not just an “older workers’ issue” and is equally likely to place burdens on the health of employees ages 18 to 39 as it is on those ages 50 and older.<sup>5</sup>

## **Underfunded pensions and the stability of the federal Pension Benefit Guaranty Corporation**

HR professionals are concerned about the impact of underfunded pensions and the ability of the government’s Pension Benefit Guaranty Corporation (PBGC) to remain stable given the burden of so many underfunded pensions. The Great Recession appears to have made a bad situation even worse. A report published in July 2012 by S&P Dow Jones Indices revealed record pension and OPEB (other post-employment benefits, i.e., benefits that employees only begin to receive at the start of retirement and may include life insurance or health care premiums but not pension benefits) underfunding for the S&P 500 companies. The data for fiscal year 2011 showed S&P 500 defined pensions reached an underfunding status of \$354.7 billion that year. This amount was an increase of over \$100 billion from the end of 2010 and surpassed the record \$308.4 billion underfunding level set in 2008. Meanwhile, OPEB underfunded levels rose to \$223.4 billion in 2011 from \$210.1 billion at the end of 2010. Taken together, the S&P 500 companies’ assets set aside to fund pensions and OPEB amounted to \$1.38 trillion needed to cover \$1.96 trillion in obligations. This leaves \$578 billion underfunded, or a 70.5% overall funding rate. The report attributed most of the problems meeting the shortfall not to organizations’ lack of contribution but to the relatively poor performance of investment markets over an extended period of time.<sup>6</sup>

With pension funding shortfalls growing, more pressure is being put on the federal PBGC. The U.S. Government Accountability Office (GAO) includes the PBGC as a “high risk agency” due to the severe financial challenges it faces. The GAO showed that by the end of fiscal year 2010, the net accumulated financial deficit for the PBGC’s programs was \$23.0 billion. Though the PBGC’s financial portfolio is now one of the largest of any federal government corporation (it has nearly \$80 billion in assets), the problems with underfunded pensions and poor market performance have thrown its financial future into question.<sup>7</sup> As the large Baby Boom generation begins to retire, these problems are likely to be exacerbated with major repercussions for organizations’ retirement programs and employee retirement planning.

## **An increase in chronic health conditions among employees**

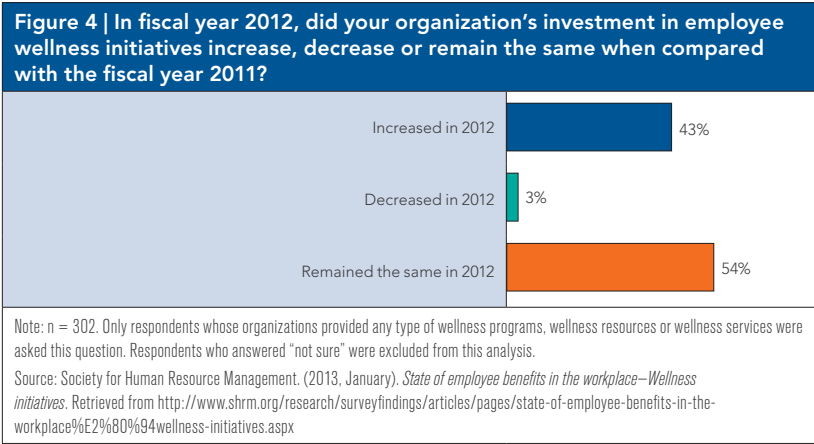
An aging population is more likely to suffer from chronic health conditions, and as a result HR professionals are bracing for a rise in chronic health conditions among their workforce. These health conditions include diabetes, high blood pressure, heart problems and cancer.

The U.S. spends more on health care costs than any other nation in the world. And although most developed countries around the world are also aging rapidly, the U.S. stands out for the relative poor health of its population—at all ages—compared to other industrialized nations.

A January 2013 report from the National Academy of Sciences found that “Americans are in poorer health and live shorter lives than people in many other high-income countries.”<sup>8</sup> The report cites inadequate health care systems, unhealthy behaviors, and social, economic and environmental factors as among the causes of this disparity. Not only is this health disadvantage present at all ages, but even advantaged Americans are unhealthier than their counterparts in other rich nations. The U.S. is at or near the bottom in nine key areas of health:

- Infant mortality and low birth weight.
- Injuries and homicides.
- Teenage pregnancies and sexually transmitted infections.
- Prevalence of HIV and AIDS.
- Drug-related deaths.
- Obesity and diabetes.
- Heart disease.
- Chronic lung disease.
- Disability.<sup>9</sup>

The extent of these chronic health conditions and disadvantages in the U.S. not only represent preventable illnesses and deaths that affect individuals, families and communities; they have a direct impact on employer costs and U.S. global economic competitiveness. Organizations may therefore increasingly focus their efforts on wellness and preventive health care strategies to keep costs down and to boost the health and productivity of their workers. Indeed, a January 2013 survey from SHRM found that many organizations invested in wellness initiatives in 2012, as shown in Figure 4.

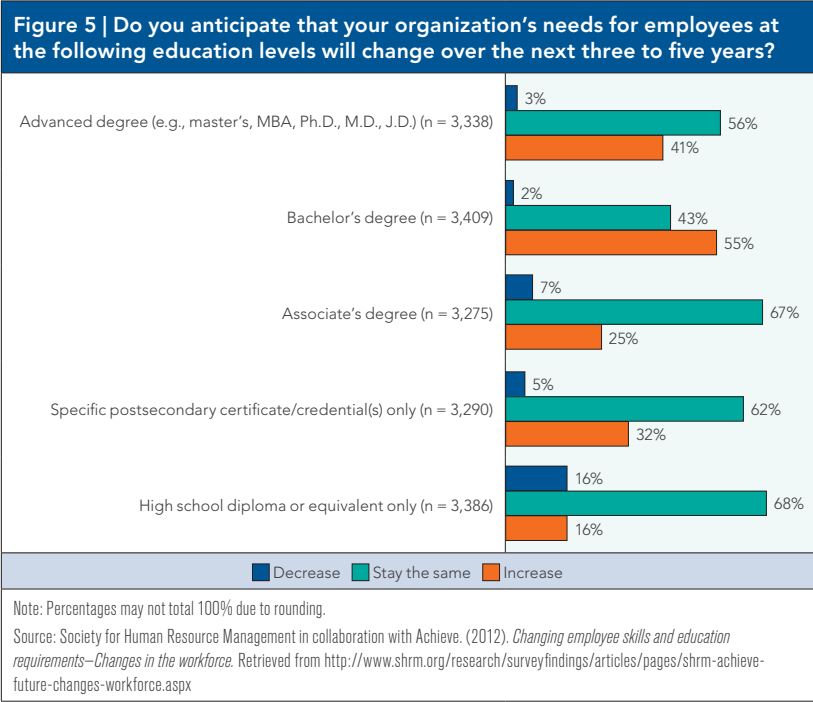


**Overall decline in the workforce readiness of new entrants to the labor market**

Though issues related to an aging workforce are pressing concerns of HR professionals when it comes to demographic and social trends, they also view some areas relating to younger generations as critical. Perhaps foremost among these is the question of how well prepared new entrants to the labor market will be over the coming years. SHRM research conducted in partnership with the nonprofit organization Achieve found that expectations for education and certifications were on the rise across industries and for all types of jobs. This finding means that not only will the next generations of workers need to meet the education levels of the exiting Boomers, but in many jobs they will actually have to surpass them (see Figure 5).<sup>10</sup> However, securing an education is increasingly



challenging for many of today’s newest entrants into the labor market. Some must contend with a lack of college or career readiness coming out of high school (or a lack of a high school degree altogether), or they have been affected by the exponentially rising cost of college. In 2012 the Pew Research Center conducted a survey of young people asking them how prepared they were to make progress in their careers. It found that the majority of young people (those between the ages of 18 and 34) do not feel they have the education and training to get ahead. Less than half (46%) of those who are employed say they have the education and training necessary to get ahead in their job or career, and only 27% of those not working say they are adequately prepared for the kind of job they want.<sup>11</sup> If these trends continue, organizations could face a skills and talent crisis where finding the right people to fill jobs will be more and more difficult. To avoid this scenario, the U.S. Department of Labor’s Employment and Training Administration (ETA) has invested in various initiatives such as a YouthBuild grants program to help young people develop job skills (ETA invested \$75 million) and public-private partnerships to help revitalize American manufacturing and to encourage companies to invest in the United States through a variety of projects, including initiatives that train workers with skills that firms need to capitalize on business opportunities (ETA invested \$20 million).

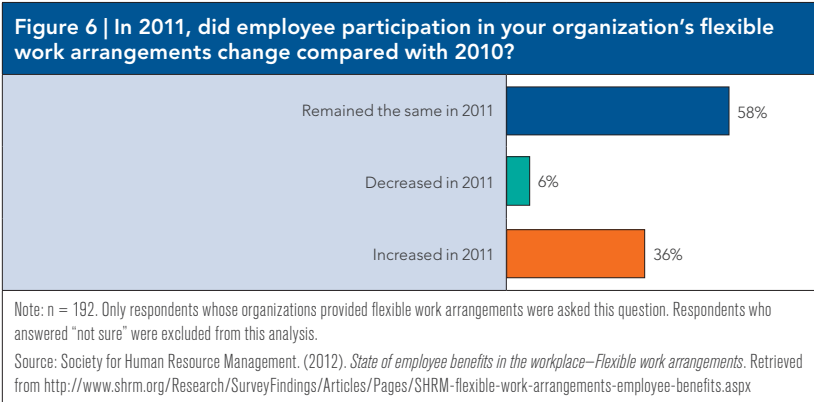


Increased employee demand for work/life fit

The rise in caring responsibilities, two-income families, single parent-hood and the entrance of a new generation into the workforce all could influence employee demands for better work/life fit and more flexible work arrangements. A January 2013 SHRM survey found that whereas the majority of organizations were keeping their flexible work options for employees the same, 36% said they were increasing them (see Figure 6).

The 2012 edition of the *National Study of Employers*, designed and conducted by the Families and Work Institute (FWI) and released by FWI and SHRM, found that employers were increasing employees’ options for managing when and where they work but were reducing some options that affect how much they work. For example, compared

with previous years' surveys, more employers are allowing the use of flextime and periodic changes to starting and quitting times within some range of hours (66% in 2005 compared with 77% in 2012), and they are offering employees time off during the workday to attend to important family or personal needs without loss of pay (77% in 2005 compared with 87% in 2012). In addition, more employees are now able to work some of their regular paid hours at home, at least on an occasional basis (34% in 2005 compared with 63% in 2012). At the same time, the recession seemed to lead to a reduction in opportunities for employees to work reduced schedules or to take extended time away from work.<sup>12</sup> Economic conditions are likely to continue to affect the availability and use of flexible work options. However, generational demand, availability of talent—in particular the need to attract and retain highly educated women—and technological capability are likely to continue to influence flexible work practices in the years ahead.

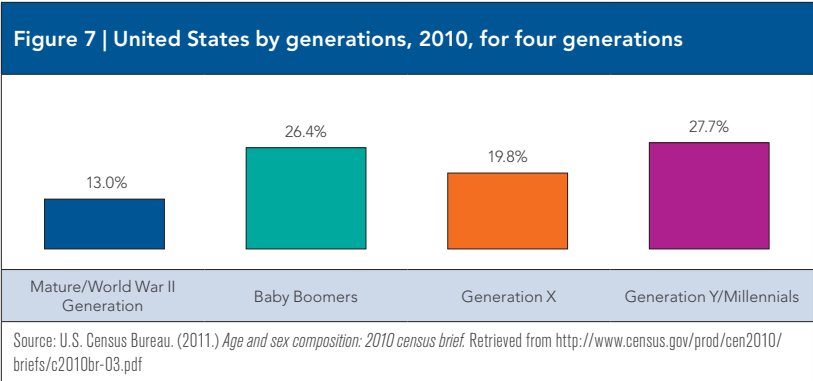


**Large numbers of Millennial/Generation Y workers entering the labor market and workforce**

Just as the first wave of Baby Boomers is beginning to retire, organizations are experiencing the impact of the first cohorts of the even bigger Millennial generation entering the workforce. Individuals in the U.S. born between 1978 and 2000 add up to approximately 95 million people compared with only 78 million Baby Boomers, making the Millennials the largest generation in U.S. history. As shown in Figure 7, the U.S. Census estimates that the Millennials represent 27.7% of the U.S. population, that the Baby Boomers make up 26.4% of the population, and that the much smaller Generation X makes up only 19.8% of the population.<sup>13</sup> Millennials are also the most diverse generation in the U.S. Issues of key concern to Millennials include high rates of unemployment and underemployment, the rising cost of education, a growing income divide between younger and older Americans, and the ability to move ahead in their careers. Organizations will need to find ways to attract, retain and develop their Millennial employees to thrive as this generation will dominate U.S. society and the global workforce for many years to come.

**An increased proportion of older workers in the workforce**

Over the previous decade, the number of U.S. residents aged 55 to 64 grew considerably from approximately 22 million to 29 million. The U.S. Census Bureau projects that the number of people in this age group will increase to almost 40 million in 2014 and to 42 million in 2024, and then decrease to 39 million in 2034. Many older workers who had been confident that they had set aside enough money for retirement were hit hard by the recession and now find they must continue to work



beyond retirement age. For this reason, HR professionals are expecting a larger proportion of their workforce to work beyond retirement age. There is, however, one caveat: Because healthy life expectancy is much lower in the U.S. than in other industrialized nations, many who plan to retire later to save more money for retirement may find themselves unable to do so due to health problems. Individuals are more likely to experience some form of disability as they age, so organizations must also be prepared for an increased proportion of employees with disabilities in the years ahead. SHRM research has found that employers value older workers for a variety of reasons, so HR professionals can look forward to the richer variety of experience and outlook that a more age-diverse workforce will bring with it.

**Reduced opportunities for career advancement among younger generations as large numbers of Baby Boomers put off retirement**

One issue that the increase in older workers has raised is the so-called gray ceiling. This term is used to describe a situation in which younger workers are unable to progress in their careers due to older workers remaining in their positions for much longer. In the United States, the generation this trend is expected to affect the most is Generation X. The fear is that because members of Generation X are sandwiched between the much larger Baby Boom and Millennial generations, they will be blocked from advancing by the Boomers and then leapfrogged by the Millennials when the Boomers finally retire. However, another possibility is that they will find they are more in demand as potential leaders because there are so few of them compared with the other generations. Much of how this situation unfolds depends on how quickly the economy recovers and how many Boomers are able to retire in the next few years. In the meantime, HR professionals and organizations will have to look at ways to develop the careers of younger employees even when advancement opportunities are relatively scarce. Those that do will be at an advantage when leadership and talent shortages stemming from the loss of the Baby Boomers intensify.

**Increase in the number of workers without health insurance**

Along with rising costs of health care and health insurance, HR professionals are keeping an eye on the number of workers without health insurance. There is some disagreement on whether the PPACA will bring down the percentage of Americans without health insurance or will inadvertently cause greater numbers to do without it. The population most likely to be affected is young people under the age of 29. On the one hand, allowing young people to stay covered under their parents' insur-



ance plans for longer could decrease the number of young people without health insurance. Alternatively, some actuaries believe that premiums for younger, healthier individuals could increase in the nongroup insurance market due to the community rating provision, causing many young people to defy the individual mandate and simply forego health insurance.<sup>14</sup> In this scenario, higher numbers of individuals without health insurance in the workplace could have implications for employee health and safety issues, productivity, absence and disaster planning, especially in relation to planning for influenza or other infectious disease outbreaks.

### **Greater need for cross-cultural understanding/savvy in business settings**

Even U.S. HR professionals who work for organizations without operations in other countries are finding that they need cross-cultural knowledge to successfully work with global clients and to understand the increasingly global markets their businesses operate in. Especially for those HR professionals working in international organizations, cross-cultural understanding has now become a critical HR competency. Balancing the need for consistent organizational values and a unified employer brand with the need for localized strategies and processes is a complex endeavor. It requires HR professionals to develop stronger intercultural skills. As the U.S. population also grows more diverse, HR professionals with international experience, language skills and diversity management expertise will have an advantage whether or not they work internationally.

## How HR professionals are responding to demographic and social trends

Among the actions HR professionals say they are taking that relate to demographic and social trends:

- 35% say they are training line managers to respond to generational differences.
- 32% are implementing employee diversity-education programs.
- 23% are offering more customized benefits packages to employees.
- 20% are offering employment options designed to create an age-diverse (or age-friendly) workplace.
- 20% are carrying out studies to determine projected future retirement rates in their organization.
- 18% are offering employment options designed to attract and retain older workers.

### Other ideas to consider

- Determine which demographic trends are most likely to create potential skills shortages in your organization. For some it may be a lack of qualified graduates coming through the pipeline, whereas for others the retirement of the Baby Boomers will increase replacement needs. Industries in which women are currently obtaining more related college degrees may need to shift policies to attract and retain more female workers, and in other industries finding ways to become an employer of choice for the Millennial generation will be crucial. Getting a sense of which factors will have the biggest impact on the talent pool will make it easier to begin creating strategies and preparing for future changes.
- Help Generation X and Millennial employees feel a sense of career progress through leadership development programs, lateral/lattice moves and work variety. Consider what perceptions of a gray ceiling might have on retention, and build retention strategies accordingly.
- Seek out ways to retain the knowledge of older workers or even retired workers through the use of mentoring programs, contingent/consulting work or phased retirement.
- Fully use employee assistance programs (EAPs) and flexible working options to support the caregivers in your organization. Do not assume that only older workers have elder care responsibilities or that only younger workers have child care responsibilities.
- Provide wellness programs and initiatives to help employees develop better health habits.
- Work with your local HR chapter to get involved in community initiatives to identify local skills shortages, to improve early education and help prepare young people to enter the workforce.
- Develop partnerships with local training providers and community colleges. Some larger organizations have even opened up their training programs to smaller organizations. Universities that specialize in key areas of business needs are also increasingly partnering with businesses to provide targeted training and education.
- Expand wellness programs to meet the needs of all demographic groups and generations.
- Offer flexible working arrangements to reduce stress and encourage employees from all demographics to use them.



# Economics and Employment





The Great Recession ended almost four years ago, but the nation's economic and employment situations remain a top concern. Although the U.S. economy has enjoyed a slow and steady rebound in recent years, structural and demand issues are still prevalent in the labor force. In addition, conducting business has become more expensive. HR professionals are nearly unanimous in their concern for escalating costs associated with health care coverage, and hikes in fuel costs are creating larger dents in the bottom lines of many employers.

Changes in the workforce are also making it more difficult for some organizations to operate at full capacity. Even though weakened demand is to blame for low hiring rates in some industries, other sectors are thriving and yet cannot land enough qualified workers to fill open positions, perhaps holding back productivity. A housing market that is only now showing signs of recovery is still putting a crimp on labor mobility; many people cannot relocate to find new employment because they cannot sell their home without sustaining a sizable loss on their investment.

Rising costs form a theme within the economic trends HR professionals identify. Along with the high cost of health care and fuel costs, HR professionals cite rising retiree benefits costs (and lower retirement savings rates), increased living costs and rising higher education fees as areas of concern.

Uncertainty and volatility are also key economic factors that HR professionals are focused on. This uncertainty and the variability in the financial performance of different industries and markets may be why HR professionals have a mixture of optimism and apprehension as they look ahead. Although many say that the threat of a dip back into recession (67%) or a rise in unemployment (64%) will have a major impact on the U.S. workplace in the next five years, almost as many (60%) say an improved U.S. job market is going to significantly affect the U.S. workplace within that same time frame.

Table 5   Top economics and employment trends according to HR professionals			
Trend	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Continuing high cost of employee health care coverage in the U.S.	79%	20%	1%
A shortage of skilled workers	73%	25%	2%
Decline in employees' retirement savings	68%	29%	4%
Rise in fuel/gasoline prices in the U.S. and globally	68%	28%	4%
Threat of a dip back into recession in the U.S.	67%	30%	4%
Greater economic uncertainty and market volatility	66%	31%	3%
Growing national U.S. budget deficit	65%	29%	6%
Rise in unemployment	64%	32%	4%
Increased cost of living for U.S. employees	63%	33%	4%
Rising retiree benefits costs	61%	34%	5%
Downturn in consumer spending	60%	37%	3%
Increased corporate downsizing and bankruptcies	60%	36%	4%
Improved U.S. job market	60%	37%	4%
Lack of employee engagement	59%	37%	5%
Rise in underemployment (job seekers who can only find part-time jobs or employees who are in jobs for which they are overqualified)	56%	39%	5%
Rising higher education costs (impact on graduation rates, debt and availability of educated workers)	56%	38%	7%
Shift from a manufacturing to an information/service or knowledge economy	56%	39%	5%
Increased use of outsourcing of jobs within the U.S.	53%	42%	5%
Growth in the generational income divide (impact of higher education and living costs and slower wage growth on the ability of younger generations to save and invest)	53%	41%	6%
Increased global competition for jobs, markets and talent	51%	43%	6%
Employee concerns about job security (impact on turnover, engagement, etc.)	51%	44%	5%
Employee wage stagnation across many types of jobs	51%	46%	4%
European debt/financial crisis	49%	43%	9%
U.S. manufacturing revival	47%	43%	9%
Business impact of increase in the value of the U.S. dollar	47%	48%	6%
Upturn in consumer spending	46%	46%	8%
Employee backlash against rising benefits costs	45%	48%	7%
Economic growth of emerging markets such as Brazil, Eastern Europe, India and China	45%	48%	7%
Increased expansion of foreign companies into the U.S.	45%	48%	7%
Reduction in the number of startups and new small businesses	45%	46%	10%
Growth in the income divide between high- and low-paid workers	44%	48%	8%
Increased National Labor Relations Board (NLRB) involvement in non-union employee issues	44%	47%	9%
Decrease in training budgets	44%	50%	6%
Reduction in investments made for employee training	42%	50%	8%
Greater use of contingent workers (i.e., temporary/contract workers)	42%	50%	7%
Increased expansion of U.S. companies into the global marketplace	42%	51%	7%
Increased use of offshoring	40%	51%	9%
Rise of small businesses as generators of job growth	40%	50%	10%
Increased mergers and acquisitions (M&A) activity	38%	54%	8%
Wage increases for in-demand positions	38%	56%	6%
Increased government enforcement of overtime issues such as off-the-clock work and classification of independent contractors	38%	53%	9%
Growth of the world's middle class consumers	35%	56%	9%
Decrease in the number of employees without health insurance	33%	52%	14%
Rapid turnover and skills shortages in key offshoring destinations such as India, China, Brazil and Eastern Europe	33%	55%	12%
Growing importance of managing talent globally	32%	58%	11%
Continued on next page			

Table 5 | Top economics and employment trends according to HR professionals (continued)

Trend	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Changes in negotiating strategies, tactics and processes used by organized labor	31%	56%	13%
Increase in business research and development investment in emerging economies such as Brazil, Eastern Europe, India and China	30%	57%	13%
Growth in unions in nontraditional sectors and industries	30%	56%	15%
Unions increasing their allocation of resources devoted to political lobbying	28%	52%	19%
Greater involvement of corporate boards in setting company policy	21%	64%	15%
Continuing decline of unions	18%	57%	25%
Source: SHRM workplace forecast (SHRM, 2013)			

The continuing high cost of health care in the United States

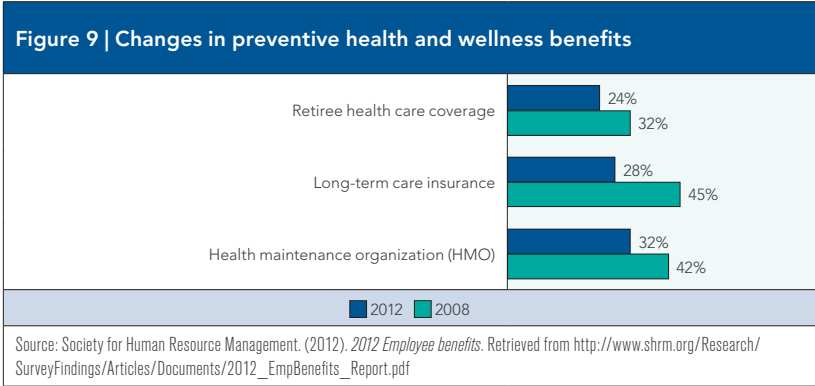
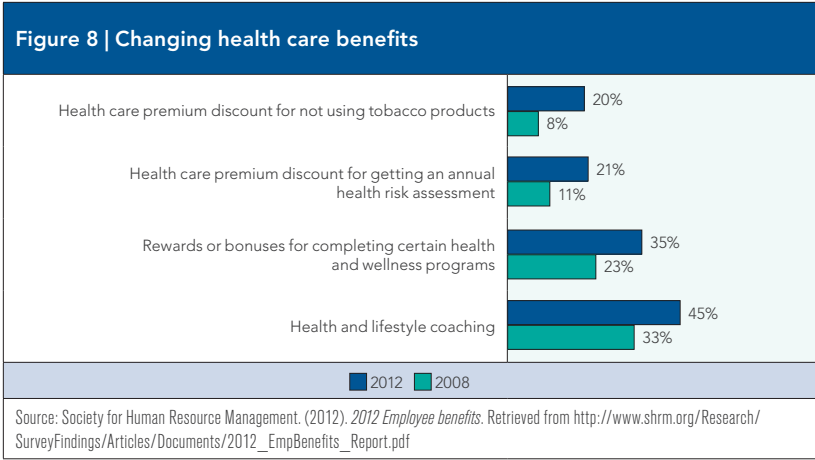
Rising health care costs have forced many employers to remove programs and benefits, which is likely why nearly all (99%) of those surveyed cited “continuing high cost of employee health care coverage in the United States” as having some type of effect on workplace operations in the next five years (79% said “major impact,” and 20% said “minor impact”).

Several types of health-related benefits have become less prevalent in the workplace in the past five years, according to the *SHRM 2012 Employee Benefits* research report (see Figure 9). However, more businesses are incorporating wellness programs into their benefits packages as a means of driving down health care costs—positing that a healthier workforce will ultimately lead to lower premiums from insurance carriers and potentially to happier and more productive employees. Overall, 77% of organizations offered wellness resources and information to their employees in 2012, up from 72% in 2008, according to SHRM’s *2012 Employee Benefits* report. Another 61% of employers surveyed offered wellness programs in 2012, a slight increase from 58% in 2008. Some wellness-related benefits experienced sizable increases in employer participation in 2012, according to the report. Of those surveyed, 45% of organizations provided health and lifestyle coaching in 2012, up from 33% in 2008, and 35% offered rewards or bonuses to employees who completed certain health and wellness programs, up from 23% in 2008.<sup>15</sup>

The United States currently spends more than \$2.6 trillion annually, or about 18% of its gross domestic product, on health care services, more than any other nation.<sup>16</sup> No one factor drives up the cost of U.S. health care so much higher than its international counterparts. Experts point to a mixture of social, market and policy drivers of this disparity. Therefore, though finding ways to bring down these costs will continue to be one of the most critical challenges the U.S. must overcome to remain economically competitive, it will involve addressing a large number of inefficiencies and problems, including the comparatively poor health of the U.S. population. Given this complexity, real improvements could take years. In the meantime, U.S. HR professionals will continue to struggle to keep costs down and to offer affordable benefits plans to their employees.

A shortage of skilled workers

There has been much debate about whether or not a “skills gap” exists in the U.S. workforce. Some argue that the reason many jobs are going unfilled is due not to a plethora of unqualified candidates but to cost-conscious employers not willing to pay the salaries needed to fill open



positions. But there is growing evidence that some disconnect exists between the needs of many organizations and the qualifications of certain job seekers. HR professionals, who are frequently on the front line of hiring for their organizations, are nearly all in agreement that a skills gap does exist. A combined 98% surveyed said “a shortage of skilled workers” will have some type of impact on the U.S. workplace in the next five years (73% said “major impact,” and 25% said “minor impact”).

Recent research by SHRM reinforces this concept. Nearly four in five manufacturing organizations (79%) reported having difficulty recruiting for open positions, according to a SHRM post-recession hiring poll from 2013. That figure was up sharply from 67% in 2012. Nearly nine in 10 (87%) respondents were having problems landing qualified applicants for high-skilled technical positions, and nearly the same number (92%) of HR professionals said they were having difficulty recruiting scientists (see Figure 10). More than four-fifths of respondents (82%) reported difficulty with recruiting properly qualified skilled trade workers. What is perhaps more troubling is that the skills gap is not limited to a shortage in high-tech qualifications or advanced-degree requirements in the manufacturing industry. More than half (57%) of respondents in 2013 said applicants were lacking basic math skills, up slightly from 52% in 2012 (see Figure 11). Another 46% cited “writing in English” as a deficiency, up from 43% in 2012. More than four in 10 HR professionals (41%) said applicants lacked “English reading comprehension” skills, up slightly from 39% in 2012.<sup>17</sup>

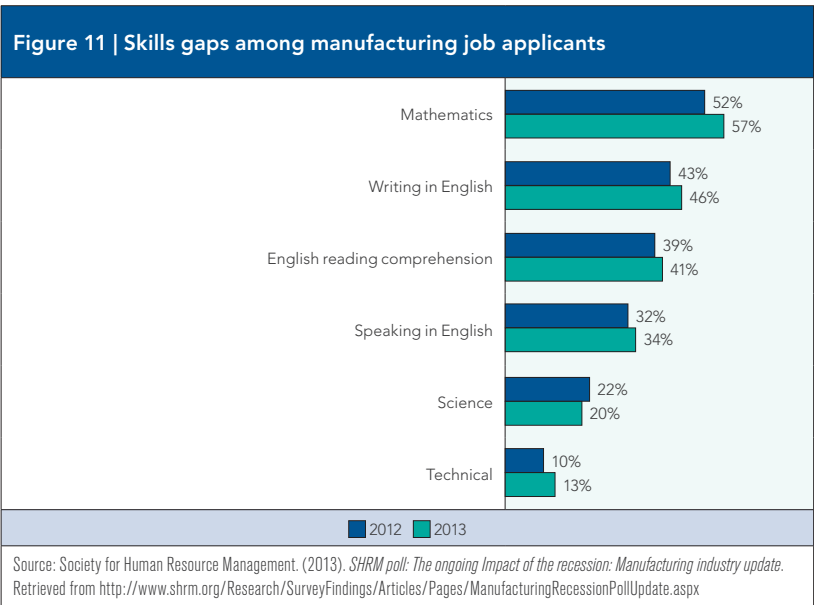
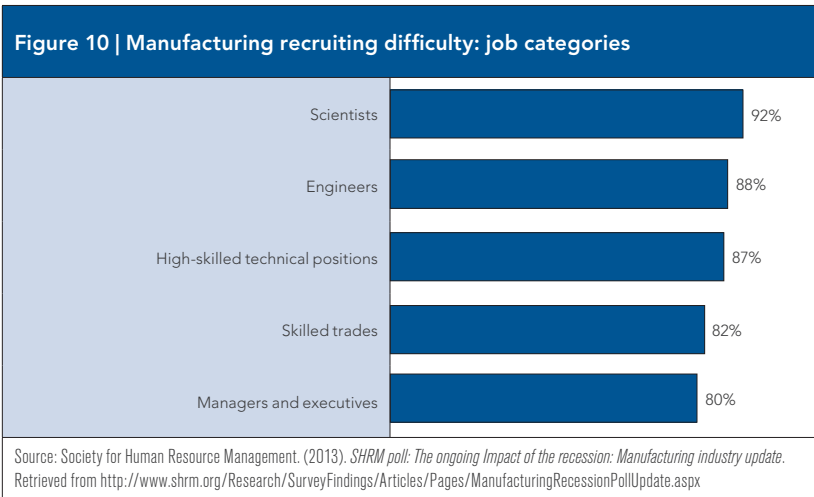
Other research shows the problem is not limited to the United States. Staffing services firm Manpower says that 34% of employers around the world were having difficulty filling positions in 2012, according to the company’s annual global talent survey. However, the survey also found that 56% of employers indicated that unfilled positions



were expected to have “little or no impact” on constituents, such as customers and investors. That figure is up considerably from 36% in the 2011 survey.<sup>18</sup> Manpower’s analysis of the data suggests that a “new normal” is at hand for the world’s workforce—companies operating at higher levels of efficiency due not only to technological improvements but also to cutting labor costs by employing fewer workers and increasing productivity of existing staff.

Decline in employees’ retirement savings

The Great Recession eliminated more than eight million jobs from the U.S. labor force, and many people who were fortunate enough to



remain employed delayed their retirements due to the weak economic conditions. The downturn also reduced the value of nest eggs for retirees, some of whom returned to the workforce as a result. HR professionals are quite mindful of whether older workers are ready to retire, or if their younger workers are not preparing properly for their golden years. Respondents were nearly unanimous (97%) when asked whether a “decline in employees’ retirement savings” would have an effect on the workforce in the near future (68% said it would have a “major impact,” and 29% said “minor impact”).

As the economy has gradually grown in the past few years, it appears as though workers are placing a higher priority on retirement. In 2011, 39.7% of workers participated in an employment-based retirement plan, according to the Employee Benefit Research Institute (EBRI).<sup>19</sup> That percentage was nearly unchanged from 2010, but halted a decline in participation from the previous three years, according to EBRI. Participation varied among worker types, with more than half of full-time wage and salary workers enrolled in a retirement plan. Other research from EBRI shows, however, that many workers will not be ready financially to leave the labor force when they approach their retirement years. Only half of Generation X households will have enough resources to cover basic retirement costs at the current rate of savings. Nearly one in five (19.5%) are projected to be “substantially below,” or less than 80%, of what is needed to afford basic retirement expenses.<sup>20</sup>

## **Rise in fuel/gasoline prices in the United States and the world**

Demand continues to surge for energy, domestically and internationally, and it has caused a steady climb in prices for gasoline, home heating fuels and other energy sources. It is no coincidence that a significant majority of HR professionals surveyed cited rising fuel and gasoline prices as having an effect on the U.S. workplace in the next five years (68% said “major impact,” and 28% said “minor impact”). 2012 was a costly year for gasoline, according to travel services company AAA. The national average price of gas was \$3.60 a gallon, the most expensive annual average on record. The previous record was \$3.51 a gallon, set in 2011. The national average in 2012 broke a daily record on 248 days of the year, and drivers paid record-high gas prices on 68% of the days.<sup>21</sup>

However, the United States’ reliance on foreign oil—which can be more expensive due to transportation costs, as well as to increased global demand—is slowly declining, according to the U.S. Energy Information Administration (EIA).<sup>22</sup> After peaking in 2005, the U.S.’ dependence on imported oil has gradually fallen. This decline may be attributed to several factors, including improvements in production efficiency, increased domestic production and increased use of domestic biofuels, such as ethanol and biodiesel, according to the EIA.

The International Energy Agency (IEA) said North America is “at the forefront of a sweeping transformation” in oil and gas production, according to its 2012 *World Energy Outlook*. Growth in oil and natural gas output from the United States will make the country a net exporter of natural gas by 2020 and almost self-sufficient in energy, in net terms, by 2035, according to the IEA.<sup>23</sup>

## **Uncertain economic conditions, market volatility and risk of another recession**

The nation’s economic recovery has been steady but has sent plenty of mixed signals to business owners, investors and others with a stake in the fiscal health of the U.S. More jobs are being created, but millions of people remain out of work. Consumer confidence has risen from time to time, only to be followed by a disappointing report on the housing market or in retail industry sales. For these reasons, a vast majority of HR professionals cite the “uncertainty” factor as having a major effect on the U.S. workplace in the near future. A combined 97% of respondents pointed to “threat of a dip back into recession” as having an impact on the workforce (67% said “major impact,” and 30% said “minor

impact”), and a combined 97% also said “greater economic uncertainty and market volatility” would make its mark on the workplace in the next five years (66% said “major impact,” and 31% said “minor impact”).

Predicting our economic future has become nearly impossible for most observers, but many surveys are not calling for poor conditions in 2013. The risk of hitting another recession—defined most frequently as a minimum of two consecutive quarters of negative growth—is very small, according to most forecasts. The National Association for Business Economics (NABE) is calling for overall gross domestic product (GDP) growth of 2.1% in 2013. NABE predicts that production will steadily increase as 2013 progresses and will likely hit a rate of 3% growth during the fourth quarter of the year.<sup>24</sup> The World Bank is projecting for U.S. GDP to grow by 2.4% in 2013, up slightly from an estimated 2.1% in 2012. The organization is calling for global GDP to rise 3% in 2013, up from an estimated 2.5% in 2012.<sup>25</sup>

### **Growing U.S. budget deficit**

The spending habits of the U.S. government have been at the heart of many recent battles on Capitol Hill. A combined 94% of HR professionals said the growing U.S. budget deficit will have some type of effect on the workplace in the next five years (65% said “major impact,” and 29% said “minor impact”). The recent extension of the Bush tax cuts was viewed as a means of averting another recession, to keep more money in the pockets of most Americans, but it also will add nearly \$4 trillion to the deficit during the 2013-2022 time frame, according to the nonpartisan Congressional Budget Office (CBO).<sup>26</sup> Although Democrats and Republicans generally disagree on how and where money should be spent, policy changes related to government spending and revenue generation will likely continue to be vigorously debated over the coming years. A critical factor in this debate will be the extent to which an economic recovery is able to replenish government coffers, not only in the U.S. but in many other industrialized economies around the world.

### **Rise in unemployment**

Many HR professionals are wary of a potential rise in unemployment and the impact it would have on the economic recovery. Prolonged periods without work are directly related to a loss or a decline in skills, which would exacerbate the aforementioned skills gap that has created difficulty for so many talent managers and recruiters. A total of 96% of respondents said a rise in unemployment would have some type of effect on the workplace in the next five years (64% said “major impact,” and 32% said “minor impact”).

Even as the nation’s jobless rate has steadily declined since the end of the Great Recession, the labor market appears to have some lingering structural problems. At the end of 2012, there were still 12.2 million people unemployed in the United States, according to the BLS. The number of long-term unemployed—defined by the BLS as those jobless for 27 weeks or more—was 4.8 million and accounted for 39% of the unemployed. Another 7.9 million people were employed “part-time for economic reasons” at the end of 2012, meaning that they held those jobs because their hours had been reduced or they were unable to find full-time work. Also, 2.6 million people were considered “marginally attached to the labor force” in December 2012, according to the BLS. These people wanted and were available for work and had looked for a job at some point in the past year, but they were

not counted as part of the labor force because they had not searched for work in the four weeks prior to the December 2012 survey.<sup>27</sup>

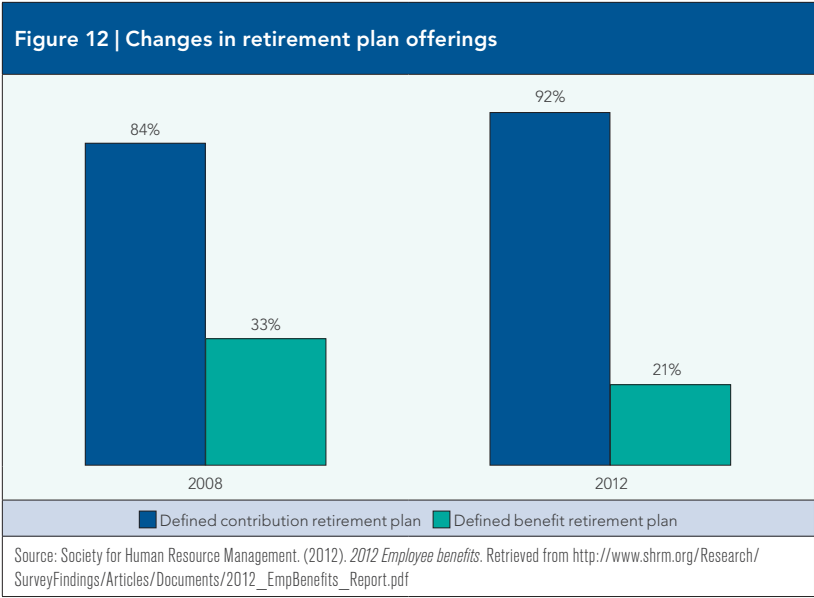
If there is a bright spot for job seekers, it is that plenty of vacancies exist in the labor force. In November 2012, there were 3.7 million job openings in the United States, according to the BLS. That was an increase from 3.3 million in November 2011, and there were sizable increases in openings in several industries, including retail trade, education and health services, and trade, transportation and utilities.<sup>28</sup> Filling those positions, however, may require improving job seekers' skills in those markets.

### **Increased cost of living for U.S. employees**

Inflation has been held largely in check in recent years, due to slow-growth economic conditions and weakened demand that have not dramatically driven up the costs of most consumer goods. But gasoline prices and various energy costs continue to rise. Coupled with minimal or no increases to most compensation packages in recent years, consumers' spending power was weakened. HR professionals took note of that trend, and a combined 96% of respondents said "increased cost of living for U.S. employees" will have an effect on the workplace in the near future (63% predicted a "major impact," and 33% said a "minor impact"). The recent government price data show that prices are rising in many categories of items, but not to dangerous levels. The "all items" Consumer Price Index, which includes food, energy and a variety of other goods, rose 1.6% in January 2013 compared with a year earlier, according to the BLS.<sup>29</sup> The Federal Reserve has often cited an inflation rate of 2% over time as ideal for price stability.<sup>30</sup>

### **Rising retiree benefits costs**

By all accounts, companies have increasingly turned to defined contribution plans, most commonly in the form of 401(k)s, rather than defined benefit plans, most commonly in the form of employer-funded pensions, as their means of offering retirement benefits for employees. A combined 95% of HR professionals said "rising retiree benefits costs" would have an impact on the workplace in the next five years (61% said "major impact," and 34% said "minor impact"). This movement of shifting the retirement burden to employees is evidenced in a 2012 SHRM survey, as shown in Figure 12. In 2012, 92% of businesses offered defined contribution plans to their workers, up from 84% in 2008. In contrast, just 21% of companies provided defined benefit plans in 2012, down from 33% in 2008.<sup>31</sup> A recent BLS study showed why many companies are perhaps eliminating or are not considering traditional pension plans. The "worker participation cost" to an employer was \$2.53 per hour under a defined benefit plan, compared with \$1.46 per hour under a defined contribution plan in 2012.<sup>32</sup>



## How HR professionals are responding to economic and employment trends

There is no greater issue facing the business world than the global economic recovery and related improvement in labor markets. HR professionals hold an integral role as their organizations prepare for future growth. As a result, the majority of HR professionals say they are placing more emphasis on succession planning and people readiness, and they are putting greater effort in developing retention strategies for the current and future workforce. In a period of tightened spending and limited salary growth at many companies, many HR professionals are developing broader business acumen among HR staff, and they are identifying retention plans that do not involve increased cash compensation. Ultimately, HR's expertise in talent management has perhaps never been in higher demand and will be a valued asset through periods of economic uncertainty.

## Others ideas to consider

- Work with other organizations' leaders to develop potential economic scenarios for your industry or organization, taking into account what a slow and tepid or, conversely, strong and robust recovery could mean for your business.
- Think about what careers in your organization will look like five, 10 or even 20 years from now. Consider whether new skills will need to be added to existing jobs or whether entirely new categories of jobs will be created.
- Consider how a rise in living costs could affect your employees; will rising gas prices encourage employees to live closer to work or to ask for telecommuting options? Will the cost of education discourage bright and capable young people from obtaining degrees, and could this influence your future labor pool?
- If your organization is struggling with recruiting skilled workers, conduct a talent audit to identify employees' strengths and weaknesses. Promoting from within can be the easiest solution for hard-to-fill vacancies. Get involved in local and national efforts to promote workforce readiness and improvements in all levels of education.
- Use your HR expertise to give back to the community by working with your local employment groups and agencies, SHRM chapters, or other HR groups to help job seekers by reviewing resumes and assisting with interview preparation.
- Pay increased attention to financial education initiatives for workers to better prepare them for retirement.





# Science and Technology





Technological changes in the workplace have been extremely fast-paced over the past decade. New technologies and software have streamlined HR processes and made it easier to access and use valuable data. The review of candidates for open jobs, payroll distribution and employee evaluation systems have all been rapidly transformed by upgraded technologies in the past decade. But though they have made numerous aspects of business operations much more efficient, rapid technological advancements have sometimes made it difficult for businesses and individuals to keep up.

The knowledge turnover needed to manage the complexity of new technologies has been speeding up exponentially, leading to a variety of challenges for many organizations and the HR function. Not least, HR professionals identify an ongoing shortage of workers with advanced skills to fill openings in the so-called STEM fields (science, technology, engineering and mathematics), as shown in Table 6. These fields are often characterized by “full employment” because they do not suffer from cyclical unemployment like other industries and often experience a dearth of qualified workers. Many U.S. business and tech leaders continue to be concerned that not enough people are entering these industries and that domestic companies will therefore look overseas for new talent.

The use of social media for recruiting and building an employer or business brand and the impact of its widespread use among employees are other trends HR professionals identify as having a key impact on the workplace and HR profession in the years ahead. Internally, the advent of social media has forced employers to develop policies regarding its use in the workplace. Though many companies are using the likes of LinkedIn, Facebook and Twitter to expand their brands and broaden their appeal, the increased exposure has also ramped up the opportunities for criticism and poor reviews from disgruntled former workers and unhappy consumers. An increased reliance on high-tech has also necessitated greater investment in cybersecurity

Table 6   Top science and technology trends according to HR professionals			
	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Lack of science, technology, engineering and math (STEM) graduates in the U.S. compared with other countries	68%	29%	4%
Increased use of social media for recruiting/finding job candidates	50%	44%	6%
Rapid growth of employee and business use of social media (e.g., Facebook, LinkedIn)	49%	44%	8%
Increasing divide between technology-savvy employees and those unfamiliar with the latest technologies	48%	45%	7%
The use of social media by organizations to display their culture and build their corporate brand	44%	47%	9%
Increased vulnerability of business technology to attack or disaster	43%	49%	8%
Use of technology to eliminate geographic barriers in the workplace	42%	50%	8%
Continued development and use of e-learning applications and tools	36%	55%	10%
Loss of employee privacy as a result of technology (information about people's present and past more easily obtained)	35%	53%	13%
Increased use of virtual global teams	32%	53%	15%
Increase in training due to wide availability of low-cost, technology-based training	28%	60%	12%
Exponential growth in HR technologies	26%	61%	13%
Growing adoption of standards for data exchange between human resource information systems (HRIS)	23%	60%	16%
Rising threat of global health pandemics (H1N1 flu virus, avian flu)	22%	58%	20%
Growth in the availability of HR management software aimed at and used by small businesses without HR staff	21%	61%	18%
Business and consumer adoption of green technologies (i.e., sustainable technologies that do minimal damage to the environment)	20%	63%	17%
Source: SHRM workplace forecast (SHRM, 2013)			

measures in the workplace. HR professionals are on guard against Internet fraud, identity theft and other tech-based criminal actions.

Lack of STEM graduates in the United States

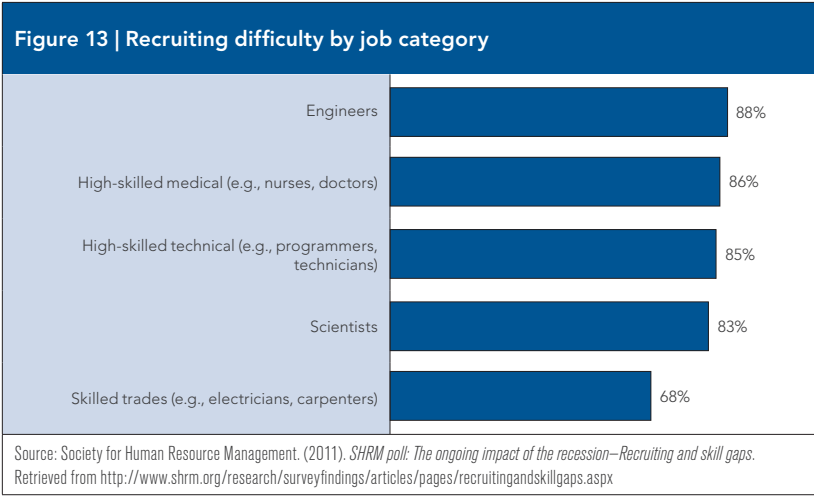
A dearth of STEM graduates and available workers with those skills continues to be a top concern for HR professionals. Sixty-eight percent of respondents said a lack of STEM graduates would have a “major impact” on the workplace in the next five years. That number is up from those surveyed in 2010. Recent research shows that certain U.S. STEM jobs in the labor market are growing at a much faster rate than the general workforce. The number of workers in science and engineering occupations grew from about 182,000 in 1950 to 5.4 million in 2009. That is an average annual growth rate of 5.9%, substantially higher than the 1.2% growth rate for the total workforce older than age 18 during the same period, according to the National Science Foundation (NSF). At the same time, those workers are getting older. From 1993 to 2008, the median age of scientists and engineers in the U.S. workforce rose from 37 to 41, and the proportion of those over age 50 increased from 18% to 27%, according to the NSF. And whereas the U.S. STEM workforce is aging, its domestic ranks are not being replenished as quickly as in other countries. Growth in the number of workers engaged in research has been highest in China, finds the NSF, where the number of researchers has tripled since 1995. Those types of workers have doubled in South Korea during that same time frame. The United States and European Union had steady growth but at a slower rate during that time; both increased from about 1 million in 1995 to about 1.5 million in 2007.<sup>33</sup>

Other research shows that high-skilled workers are often the hardest to find. Engineers were cited by 88% of HR professionals as the most difficult to recruit, according to a 2011 SHRM survey (see Figure 13).

That group was followed by high-skilled medical positions (86%) and high-skilled technical positions, such as programmers (85%).<sup>34</sup>

There is clear agreement that the nation’s education and workforce training systems need to be revised to encourage enrollment in STEM degrees, but an approach has yet to be determined. Congress has considered immigration reform as a means of recruiting foreign STEM workers to U.S. organizations. One proposal would give 55,000 visas a year to doctoral and master’s graduates in the STEM fields, and it has been supported by U.S. high-tech employers. The measure would likely make it easier for workers trained domestically to continue working for U.S. companies, rather than overseas in their home countries.<sup>35</sup>

With national unemployment still near 8%, the jobless rate for U.S. citizens with doctorates in STEM fields is only 3.2%, and 3.4% for those with master’s degrees in STEM occupations, according to a recent report by Information Technology Industry Council (ITIC). In support of the proposed STEM immigration legislation, the ITIC points out that every foreign-born student who graduates from a U.S. university with an advanced degree and stays to work in STEM has created an average of 2.62 jobs for American workers, often because they help lead in innovation, research and development.<sup>36</sup>



**Increased use of social media by organizations—and by their employees**

By now, few can deny the effect that social media has had on business operations. Companies promote their products on Facebook to gauge consumers’ interest; CEOs and other C-suite leaders have Twitter accounts to promote their brand names; and HR representatives have flocked to LinkedIn to get an early view of electronic resumes posted by potential hires.

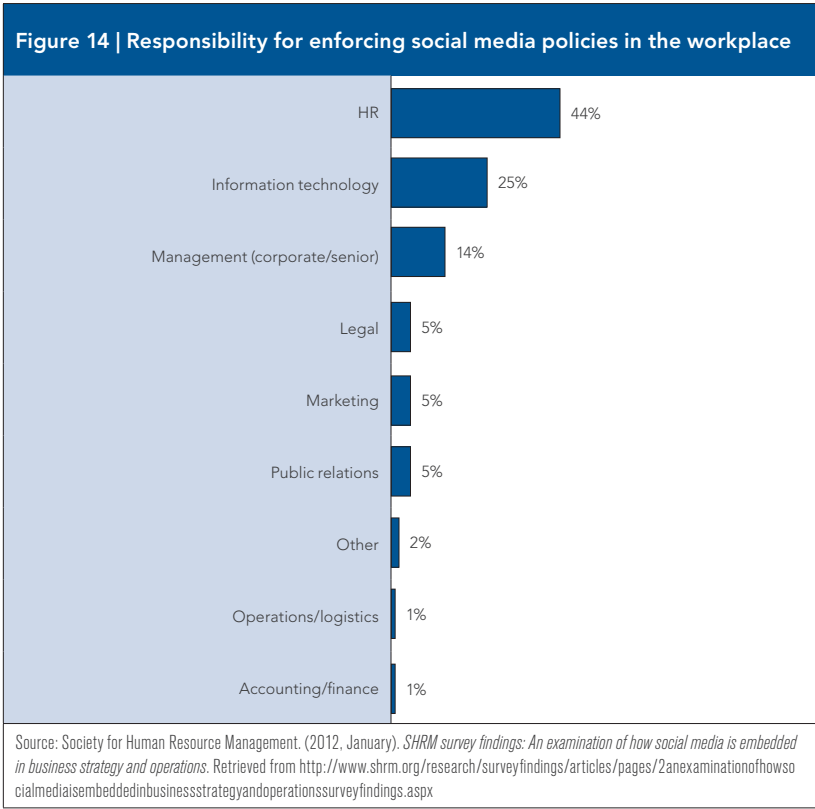
Consequently, 94% of respondents said the increased use of social media for recruiting and finding job candidates would have some impact on the U.S. workplace in the next five years (50% cited a “major impact,” 44% said “minor impact”). That figure is up slightly from a combined 89% of respondents surveyed in 2010.

A 2011 SHRM poll showed that more than one-half (56%) of organizations said they were using social networking sites when recruiting for potential job openings. That number was up from 34% in a similar survey in 2008. The most used site was LinkedIn (95% of

respondents), followed by Facebook (58%) and Twitter (42%). Social media sites are also being used to find a broad array of candidates for open jobs, particularly for executive-level and managerial positions, according to the same survey. In 2011, 52% of HR professionals said they believe these websites are efficient for recruiting executive and upper-management level job candidates such as CFOs and CTOs, compared with just 22% who supported that belief in 2008. More than half (58%) also said these sites are efficient for recruiting other management positions, up significantly from 13% in 2008.<sup>37</sup>

Social media has quickly become ingrained in most aspects of business operations, not just recruitment. Forty-nine percent of respondents to the 2013 Workplace Forecast Survey said rapid growth of employee and business use of social media would have a major impact on the U.S. workplace in the next five years. Another 44% said the use of social media to display organizations’ culture and to build corporate brand would also have a major impact on the workplace in the next five years.

HR professionals are often at the forefront of developing policies concerning the use of social media, whether by the organization or by employees themselves, according to other recent research by SHRM. A 2012 survey revealed that 40% of organizations have a formal social media policy, and from that group, 43% of organizations said the HR department is primarily responsible for creating social media policies. Another 44% said human resources is also in charge of enforcing those policies, as shown in Figure 14.<sup>38</sup>



**Despite increased reliance on technology, digital divide remains an issue**

Access to the Internet improves every day, as broadband networks are expanded and service is spread to rural areas of the United States. Yet a concern for HR professionals remains a digital divide between employees

with access to and expertise in using new technologies and those without. A combined 93% of respondents said an increasing divide between technology-savvy employees and those unfamiliar with the latest technologies will have some effect on the U.S. workplace in the near future (48% said it will have a “major impact,” and 45% cited a “minor impact”). In 1995, only one in 10 adults in the United States used the Internet, but as of August 2011, 78% of U.S. adults—and 95% of teenagers—use the Internet regularly, according to the Pew Internet & American Life Project. Senior citizens, adults with less than a high school education and individuals living in low-income households are typically among the one in five Americans who do not use the Internet, according to Pew. Nearly half of those people (48%) say the main reason they do not go online is because they do not think the Internet is relevant to them. Familiarity with technology is improving in one area, according to Pew. The rise of mobile communications is introducing more people to high-tech. Pew’s research says 88% of Americans have a cell phone, 57% have a laptop, 19% own an e-book reader, and 19% have a tablet computer.<sup>39</sup>

### **Businesses remain on guard against tech-related threats to operations**

The benefits enjoyed by technological advancements in the workplace have also come with risks. Increased vigilance against cyberattacks and enhancements to IT operations are an integral part of many HR professionals’ business plans. A combined 92% of respondents said increased vulnerability of business technology to attack or disaster will have an effect on the U.S. workplace in the next five years (43% said a “major impact,” and 49% said a “minor impact”).

Though slow economic conditions are still prevalent around the globe, the tightened financial conditions are not expected to put much of a dent in IT budgets. Spending on IT security will remain a priority for the foreseeable future. According to technology research firm Gartner Inc., IT security spending was expected to reach \$60 billion worldwide in 2012, up 8.4% from 2011. Gartner has also forecasted that security spending will reach \$86 billion in 2016. The fastest-growing segments of corporate IT security spending are in IT outsourcing, security for web gateways, and security information and event management. Overall, 45% of respondents to Gartner’s survey expected to increase their security budget in 2012; another 50% expected their budget to remain the same; and only 5% said their IT security budget would decrease.<sup>40</sup>

### **Using technology to connect with workers remotely**

Technological advancements have made it possible to conduct business virtually anywhere in the world. More organizations are taking advantage of the ability to expand their brands and to connect their workforces, as well. Forty-two percent of respondents said the use of technology to eliminate geographic barriers in the workplace would have a major impact on business operations in the near future. In a related trend, a combined 85% of respondents said an increased use of virtual global teams would affect the U.S. workplace in the next five years.

Recent SHRM research reinforces these findings. Almost one-half of organizations (46%) use virtual teams in their workplace. Not surprisingly, organizations with multinational operations are more than twice as likely (66%) to use virtual teams compared with U.S.-based organizations (28%). Employers have embraced virtual teams to foster a tightly knit workforce and to keep expenses in check, among other reasons, according to SHRM’s research (see Figure 15). Of organizations that use virtual

teams, nearly half (49%) said they do so to boost collaboration among employees in different geographic locations. Another 39% said using virtual teams allows them to minimize costs for travel. Time differences (49%) and differences in cultural norms (26%) were two of the challenges of using virtual teams cited by HR professionals in the survey.<sup>41</sup>



Rise in online learning

Time constraints and lack of funds are often cited by employers as reasons for reductions in training and development budgets. These reasons are perhaps why many organizations are turning to e-learning to provide education and development opportunities for their workers. Thirty-six percent said the continued development and use of e-learning applications and tools would have a major impact on the U.S. workplace in the next five years.

A 2011 study by Boston-based consultant Aberdeen Group found that the use of mobile devices has become particularly popular for workplace training. The study said mobile devices were used by 55% of employers for internal online communities or forums, by 48% for informal learning activities and development, and by 42% for formal learning and development.<sup>42</sup>

Many of today’s college students have employed e-learning as part of their studies, as well, possibly encouraging employers to implement e-learning when training younger workers. More than 6.1 million students took at least one online course as part of their fall term in 2010, an increase of 560,000 students from the previous year, according to The Sloan Consortium. Sloan’s study also found that 31% of higher education students take at least one course online, and 65% of higher education institutions now say that online learning is a critical part of their long-term strategy.<sup>43</sup>

Spending more time online means risking the loss of more information

It is often said that nothing is private anymore, given how freely people volunteer their personal information on the Internet. Even with security measures in place, hackers and other criminals are still finding ways to steal data and wreak havoc on computer systems. A combined 88% of respondents said the loss of employee privacy as a result of technology



(meaning that information about people's present and past is more easily obtained) would have an impact on the U.S. workplace in the next five years (35% said "major impact," and 53% said "minor impact").

Even when we do not intentionally provide personal information online, that information is being tracked and often shared without our knowledge. A *Wall Street Journal* survey of 50 websites found that 12 of those sites sent potentially identifying information, such as e-mail addresses or full real names, to third parties. Another segment of *The Wall Street Journal*'s examination focused on 1,000 websites, with researchers finding that 75% of the sites now include code from social networks, such as Facebook's "Like" and Twitter's "Tweet" buttons. This code can match people's identities with their web-browsing activities and can also track a user's arrival on a page even if one of those buttons is never clicked.<sup>44</sup>

Identity theft rose 13% in 2012, according to a report by Javelin Strategy & Research. And time spent on social networking sites may have been a major cause of the increase, according to Javelin. Specifically, 68% of people with public social media profiles shared their birthday information (with 45% sharing month, date and year); 63% shared their high school name; and 18% shared their phone number. According to Javelin's report, all are prime examples of personal information a company would use to verify a person's identity.<sup>45</sup>



## How HR professionals are responding to science and technology trends

Like most other segments of the business world, technology has become ingrained in HR operations. More HR professionals are using new software and websites to streamline the recruiting process, conduct payroll and perform many other tasks. High-tech has enabled HR to reach out globally to find new talent and to effectively manage workers in remote locations. Also, HR has taken the lead in developing standards regarding social media use in the workplace. These policies must maintain a delicate balance that promotes content to improve their companies' brands and ensures that employee social media activities do not jeopardize their organizations. And with an ongoing need for highly skilled scientific and technical talent at many organizations, HR is now expected to be an authority on tapping talents in those industries.

### Other ideas to consider

- Create scenarios or forecasts for the increasing technological skills requirements that will most likely be needed for the next generation of jobs in your organization.
- Analyze the impact of new technologies on your operations, from both a cost and timesaving standpoint.
- Explore the use of e-learning as a means of streamlining the professional development process and perhaps of opening up new opportunities for employees.
- Reach out to higher education institutions, technical schools and other training providers in your community to create potential partnerships and a pipeline for new talent in your organization.
- Educate employees on the importance of protecting personal and organizational information online, as well as of maintaining the organization's integrity when engaged in social media activities.



# Public Policy and Law



U.S. HR professionals continue to be focused on health care costs and how these costs will affect their organizations. Therefore, the implementation of the PPACA is likely to have a major impact on the workplace. Another key public policy and legal trend HR professionals believe will have a considerable influence is the outcome of the 2012 elections. As in previous years, many HR professionals also identified the growing complexity of legal compliance as a central issue. HR professionals are tasked with making sure their organizations comply with various workplace laws. As state, federal and international laws develop, this endeavor can be increasingly complex. Changes in financial regulation, immigration policy and employee rights are among those HR professionals identify as leading policy areas they will be focusing on.

An issue that was not high on the list of public policy trends in previous years but is now seen as a trend is the impact of public-sector budget and job cuts. The recession and calls for reducing government spending have led to widespread job cuts throughout the public sector. These cuts could affect not only those HR professionals working in the public sector but also those who use public-sector resources to help access employee training and other government-funded programs or partnerships.

Table 7   Top public policy and legal trends according to HR professionals			
	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Implementation of health care legislation	75%	23%	2%
Implications of the outcome of the 2012 presidential and congressional elections	68%	28%	4%
Growing complexity of legal compliance for employers	53%	41%	5%
Public-sector budget and job cuts	51%	43%	6%
Changes in financial regulation	41%	51%	8%
Changes in immigration policy	39%	51%	10%
Changes in employee rights due to legislation, regulations or court rulings	39%	52%	9%
Increased intellectual property theft	30%	57%	12%
Discrimination litigation based on age	28%	55%	17%
Proposed immigration laws in relation to H-1B visas and high-skilled foreign workers	26%	61%	12%
Litigation involving overtime pay for exempt/white-collar workers	25%	56%	19%
Stricter cross-border policies for global business practices	24%	62%	14%
Increase in global environmental legislation	23%	60%	17%
Discrimination litigation involving individuals with disabilities	22%	60%	17%
Proposed immigration laws that prosecute employers for hiring illegal/undocumented workers	22%	63%	14%
Discrimination litigation involving the unemployed	21%	58%	20%
Discrimination litigation based on race or ethnicity	19%	60%	21%
Discrimination litigation based on sexual orientation	19%	60%	21%
Discrimination litigation involving employer use of background checks	18%	60%	22%
Discrimination litigation based on sex	16%	63%	21%
Discrimination litigation based on national origin	16%	60%	25%
Discrimination litigation based on religion	14%	61%	26%
Source: Society for Human Resource Management. (2013). <i>SHRM workplace forecast</i> .			

Implementation of health care legislation

Given the importance HR professionals place on rising costs of health care as a key trend, it is not surprising that the implementation of the PPACA is their most significant political and legislative trend (75% said it would have a major impact on the workplace). The impact of the PPACA on organizational health care costs and overall access to health insurance continue to be topics of much debate. For HR professionals the most pressing concern is making sure their organizations comply with the law.

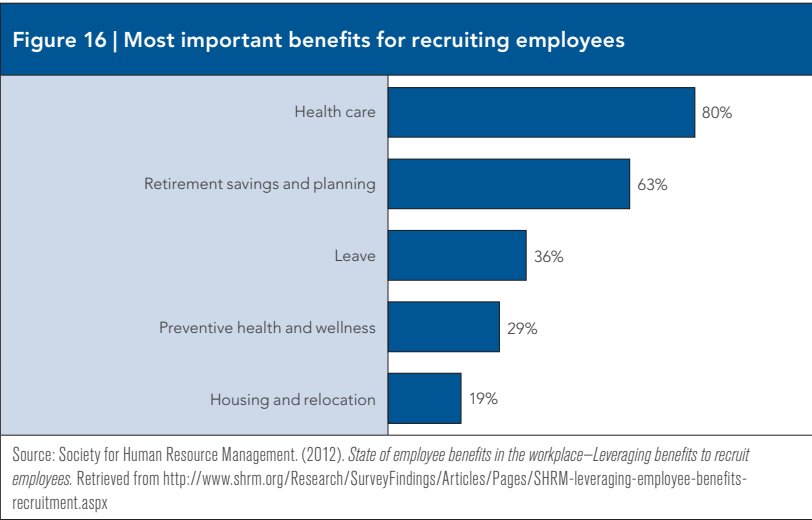
In 2013 the law’s implementation timeline includes the following:

- A contributions cap of \$2,500 each year will be applied to health flexible spending accounts (FSAs), indexed for the Consumer Price Index starting in 2014.
- Changes to Medicare payroll taxes and retiree drug subsidies, with employees’ share of the Medicare tax on wages in excess of \$200,000 (or \$250,000 for joint tax filers), will increase.
- Employers will no longer be permitted to take an income tax deduction for the Medicare Part D retiree drug subsidies they receive from the federal government.
- Large U.S. employers (with 250 or more W-2s) must now report the cost of employer-provided health care coverage on their employees’ 2012 Form W-2s.

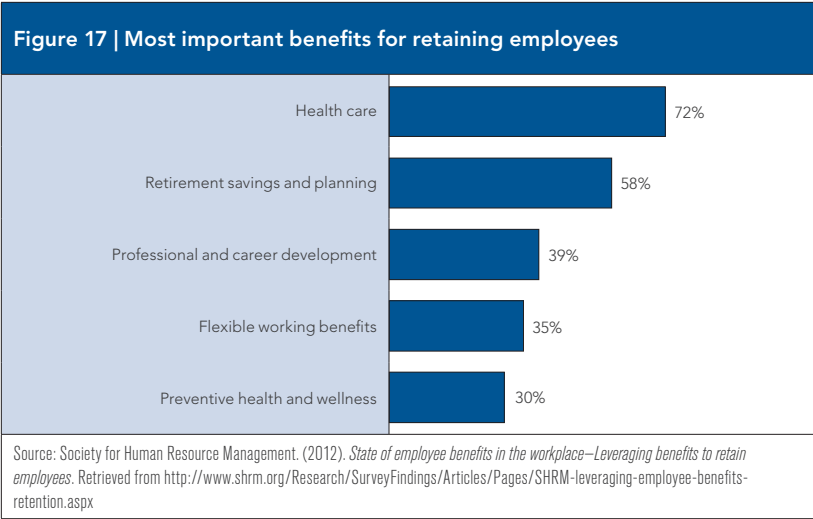
- Nongrandfathered U.S. health insurance plans must now cover women’s preventive services, including contraception, without charging a copayment, coinsurance or deductible.

Beginning in 2014, group health plans must prohibit pre-existing condition exclusions and annual limits. Though the law will not require employers to offer health insurance, starting in 2014 employers with more than 50 full-time employees that do not offer coverage will have to pay a penalty of \$2,000 per full-time equivalent employee for all full-time employees in excess of 30 if even one employee receives a federal government subsidy and purchases coverage in an exchange.

Employers must now also notify employees of state health insurance exchanges, whether the employer’s plan meets minimum coverage requirements and how to access information regarding premium subsidies that may be available for exchange-based coverage. In states where the state government has delayed or been slow to set up exchanges, HR professionals have had difficulty planning ahead and preparing information for employees. HR professionals still need additional guidance and clarity regarding certain aspects of the law from federal regulators. As the different parts of the law begin to be implemented over the coming years, HR professionals will be closely involved both in making sure their organizations comply with the law and in providing feedback on how it will affect benefits costs and coverage.<sup>46</sup> They will also need to make their organizational leaders aware of the potential consequences of eliminating health care coverage as an employee benefit in response to the legislation; as shown in Figures 16 and 17, health care benefits are crucial to both recruiting<sup>47</sup> and retaining<sup>48</sup> employees.







**Implications of the outcome of the 2012 presidential and congressional elections**

The outcome of the 2012 elections did not significantly change the balance of power in the U.S. House of Representatives or the U.S. Senate. Likewise, with President Obama winning a second term, most policy analysts and economists believe the PPACA is here to stay. With that in mind, HR professionals in states that had been delaying setting up exchanges and implementing other parts of the law may now see some movement that will make it slightly easier for them to plan ahead and prepare the needed information for employees so that their organizations are fully compliant with the law. The election outcome also influenced the budget deal that was made in January to avoid the “fiscal cliff” and will continue to affect policies around fiscal issues. Congress and the administration were able to avoid the “fiscal cliff” and to ultimately raise the debt ceiling, but will still face the difficult task of offsetting the effects of the sequestration. Priorities for the year include immigration reform, tax reform and continuing efforts to reduce the federal deficit.

**Growing complexity of legal compliance**

HR professionals have repeatedly identified the increasing complexity of legal compliance as a chief trend over the past decade, and it is likely to be a major focus for the profession in the years ahead. HR professionals must stay up-to-date on any and all legislation or regulations at the state, federal and, in some cases, international level that their organizations may need to comply with. This covers a wide range of issues from bills related to possible changes to procedures under which workers may choose whether to join a union to background and credit checks for job applicants. State immigration laws are also likely to be a pivotal issue in the coming years.

Other areas to watch are contingent workers and wage and hour laws. In the wake of economic volatility and uncertainty, many organizations have added temporary workers rather than permanent staff to their head count. Some organizations are currently considering if they want to have a larger proportion of their workforce made up of contingent workers as they sort through the potential costs associated with the implementation of the PPACA or until they feel more confident about an economic recovery. As a result, any legal modifications in regulations that clarify or define what classifies a worker as an independent contractor or any wage and hour legislation could influence many employers. In some cases, state laws provide greater coverage than federal laws

in these areas. Managing all these various compliance issues is the purview of HR managers, and they must take all relevant state and federal law into account when developing organizational policies—a task that will only grow more challenging in the years to come.

## Public-sector budget and job cuts

If the first part of the Great Recession was characterized by massive job cuts in the private sector and especially in industries like construction, the second part saw large numbers of public-sector jobs eliminated. This trend has continued well into the economic recovery. HR professionals identified the shrinking of public-sector budgets and the accompanying loss of public-sector jobs as an important trend (51% say it will have a major impact on the workplace over the coming five years). One reason for this finding is that many economists believe the loss of so many public-sector jobs has been a factor in the slower-than-hoped-for recovery. Whereas the BLS showed that the private sector added jobs almost every month between January 2010 and January 2013, government employment fell almost every month during that same time period.<sup>49</sup> The loss of these jobs has been a drag on the overall employment picture. If the recovery continues to be slow, public coffers will probably be spent on paying for state and local budgetary shortfalls rather than on adding jobs. But if the recovery picks up the pace, more revenue from payroll, property and other taxes could give some state and municipal governments the dollars needed to bring back some (if not all or even many) of the jobs that were eliminated in the past few years. This result, in turn, could influence the overall unemployment rate and other aspects of the economy.

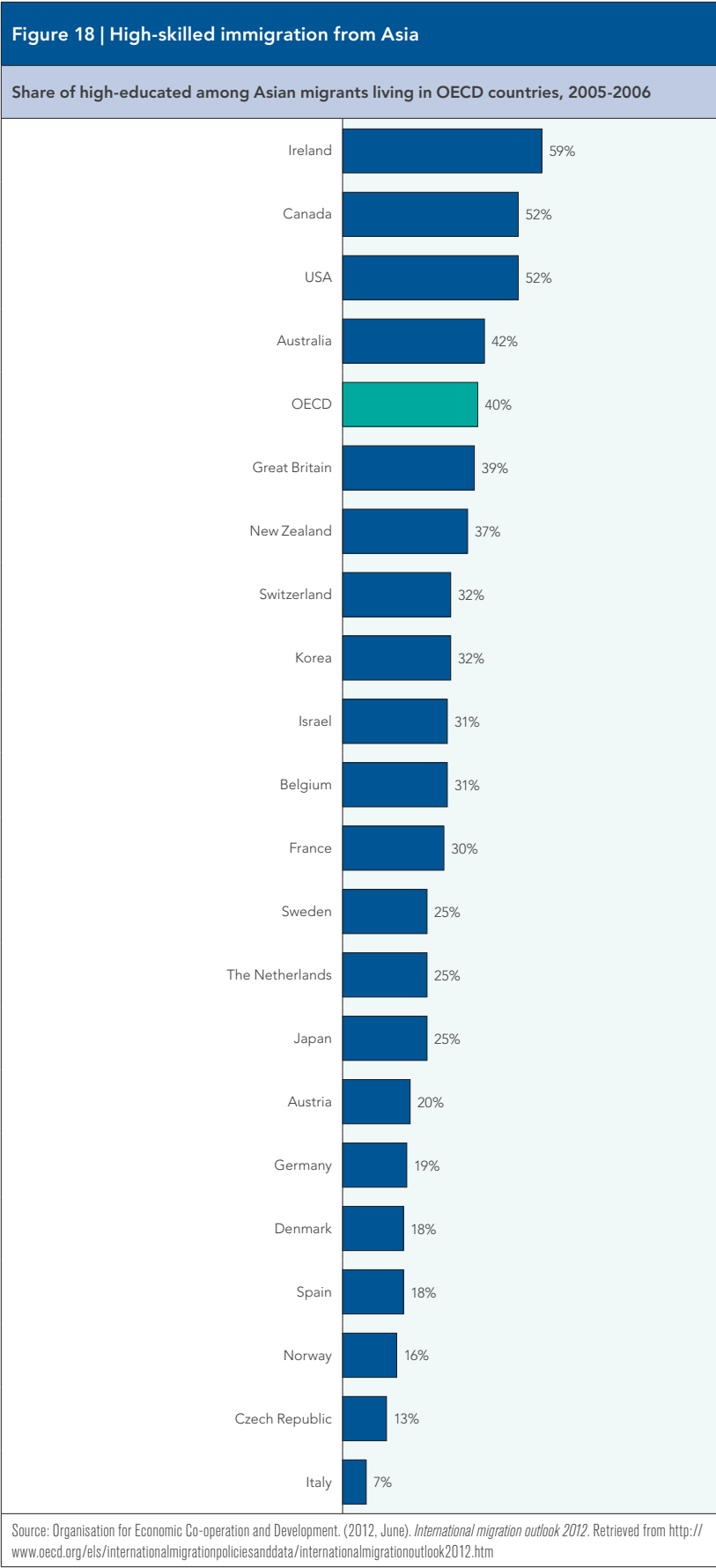
## Changes in financial regulation

The financial crisis that led to the Great Recession brought about calls for changes to financial regulation. The globalization of finance has added to the complexity of financial markets and instruments and has also made coming up with a common set of guidelines much more difficult. In the years ahead, countries experiencing rapid growth, especially those in Asia, are likely to have a larger voice in the development of global financial regulations. The development of new technologies will also influence the regulatory response. For example, increasingly complex trading technologies and complicated derivative securities may yield new regulations that try to keep up with the rapid rate of financial innovation.

## Changes in immigration policy and immigration laws in relation to H-1B visas and high-skilled foreign workers

An overhaul to immigration policy has become a key priority of federal lawmakers. At the state level, proposals for immigration reform also seemed poised to appear in 2013. Though comprehensive agreement between the two political parties on approaches to the issue seems unlikely, the importance of attracting in-demand, highly educated and skilled immigrants is shared. In his inaugural address on January 21, 2013, President Obama pushed for U.S. immigration reform that would encourage immigrants with education and high skills in the STEM fields to make the U.S. their home. Immigration policy watchers expect legislation to include measures to increase the number of green cards available to overseas graduates of U.S. universities with either master's degrees or Ph.D.s in the STEM fields.

Perhaps the reason both political parties in the U.S. are focused on skilled immigrants is because, increasingly, other national governments



are tailoring their immigration laws to attract highly skilled immigrants. These individuals are considered an asset to their host countries' economies, so nations are likely to fiercely compete for these immigrants in the future. According to the *International Migration Outlook 2012* from the Organisation for Economic Co-operation and Development (OECD), international migration fell for the third consecutive year in 2010 but started picking up again in 2011. New immigrants accounted for 47% of the increase in the labor force in the U.S. and 70% in Europe. OECD countries, especially those in Europe, will depend more and more on migration to maintain the numbers of people of working age in their populations. As shown in the latest OECD findings in Figure 18, many OECD countries are growing more reliant on skilled immigrants from Asia to maintain the size of their skilled labor force. As the Baby Boomers retire in greater numbers, this reliance will intensify.<sup>50</sup>

## Changes in employee rights due to legislation, regulations or court rulings

Areas where changes and legislation are already occurring or are likely to occur include:

- Background and credit checks.
- Discrimination in the workplace.
- Domestic partner benefits.
- Employee drug testing.
- Leave.
- Use of E-verify.
- Minimum wage.
- Misclassification of workers.
- Right to work and union issues.
- Social media passwords.
- Unemployment insurance and workers' compensation.

State legislation has in many cases extended employee rights beyond federal mandates. In addition, court rulings may also change how employee rights in the workplace are interpreted. Employers that operate in several states may need to juggle a variety of state laws. These and other factors mean that HR professionals must continue to monitor a wide range of employee law developments to be certain that their organizations are in compliance.

## Increased intellectual property theft

Theft of intellectual property (IP) is on the rise and negatively affects innovation and business development. It is also a significant cost in terms of jobs. According to an August 2012 report by the U.S. Congress Joint Economic Committee Chairman's staff, "IP-intensive industries accounted for nearly 20 percent of all jobs in 2010 and contributed over a third of GDP. IP-intensive industries have higher wages with a better-educated workforce and contribute more to trade. Additionally, workers in IP-intensive industries generate sales per employee twice as large as their counterparts in non-IP-intensive industries."<sup>51</sup>

IP theft threatens these industries and jobs, and in some cases, IP theft is even life-threatening. According to the World Health Organization, as much as half of the world's drug supply may soon consist of fake pharmaceutical drugs.<sup>52</sup> Counterfeit drugs along with counterfeit aircraft, car and electronic parts all pose a public health threat. Human resources has and will continue to play a role in combating IP theft through designing policies that protect information, including employee information, and through managing the HR side of intellectual property protection. HR responsibilities may include access issues, management of data and technology use policies.

## **Discrimination litigation based on age**

As the workforce ages, there will likely be an increase in discrimination litigation based on age. The proportion of individuals over age 40, 50, 60 and even 70 in the labor market and workplace is set to rise over the coming decade.

Although U.S. job seekers 55 or older are estimated to take approximately three months longer to find employment than the average job seeker, age discrimination suits have proven difficult for plaintiffs to win. In addition, few job seekers who feel they have been discriminated against due to age decide to prosecute. However, employers take a huge risk when they fail to take great care in ensuring age discrimination does not occur in their organizations. Some courts in states such as California, Michigan and New York are more apt to side with the plaintiff than are federal-level courts. And when plaintiffs win, the monetary damages they are rewarded are often higher than other types of discrimination claims.<sup>53</sup>

HR professionals will continue to lead their organizations' efforts to create an age-diverse workplace and will be expected to create and maintain policies and management practices that ensure that age discrimination is avoided in all aspects of recruiting, career development and promotion.

## How HR professionals are responding to political and legislative trends

One of the greatest responsibilities HR professionals have is to guarantee that their organizations comply with all applicable employment laws. In a global economy in which companies do business across state and international borders, the number of relevant laws they must comply with grows exponentially. Thus, the increased complexity of legal compliance is an issue that is likely to be a central concern for all HR professionals for many years to come.

Many of the actions that HR professionals are taking in response to trends are those that involve ensuring various forms of legal compliance. Sixty percent say they are changing organizational policy in response to federal and state regulations, with another 18% saying they plan to do so in the next 12 months. Fifty-six percent say they are using nondisclosure and noncompete agreements for intellectual property, with another 4% saying they plan to do so in the next 12 months. Fifty-four percent say they are changing employment practices to minimize legal risk, with another 12% reporting they plan to do so in the next 12 months. Other areas where HR professionals say they are taking action include implementing policies and procedures aimed at protecting employee and customer data from identity theft, expanding HR's involvement in risk management and changing corporate governance in response to new legislation.

## Other ideas to consider

- HR professionals working in the United States will need to pay careful attention to new regulations coming out of the various U.S. federal agencies. A number of changes to federal regulations from the National Labor Relations Board (NLRB) and the Equal Employment Opportunity Commission (EEOC) will be proposed in 2013.
- Another issue to be aware of is an increase in federal agency audit activity. Audits are on the rise in a number of areas—from the U.S. Department of Homeland Security on employment verification issues to Internal Revenue Service (IRS) classification of individuals as independent contractors to wage and hour audits through the U.S. Department of Labor (DOL).
- HR professionals working globally must also be aware of changes in regional and national laws or regulations in the countries where they do business.
- Take advantage of the SHRM Employment Law & Legislative Conference; attend local SHRM chapter events or conferences that explain the HR impact of changing regulations; regularly visit key government websites for updates on regulatory issues; and use SHRM Public Policy resources to stay abreast of all public policy developments that affect human resources.
- Take a long-term view on health care reform, looking at it not just as a compliance issue but as part of your organization's overall compensation strategy.
- Make sure front-line managers and supervisors are aware of their obligations under the National Labor Relations Act as union activity tends to increase after downturns.

## Top Trends from SHRM's Labor Relations Special Expertise Panel

1. Labor law is increasingly influenced by globalization, trade agreements and global labor standards. In addition, there is pressure to include labor-friendly provisions in standardized trade agreements and to discourage offshoring through proposed tax changes.
2. The NLRB and the DOL are becoming more active through the rulemaking process and are attempting to reverse prior NLRB decisions.
3. Union organizing is intensifying among certain sectors, including health care, nursing home, hospitality and child care services.



4. The increased use of social media tools—including Twitter, Facebook and LinkedIn—for union organizing is changing the way that traditional campaigns are run.
5. State legislatures and governors are continuing to pay more attention to labor relations areas not preempted by the National Labor Relations Act.
6. Unions are attempting to consolidate and collaborate to increase political leverage and market density. This trend is particularly true for the global labor market.
7. Unions of federal government workers are poised for additional losses in the scope of bargaining matters. In addition, state and local unions are increasingly fighting legislative initiatives that could curtail their current structure, status and bargaining power.
8. Labor relations expertise is diminishing within the HR profession as a result of the retirement of more Baby Boomers and because many Millennials and Gen Xers are purposefully avoiding the area. Nevertheless, HR professionals' interest in labor relations and awareness of the importance of general—rather than just specialized—human resources have increased as a result of proposed labor legislation.

Source: Society for Human Resource Management. (2012). *Future insights: The top trends for 2012 according to SHRM's HR subject matter expert panels*. Retrieved from [http://www.shrm.org/Research/FutureWorkplaceTrends/Documents/11-0622%20Workplace%20panel\\_trends\\_symp%20v4.pdf](http://www.shrm.org/Research/FutureWorkplaceTrends/Documents/11-0622%20Workplace%20panel_trends_symp%20v4.pdf)<sup>54</sup>



## Conclusion



Throughout the past decade, the issues HR professionals have identified as key trends in the Workplace Forecast Survey cover a wide span. As a result, prioritizing is essential. HR professionals must decide which issues have the most relevance for their individual situation, organization and industry and take action accordingly.

In the third of their joint *Creating People Advantage* research studies, the World Federation of People Management Associations (WFPMA) and Boston Consulting Group (BCG) found that many of the issues that were high priorities in 2008 and 2010 are still at the top of the list of priorities for global HR leaders (SHRM Research collected the survey data for the U.S. portion of the report).<sup>55</sup> Indeed, Table 8 shows that virtually all of the top priorities have remained in place since 2010.

Table 8   Key priorities for HR leaders: A comparison of 2008, 2010 and 2012 findings		
Key priorities for HR professionals in 2008	Key priorities for HR professionals in 2010	Key priorities for HR professionals in 2012
Improving leadership development	Managing talent	Managing talent
Managing talent	Improving leadership development	Improving leadership development
Delivering on recruiting and staffing	Strategic workforce planning	Strategic workforce planning
Managing change and cultural transformation	Enhancing employee engagement	Enhancing employee engagement
Note: Data sorted in descending order. Source: World Federation of People Management Associations (WFPMA) and the Boston Consulting Group (BCG). (2008, April; 2010, September; 2012, October).		

With an eye on the future, HR professionals in countries around the globe will continue to place talent management as their highest priority. They will also plan ahead by focusing on the next generation of leaders, by preparing for a changing workforce and by finding ways to engage employees more effectively. In addition, they must continue to manage their own professional growth through building up their HR competencies, acquiring the needed training and education, and continuously learning from their HR peers and other business colleagues through associations, online groups and educational bodies.



Table 9   Full list of key trends			
Trend	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Continuing high cost of employee health care coverage in the U.S.	79%	20%	1%
Implementation of health care legislation	75%	23%	2%
A shortage of skilled workers	73%	25%	2%
Large numbers of Baby Boomers leaving the workforce at around the same time	68%	29%	3%
Implications of the outcome of the 2012 presidential and congressional elections	68%	28%	4%
Lack of science, technology, engineering and math (STEM) graduates in the U.S. compared with other countries	68%	29%	4%
Decline in employees' retirement savings	68%	29%	4%
Rise in fuel/gasoline prices in the U.S. and globally	68%	28%	4%
Threat of a dip back into recession in the U.S.	67%	30%	4%
Greater economic uncertainty and market volatility	66%	31%	3%
Growing national U.S. budget deficit	65%	29%	6%
Rise in unemployment	64%	32%	4%
Increased cost of living for U.S. employees	63%	33%	4%
Growth in number of employees with caring responsibilities (elder care, child care, both elder care and child care at the same time)	63%	35%	2%
Underfunded pensions on retirees and the stability of the federal Pension Benefit Guaranty Corporation	62%	32%	6%
Rising retiree benefits costs	61%	34%	5%
Downturn in consumer spending	60%	37%	3%
Increased corporate downsizing and bankruptcies	60%	36%	4%
Improved U.S. job market	60%	37%	4%
Increase in chronic health conditions, such as diabetes and heart disease, among employees	59%	36%	5%
Lack of employee engagement	59%	37%	5%
Overall decline in the workforce readiness of new entrants to the labor market	59%	37%	5%
Increased employee demand for work/life fit (flexible work arrangements)	58%	37%	5%
Large numbers of Millennial/Generation Y workers entering the labor market and workforce	58%	39%	3%
Rise in underemployment (job seekers who can only find part-time jobs or employees who are in jobs for which they are overqualified)	56%	39%	5%
Rising higher education costs (impact on graduation rates, debt and availability of educated workers)	56%	38%	7%
Shift from a manufacturing to an information/service or knowledge economy	56%	39%	5%
Growing complexity of legal compliance for employers	53%	41%	5%
Increased use of outsourcing of jobs within the U.S.	53%	42%	5%
Growth in the generational income divide (impact of higher education and living costs and slower wage growth on the ability of younger generations to save and invest)	53%	41%	6%
An increased proportion of older workers in the workforce	52%	43%	5%
Reduced opportunities for career advancement among younger generations as large numbers of Baby Boomers put off retirement	52%	45%	3%
Increased global competition for jobs, markets and talent	51%	43%	6%
Employee concerns about job security (impact on turnover, engagement, etc.)	51%	44%	5%
Public-sector budget and job cuts	51%	43%	6%
Employee wage stagnation across many types of jobs	51%	46%	4%
Increased use of social media for recruiting/finding job candidates	50%	44%	6%
Rapid growth of employee and business use of social media (e.g., Facebook, LinkedIn)	49%	44%	8%
European debt/financial crisis	49%	43%	9%
Increasing divide between technology-savvy employees and those unfamiliar with the latest technologies	48%	45%	7%
U.S. manufacturing revival	47%	43%	9%
Business impact of increase in the value of the U.S. dollar	47%	48%	6%
Continued on following page			

Table 9   Full list of key trends (continued)			
Trend	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Upturn in consumer spending	46%	46%	8%
Employee backlash against rising benefits costs	45%	48%	7%
Economic growth of emerging markets such as Brazil, Eastern Europe, India and China	45%	48%	7%
Increased expansion of foreign companies into the U.S.	45%	48%	7%
Reduction in the number of startups and new small businesses	45%	46%	10%
Increase in the number of employees without health insurance	44%	44%	12%
The use of social media by organizations to display their culture and build their corporate brand	44%	47%	9%
Growth in the income divide between high- and low-paid workers	44%	48%	8%
Increased NLRB involvement in non-union employee issues	44%	47%	9%
Decrease in training budgets	44%	50%	6%
Increased vulnerability of business technology to attack or disaster	43%	49%	8%
Reduction in investments made for employee training	42%	50%	8%
Greater use of contingent workers (i.e., temporary/contract workers)	42%	50%	7%
Greater need for cross-cultural understanding/savvy in business settings	42%	49%	9%
Increased expansion of U.S. companies into the global marketplace	42%	51%	7%
Use of technology to eliminate geographic barriers in the workplace	42%	50%	8%
Rise in the number of employees with untreated physical and mental health conditions in the workplace	42%	49%	10%
Changes in financial regulation	41%	51%	8%
Higher rates of immigration and an increase in the number of foreign-born workers	41%	50%	10%
Increased use of offshoring	40%	51%	9%
Rise of small businesses as generators of job growth	40%	50%	10%
Growth in the number of employees for whom English is a second language	40%	52%	8%
Rise in student debt	39%	46%	15%
Changes in immigration policy	39%	51%	10%
Changes in employee rights due to legislation, regulations or court rulings	39%	52%	9%
Increase in the number of employees with mental health conditions such as depression	38%	52%	10%
Increased demand for greater transparency of corporate data and information	38%	53%	9%
Increased mergers and acquisitions (M&A) activity	38%	54%	8%
Wage increases for in-demand positions	38%	56%	6%
Growth in the recognition and response to generational differences among employees	38%	53%	9%
Increased government enforcement of overtime issues such as off-the-clock work and classification of independent contractors	38%	53%	9%
Increase in the legal retirement age in countries around the world with aging populations	37%	49%	13%
Continued development and use of e-learning applications and tools	36%	55%	10%
Growth of the world's middle class consumers	35%	56%	9%
Loss of employee privacy as a result of technology (information about people's present and past more easily obtained)	35%	53%	13%
Decrease in the number of employees without health insurance	33%	52%	14%
Rapid turnover and skills shortages in key offshoring destinations such as India, China, Brazil and Eastern Europe	33%	55%	12%
Increased multiculturalism within organizations	33%	56%	12%
Growing importance of managing talent globally	32%	58%	11%
Increased concerns about safety and security in the workplace	32%	58%	11%
Increased use of virtual global teams	32%	53%	15%
Changes in negotiating strategies, tactics and processes used by organized labor	31%	56%	13%
Increase in business research and development investment in emerging economies such as Brazil, Eastern Europe, India and China	30%	57%	13%
Increased intellectual property theft	30%	57%	12%
Continued on following page			



Table 9   Full list of key trends (continued)			
Trend	Will have a major impact on the U.S. workplace over the next five years	Will have a minor impact on the U.S. workplace over the next five years	Will have no impact on the U.S. workplace over the next five years
Growth in unions in nontraditional sectors and industries	30%	56%	15%
Increased global labor mobility	29%	60%	11%
Lower birthrates contributing to smaller pipelines of talent in future generations	29%	49%	23%
Unions increasing their allocation of resources devoted to political lobbying	28%	52%	19%
Increase in training due to wide availability of low-cost, technology-based training	28%	60%	12%
Discrimination litigation based on age	28%	55%	17%
Increased economic, social and political power of women around the world	28%	59%	13%
Increased demand by company stakeholders/shareholders for input into corporate decision-making	27%	61%	12%
Need for increased security abroad for expatriates	27%	55%	18%
Proposed immigration laws in relation to H-1B visas and high-skilled foreign workers	26%	61%	12%
Exponential growth in HR technologies	26%	61%	13%
Litigation involving overtime pay for exempt/white-collar workers	25%	56%	19%
Increase in employee identity theft	25%	59%	17%
Increase in the number of individuals with disabilities in the workforce	25%	62%	14%
Stricter cross-border policies for global business practices	24%	62%	14%
Growing adoption of standards for data exchange between human resource information systems (HRIS)	23%	60%	16%
Increase in global environmental legislation	23%	60%	17%
Discrimination litigation involving individuals with disabilities	22%	60%	17%
Proposed immigration laws that prosecute employers for hiring illegal/undocumented workers	22%	63%	14%
Rising threat of global health pandemics (H1N1 flu virus, avian flu)	22%	58%	20%
Discrimination litigation involving the unemployed	21%	58%	20%
Growth in the availability of HR management software aimed at and used by small businesses without HR staff	21%	61%	18%
Greater involvement of corporate boards in setting company policy	21%	64%	15%
Business and consumer adoption of green technologies (i.e., sustainable technologies that do minimal damage to the environment)	20%	63%	17%
Growing employee demand for sustainable and green business practices	20%	63%	18%
Public backlash against globalization and power of multinational corporations	20%	60%	20%
Discrimination litigation based on race or ethnicity	19%	60%	21%
Discrimination litigation based on sexual orientation	19%	60%	21%
Continuing decline of unions	18%	57%	25%
Reduction in employee mobility due to the housing downturn	18%	63%	19%
Discrimination litigation involving employer use of background checks	18%	60%	22%
Increased corporate leadership role in dealing with global problems such as poverty, environmental damage and disease	17%	62%	21%
Rise in protests against the financial establishment (e.g., Occupy Wall Street)	16%	56%	28%
Discrimination litigation based on sex	16%	63%	21%
Discrimination litigation based on national origin	16%	60%	25%
Discrimination litigation based on religion	14%	61%	26%
Decline in the number of foreign students who stay and work in the U.S.	13%	58%	29%
Growth in religious diversity in the workplace	12%	63%	25%
Source: SHRM workplace forecast (SHRM, 2013)			

**Table 10 | Full list of key actions HR professionals are taking in response to trends**

Action	Yes	No	Plan to in the next 12 months
Using social networking sites for recruiting, employer branding and other purposes	68%	20%	12%
Updating technology use policies for employees (use of social networking sites, e-mail for nonbusiness use, etc.)	65%	21%	14%
Linking employee performance and its impact on the organization's business goals	63%	23%	14%
Changing organizational policy in response to federal and state regulations	60%	22%	18%
Expanding the use of e-learning	59%	25%	17%
Using nondisclosure and noncompete agreements for intellectual property	56%	40%	4%
Putting more emphasis on succession planning and people readiness	55%	24%	21%
Changing employment practices to minimize legal risk	54%	35%	12%
Hiring workers (or increasing size of workforce)	53%	37%	11%
Expanding the use of technology-based employee and manager self-service applications	52%	30%	18%
Implementing policies and procedures aimed at protecting employee and customer data from identity theft	52%	36%	12%
Putting greater emphasis on developing retention strategies for the current and future workforce	50%	31%	19%
Identifying useful talent retention tactics that do not involve increased cash compensation	50%	31%	19%
Developing broader business acumen among HR staff	50%	38%	13%
Moving to an Internet-based system for the delivery and use of HR applications	49%	34%	18%
Raising employee wages	47%	37%	16%
Reorganizing the HR function to meet changing organizational strategic needs	47%	41%	13%
Taking steps to protect employees in the event of a major health epidemic such as the H1N1 flu virus	46%	45%	9%
Expanding HR's involvement in risk management	46%	43%	11%
Implementing policies aimed at encouraging better work/life fit (flexible work arrangements)	42%	40%	17%
Changing work processes to make them more environmentally friendly	42%	46%	12%
Retraining employees for new jobs	42%	47%	11%
Using metrics to demonstrate HR's return on investment	41%	44%	15%
Building people management or human capital component into key business transactions (change management, mergers and acquisitions)	39%	46%	15%
Evaluating potential investments in new HR technology	37%	41%	22%
Increasing awareness of the fiduciary status of HR professionals	37%	53%	10%
Training line managers to recognize and respond to generational differences	35%	47%	18%
Using more variable pay to reward performance due to small base salary increase budgets	32%	60%	7%
Implementing employee diversity-education programs	32%	54%	14%
Changing corporate governance in response to new legislation	32%	53%	16%
Expanding into the global marketplace (e.g., sales, operations, labor)	27%	66%	6%
Increasing the use of contingent workers	24%	71%	5%
Increasing use of variable pay to include more levels of employees	24%	66%	10%
Offering more customized benefits packages to employees	23%	62%	14%
Giving more consideration to global political issues when making decisions to invest abroad	22%	74%	4%
Decreasing size of workforce	21%	74%	5%
Offering employment options designed to create an age-diverse (or age-friendly) workplace	20%	71%	9%
Decreasing other employee benefits as a result of increased health care benefits costs	20%	68%	13%
Carrying out studies to determine projected future retirement rates in the organization	20%	70%	11%
Offering employment options designed to attract and retain older workers	18%	74%	8%
Making changes to executive compensation determination process	18%	72%	10%
Shifting to a more global organizational model	17%	78%	5%
Moving strategic HR functions to business units	16%	79%	4%
Cutting back on HR staff	15%	82%	3%
Decreasing retirement benefits plans	14%	82%	3%
Decreasing the use of contingent workers	13%	85%	2%
Continued on following page			

Table 10   Full list of key actions HR professionals are taking in response to trends (continued)			
Action	Yes	No	Plan to in the next 12 months
Moving business to a different domestic location	9%	88%	3%
Seeking new offshoring destinations	7%	90%	3%
Offshoring jobs to countries with lower health care and other labor costs	6%	92%	2%
Moving business to a non-U.S. location	6%	92%	2%
Decreasing employee wages	5%	93%	2%
Source: SHRM workplace forecast (SHRM, 2013)			

## Methodology

In conjunction with this report, SHRM conducted a survey on workplace trends in September 2012. The survey explored the issues and trends that HR professionals expected to have the most impact on shaping the field of human resource management in the next few years and the solutions HR professionals were using to prepare to respond to these trends. The survey instrument was based on the instrument used in the 2010 Workplace Forecast Survey, then updated based on current workplace issues and trends.

A sample of 9,000 HR professionals was randomly selected from SHRM's membership database, which consisted of more than 250,000 members at the time the survey was conducted. Only members who had not participated in a SHRM survey or poll in the three months preceding the survey were included in the sampling frame. Members who were students, consultants, academics or located internationally or who had no e-mail address on file were also excluded from the sampling frame. Each member of the survey sample was sent an e-mail that included a link to the SHRM Workplace Forecast Survey. Of these, 8,644 were successfully delivered to respondents, and 1,485 HR professionals responded, yielding an overall response rate of 17%.

The survey was accessible for a period of four weeks (Aug. 29, 2012, through Sept. 28, 2012), and six e-mail reminders were sent to nonrespondents in an effort to increase the response rate.

## About Environmental Scanning

The structure of this report is built around the Workplace Forecast Survey findings. However, much of the content is based on material gathered through environmental scanning, extensive literature reviews and interviews with experts carried out through SHRM's Workplace Trends and Forecasting Program. Environmental scanning is a tool used by futurists, business trends analysts and corporate issues managers to identify emerging issues and trends. It involves collecting data from a wide array of sources to obtain the broadest scope of information from which to base decisions. Though the collection of data can be systematic and the structures put in place for data gathering can be quite detailed, environmental scanning is always considered a subjective exercise because it involves making decisions about which kinds of information are most relevant. For this reason, many organizations that use environmental scanning, including SHRM, rely on teams of individuals to collect data, so that information is viewed from a number of different perspectives. SHRM also solicits views about future trends from its membership, Special Expertise Panels and opinion leaders.

# Resources

## SHRM Resources

HR resources, toolkits, policy and legal summaries, templates and samples: [www.shrm.org](http://www.shrm.org).

SHRM research, metrics, surveys and services: [www.shrm.org/research](http://www.shrm.org/research).

Monthly SHRM Leading Indicators of National Employment® (LINE®): [www.shrm.org/line](http://www.shrm.org/line).

## Additional Resources

American Association of Retired Persons (AARP): [www.aarp.org](http://www.aarp.org)

Bureau of National Affairs (BNA): [www.bna.com](http://www.bna.com)

Bureau of Labor Statistics: [www.bls.gov](http://www.bls.gov)

Center for Disease Control: [www.cdc.gov](http://www.cdc.gov)

Employee Benefits Research Institute: [www.ebri.org](http://www.ebri.org)

General Accounting Office: [www.gao.gov](http://www.gao.gov)

International Labour Organization: [www.ilo.org](http://www.ilo.org)

Organisation for Economic Co-operation  
and Development: [www.oecd.org](http://www.oecd.org)

Pension Benefit Guaranty Corporation: [www.pbgc.gov/](http://www.pbgc.gov/)

United Nations Global Compact: [www.globalcompact.org/](http://www.globalcompact.org/)

United Nations Statistics Division: <http://unstats.un.org/unsd/default.htm>

U.S. Census Bureau: [www.census.gov](http://www.census.gov)

U.S. Commerce Department: [www.commerce.gov](http://www.commerce.gov)

U.S. Citizen and Immigration Services: [www.uscis.gov](http://www.uscis.gov)

U.S. Department of Health and Human Services, Ad-  
ministration on Aging (AoA): [www.aoa.dhhs.gov](http://www.aoa.dhhs.gov)

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