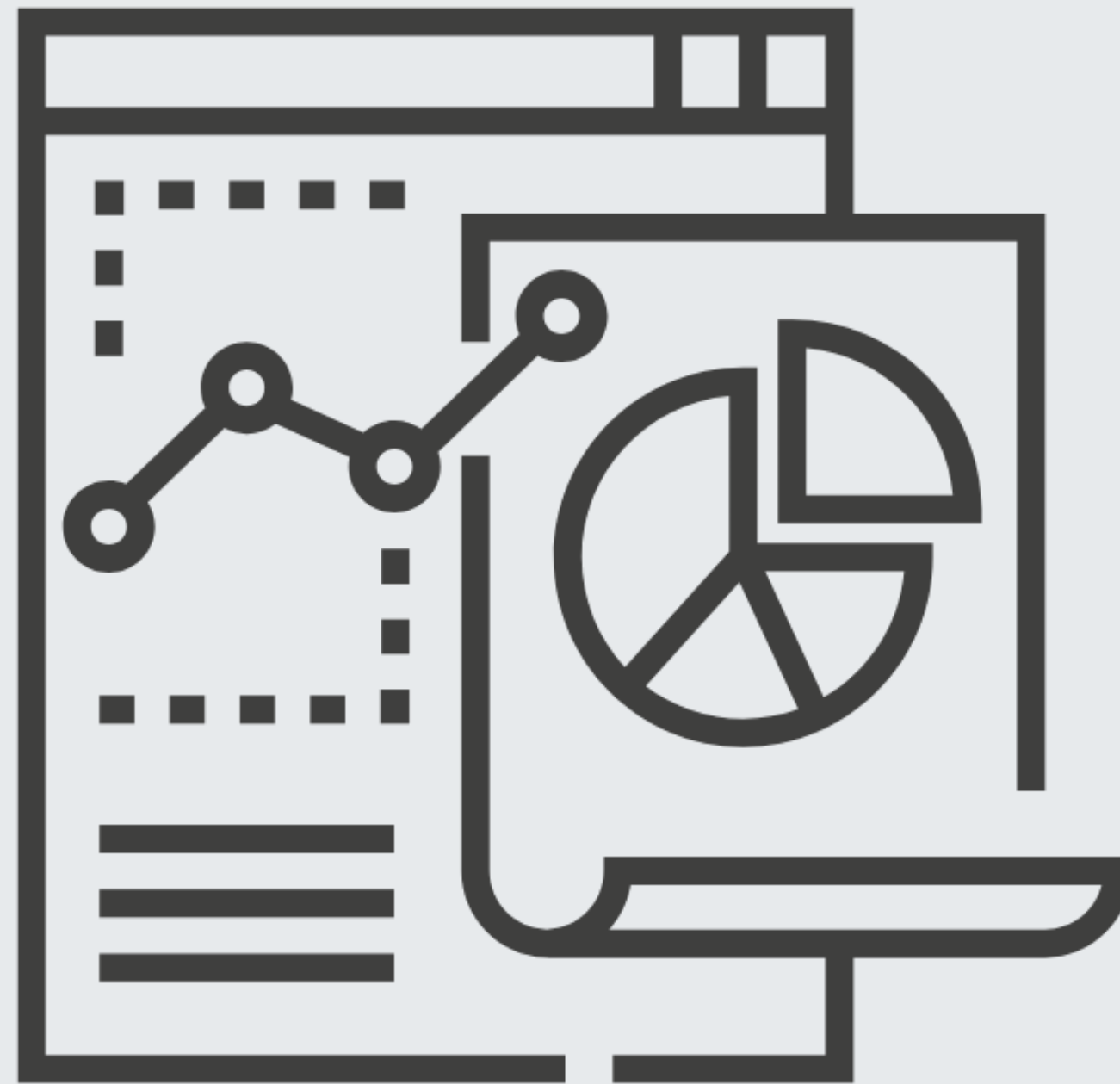


TUCKER STONE

Key Themes | *2024 Tucker Stone Survey*



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This survey was sent to our community of 20,000+ HR leaders across a diverse range of industry sectors



Navigating Change with Confidence & Agility

25% of businesses now navigate change through data.



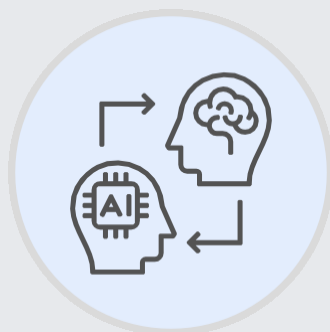
Rethinking Performance to Unlock Potential

In the last 12 months, 46% of organisations have aligned performance management to values and company goals.



Redefining HR for the Future

50% of leaders felt that having a generalist background was crucial to success as a HRBP, whilst 20% felt business experience was key.



Transforming HR with AI and Digital Tools

Only 50% of HR departments are utilising AI. This figure has NOT changed in the last 12 months.



Building Inclusive Workplaces That Thrive

Gender & Ethnicity are still key focus areas, but the focus on Neurodiversity has significantly increased.



Rethinking Roles to Sustain Effectiveness

70% of leaders said that leadership development is a key priority, similar to last year, but there are key challenges around lack of time and budget, and resistance to change.



Prioritising Well-being and Equitable Rewards

The top 5 reward incentives acting as a differentiator to securing top talent were all flexible 'softer' benefits.



Navigating Change with Confidence & Agility

Change and transformation are pervasive themes impacting organisations across various areas. This year's survey highlighted several key questions related to these topics, revealing the major challenges faced by organisations in the current climate:

Workforce management

Many leaders stated that their business doesn't have a workforce planning strategy in place due to ongoing change. *This is a critical concern, with 70% of leaders stating this as THE number one challenge facing their organisation*, reflecting ongoing challenges in talent acquisition, retention, and development.

Leading and adapting to change by HR

This was a particular concern amongst leaders, with over *50% stating adapting to change was one of the major challenges for their HR function* currently.

When specifically asked about what it takes to be a successful HRBP, *72% of HR leaders said that experience in change management is crucial*, which also ranked in the top 3 skills required to be successful in this role.

Digital alignment must align with financial management

Although *25% of organisations are now using data to navigate change*, there is still the need for HR to focus on strategies that support digital transformation while maintaining financial stability, ensuring that investments in technology and workforce development are sustainable.



Rethinking Performance to Unlock Potential

This year, we introduced additional questions to explore how organisations are managing performance and what changes they are implementing. The results indicate a significant shift in how employee performance is viewed and addressed, with many organisations aiming to enhance evaluation, goal setting, feedback, and recognition strategies:

Greater alignment with organisational goals

While annual reviews remain the sole method of performance management in many organisations, *46% of leaders reported adopting practices that align performance with company values and goals*. This indicates a growing trend toward linking individual performance with broader business objectives, fostering a more cohesive and purpose-driven workforce.

Shift from annual reviews to continuous feedback

Over 20% of organisations are replacing traditional annual reviews with more frequent feedback cycles, such as bi-annual or quarterly reviews. This shift allows managers and employees to address performance issues or improvements in real-time, enhancing responsiveness and agility. Interestingly, despite the abundance of research and market advice advocating the benefits of regular performance discussions, it was surprising to see that a *significant number of organisations are still adhering to annual appraisal cycles*.

Stronger focus on rewarding performance

When asked about the biggest influences on reward strategies over the next 3-5 years, more than *50% of leaders anticipated a shift toward personalised and customisable reward programs*. This reflects a broader move toward employee-centric approaches in managing and recognising performance.



Transforming HR with AI and Digital Tools

Our survey data reveals that organisations are increasingly recognising the value of HR technology in streamlining operations and making data-driven decisions. Here's a breakdown of where businesses are focusing their HR tech investments:

64% of organisations are investing in *HRIS*

41% are prioritising *People Data and Analytics*

Significant investment is also being made in *Applicant Tracking Systems*, *Performance Management*, and *Learning & Development* platforms

Where are these tools having the most impact?

60% said *analysing attrition rates* – helping them better understand and address employee turnover.

52% said *enhancing performance management* – ensuring employee evaluations are more objective and actionable.

45% said *providing valuable compensation insights* – allowing more equitable and transparent salary structures to be created.

As HR technology continues to evolve, it's clear that organisations are leveraging these tools to not only improve operational efficiency but also to make more informed, strategic decisions about their workforce.

What about the use of AI?

When it comes to generative AI, *50% of organisations reported that they are not using AI in their HR functions*. This figure is identical to last years' survey, signalling that almost no significant adoption of AI in HR has taken place over the past 12 months. It raises important questions about HR's readiness, and willingness, to fully embrace AI-driven innovation.



Rethinking Roles to Sustain Effectiveness

We delved into how organisations are approaching leadership development. Notably, there is a growing recognition that the very design of leadership roles needs rethinking, as leaders are increasingly overwhelmed with ever expanding responsibilities. Here are some of the key findings:

Strengthening leadership development is a must

Leadership development is now a significant challenge for talent acquisition teams. Organisations increasingly understand that effective leaders are crucial to their success. However, research highlights that many *leadership roles are becoming unsustainable*, as more and more is being piled onto leaders. Leadership development, succession planning, and talent retention are all closely linked – employees want clear career paths and leadership opportunities.

Top development priorities: strategic thinking & communication

55% of leaders identified enhancing strategic thinking, vision, and communication as top priorities. This indicates that leaders need to be equipped to tackle complex challenges while communicating their vision effectively across their organisations. Yet, this becomes harder when the role design itself isn't optimised for success.

A persistent focus on leadership development

While 90% of leaders marked leadership development as a priority last year, 70% continue to do so this year. The slight decline may indicate that organisations are adjusting to other priorities. However, with leadership roles evolving and expanding, the focus on strengthening leadership capabilities is still essential.



Redefining HR for the Future

It's clear from earlier insights that workforce capabilities remain a key focus for organisations, with leadership development as a top priority for the People function.

One recurring topic of conversation with senior HR leaders this year has been around HRBP quality, capability and potential of their HRBP teams. To explore this further, we asked *what essential attributes make a successful HRBP?*

- 83% said *Business acumen*
- 78% said *Communication skills*
- 77% said *Relationship building*
- 77% said *Strategic thinking*
- 72% said *Change management*
- 24% said *Industry knowledge*
- 24% said *Technological proficiency*
- 8% said *professional certifications*
- 4% said *advanced degrees*

It's evident that *soft skills*, rather than technical skills or formal education, are *seen as critical*. Given some barriers to accessing higher education and the resulting implications for diversity and inclusion, these results may offer a positive perspective.

The *low prioritisation of technology proficiency* raises concerns. Most leaders stated that HRBPs have responsibility for driving more data-orientated workforce planning strategies, so it seems that the population most responsible for driving these strategies, is the same group where technology proficiency isn't being prioritised.

Regarding optimum career pathways into the role of an HRBP, *50% of leaders believed a generalist background* is the most beneficial, while *20% felt that broader business experience is advantageous*.



Prioritising Well-being and Equitable Rewards

Our survey results provide a clear snapshot of how organisations are adapting their reward strategies to meet evolving employee and market expectations. Here are our key findings:

The *top five influences* on reward strategy decisions are:

1) market competitiveness 2) budget constraints 3) employee performance 4) employee retention, and 5) organisational goals

Future trends

Leaders that the following trends will have the biggest impact on their reward strategies in the next 3-5 years:

Greater emphasis on work-life balance: there's a cultural shift in the workplace where employees increasingly value flexibility, time for personal pursuits, and balance between work and life.

Rise of personalised and customisable reward programmes: the “one-size-fits-all” approach to rewards is becoming outdated. Employees now expect tailored rewards that reflect their individual preferences, lifestyles, and career stages.

Increased focus on mental health and wellness benefits: with mental health becoming a major factor in overall well-being, this trend shows that organisations will continue to expand their offerings in this area.

It's evident that there's a broader cultural and generational shift, with employees increasingly seeking meaningful work, mental health support, and flexible benefits that align with their personal lives.



Building Inclusive Workplaces That Thrive

DEI agendas are increasingly influencing the entire employee journey, shaping strategies from hiring and development to rewards and leadership accountability. Here are our key findings:

Addressing skills shortages: 34% of leaders cited DEI initiatives as key measures to bridge skills shortages. This underscores a recognition that *diverse talent pools bring fresh perspectives* and enhance problem-solving capabilities.

Shifting reward strategies: equity and fairness emerged as significant influences on reward strategies, however, *only 2% have implemented DEI-focused rewards*, highlighting a key opportunity to drive inclusivity through innovative incentives.

Leadership accountability: responsibility for DEI is increasingly *shifting towards senior leadership (42%) and DEI specialists (32%)*, highlighting the need for top-level accountability alongside collaborative efforts from HRBPs, Talent Management, and Employee Resource Groups.

Broadening inclusion focus: while Gender (72%) and Ethnicity (53%) remain foundational, there's a *rising focus on Neurodiversity (25%)*. Sexual Orientation and Gender Identity are now considered well-established, reflecting a maturing approach to LGBTQ+ inclusion.

Gaps in age diversity: 86% of leaders reported *not having an age strategy*, which indicates a missed opportunity to harness the value of a multi-generational workforce.



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