

PRODUCTIVITY, PURPOSE AND PROFIT HOW TO THRIVE IN '25



On 11th September 2024, CRF and Mercer co-hosted senior HR leaders for a half-day event focusing on how to unlock the full potential of their HR function in the ever-evolving business landscape. Centred around the themes of productivity, purpose and profit, key topics discussed included: leveraging AI and skills-powered organisations to increase productivity, strategies to ensure your organisation has the skills and capabilities required for the future, and building a future-ready HR function.

KEY TAKEAWAYS

1. Businesses are navigating a poly-crisis world. Guiding businesses through these challenges – particularly the Covid-19 pandemic – has enabled HR to move from a support function to a strategic partner to the business.

2. According to CRF's *Manifesto for Future-Ready HR*, there are three overlapping areas of HR delivery which are critical to building sustainable value: creating a high-performance environment, managing talent and enabling change.

3. The ability to speak the language of the business and build a business case for HR actions is critical, whether this is implementing Strategic Workforce Planning, Career Frameworks or other interventions.

4. Recent AI advancements mark a 'printing press' moment where technology can fuel exponential transformation across businesses, society and the world of work. AI will change organisations and reconfigure work, placing a greater premium on HR's ability to conduct job redesign, reskilling and change management.

5. Practitioners should cultivate an 'AI first' way of thinking, considering 'how can AI help me do this better or faster?' before beginning a new project.

6. The pivot to becoming skills-powered and using skills to connect talent to work is a critical part of building the agile organisation, though will require businesses and HR to rethink all their processes. Organisations should consider how to deploy talent across the organisation, making the most of the skills they already have and redeploying talent as the work changes and new skills are demanded.

7. Data quality is important, though suboptimal data is everywhere. Do not delay making plans or decisions because your data quality is not perfect.

8. Middle manager buy-in is critical to successful Strategic Workforce Planning (SWP) implementation. Identify the challenges middle managers are facing (even if not obviously related to SWP), take these seriously and find solutions.

9. Pay transparency is of increasing importance to employees and is also increasingly required by global legislation. Businesses need to consider their policies and the underpinning job architecture, and make a plan to share the 'story of their pay'.

10. Clear change management, communication and storytelling underpin many of the interventions discussed. This means creating a compelling value case, delivering quick wins to build momentum and communicating success stories so that employees know what is possible. The human element of transformation is much harder to get right than the technical side.

The event focused on the intersection of three themes:

PRODUCTIVITY. Productivity is the lifeblood of thriving organisations and can be defined as how efficiently we use our resources to achieve goals. HR professionals have the power to influence and enhance productivity in their workforce through a range of ways, including effective talent management strategies, fostering a positive work environment and investment in AI tools and adoption.

PURPOSE. Purpose is the driving force behind everything organisations do. The HR function has the opportunity to align an employee's individual purpose with the purpose of the organisation through creating a strong emotional connection between the two. Purpose-driven organisations are better at attracting and retaining top talent, fostering innovation and building strong relationships with their customers.

PROFIT. Profit is no longer seen as a sufficient goal in itself, but as a means to achieve sustainable profitable growth and have positive societal impact. Profit allows businesses to reinvest in their business, people and to give back to their communities.

The below word cloud presents attendees most common key takeaways from the day:





BUILDING THE NEXT GENERATION SKILLS-POWERED ORGANISATION WITH ANALYTICS AND DESIGN



RAVIN JESUTHASAN is the global leader of Mercer's Transformation Services business. He is a recognised global thought leader, futurist and author on the future of work and workforce transformation. He has led multiple research efforts on the global workforce, the emerging digital economy, the rise of artificial intelligence and the transformation of work, for the World Economic Forum and is a member of the forum's Steering Committee on Work and Employment. He is the author of the books *Transformative HR*, *Lead The Work: Navigating a World Beyond Employment* and *Reinventing Jobs: A 4-Step Approach to Applying Automation to Work*.

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DAVID GREEN is recognised worldwide as one of the most influential leaders in the fields of people analytics and HR technology. He is an author, speaker, and executive consultant on people analytics, data-driven human resources and the future of work. His book, *Excellence in People Analytics*, co-authored with Jonathan Ferrar, was published in July 2021. As Managing Partner at Insight222, David works with chief HR officers and people analytics leaders in global companies to help them create more value and impact from people analytics. This includes delivery of the Insight222 People Analytics Program® that supports the advancement of people analytics in over 100 global organisations.

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The pivot from jobs-based to skills-powered organisations will require businesses to rethink everything. This is difficult to achieve, but can lead to true transformation – whether that's through increasing productivity, creating the agility to deploy talent at scale and speed, or improving profitability.

THE CONTEXT

- Businesses must navigate a poly-crisis world, with 97% of organisations saying that they are currently facing disruption. Trends such as the climate crisis, the impact of the war in Ukraine, a shrinking workforce and AI are combining together to create greater complexity.

Guiding businesses through these challenges – particularly the Covid-19 pandemic – has enabled HR to move from a support function to a strategic partner to the business.

- Over the last few years, organisations have changed from *complicated* to *complex*, requiring different ways of operating and structures. The first demands scale, efficiency and expertise, underpinned by traditional, fixed, hierarchical structures, whereas the second demands something very different – speed, agility and execution, underpinned by a more hybrid and agile ecosystem.

THE SKILLS-POWERED ORGANISATION

Focusing on skills is an inevitable step in the journey to becoming an ever more agile organisation. Organisations should consider how to deploy talent across the organisation, making the most of the skills they already have and redeploying talent as the work changes and new skills are demanded.

The Fix, Flex, Flow model is one model for how people can connect to work:

- Talent in fixed roles
- Talent in flexible roles that are partially fixed, but can flow to work as needed
- Talent fully flows tasks and projects.

HR should simultaneously orchestrate all three types, building an organisation that can fix, flex and flow as needed.

Three core capabilities underpin becoming more skills-powered:

- Work Design** – understand how demand for the work required is changing and connect this to the supply of skills and capabilities. Organisations will need to design work in a way that makes the most out of the people they have today whilst also preparing for the skills that will be needed in the future.
- Talent Development** – how do we develop the capabilities we need at scale and speed? How do we ensure development is happening in a way that will actually close the gaps in supply and demand?
- Talent Deployment** – the ability to deploy skills to where the demand is, with as little friction as possible.

THE ROLE OF ANALYTICS AND GOVERNANCE

People Analytics is playing an increasing role in helping create a skills-powered organisation – an organisation cannot become skills-powered unless they have good skills data:

- Organisations need to collect skills data that actually supports their business objectives.
- Managers can only validate the skills that they see people use in their day-to-day work. Analytics Teams can supplement this by using machine learning tools to infer skills.

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- Organisations are increasingly using data across the talent lifecycle (e.g. during hiring, learning, career mobility, workforce planning and more).

THE JOURNEY TO BECOMING A SKILLS-POWERED ORGANISATION

- 1 Start with a clear 'north star' guiding your goals, linked to overall business objectives.
- 2 Skills are the foundation for connecting talent to work. This includes transferable and non-technical skills.
- 3 AI should be at the heart of building a more resilient and flexible enterprise (for example, through powering analytics or supporting the deployment and development of skills). AI can also infer skills that people may not even be aware that they have.
- 4 HR processes will need to change as organisations move towards using skills as the currency for work. For example, workforce planning will mature from headcount planning to role-based planning and skills planning, and finally to integrated capability and economic planning.
- 5 Start 'narrow and shallow' and focus on where you can add real value, particularly if you are working with sceptical stakeholders.
- 6 This is about change management and requires a focus on shifting the culture. For example, changing how talent is valued in order to discourage managers from hoarding talent.

Q Regarding skills taxonomies, how far away are we from creating a universal, standardised way of talking about skills?

A The language of skills has become much more precise and there is now much more consistency and alignment, driven by tools such as the Mercer Skills Library or the World Economic Forum (WEF) skills taxonomies. The WEF also runs Future Skills Boards, which include CEOs of skills tech providers, to create more consistency across skills.

Q How can you navigate becoming a skills-powered organisation if many of your workers are contractors or partners?

A As more and more work is conducted by non-employed labour, HR leaders will need to think about how they orchestrate the contractor experience (rather than leaving this to procurement departments). Just as HR manages the employee experience, HR will also need to have a stake in managing the non-employee experience; the brand, the purpose of the organisation, and how this is manifested in interactions between customers and employees.

CRF A MANIFESTO FOR FUTURE-READY HR


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GILLIAN PILLANS is Research Director at CRF and the author of over 30 CRF research reports on a wide range of strategic HR topics including HR and business strategy, leadership development, talent management, organisation development and learning. Gillian has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor.


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JOHN WHELAN MBE is a Director at CRF. Formerly UK HR Director of BAE Systems, the FTSE 100 defence, security, and aerospace company, John's experience and strengths lie in business and HR Transformation, Organisation Development and Employee Relations. Prior to joining BAE, he held a variety of HR roles in engineering, technology and manufacturing businesses across the telecommunications and semi-conductor industries including Matra-Marconi Space where he was HR Director for the UK and, latterly, Group HRD.

Gillian Pillans and John Whelan presented CRF's *Manifesto for Future-Ready HR*, reinforcing HR's critical role amidst a changing business context and outlining how the HR function can contribute to organisation performance.

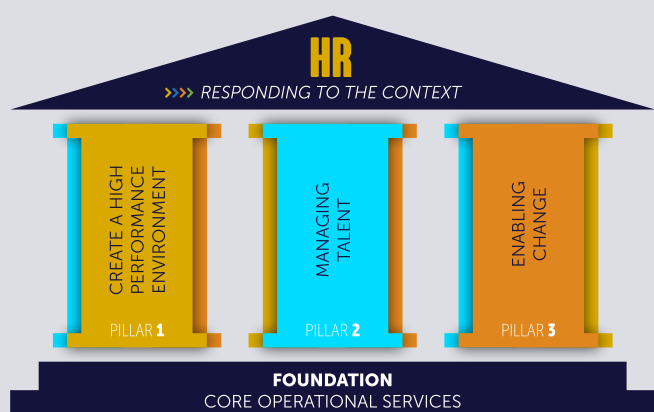
CHANGING DEMANDS OF THE ORGANISATION

The Covid-19 pandemic accelerated global changes, forcing organisations to rethink their strategies and change working practices at speed. We can expect the context to remain challenging and unpredictable for businesses – HR practitioners will need to understand the implications of these trends and prepare their organisations accordingly.

The advent of AI and other emerging technologies will be particularly disruptive, impacting every sector of business, society and jobs. AI will change organisations and reconfigure work, placing a greater premium on HR's ability to conduct job redesign, reskilling and change management.

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THE ROLE OF A FUTURE-READY HR FUNCTION

CRF's *Manifesto for Future-Ready HR* identifies three overlapping areas of HR delivery which are critical to building sustainable value:

- 1 **Creating a High-Performance Environment.** Performance exists at both individual and organisational levels. HR has to work on both.
- 2 **Managing Talent.** This needs to focus on developing the future capabilities required to build and transform the business and execute new strategies. The ageing population and talent shortages in key areas are increasing the need to invest in reskilling.
- 3 **Enabling change.** The capacity for organisations and the people who work in them to continuously adapt to change will become a key differentiator.

The three pillars are underpinned by a foundation of core operational services, which are essential to the smooth running of the organisation. Technologies such as digital self-service and AI-enabled tools are increasingly delivering these services and have the potential to increase efficiencies. However, no matter how much of this core work can be replaced by AI or third parties, HR must always be the stewards of it.

CURRENT STATE OF PLAY

CRF has identified many positive examples of HR functions delivering value, as well as opportunities for improvement:

- + There is a tendency for HR to be attracted to the latest thinking or 'best practice'. Instead, start by defining the business issues to be solved and use evidence to identify the practices and solutions which are most likely to provide answers. An [evidence-based approach](#) will help us avoid falling for HR solutions looking for applications.

- + Be clear in your use of HR or management terms. For example, what does 'performance' or 'talent' mean in your business?
- + Build a strong theoretical foundation, understanding that there is not a single set of universally applicable theories.
- + CRF research consistently shows HR could be better at evaluating the business impact of their work. Focus on enhancing the overall process of evaluation, rather than just on measurement.
- + As emphasised by session attendees, manager capability is a key barrier and organisations will need to invest in overcoming this.

NEXT STEPS

- + Be at the heart of strategic decisions, bringing deep understanding of the organisation and workforce as well as insightful analysis of the external environment into discussions.
- + Understand how the organisation works and how power flows, combining this with integrity to become a trusted influence for the CEO and other leaders.
- + Bring together commercial acumen, great people judgement, leadership, theoretical understanding and deep expertise.

RESOURCES

> ***A Manifesto for Future-Ready HR***

> **How future-ready is your team?**

CRF has research and other resources to help you build capability across the HR function, including a 360° Learning Needs Analysis designed to help you identify your team's strengths and areas to focus on. If you would like to learn more, please email jessica@crforum.co.uk.



INTERNATIONAL CONFERENCE:
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HARNESSING GENERATIVE AI FOR HR AND THE WORKFORCE



JASON AVERBOOK is a Senior Partner and Global Leader of Digital HR Strategy with Mercer | Leapgen. From 2018 to 2023, he was Co-founder and CEO of Leapgen, a digital transformation company helping organisations shape their future workplace. Now he continues broadening executive mindsets to rethink how to better design and deliver employee services and drive the shift from doing technology projects to being a digital function. Prior to this, Jason served as the CEO of The Marcus Buckingham Company (TMBC). Jason has been recognised globally as one of the top three thought leaders around HR technology and the future of work.

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TIANA MORGAN is a Principal in Mercer's Workforce Transformation team. She leads the HR Transformation practice in the UK across HR Operating Models, Process & Interactions and Digital Strategy, Implementation and Change. Tiana brings over 10 years' experience from both consulting and in-house working with FTSE100 companies and global brands. She is passionate about leveraging digital technologies to improve the employee experience and unlock capacity in HR teams, continuous improvement and moving HR to be a more strategic people function.

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Jason Averbook, Senior Partner and Digital Strategy leader at Mercer, shared the opportunity of AI to drive productivity and transform the way we work:

- + Recent AI advancements mark a 'printing press' moment where technology can fuel exponential transformation across businesses, society and the world of work.
- + AI is shifting the jobs market and the types of skills that people will need in the future. HR practitioners currently spend a lot of time on 'hands' or transactional work, such as creating PowerPoints, answering emails or responding to inquiries. AI has the potential to eliminate a lot of this work, freeing up the time to do more 'heads' and 'hearts' work. For example, AI will save time in conducting data analysis, leaving more time to interpret the data and decide how to communicate it.
- + CEOs are expecting 10-30% efficiency gains as a result of AI. However, most organisations are behind in their efforts to understand the full opportunity AI presents, to educate and upskill their own workforces, and to define a strategy to transform the way people work and enable HR leaders to execute change.

EXAMPLE USE CASES

- + The application of GenAI to chatbots is currently the number one use case in HR:
 - + Most chatbots fail as they are based on machine learning – rather than GenAI – and are clunky. The way GenAI 'thinks' is more like a human brain, which is changing the future of chatbots drastically. This means that employees will be able to have fulfilling conversations with chatbots.
 - + Due to the often siloed nature of HR's work, it will be important that employees are signposted to which chatbot to use. It will also be important that employees still have the option to speak to a human if they choose.
- + Jason and Tiana shared example GPT use cases through a demonstration, including designing a training course, building an ROI calculator, creating customised videos and detailed data analysis.

KEY TAKEAWAYS

- 1 AI should be viewed as a 'Trusted Partner'. This requires us to take the time to understand how to best use it.
- 2 The human side (rather than the tech implementation) is the harder side of AI to get right.
- 3 Regarding ethical concerns, remember that every technology has the potential to be used in nefarious ways – AI is no different. This means governance is more important than ever, and organisations should not wait for vendors or government to put regulations in place. Think of GenAI as a 'thought partner' that is there to help you, always keeping the human in the loop to check outputs, rather than just regurgitating what AI says. Consider 'what if something goes right?', rather than only 'what if something goes wrong?'.
- 4 This is an ongoing opportunity to 'think AI first'. Whenever you are faced with a new project, first consider 'could AI help me do this better or faster?'.
- 5 The number one way to see success with AI is to use it with intentionality and be driven by business or HR need. Consider use cases for your organisation that could have an immediate impact, such as writing job descriptions faster or creating a chatbot to free up HRBP workloads.

RESOURCES



[HR Tech Forum](#)



[Gen AI Forum](#)



[Now of Work Digital Meetup](#)

SWP THE PRIZE YOU CAN WIN



DAVID EDWARDS has been described as a workforce planning pioneer: he prefers the word veteran, since he has been in the SWP space for almost thirteen years, before which he was variously a change, finance and operations leader. He has introduced SWP into two global companies. David is a member of The Workforce Planning Institute's Global Standards and Content Committee, and is a frequent writer where his focus is on demystification and pragmatism.

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FRANKIE WATKINSON leads Mercer's UK Strategic Workforce Planning practice shaping and delivering large-scale strategic workforce transformation projects for a range of global organisations. She also brings in-house expertise and experience having held internal HR Business Partnering, Talent and Future Skills roles in the Telecommunications sector prior to joining Mercer.

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Strategic Workforce Planning (SWP) can make the difference between your business owning its future and not having one at all. However, it often falls short of expectations and successful implementation is not yet widespread. Successful SWP is difficult and requires:

- + Vision and value
- + Perception and proposition
- + Narrative and narration
- + Trust and transparency
- + Engagement and execution

Whilst data quality is important, suboptimal data is everywhere. Therefore, analytics functions should not delay making plans because the data is not good quality.

CASE STUDY: LESSONS LEARNED

From a case study of his own experiences of redeploying talent at risk of redundancy, David shared the following lessons:

- 1 Build your evidence base (aligned to a company imperative).
- 2 Accept that inaccurate data is a fact of life.
- 3 Master the numbers, consulting with Finance if necessary. This will build credibility and create co-ownership with Finance.

David also focused on middle management buy-in as a specific implementation challenge, highlighting that successful SWP requires the backing of middle and junior managers. In order to create buy-in from this group, you will need to make sure there is something 'in it for them'. At his organisation, David garnered middle manager support by creating dependency between hiring and SWP through the following:

- + Created a model where freedom to hire depended on completing a SWP which reflected the people and company OKRs and was executed in line with them. For example, the plan needed to progress D&I targets or increase offshore staff, and during implementation, consider internal staff first or use listed vendors with lower prices.
- + When combined with pre-selected candidates for high-volume roles, this created a huge reduction in hiring times. Overall, this saved a nine-figure sum over three years and increased a number of people metrics.

Organisations need to identify middle managers' challenges (even if not obviously related to SWP), take these seriously and find solutions in order to create buy-in for SWP.

KEY TAKEAWAYS FOR IMPLEMENTING SWP

- 1 Know why you're doing SWP.
- 2 Always take the first step – if you wait for all the pieces to be in place, you will be waiting forever.
- 3 SWP is about the execution of strategy: what it will take, and what risks exist.
- 4 However great the people benefits might be, it is the financial benefits that will resonate first with leadership. Build a close and trusted relationship with Finance.
- 5 SWP is a lonely job as you're disrupting everyone. Stakeholders have to be brought in – be selfless and ask people how you can help facilitate their roles.
- 6 Know and track your benefits – give yourself a future story to tell.
- 7 Find the win for your middle managers that will earn their trust and engagement, even if its apparent relationship to SWP is minimal.
- 8 Be prepared to learn and speak others' language. Build familiarity, empathy and trust.
- 9 SWP is business planning and not solely the remit of HR.
- 10 The skills-powered business is not a destination; but is a valuable step on the journey towards fully understanding what your people are capable of doing.

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TAKE THIS LEARNING BACK TO YOUR ORGANISATION

- 1 Identify one strategic workforce challenge your organisation is currently facing and apply one strategy discussed in this session.
- 2 Imagine the potential impact – not just in cost savings, but in fostering a more dynamic, skilled and engaged workforce.
- 3 Set up a follow-up workshop to share concepts and start making tangible changes.
- 4 Remember SWP is an ongoing, collaborative process – so share progress and learnings with peers.

CASH-IN ON CAREER FRAMEWORKS!



REBECCA LYS is a Principal in Mercer's Workforce Transformation team, where she currently leads signature Skills Transformation projects and Talent Development Programmes. Rebecca brings over 10 years experience from both consulting and in-house. Prior she worked at The Walt Disney Company leading the design and implementation of Talent, Learning and Organisational Development programmes in EMEA and the US. Her passion is integrating talent strategies to the broader HR and business lifecycles for optimal success.

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MARK MCGOWAN is a Senior Principal at Mercer, with over 20 years of reward consulting experience. Mark works extensively with organisations across Europe and internationally to ensure their role frameworks, reward strategies and reward programmes reflect their purpose and business strategy. Mark leads Mercer's UK Reward Leaders Forum client network and regularly undertakes research on current issues and emerging trends. Previously, Mark specialised in Executive Remuneration and worked as project manager.

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Organisations are facing significant challenges in attaining the right capabilities and skills, as well as leveraging the talent that they have. According to the Mercer 2024 Global Talent Trends report, two thirds of employees say that they don't have the tools required to navigate their career effectively. At the same time, employee commitment doubles when employees rate communication as good. HR and leaders are therefore seeking ways to create agile talent models with Career Frameworks at the centre.

BUILDING THE BUSINESS CASE

A Career Framework journey requires investment; building the business case is key. Given that building a career framework is often a multi-year journey, its vital to show returns at each stage of the journey. Example metrics include increases in productivity, reduced attrition, improved employee engagement and improved speed to market.

FOUR BUILDING BLOCKS TO MATURE YOUR CAREER FRAMEWORK

- 1 Start with a career philosophy or vision to set out the 'career deal' – including the ownership, velocity and nature of career progression opportunities.
- 2 Build the foundations through refining or implementing Job Architecture.
- 3 Map skills to jobs, using a skills framework where applicable.
- 4 Accelerate your progress through tech-enabled career journeys. For example, AI can be used to scale how people might move across different job families or to understand where new opportunities might be.

ENSURING SUCCESS – PRACTICAL GUIDANCE

- ✚ Implementation requires a mindset shift for leaders to enable talent mobility. Therefore equip leaders to have rich career conversations and use the data available to them.
- ✚ Technology can help through suggesting careers or skills. Ensure the experience is user-friendly – without this you will not obtain the data required to report on the ROI, let alone see the benefits of career frameworks.
- ✚ HR processes will need to be transformed. Integrate career mobility into talent, succession and performance conversations so that calibration is not only driven by employees.
- ✚ Equip line management so that they can also have conversations with employees (rather than responsibility only falling to HR).
- ✚ The level of change management required to orchestrate a comprehensive shift in how work is designed and how employees and leaders engage with career opportunities is often underestimated. Managing change and ways of working is as important as the framework itself. People leaders should:
 - ✚ Ensure they gain commitment, including through an aligned vision and a compelling value case.
 - ✚ Build momentum, delivering quick wins against priority use cases.
 - ✚ Embed change through ensuring the business is involved throughout the journey.
 - ✚ Communicate success stories so that employees know what is possible, especially in matrixed organisations where visibility might be poor.

ILLUMINATING THE PATH: NAVIGATING THE WORLD OF PAY TRANSPARENCY



LUCY BROWN is a Principal at Mercer, part of Mercer's HR Transformation team, where she is the UK Pay Equity & DEI Consulting Leader. Lucy has 10 years of consulting experience working with global, regional and local clients across Pay Equity, Pay Transparency and DEI solutions offerings, as well as EVP and ESG projects. Lucy joined Mercer in 2014 and is the Global Pride co-chair for Mercer. Before working as a DEI and Pay Equity consulting specialist Lucy was an investment consultant within the financial services sector.

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TRICIA MASKELL is an award-winning communicator with more than 25-years' experience strategic communications. She joined Mercer in 2020 from a specialist employee change communication agency in Canada. Prior to that, she ran her own PR agency for 10 years and worked in several boutique and large, global PR agencies. Over the last four years leading Mercer's Employee Change Communications team, she has worked on numerous projects to create greater transparency and acceptance around pay, reward strategies, pay equity and gender pay gap, grading structures, skills and career frameworks.

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The following factors are driving an increasing interest in pay transparency:

- +** **Proliferation of data on social sites** – sites such as Glassdoor and Indeed have made compensation data more accessible than ever to employees. Organisations therefore need to control the narrative in order to avoid inaccurate or misconstrued data.
- +** **Shifting societal and employee expectations** – nearly 90% of Gen Zers say they're comfortable openly talking about pay at work and nearly half of candidates say they won't apply for a job without this information.
- +** **Sustainability** – shareholders are increasingly focused on workforce and environmental sustainability. The 2024 EU Corporate Sustainability Reporting Directive (CSRD) is one example of this.
- +** **Legislative action** – pay transparency legislation is progressing globally. The EU Pay Transparency Directive will come into force in 2027 and will impact any UK based businesses with a footprint in the EU.

According to Mercer's soon to be published 2024 global pay transparency survey, organisations listed compliance as the key driver for employers to implement a pay transparency strategy (77%). Other important drivers included alignment to company values (53%) and increased employee satisfaction (51%).

Pay transparency is also of increasing importance to employees. Mercer's 2024 Global Talent Trends research identified fair pay as the second most important reason for why an employee stays at an organisation. When employees believe they are fairly paid, they are 85% more engaged to their organisation and 60% more committed.

THE FOUR PILLARS OF PAY TRANSPARENCY

Businesses should consider the below four pillars when addressing pay transparency:

- 1 Policy and practices.** What is your compensation philosophy? What is your performance management approach? Do you have a pay equity policy? Are your policies robust?
- 2 Job architecture.** Do you have a robust job architecture in place that will allow you to compare groups and categories of workers and communicate salary ranges?
- 3 Workforce data.** Is your HR system up to the job? Are your systems connected? Do you have the data you need in place?
- 4 People and culture.** This involves building good relationships with people based on trust and openness. What are you sharing, with who, and how frequently? Do people understand the benefits?

EFFECTIVE REWARD COMMUNICATIONS

The 'human element' is the biggest challenge of pay transparency, demonstrated by a lack of employee understanding, satisfaction and commitment.

This can be addressed through holistic communication which understands what audiences need to think, feel and do, delivered via creative tactics and storytelling. However, most organisations don't know where to start and are nervous about telling their 'story of pay'. The following steps can help create a holistic and structured approach to communications:

- +** Establish clear objectives and understand the business context.
- +** Consider your audience (including your external audience) and how you can segment communication.
- +** Craft the story to take your audience on a journey, with leaders acting as storytellers.
- +** Encourage managers to keep the dialogue going – communication should not be a one-off event.

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KEY TAKEAWAYS

- 1 Pay transparency is not a passing fad – employers have recognised the unwavering expectations of candidates and employees.
- 2 Be honest about the strength of your foundations (e.g. job architecture, compensation, pay equity and communications).
- 3 Understand what your different audiences need to know, recognising that programmes designed for HR purposes are not necessarily well-built for public-facing purposes.
- 4 Set a global strategy and communicate clearly and consistently.
- 5 Take a long-term approach as expectations continue to evolve.

Q Organisations often prevent transparency between employees by discouraging or banning conversations about pay amongst peers. What are your thoughts on this?

A This highlights why it is so important to create strong foundations for your approach to pay transparency that stand up to scrutiny. If this is done right, then employees discussing pay between themselves should not be an issue.

RESOURCES

- > [Paving the Path to Equity](#)
- > [Inside Employees' Minds Study](#)
- > [2024 Global Talent Trends](#)
- > [Total Reward Evolution](#)



For any further questions about [Mercer](#), upcoming Mercer events and thought leadership, please contact [Marcus Downing](#).



For any further questions about [CRF](#), upcoming CRF events and thought leadership, please contact [Richard Hargreaves](#).