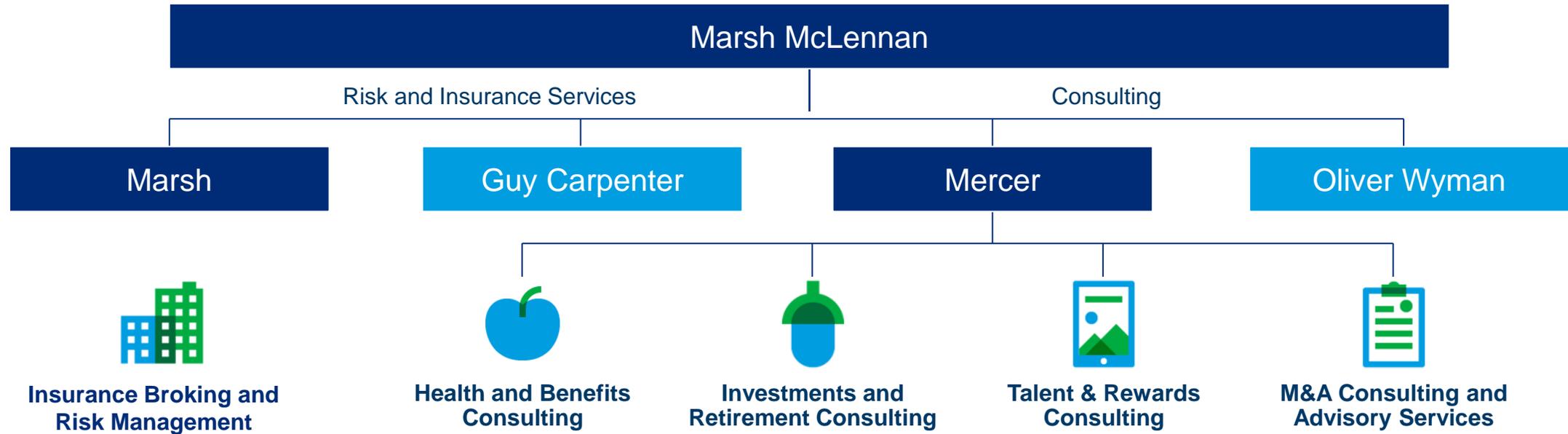


Global Talent Trends 2025 Highlights

Risks & opportunities for HR leaders in Construction

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

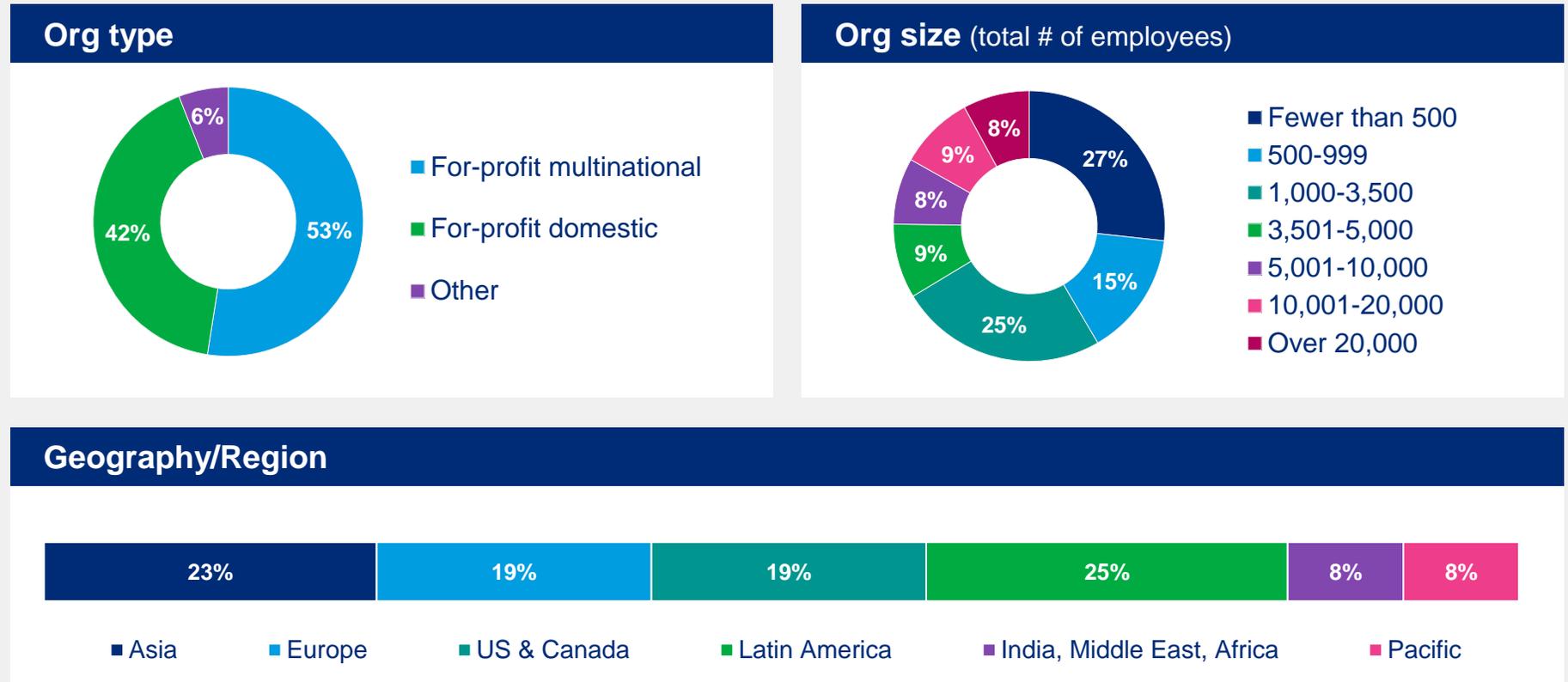
Mercer within the Marsh McLennan family



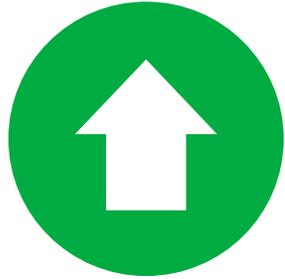
Global Talent Trends 2025: HR leader pulse survey

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.

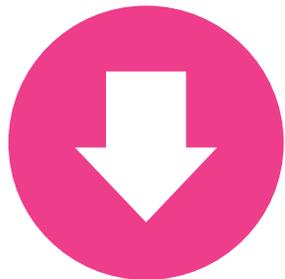
This 2025 pulse report provides an update on how organizations are making progress against these trends.



How have priorities changed for HR leaders in the past year?



Higher priority this year	2024	2025
Rolling out new HR technology or optimizing our existing platforms	#12	#4
Improving people managers' skills	#14	#1
Optimizing the HR operating / service delivery model	#18	#11



Lower priority this year	2024	2025
Investing more in benefits related to retirement savings and financial well-being	#5	#21
Enhancing or modernizing our pay practices	#6	#14

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

Top Priorities

For HR leaders in Construction

- 1 Improving people managers' skills
- 2 Designing talent processes around skills
- 3 Enhancing the EX / EVP to attract and retain top talent
- 4 Rolling out new HR technology or optimizing our existing platforms
- 5 Improving our workforce planning to better inform buy/build/borrow talent strategies
- 6 Improving our HR/People analytics capabilities
- 7 Putting sustainability/ESG at the heart of our business agenda
- 8 Improving our sustainability accountability, metrics, and reporting
- 9 Redesigning work to incorporate AI and automation

Invest for impact: Risks & opportunities in Construction

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



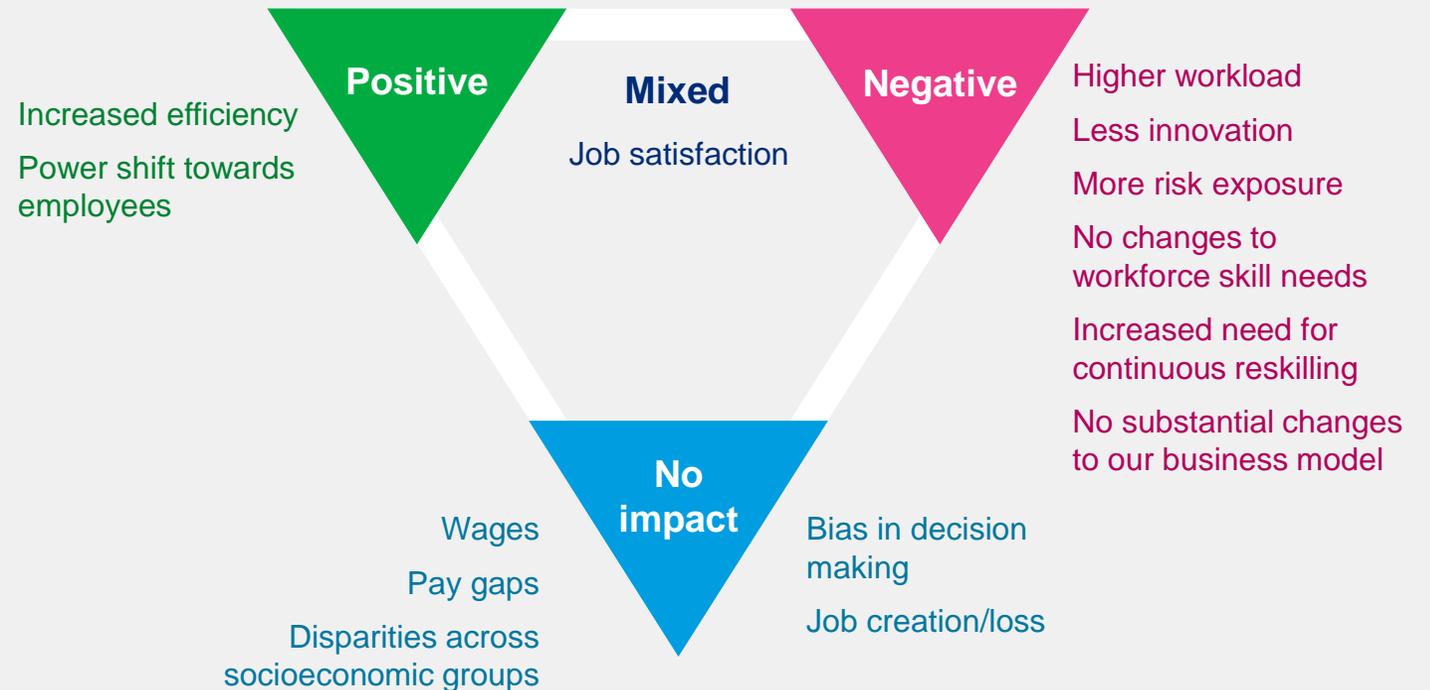
1 in 3 organizations report that **difficulty filling open positions** has had an impact on their business

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

- 1 Increased employee turnover
- 2 Delayed business/projects
- 3 Increased compensation costs due to paying more to acquire/retain key skills

Has generative AI delivered on its promise?

Despite its transformative potential, only 30% of organizations are regularly using generative AI. 6% of HR leaders at those companies say that AI has led to a fundamental shift in their business model.



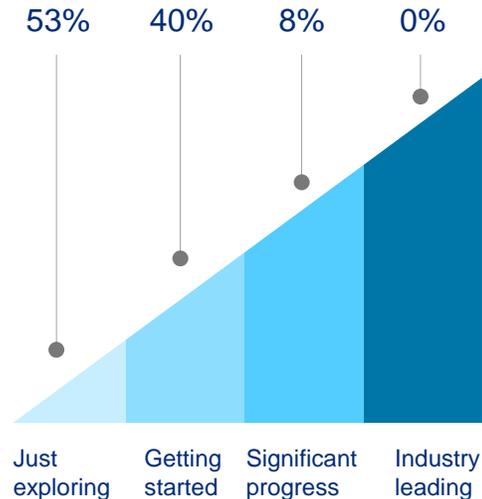
How are companies in Construction unlocking human potential in a machine-augmented world?

Workforce 2.0: Four trends that are shaping the People agenda



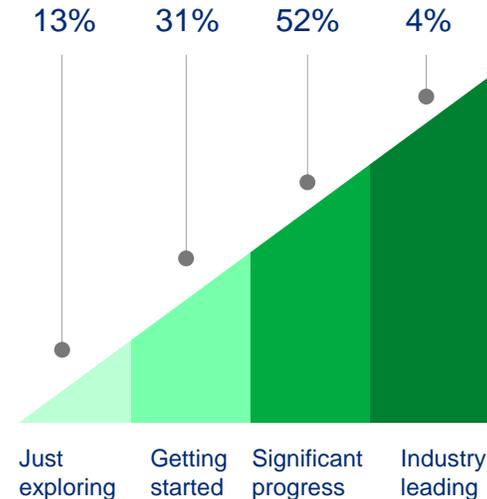
Drive human-centric productivity

Solving the productivity equation with AI, assessment and work design



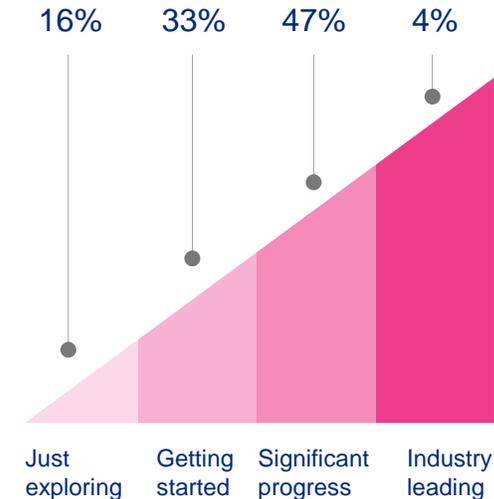
Building trust & fairness

Fostering a climate of trust through fair pay and opportunity



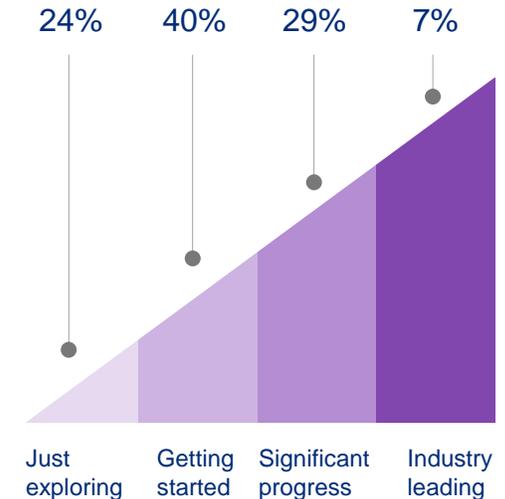
Strengthen company resilience

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



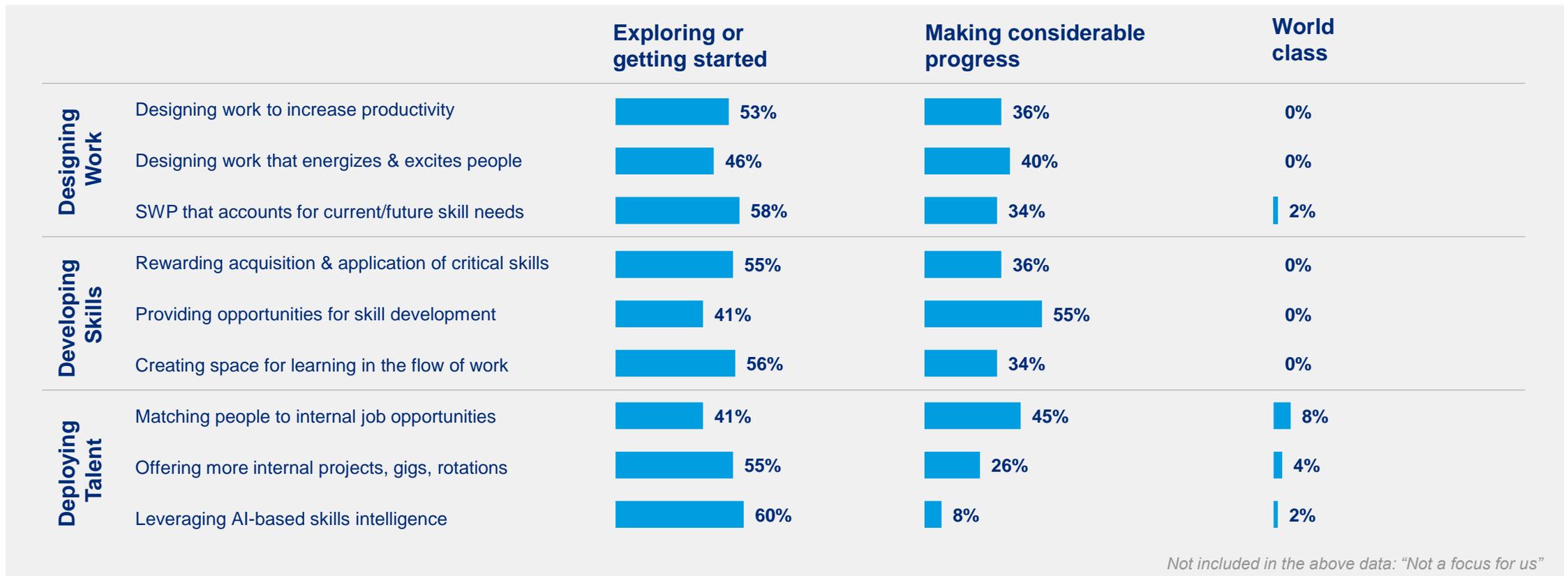
Cultivate a digital-first culture

Designing an adaptive, digitally fluent organization where people can thrive



Companies in Construction 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 55% are focusing on redesigning the work itself.**



Companies in Construction 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, 90% 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. Increased employee engagement
3. More relevant employee development opportunities
4. Improved employee retention
5. Increased productivity
6. Improved skills transparency

Using talent foresight for real business advantage

77% of organizations that use psychometric assessments report making better hiring decisions.



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 in Construction are **building trust and fairness** 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. A key question: *How comfortable are your leaders to have critical conversations with their team about pay fairness?*

The Total Rewards agenda for 2025



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

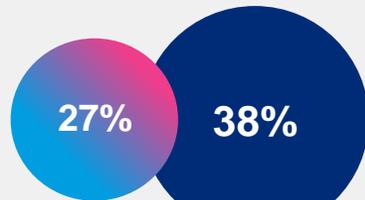
	On the 2024 agenda	HR leader confidence
Reducing pay equity gaps	89%	40%
Increasing transparency of pay & promotion decisions	89%	40%
<i>What can help is consistent messaging and a tech-enabled communication strategy</i>		
Educating managers on making & communicating pay decisions	26%	15%
Updating HR platforms to share pay ranges with managers, employees, candidates		

Companies in Construction are strengthening company resilience & building healthy societies

People risks are business risks, and 43% of HR leaders see a **risk management mindset** as a hallmark of great leadership. **25% 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.

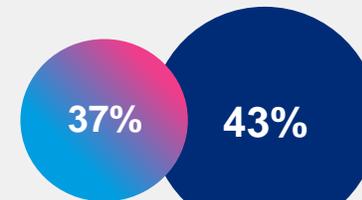


HR leaders who believe the use of **generative AI** has increased their organization's risk exposure

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.



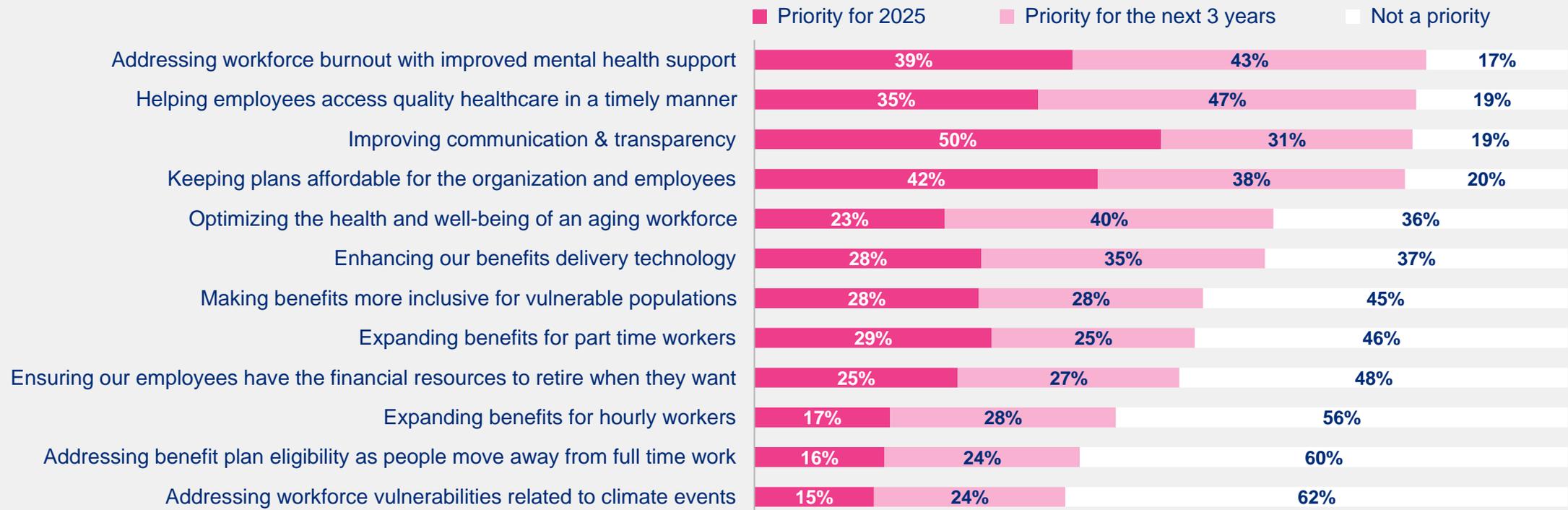
Organizations that have **enhancing People Analytics capabilities** as a top priority in 2025

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

Companies in Construction are strengthening company resilience & building healthy societies

The resilience of every organization depends on the health and well-being of its people. Yet **only 42% 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



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

91% of companies have implemented or upgraded their HR technology recently, and an additional 49% 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

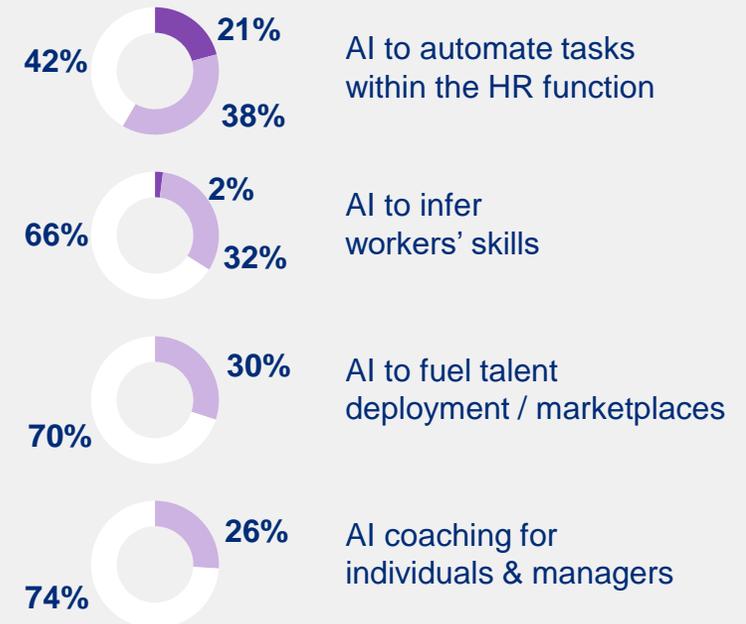
Some technologies are having an outsized impact on driving transformation. HR technologies delivering a positive ROI include:



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



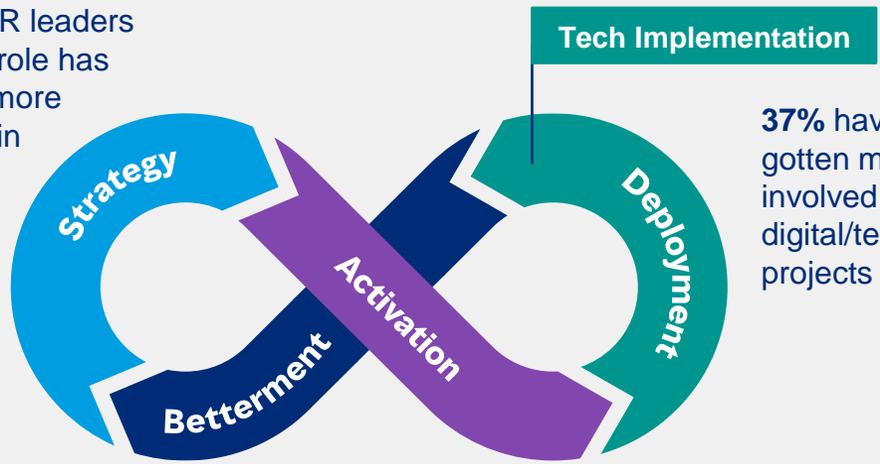
Companies in Construction are cultivating a digital-first culture by inspiring workforce change

“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 64% 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.

84% of HR leaders say their role has become more strategic in the last 5 years



25% are now measured more on outcomes, not just activity

45% have become more focused on the employee experience

Biggest obstacles to cultivating a digital-first culture



