Global Talent Trends 2025 Highlights

Risks & opportunities for HR leaders

Based on inputs from 1,892 HR Leaders
Survey data collection in October 2024
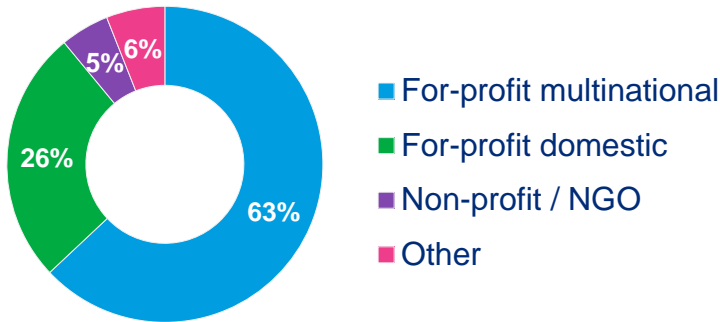A companion to the 2024-2025 Global Talent Trends Study report

A business of Marsh McLennan

Global Talent Trends 2025: HR leader pulse survey
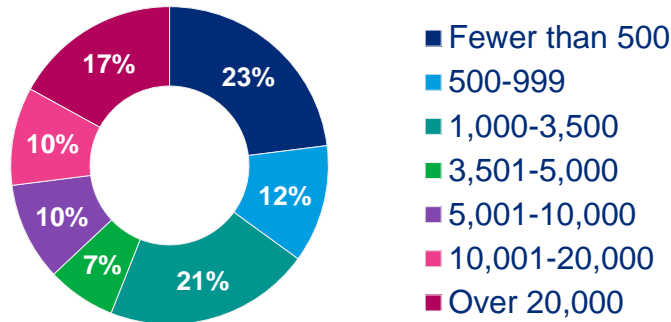
Total responses = 1,892

Mercer's 2024 Global Talent Trends study identified four key trends based on input from 12,000+ business executives, HR leaders, and employees across 17 geographies and 16 industries.

This 2025 pulse report provides an update on how organizations are making progress against these trends.

Org type

- 63% For-profit multinational
- 26% For-profit domestic
- 5% Non-profit / NGO
- 6% Other

Org size (total # of employees)

- 23% Fewer than 500
- 12% 500-999
- 21% 1,000-3,500
- 7% 3,501-5,000
- 10% 5,001-10,000
- 10% 10,001-20,000
- 17% Over 20,000

Industry sector

9%	7%	6%	10%	5%	5%	13%	44%

- 9% Consumer Goods
- 7% Energy
- 6% Financial Svcs
- 10% Manufacturing
- 5% Professional Svcs
- 5% Retail
- 13% Tech, Media & Comms
- 44% Other
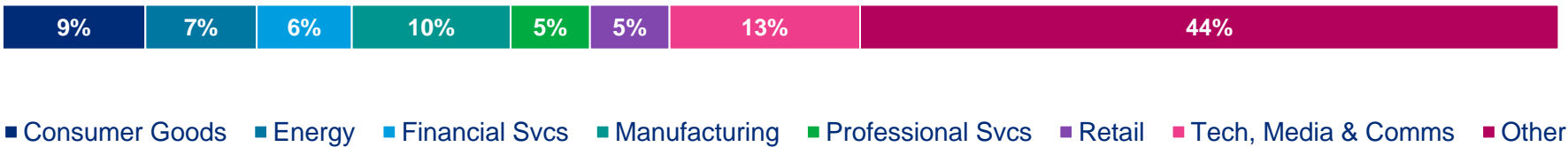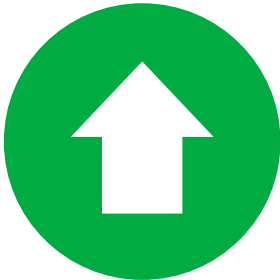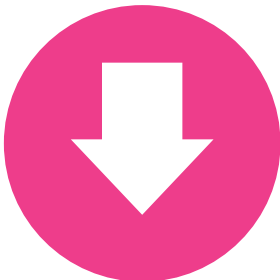
How have priorities changed for HR leaders in the past year?

Across all geographies and industries

Higher priority this year	2024	2025
Designing talent processes around skills	#8	#3
Improving people managers' skills	#9	#1
Rolling out new HR tech / optimizing existing platforms	#13	#6
Delivering on DEI goals including pay transparency & pay equity	#14	#7

Lower priority this year	2024	2025
Enhancing/modernizing pay practices	#6	#9
Investing more in financial well-being benefits including retirement savings	#7	#21

A critical question for HR this year: Where should we *invest for impact*?

Top 10 HR priorities
Global results

1. Improving people managers' skills
2. Enhancing the EX / EVP to attract and retain top talent
3. Designing talent processes around skills
4. Improving workforce planning to inform buy/build/borrow strategies
5. Improving HR/People analytics capabilities
6. Rolling out new HR technology or optimizing existing platforms
7. Delivering on DEI goals, including pay transparency and pay equity
8. Optimizing the operating / service delivery model of the HR function
9. Enhancing or modernizing pay practices
10. Redesigning work to incorporate AI and automation

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2025 priorities for HR leaders vary by geography

Which of the following are priorities for your 2025 People agenda? [Top ten results]

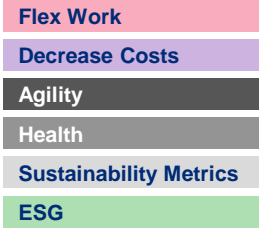| Global	Asia	Europe	India, ME, Africa	Latin America	Pacific	US & Canada
1. Improving people managers' skills	Managers	Managers	Skills	Managers	Managers	Managers
2. Enhancing the EX / EVP to attract & retain top talent	EX	Skills	Managers	EX	EX	EX
3. Designing talent processes around skills	Skills	EX	SWP	HR Tech	Skills	Skills
4. Improving workforce planning	SWP	Analytics	EX	Skills	Flex Work	Analytics
5. Improving HR/People analytics	Analytics	HR Tech	Analytics	Analytics	Analytics	SWP
6. Implementing/optimizing HR tech platforms	HR Tech	SWP	HR Tech	SWP	HR Tech	HR Tech
7. Delivering on DEI goals	HR Function	DEI	Pay	AI	SWP	Flex Work
8. Optimizing the HR function	Costs	AI	AI	DEI	DEI	Health Costs
9. Enhancing/modernizing pay practices	Pay	HR Function	DEI	Pay	Safety	DEI
10. Redesigning work to incorporate AI & automation	DEI	Pay	HR Function	HR Function	HR Function	HR Function

Offering flexible working arrangements

Investing more in workplace safety

Combating increased health & benefit costs
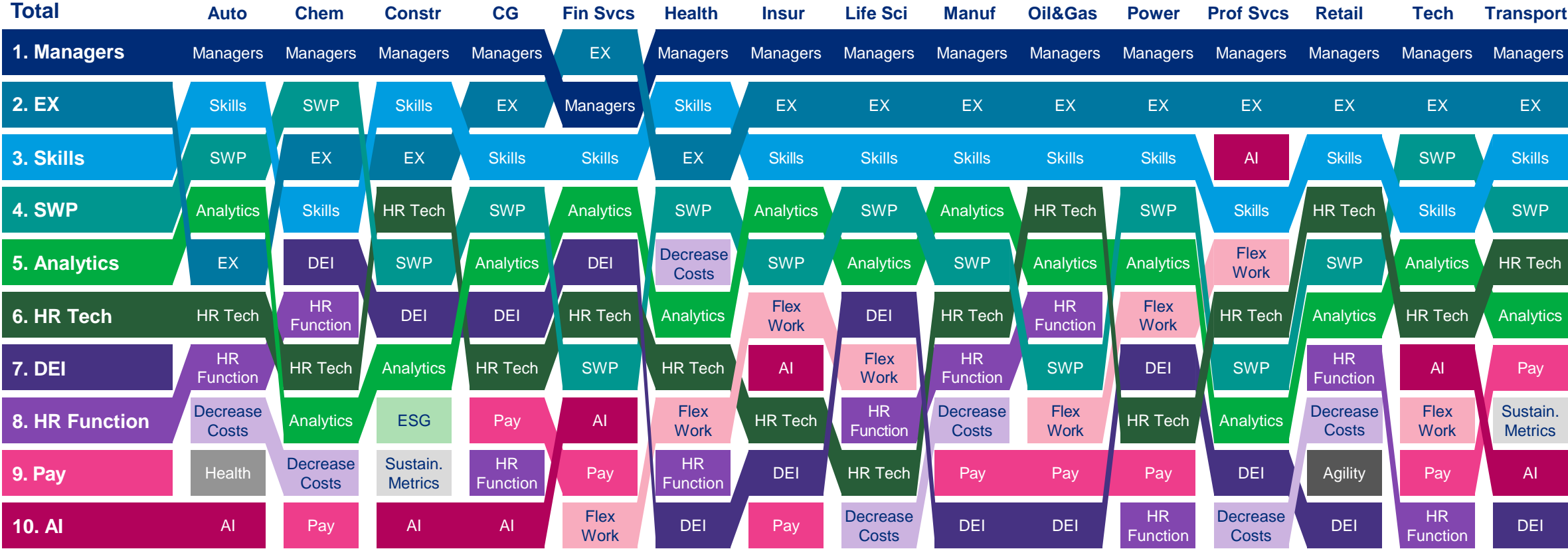
Re-designing operating model to decrease costs

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3

2025 priorities for HR leaders vary by industry

Which of the following are priorities for your 2025 People agenda? [Top ten results]

Total	Auto	Chem	Constr	CG	Fin Svcs	Health	Insur	Life Sci	Manuf	Oil&Gas	Power	Prof Svcs	Retail	Tech	Transport
1. Managers	Managers	Managers	Managers	Managers	EX	Managers	Managers	Managers	Managers	Managers	Managers	Managers	Managers	Managers	Managers
2. EX	Skills	SWP	Skills	EX	Managers	Skills	EX	EX	EX	EX	EX	EX	EX	EX	EX
3. Skills	SWP	EX	EX	Skills	Skills	EX	Skills	Skills	Skills	Skills	Skills	AI	Skills	SWP	Skills
4. SWP	Analytics	Skills	HR Tech	SWP	Analytics	SWP	Analytics	SWP	Analytics	HR Tech	SWP	Skills	HR Tech	Skills	SWP
5. Analytics	EX	DEI	SWP	Analytics	DEI	Decrease Costs	SWP	Analytics	SWP	Analytics	Analytics	Flex Work	SWP	Analytics	HR Tech
6. HR Tech	HR Tech	HR Function	DEI	DEI	HR Tech	Analytics	Flex Work	DEI	HR Tech	HR Function	Flex Work	HR Tech	Analytics	HR Tech	Analytics
7. DEI	HR Function	HR Tech	Analytics	HR Tech	SWP	HR Tech	AI	Flex Work	HR Function	SWP	DEI	SWP	HR Function	AI	Pay
8. HR Function	Decrease Costs	Analytics	ESG	Pay	AI	Flex Work	HR Tech	HR Function	Decrease Costs	Flex Work	HR Tech	Analytics	Decrease Costs	Flex Work	Sustain. Metrics
9. Pay	Health	Decrease Costs	Sustain. Metrics	HR Function	Pay	HR Function	DEI	HR Tech	Pay	Pay	Pay	DEI	Agility	Pay	AI
10. AI	AI	Pay	AI	AI	Flex Work	DEI	Pay	Decrease Costs	DEI	DEI	HR Function	Decrease Costs	DEI	HR Function	DEI

Legend:
- Flex Work
- Decrease Costs
- Agility
- Health
- Sustainability Metrics
- ESG

Answer key

1. Improving people managers' skills
2. Enhancing the EX / EVP to attract & retain top talent
3. Designing talent processes around skills
4. Improving strategic workforce planning
5. Improving HR/People analytics
6. Implementing/optimizing HR tech platforms
7. Delivering on DEI goals
8. Optimizing the HR function
9. Enhancing/modernizing pay practices
10. Redesigning work to incorporate AI & automation
11. Offering flexible working arrangements
12. Redesigning work to decreased costs
13. Redesigning work for increased agility
14. Investing more in physical/mental health benefits
15. Improving sustainability accountability, metrics, reporting
16. Putting sustainability/ESG at the heart of our business agenda

Invest for impact: Risks & opportunities

Societal dynamics are reshaping organizational structures, economic volatility has led to job uncertainty/stagnancy, and AI continues to advance at an astonishing pace. The challenge for 2025: Take advantage of this moment to build more agile & sustainable People practices that enhance the quality of growth.
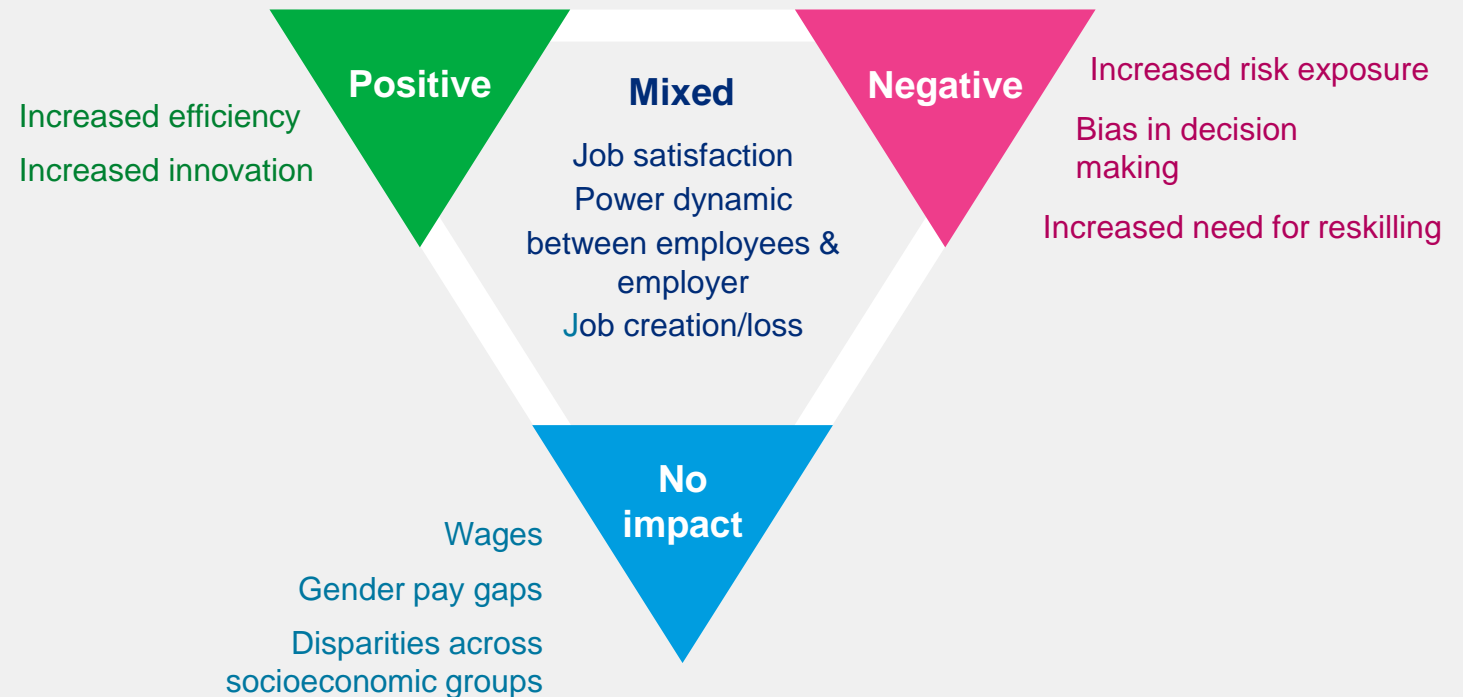
Talent shortages are impacting key organizational metrics

1 in 3 organizations report that **difficulty filling open positions** has had an impact on their business

What has been the impact of not being able to fill open positions? (Top 3)

1. Increased compensation costs: paying a premium to attract talent with key skills

2. Increased recruiting costs

3. Increased employee burnout risk (of understaffed teams)

Has generative AI delivered on its promise?

Despite its transformative potential, only 31% of organizations are regularly using generative AI. 5% of HR leaders at those companies say that AI has led to a fundamental shift in their business model.

Positive
Increased efficiency
Increased innovation

Mixed
Job satisfaction
Power dynamic between employees & employer
Job creation/loss

Negative
Increased risk exposure
Bias in decision making
Increased need for reskilling

No impact
Wages
Gender pay gaps
Disparities across socioeconomic groups

How are companies unlocking human potential in a machine-augmented world?

Workforce 2.0: Four trends that are shaping the People agenda
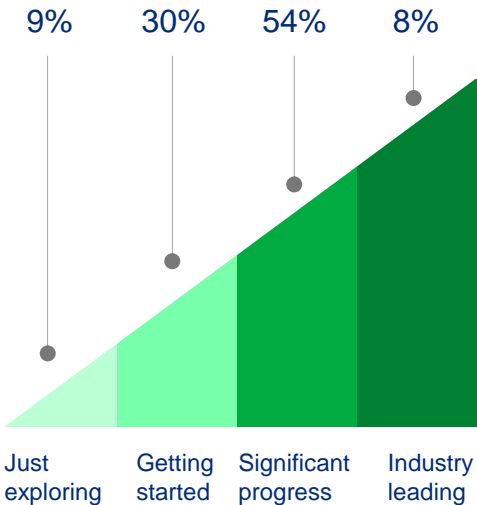
Drive
human-centric productivity

Solving the productivity equation with AI, assessment and work design

38%	42%	17%	3%
Just exploring	Getting started	Significant progress	Industry leading
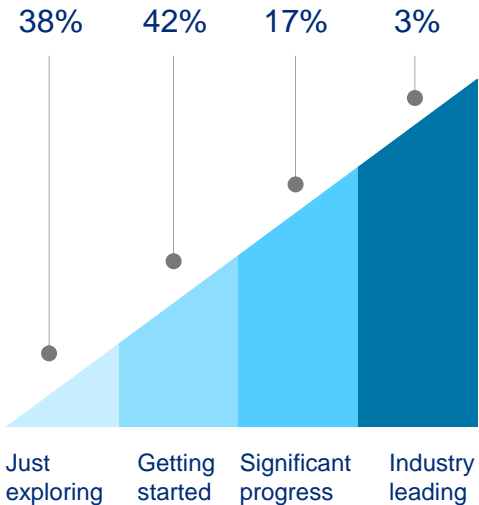
Anchor
to trust & equity

Fostering a climate of trust through fair pay, equity, and inclusion

9%	30%	54%	8%
Just exploring	Getting started	Significant progress	Industry leading

Boost
the corporate immune system

Building resilient cultures with teams that are risk aware and healthy at the core

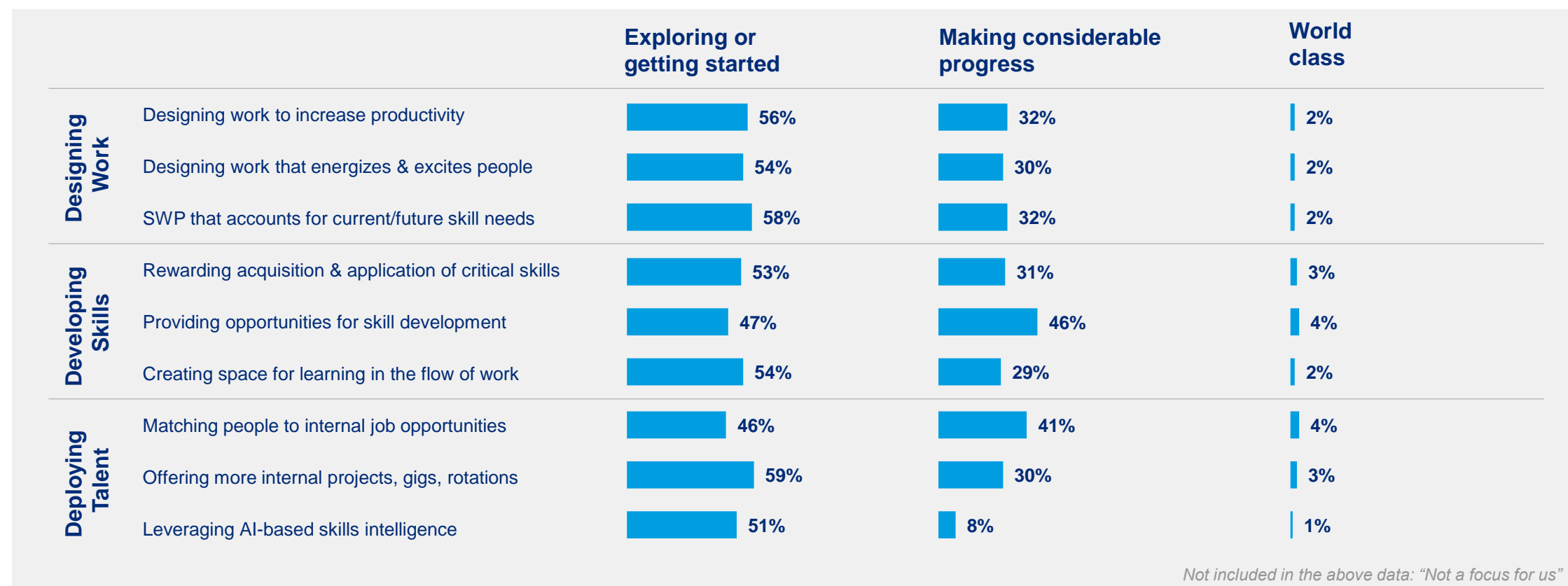| 17%	36%	42%	5%
Just exploring	Getting started	Significant progress	Industry leading
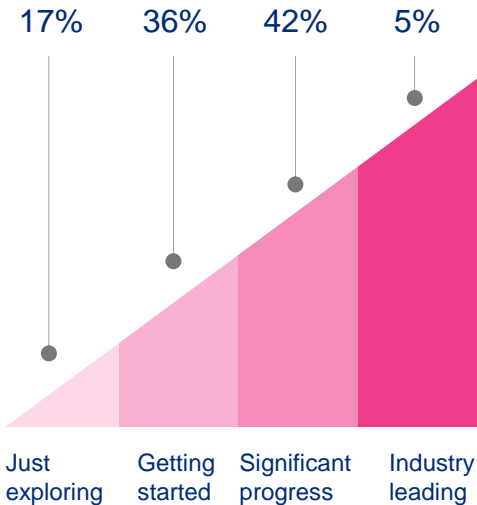
Cultivate
a digital-first culture

Designing an adaptive, digitally fluent organization where people can thrive

19%	42%	32%	7%
Just exploring	Getting started	Significant progress	Industry leading
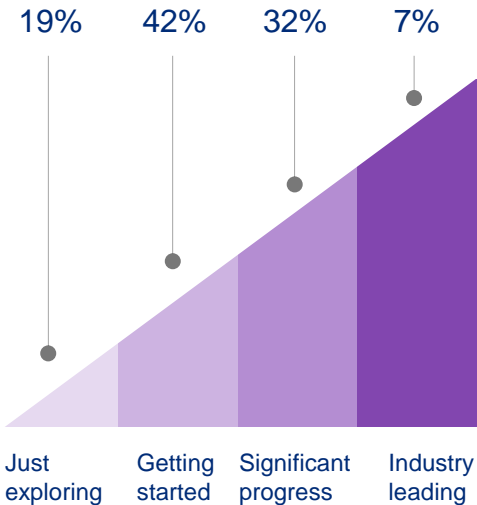
Excludes 'not a focus for us' responses

Companies are leaning into skills & insights to **drive human-centric productivity**

To remain competitive in an ever-changing world, organizations need to be great at three things: Designing Work, Developing Skills, and Deploying Talent. Many are strengthening their skills foundation (job architecture, skills taxonomies, etc) to accelerate and scale, but **only 54% are focusing on redesigning the work itself**.

		Exploring or getting started	Making considerable progress	World class
Designing Work	Designing work to increase productivity	56%	32%	2%
	Designing work that energizes & excites people	54%	30%	2%
	SWP that accounts for current/future skill needs	58%	32%	2%
Developing Skills	Rewarding acquisition & application of critical skills	53%	31%	3%
	Providing opportunities for skill development	47%	46%	4%
	Creating space for learning in the flow of work	54%	29%	2%
Deploying Talent	Matching people to internal job opportunities	46%	41%	4%
	Offering more internal projects, gigs, rotations	59%	30%	3%
	Leveraging AI-based skills intelligence	51%	8%	1%

Not included in the above data: "Not a focus for us"

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Companies are leaning into skills & insights to drive human-centric productivity

Leading on skills pays off. Of those that are further ahead on the journey to becoming a skills-powered organization, 92% have already seen a positive impact.

The upside of a skills-powered organization

40% or more have seen the following benefits:

1. Better sharing of talent across departments
2. More relevant employee development opportunities
3. Increased productivity
4. Increased employee engagement
5. Improved employee retention
6. Faster talent deployment
7. Improved skills transparency

Using talent foresight for real business advantage

74% of organizations that use psychometric assessments report making better hiring decisions.

Combining **talent insight**

to deliver the **foresight** needed to tackle productivity challenges and realize growth potential

with **market outsight**

Which skills differentiate great leaders?

#1 Making decisions in the face of ambiguity

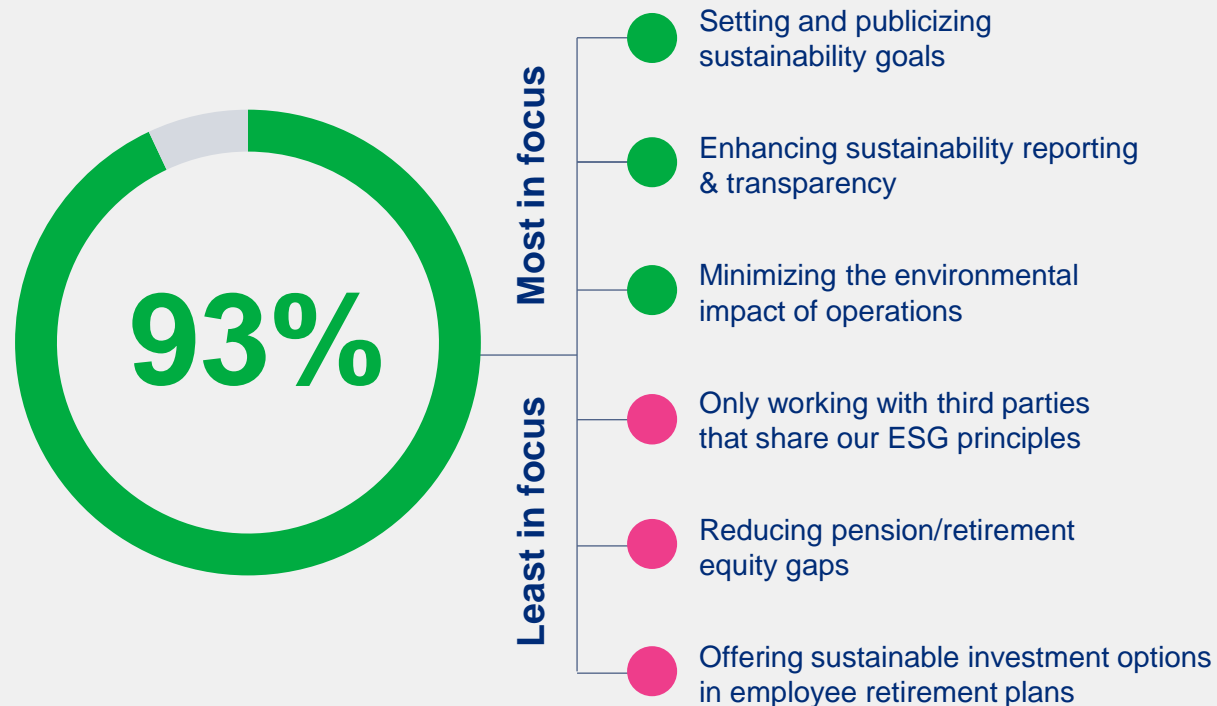**#2** Promoting a culture of trust & transparency

#3 Tackling complex problems with critical thinking

#4 Driving innovation

Companies are anchoring to trust & equity by focusing on fair pay and meeting obligations

One way that organizations build workforce trust is by delivering on sustainability commitments. Yet only 43% of HR leaders are very confident that their organization has done enough to drive positive outcomes in this area.

Most organizations have put in place sustainability practices, with compliance and reporting as key drivers

93%

Most in focus
- Setting and publicizing sustainability goals
- Enhancing sustainability reporting & transparency
- Minimizing the environmental impact of operations

Least in focus
- Only working with third parties that share our ESG principles
- Reducing pension/retirement equity gaps
- Offering sustainable investment options in employee retirement plans

Sustainability has fallen on the priority list for HR leaders in 2025

Putting sustainability at the heart of the business & transformation agenda

2022 — 35% → 2025 — 23%

Delivering on the WEF Good Work standards (living wage, gig/supply chain worker protection, etc)

2022 — 32% → 2025 — 7%

2022 %

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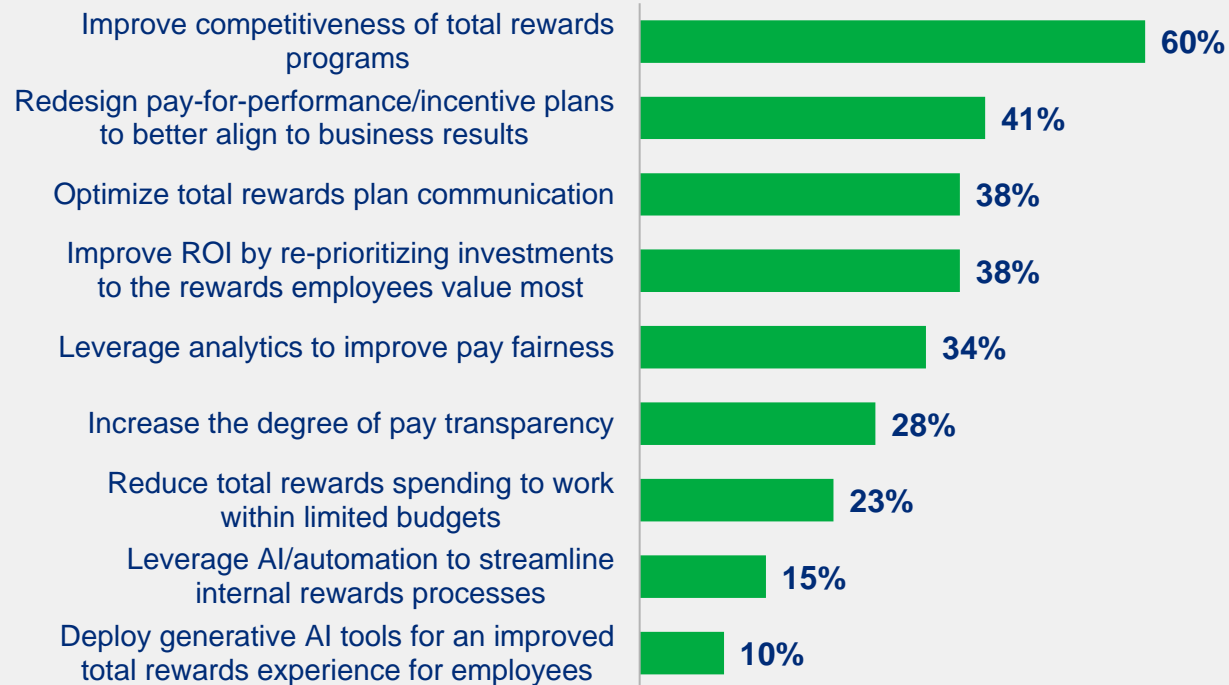
Companies are anchoring to trust & equity by focusing on fair pay and meeting obligations

Upholding fairness is key to earning and maintaining employee trust. People want to feel valued for their contributions and expect to be paid fairly, relative to their peers. In terms of their 2025 priorities, HR leaders rank delivering on pay equity & transparency at #7 and modernizing pay practices at #9. A key question: *How comfortable are your leaders to have critical conversations with their team about pay fairness?*

The Total Rewards agenda for 2025

Improve competitiveness of total rewards programs	60%
Redesign pay-for-performance/incentive plans to better align to business results	41%
Optimize total rewards plan communication	38%
Improve ROI by re-prioritizing investments to the rewards employees value most	38%
Leverage analytics to improve pay fairness	34%
Increase the degree of pay transparency	28%
Reduce total rewards spending to work within limited budgets	23%
Leverage AI/automation to streamline internal rewards processes	15%
Deploy generative AI tools for an improved total rewards experience for employees	10%

Pay equity & transparency are in focus

A majority of organizations had this on their agenda last year, but HR leaders are not confident that their organization has done enough to drive outcomes

	On the 2024 agenda	HR leader confidence
Reducing pay equity gaps	92%	49%
Increasing transparency of pay & promotion decisions	91%	40%

What can help is consistent messaging and a tech-enabled communication strategy

| Educating managers on making & communicating pay decisions	Updating HR platforms to share pay ranges with managers, employees, candidates
23%	24%

Companies are maximizing resilience & building healthy societies to boost their corporate immune system

People risks are business risks, and 49% of HR leaders see a risk management mindset as a hallmark of great leadership. 41% of HR leaders themselves have gotten more involved in risk management and crisis/contingency planning since 2020.

What's needed: A proactive, predictive, and disciplined approach to people risk

There's work to be done to build resilience into the system, especially as new technologies are embedded into everyday work.

37% **35%**
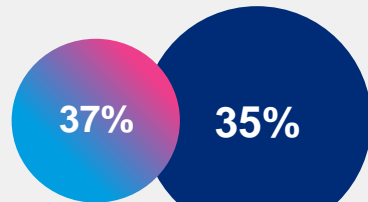
HR leaders who believe the use of generative AI has increased their organization's risk exposure

HR leaders who are very confident their company is doing enough to build risk awareness into their organizational DNA

What gets measured gets managed: Using data to fuel a risk-aware culture

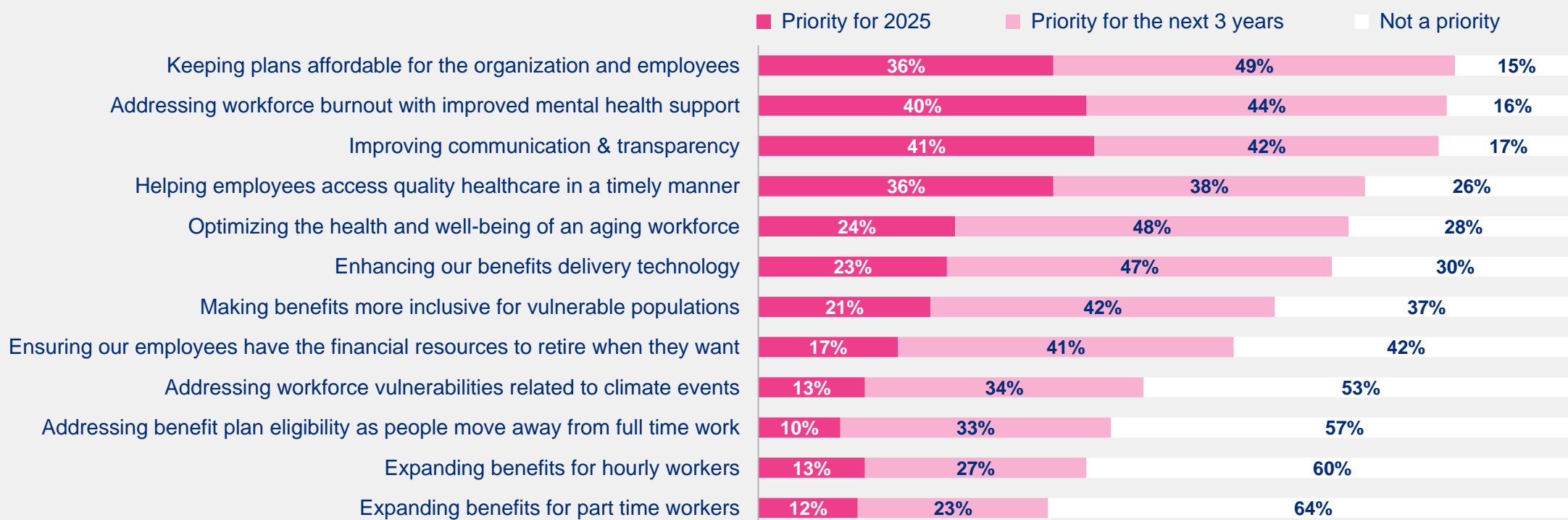*Enabling enterprise resilience depends on timely, actionable intelligence to guide mitigation strategies.*

40% **46%**
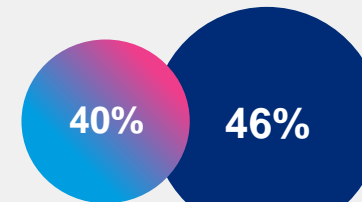
Organizations that have enhancing People Analytics capabilities as a top priority in 2025

HR leaders who are very confident their company is doing enough to make talent decisions based on objective data

Discover the Top 25 people risks according to Mercer's latest People Risk report

Companies are maximizing resilience & building healthy societies to boost their corporate immune system

The resilience of every organization depends on the health and well-being of its people. Yet only 37% have made progress in designing work with employee well-being in mind. A holistic benefits strategy makes a meaningful difference, offering "benefits that really benefit" and delivering the best return on their investment.

Benefit plan priorities for 2025-2027

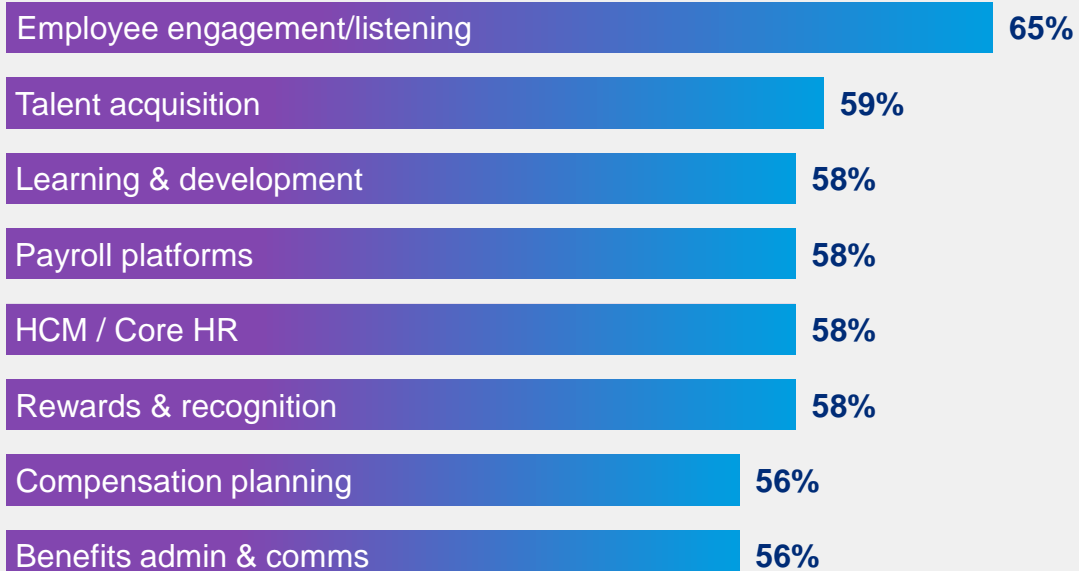|	Priority for 2025	Priority for the next 3 years	Not a priority
Keeping plans affordable for the organization and employees	36%	49%	15%
Addressing workforce burnout with improved mental health support	40%	44%	16%
Improving communication & transparency	41%	42%	17%
Helping employees access quality healthcare in a timely manner	36%	38%	26%
Optimizing the health and well-being of an aging workforce	24%	48%	28%
Enhancing our benefits delivery technology	23%	47%	30%
Making benefits more inclusive for vulnerable populations	21%	42%	37%
Ensuring our employees have the financial resources to retire when they want	17%	41%	42%
Addressing workforce vulnerabilities related to climate events	13%	34%	53%
Addressing benefit plan eligibility as people move away from full time work	10%	33%	57%
Expanding benefits for hourly workers	13%	27%	60%
Expanding benefits for part time workers	12%	23%	64%

Companies are cultivating a digital-first culture by inspiring workforce change

91% of companies have implemented or upgraded their HR technology recently, and **an additional 44%** plan to do so in 2025. But being digital is not only about new platforms and apps; the real value is in deploying new capabilities and driving employee-centric transformation at a behavioral and cultural level.

New technology implementations do not always deliver the expected ROI
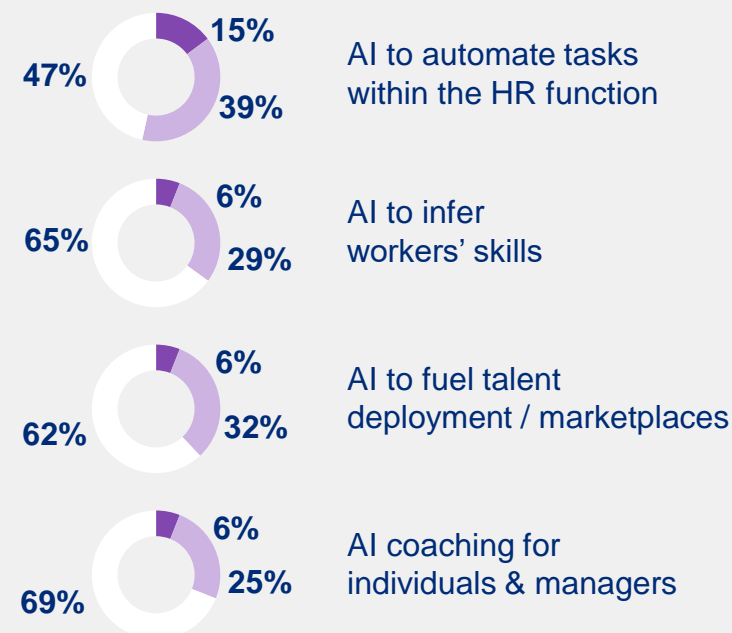
Some technologies are having an outsized impact on driving transformation. HR technologies delivering a positive ROI include:

Technology	ROI
Employee engagement/listening	65%
Talent acquisition	59%
Learning & development	58%
Payroll platforms	58%
HCM / Core HR	58%
Rewards & recognition	58%
Compensation planning	56%
Benefits admin & comms	56%

Excludes 'not a focus for us' responses

AI has the power to transform HR, but uptake has been slow

■ Using today   ■ Exploring in 2025   □ No plans

AI to automate tasks within the HR function
- 15% Using today
- 39% Exploring in 2025
- 47% No plans

AI to infer workers' skills
- 6% Using today
- 29% Exploring in 2025
- 65% No plans

AI to fuel talent deployment / marketplaces
- 6% Using today
- 32% Exploring in 2025
- 62% No plans

AI coaching for individuals & managers
- 6% Using today
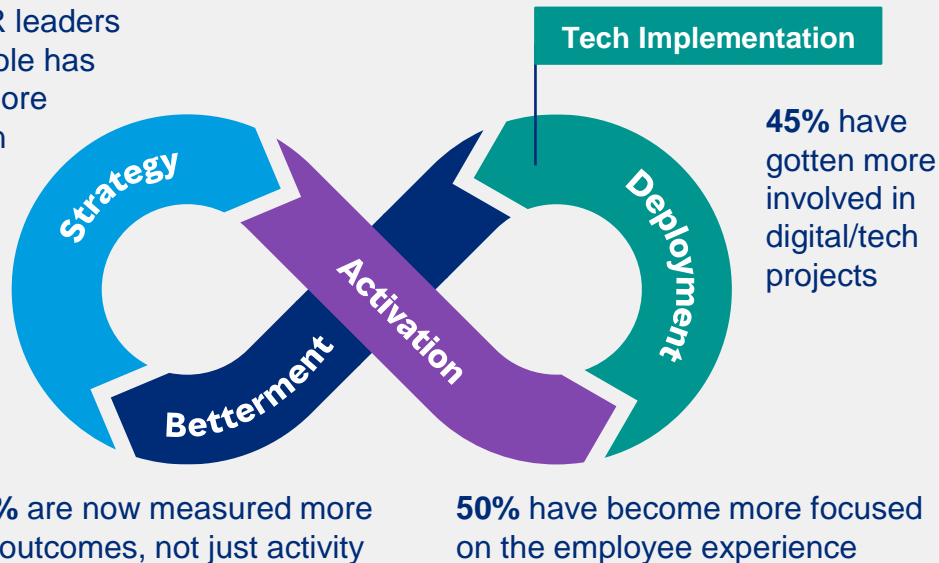- 25% Exploring in 2025
- 69% No plans

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13

Companies are cultivating a digital-first culture by inspiring workforce change

"Digital by design" embeds human-machine teaming into how people learn and collaborate, how data is harnessed, how innovation is encouraged, and how decisions are made. Most organizations are at the beginning of their digital-first journey, with 61% still exploring or just getting started.
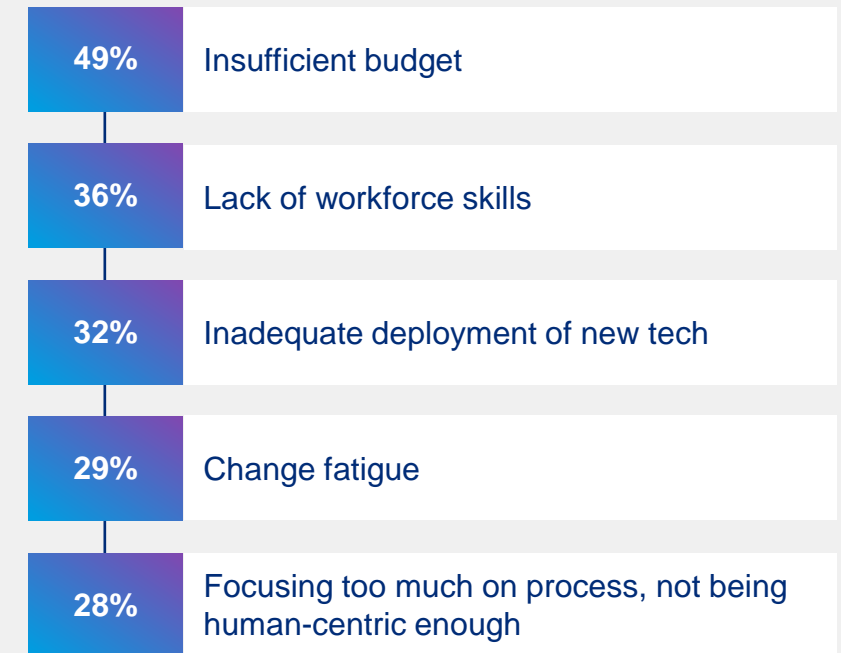
HR is pivotal in putting people and outcomes at the heart of transformation

HR's role in setting strategy, human-centric activation, integrated deployment, and continuous improvement is key to meaningful digital transformation.

75% of HR leaders say their role has become more strategic in the last 5 years

Tech Implementation

45% have gotten more involved in digital/tech projects

Strategy

Betterment

Activation

Deployment

28% are now measured more on outcomes, not just activity

50% have become more focused on the employee experience

Biggest obstacles to cultivating a digital-first culture

49%	Insufficient budget
36%	Lack of workforce skills
32%	Inadequate deployment of new tech
29%	Change fatigue
28%	Focusing too much on process, not being human-centric enough

Unlocking human potential in today's machine-augmented world requires a new set of organizational competencies

How ready is your organization for what's next? What are you doing to _invest with intent_ this year? How are you rethinking work and the workplace for sustainable success?

Companies that are leveling up to **Workforce 2.0** are balancing economics and empathy in the pursuit of productivity. They are building a foundation of trust to combat a growing sense of uncertainty and to deliver on vital transitions. They are contributing to healthy and prosperous societies by boosting organizational and individual resilience across all generations. And they are taking a digital-first approach to deliver a stellar employee experience.

Leading organizations are embracing this once-in-a-lifetime opportunity to disrupt business-as-usual and **redesign work around their people**: inspired by what they are good at, aligned to how they want to work, and informed about the future to keep them healthy, energized, and employable.

For more insights and recommendations on how to make progress this year, visit www.mercer.com/global-talent-trends