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# Cornhusker Economics

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## Workforce Trends to Watch in 2023

The rise of quiet quitters, digital nomads, and shaky employee trust are some of the major workforce trends that need watching in 2023, according to a recent article published by the Harvard Business School<sup>1</sup>. Coupled with an uncertain economy and a tight labor market, business owners can view these potential trends as either challenges that pull their business down or opportunities that offer a competitive advantage. To leverage these toward business growth and increased productivity, it takes an understanding of how these trends emerged and how they could be an asset in an everchanging business environment.

### Quiet Quitters

The “Great Resignation” during the pandemic highlighted the need for organizations to change the way they were recognizing and rewarding employees. The need for meaningful employment and to feel valued in the workplace, came out loud and clear in research results. Raising wages worked for a few situations in the short term but it did not yield the benefits many employers were expecting.

*“We will begin to see a shift from pay-for-performance arrangements and gig-like engagements toward relational connections between firms and employees.” (Gallani, S., 2023)*

In addition, it is speculated that there will be greater non-monetary options to reward workers. For example, special professional development opportunities or unique work assignments might be a part of the recognition options. There could also be a broad list of opportunities that would offer a customized approach to recognition and increase an employee’s feelings of being valued in their workplace.

### Digital Nomads

Remote work, a hallmark of 2020-21, may now be evolving into a “work from anywhere” mentality. Some companies are allowing employees to work for part or the entire year at another location which has created a frenzy to recruit these workers worldwide.

*“Digital nomads can bring in entrepreneurial ideas, lifelong connections, consumption dollars and several other benefits to local communities.” (Prithwiraj C., 2023)*

There could be a variety of reasons why someone might want to relocate: to be near family or friends for a period of time, to gain new experiences in a different environment, and to connect with a unique culture. For Nebraska communities with our unique quality of life assets, this trend offers some amazing opportunities but it is very dependent on the local broadband capabilities and available technology support.

### Shaky Employee Trust

The fluctuating labor market has both employees and employers reeling. When goods and services are moving in a positive direction, jobs are plentiful, and wages are good. But then we have seen constrictions in the supply chain and price hikes that dampen demand resulting in some job layoffs. It has been a rollercoaster ride resulting in fears of job security for many workers. In contrast, when times are booming and finding employees is difficult, those that are on the job often are told how valuable they are, typically working more hours than normal. This boom and bust labor situation seems to be spiking up and down with great frequency.

*In summary, employees will receive mixed messages from employers: You*

*don't matter at all – and – you matter greatly.” (Sucher, S., 2023).*

Many employees have now experienced flexibility in their workplace, and they will be reluctant to give that up. Trust is a precarious phenomenon – it is a two-way street that takes time to build initially and even more time to rebuild once broken. Yet it is at the centerpiece of a productive and positive work environment and business culture.

These trends, the quiet quitter, digital nomads and shaky employee trust, are bound to be present in our workforce to some extent. Their impact on our Nebraska business community will depend on how employers adjust their tactics to counterbalance the potential negative impacts and rally around possible opportunities. 2023 is bound to be an interesting year!

#### **Reference:**

<sup>1</sup>Forman, A. (2023). *8 Trends to Watch in 2023*. Working Knowledge: Business Research for Business Leaders; The Harvard Business School. Available at: <https://hbswk.hbs.edu/item/trends-to-watch-in-2023>

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