ADP Announces Top Workplace Trends for 2019 and Provides a Look-Back at the U.S. Labor Market in 2018

ROSELAND, N.J., Dec. 3, 2018 /PRNewswire/ -- As a leading provider of research on labor markets, people and performance, ADP® today announced the biggest trends that could impact the workplace in 2019.

Looking back at the state of the labor market according to the monthly ADP National Employment Report® and quarterly Workforce Vitality Report, the U.S. workforce experienced historic gains in 2018. Specifically, in 2018 the unemployment rate fell to a near 50-year low, more than two million jobs were added, and wage increases began to accelerate in 2018. Wages increased nearly an average of $1 per hour from last year, and the average wage increase for job switchers was 5.8 percent, while job holders saw a 4.7 percent increase.

"With 2018 employment levels at an all-time high and broad-based wage growth taking root, the U.S. job market is more dynamic than ever," said Don Weinstein, Chief Product and Technology Officer, ADP. "In 2019, employers and workers will increase their focus on issues ranging from the personalization of pay, to an increasing mosaic of workers that span fulltime to gig, data privacy issues, and more."

Trends for 2019:

The Personalization of Pay

- **With workers being able to personalize almost every aspect of their personal and professional lives, employers will need to adopt flexible options around pay schedules and provide financial wellness tools to employees.**

- Digital accounts will become an increasingly common option for employees that allow access to pay how and when they want.
- The weekly, bi-weekly or monthly payroll cycle will evolve into schedules that meet the needs of each individual worker.
- Today, 86 percent employees are interested in using non-traditional financial tools to manage their pay. Tools that enable workers to manage and budget take-home pay, while automatically tracking spending and suggesting budgets, will help them meet their financial goals.

Ensuring Workforce Agility

- **Employers will continue to shift to a mosaic of workers to meet business needs, increase their focus on employment engagement and embrace the importance of the team.**

- As organizations become more agile, they will have a greater reliance on freelancers and contractors to help bridge the skills gap and scale effectively. Employers need to assess the right mix of freelancers (1099), temps and traditional fulltime workers (Form W-2) to best meet their increasingly on-demand business objectives. As a result, employers will need to manage worker classifications in a more dynamic manner.
- Today's workforce has more generations working than ever before. With Gen Z workers entering and Baby Boomers retiring from fulltime work, employers will need to limit "brain drain" and engage workers in new and creative ways.
- As employers struggle to retain and engage employees, many will change how they approach the annual performance review and opt to move to new performance-based models where the frequency of team leader check-ins is key to increasing engagement. In fact, data shows that associate engagement is 57 percent higher when a team leader frequently checks in with their team members.
- Organizations will increasingly demand HR systems that account for and manage where work gets done. Today, more than 82 percent of work gets done on teams. As teams organically form to address business needs, companies need to be able to track employee performance in a more matrixed environment. Systems need to track what team members do well, what they enjoy and foster ways to do more of it. Rather than focusing on developing weaknesses, models will shift to help workers discover their strengths and leverage them more at work.

Diversity and Inclusion

- **Pressure for employers to deliver against diversity and inclusion initiatives will continue.**

- The business case for diversity had an enormous spotlight placed on it in 2018. From the lack of women

and minorities in leadership roles, to the challenges workers faced in reporting issues. Despite this attention, organizations still struggle to make progress in this critical area. According to findings from *Rethinking Gender Pay Inequity in a More Transparent World*, a study released by the ADP Research Institute[®], women are paid on average 17 percent ($13,640) less in base salary than men. However, when factoring in incentive pay, the total earnings pay gap widens to 19 percent ($18,500).

- In 2019, organizations will need to address the gender pay gaps by focusing on key metrics and diversity and inclusion initiatives that demonstrate progress in both pay and bonuses.

Democratization of Data

- Employers and employees will benefit from better access to deeper workplace insights.

- Providing business leaders with data that delivers meaningful and actionable workforce insights, as well improving industry competitiveness, will become the new norm. An increased focus will be placed on how easy it is for leaders to consume and put data into action. HR systems will increasingly tap into artificial intelligence (AI) and machine learning (ML) to serve up insights in real time.
- Workers will also have more access to data through financial wellness and professional development tools that support their goals both inside and outside the workplace.
- Data privacy will continue to remain an industry and public focus with the EU General Data Protection Regulation (GDPR). Other countries and states will continue to look at privacy rights.

Digital Consumer-Grade Human Resources

- Employers and employees will continue to demand that the technology they use at work be as user friendly as what they use in their personal lives.

- This push will require HR solutions to be fully mobile enabled, cloud-based, open to APIs and designed with the end user in mind.
- HR technology and data will need to be accessed, shared and be able to be integrated across functions and bridge internal business silos.

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