# The HR Priority Report

## Reshaping focus, rethinking leadership and revamping technology in 2024
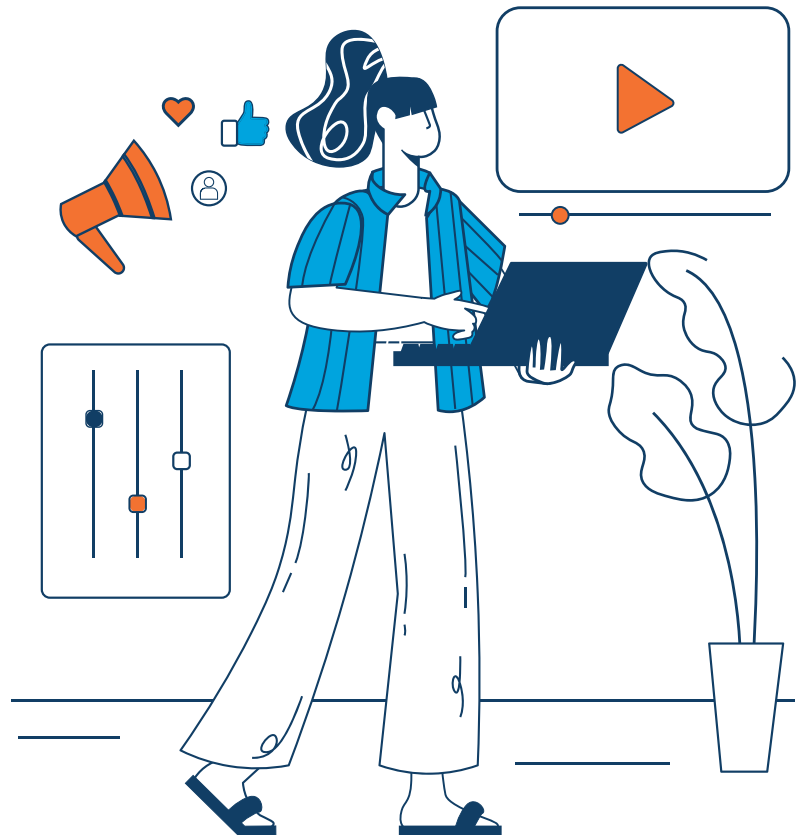
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# Introduction

**Here at Reward Gateway, we partner with more than 4,500 organisations across the globe to transform the experience of over 8 million employees and make the world a better place to work.**

We know that supported, motivated and productive employees are the fuel of every successful organisation. It comes as no surprise that in 2024, after years of rising costs and uncertainty, the top priority for HR managers in the UK is supporting employee wellbeing at a time of low morale and increased disconnection.

We also know that attracting, engaging and retaining employees can feel like an uphill battle. Our latest research reveals that almost two thirds of HR managers find keeping employees engaged challenging, and it certainly doesn't help that 67% of HR managers say their biggest roadblock is tighter budgets and being expected to "do more with less".

And what they're expected to do aren't small tasks! Our research uncovered that HR managers have three weighty priorities at the top of their to-do lists this year:

How do we know this? Because our team ran an extensive survey of 1,001 HR decision makers and 2,026 employees across the UK to create The HR Priority Report. This in-depth report provides HR and business leaders with a comprehensive view of the current state of employee engagement in UK, including four key workplace trends that are influencing work for both HR and business leaders this year:

1. **The top drivers of productivity in 2024**

2. **Supportive managers are in high demand but in short supply**

3. **HR and employees are misaligned on priority of financial and mental wellbeing**

4. **Expectations and reality of HR tech are currently at odds**

We hope you find these insights thought-provoking and helpful. Please contact our team if you'd like to discuss anything in greater detail.

**Nebel Crowhurst**
Chief People Officer,
Reward Gateway

### Top 3 priorities for HR managers in 2024

**33%** Improving workplace wellbeing

**25%** Maintaining and improving employee morale

**25%** Attracting talent

## Wellbeing is at the heart of everything

Top of the agenda for HR managers, employee wellbeing is the common denominator in these key trends that will influence activity over the next year.

Workplace wellbeing is underpinned by financial security, psychological safety and employees feeling like they can be their true selves. These factors are propelled by the desire to be recognised and appreciated for one's work. While meeting these needs with your employee engagement programme is easier said than done, there may be blind spots where priorities are misaligned that could otherwise allow your initiatives to thrive and forge deeper connections with your workforce.

Our data highlights key areas where HR aren't performing as well as they believe. While **53% of HR believe employees view them as their able representative** and voice in the boardroom, in reality **only 45% of employees agree**. Exploring this disconnect is key to establishing priorities and initiatives that have your people's wellbeing at the heart of them.

The importance of leadership in supporting employee wellbeing can't be understated, and is another area that requires attention. **51% of HR believe that employees feel safe confiding in them** if they have any concerns, when **only 42% of employees feel this way**. Both within HR and outside of the department, it's important to consider if your managers are truly prepared to support employee wellbeing, and if your leadership is set up for success in this current wellbeing landscape. Creating a psychologically safe working environment is impossible without empowering strong and supportive managers to lead the way and forge connections between employees and the organisation.

Key to driving your initiatives is the advancement of HR technology and automation of daily tasks in a transforming workplace. As HR professionals continue their evolution from administrative managers to data-driven leaders, the demands and expectations surrounding technology and how it's being utilised present both challenges and opportunities. Achieving automation without complication can be complex in an environment laden with technology and digital tools, but will be key to empowering your team of HR heroes to drive and optimise leading employee engagement initiatives.

With these key trends presenting their own challenges and opportunities for HR in 2024, it can be all too easy to isolate them in your approach. But, in truth, employee wellbeing lies at the heart of each, whether you're reshaping focus, rethinking leadership or revamping technology this year.

# The top drivers of productivity in 2024

It's the eternal organisational struggle: how to boost employee productivity? And now we've finally got an answer, with UK employees pinpointing these top five elements that make them feel more productive at work:

| | |
|---|---|
| **45%** | **Fulfilling job responsibilities** |
| **40%** | **A strong and supportive manager/leader** |
| **38%** | **Receiving recognition and rewards** |
| **33%** | **Seeing the contribution of their work** |
| **33%** | **Learning and training** |

It's interesting to see that **fulfilling work, a strong and supportive manager and recognition and rewards are the top three drivers of productivity**, ranking above competitive compensation. It's also interesting to see that Early Millennials (27-35yo) are more productive when they are provided learning and training opportunities (39%), something Baby Boomers aren't as motivated by (25%).

And when it comes to seeing the contribution of their work, 39% of senior managers and 37% of junior managers consider this to be a productivity driver, compared to 32% of graduates and entry level employees.

Fortunately, the rate of productivity is relatively high across the UK workforce with 66% of employees stating that they frequently feel productive. This is slightly higher for HR managers with 74% frequently feeling productive. And in more positive news, 70% of HR managers frequently feel confident, while 63% feel supported and 55% appreciated.

When we asked HR managers what makes them feel productive, the results were fairly consistent with those of employees, sharing 4 out of 5 of the same top productivity drivers:

| | |
|---|---|
| **42%** | **Fulfilling job responsibilities** |
| **35%** | **Receiving recognition and rewards** |
| **35%** | **Learning and training** |
| **34%** | **A strong and supportive manager/leader** |
| **34%** | **Team building and celebrations** |

The only outlier for HR in these results is the preference for team building and celebrations, which highlights that the need to foster connections between colleagues, and even the organisation, could lie deeper for HR teams.

## Exploring the importance of recognition and reward

With 'receiving recognition and rewards' ranking in the top 3 productivity drivers for both employees and HR managers, it's worth taking the time to explore its power in the workplace.

Does recognition and reward (R&R) impact our productivity at work? Employees say yes! When we drill down into different work modes, this feeling is shared across the board. 38% of office-based and hybrid employees say that receiving recognition and rewards makes them feel more productive, compared to 34% of deskless employees, 39% of remote employees and 39% of frontline workers.

Unfortunately, over half of HR managers find effectively rewarding and recognising employees challenging. Recognition and reward programmes also scored the highest out of areas that received no funding (18%), while 20% of HR managers said it was underfunded, and less than half said R&R was well funded.

> **One in three** employees say that recognition and reward is a must-have from a potential new employer.

Despite its importance, the lack of effective R&R is reflected in the low rates of recognition across our survey cohort with one in four employees saying they **rarely or never feel appreciated or recognised**, while 34% only occasionally feel appreciated or recognised.

And putting a reward and recognition programme in place is only half the battle. It's also on HR to drive awareness of the programme and encourage usage of reward and recognition tools amongst its staff. While 49% of employees said their organisation has an R&R programme (13% said they didn't know), only 70% said they had a good knowledge it. Even fewer (55%) regularly use the tools to recognise employees, while even fewer (52%) are regularly recognised by their colleagues.

Fully remote workers are the least likely to have a good knowledge of the reward and recognition tools that are available to them (66%), followed by deskless workers (67%) and frontline staff (68%). When compared to the amount of office-based employees (70%) and hybrid workers (71%), this highlights the disconnection that can often exist for remote staff.
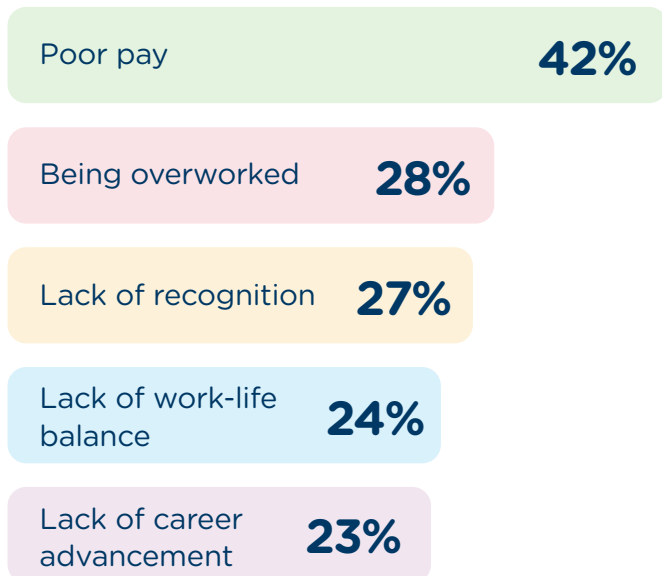
With only 68% of employees feeling they have been provided sufficient resources to understand their R&R programme, the need for HR to drive awareness of their initiatives couldn't be clearer. Communicating to employees on their working turf (remote or office) and in their language is key to drive uptake, and create a culture of continuous recognition that drives productivity and business goals.

**62%** **of HR managers say that employees are consistently recognised for their work. However, only 52% of employees agree – a significant 10% disparity.**

## How recognition can drive retention

Our research uncovered that **more than one in two employees have considered leaving their job** in the past six months, with 35% repeatedly considering it. The top five reasons for this were:

| | |
|---|---|
| Poor pay | **42%** |
| Being overworked | **28%** |
| Lack of recognition | **27%** |
| Lack of work-life balance | **24%** |
| Lack of career advancement | **23%** |

This aligns with our findings from our survey of HR managers where 54% state that their business has seen an increase in employee turnover in the past year, with 33% seeing a turnover rate of 6-10%, 35% hitting a turnover rate of 11-15% and 15% seeing a rate of 16-20%.

When we examine how turnover is impacted by rates of recognition funding, we can see that over half (58%) of HR managers who say their reward and recognition programmes are underfunded have turnover rates of 11% or higher. This is higher than for those who receive adequate funding (48%) and abundant funding (53%).

**Trying to measure the business impact of poor retention?**

**Check out our Cost of Losing Talent Calculator.**

### Want to boost productivity and performance with a culture of recognition?

- **Recognise individuals and teams who are making progress.** Research shows that one of the biggest contributors to motivation at work is progress in meaningful work. Use recognition and reward to highlight individuals who are contributing to achieving your company's mission, displaying your values and accomplishing their individual goals.

- **Don't wait for monthly or annual award nominations.** Create opportunities for employees to thank each other anytime, anywhere. Increasing the frequency of being recognised and thanked for your efforts not only boosts dopamine for the giver and receiver of recognition, it can help illustrate the link between a person's individual contribution and your company's success – a double booster for productivity!

- **Encourage leaders to use recognition and reward to reinforce the behaviours they want to see repeated.** Need a nudge? Create a recurring calendar invite – 15 minutes each week – so you, your managers and executive leaders make the time to recognise someone in the organisation.

Interestingly, 29% of employees say they'd consider staying with their current employer if they received more recognition, and one in three view recognition as a must-have from a new employer.

One employer that understands the power of appreciation is Greencore, a UK-based food manufacturer which employs over 13,500 people across the country. Working with Reward Gateway, Greencore introduced a reward and recognition programme to their platform, *'my core benefits'*. The uptake was huge, with 95% of their employees actively engaging with the platform. When it came to issuing their annual Christmas vouchers, Greencore sent these via *my core benefits*, and saw 9,000 of their 13,000 employees spend their vouchers within just six weeks!

Greencore's Internal Communications Manager states that by using an online platform to deliver values-aligned employee recognition and reward, they've seen a huge increase in employee engagement and advocacy. "In the last three years we've seen our engagement scores go up by 13%. This really shows what we've done in the reward space and how our employees are now 24% likely to recommend Greencore as a place to work!"

As HR and business leaders across the UK seek to support the wellbeing of their employees and attract top talent in 2024, it's apparent that **reward and recognition will play a pivotal role in driving productivity, morale and retention**.

**Which rewards would employees like to see introduced?**

**38%** **Cash bonuses**

**37%** **Extra days off**

**33%** **Financial support to counter the cost of living crisis**

**25%** **Free food and drink**

**22%** **Early finish or late start**

- **Use reward and recognition to boost the visibility of the unseen, unsung contributors in your organisation.** Create a physical or digital recognition wall (or both!) where you can post shout-outs to the individuals who deserve thanks but rarely see their name in lights. Employees can recognise their peers on the go, remote teams can see the wins from different departments in real-time and managers get alerted each time their team members are recognised.

- **Use a digital platform to automate, personalise and scale recognition, reward and redemption without adding to your workload.** A digital R&R platform can save time by automating anniversary and service recognition, scheduling holiday greetings and providing meaningful reward redemption options for your people.

- **Give your employees the opportunity to provide regular feedback about the R&R experience.** Run a pulse survey and check employee satisfaction with your recognition and reward offering and other elements of the employee experience.

# Supportive managers are in high demand but in short supply

*Empowering and enabling managers is a must if organisations seek to boost performance and connection.*

For UK employees, a strong and supportive manager is one of the top three drivers of productivity, showing how crucial good management is to the success of an organisation. Unfortunately, our research also uncovered that while supportive leaders are in high demand, they're not always in supply. Only **59% of employees would recommend their line manager**, and **37% of employees admitted they don't feel appreciated by their manager**, while 20% of employees who had experienced burnout in the workplace attributed it to having an unsupportive manager.

When dealing with workplace concerns and stressors, the ripple effects of poor management are significant:

**38%** of employees say they no longer go above and beyond their specific responsibilities and/or schedule

**32%** say frequent stressors makes them feel unsupported by their employer

**25%** say they have lost trust in their employer

**20%** feel unclear and uncertain about their company's goals

## Managers need support too

Part of the challenge lies in the lack of support people managers receive in preparation for and in the execution of their crucial role. Our research found that for many Brits, the transition from individual contributor to people manager has left leaders lacking in adequate support and training, recognition and reward, time and resource and with an unwanted surplus of stress and burnout. More than one in four people managers report frequently experiencing burnout, with middle managers reporting the highest levels of burnout at 33%.

Only **57%** of people managers feel enabled and supported to be a great manager.

It's time to rethink how organisations **empower and enable people managers** to best drive collaboration, connection and high performance.

## Evolving management to meet evolving employee expectations

In the last few years, the role of the people manager has evolved significantly as the world of work has shifted and both employees and employers seek more than traditional resource and performance management, but also the ability to support, facilitate, guide and connect teams across increasingly diverse and high-pressure environments.

As we move forward in this new era of management, it's crucial for people managers and leaders to better understand and connect with their employees. People managers should be enabled and empowered to develop a rapport and relationship with their teams, ensuring that employees feel supported and appreciated.

**83%** of UK employees state that they feel more motivated and productive at work if they have a manager who cares.

Managers who successfully lead and inspire a team of top performers aren't just setting strategies, supervising shifts or allocating resources. They're also showing care and fostering connection with their team members on both a personal and professional level, understanding what motivates them, the challenges they're facing and the unique circumstances that affect how they show up at work.

A study of 50,000 employees by Inpulse found that those who feel well supported by their line manager were 3.4 times likely to be more engaged at work.

Atlassian research **"found that when honest feedback, mutual respect and personal openness were encouraged, team members were 80% more likely to report higher emotional wellbeing."**

While 65% of directors and 63% of senior managers say they feel comfortable sharing their personal struggles and feelings with their manager, only 56% of graduate-level employees say the same.

Developing key interpersonal skills and trust-building behaviours doesn't just happen overnight when you get a direct report, it's an area that requires ongoing investment in training and effective tools. When making the transition from high-performing individual contributor to people manager, learning and development plays a particularly pivotal role.

**21% of people managers say they weren't offered sufficient training when they became a manager.**

## Want to support your managers to support your people?

- **Make the support you already provide easy to find.** With more teams working more across multiple sites or in hybrid and remote roles, a digital "one-stop shop" that gives employees easy access to wellbeing services and employee benefits will make providing support easier and more scalable.

- **Promote transparency and clarity while cutting through the noise.** Most managers are time poor so instead of expecting them to wade through infinite emails and instant messages, set up a regular rhythm or calendar of communication in one channel (e.g. a company blog) so they know when and where to expect important updates from key leaders of your business.

- **Give managers the tools to identify and pass important information on to team members.** Make the most of the native functions in your digital communications tools – label important announcements, enable read receipts, create manager blogs feeds and encourage managers to tag team members in comments and threads.

Enabling and empowering managers with the right tools and support to develop strong ties to their team and simplify and streamline their workload through automation is essential. Consider how your organisation is relieving the burden on your people managers to ensure they can be that strong and supportive manager that employees need.

" People who manage 11 or more people are much more likely to experience loneliness than employees. The impact of a disconnected manager cannot be overstated. When managers are in the grips of loneliness, they may struggle to feel empathy for employees and to work at creating connections with and among their direct reports. More so than employee apathy, manager apathy can trigger higher rates of burnout and attrition. Those who are not currently looking for work are more than twice as likely to say their manager cares about them than those who are looking to change employer."

**The Workplace Connection Report, Reward Gateway 2023**

- **Encourage and enable managers to recognise progress and reward excellence.** Use your company communications and reward and recognition platforms to shine a spotlight on what your team is achieving. If your R&R platform allows, give managers an annual budget to reward their team members on the spot when they've delivered something exceptional!

- **Automate recognition to save time (and save you from having to remember!).** Don't miss important anniversaries or milestones, take every opportunity to show your managers and people that you care, without the administrative burden.

- **Recognise and reward your people leaders too!** In the next section, we see how important recognition is to those in the C-suite and executive team, showcasing that recognition has an impact on employees at any level.
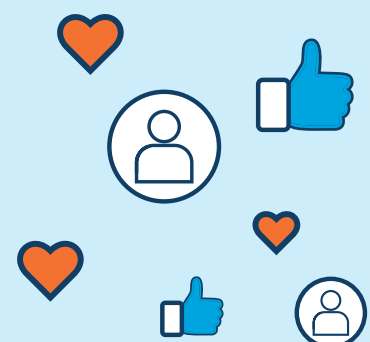
# HR and employees are misaligned on priority of financial and mental wellbeing

*Whilst these pillars of wellbeing are crucial for both groups, they disagree on the top priority.*

Tied closely to productivity, appreciation and support is the importance of employee wellbeing, which has become a focal point in the last few years following the pandemic and cost of living crisis. 63% of HR managers have stated that **mental health and wellness have increased in priority** over the last few years, while 58% have said the same about **financial benefits and wellbeing**.

The World Health Organisation states that depression and anxiety cost the global economy approximately US$1 trillion each year, predominantly from reduced productivity. In the UK alone, research by Deloitte stated that the cost of poor workplace mental health to businesses in 2022 was up to £56bn, up from £45bn in 2019.

Deloitte's 2022 study found that employers are "seeing a return of £5.30 on average for every £1 invested in staff mental health".

## HR Priorities

**60%**
Mental Wellbeing

**55%**
Financial Wellbeing

## Employee Priorities

**60%**
Financial Wellbeing

**53%**
Mental Wellbeing

In our survey, when asked about the key area their companies need to prioritise in the coming year to support employees, employee mental wellbeing came out as the top priority, with a huge 60% of HR managers voting for this, followed closely by programmes supporting financial wellbeing (55%). But the data shows a misalignment between HR and employees on what to prioritise.

While employees gave the same top two answers on what they think their employer should prioritise, the roles were reversed and they actually revealed a preference for financial wellbeing (60%) over mental wellbeing (53%). The disparity between HR's outlook on financial wellbeing and the reality for employees in 2024 is considerable – only 5% of HR managers believe employees' financial wellbeing has significantly declined in the last two years, whereas the truth is almost three times higher (13%).

With cost of living concerns and continued economic uncertainty, it's no surprise that financial wellbeing is top of the list for employees. Just 40% of UK workers feel their employer organisation is supporting them through the cost of living crisis. This figure drops to 28% for frontline workers.

As a close second on their list of priorities, HR managers clearly want to offer more help. 57% of them say supporting employees with the rising cost of living has increased in importance over the last few years. Unfortunately, almost two thirds (58%) say they find supporting employee wellbeing challenging, and 53% of them feel their employers could be doing more to support employees through the cost of living crisis.

It's worth noting that only 14% of HR says their organisation specifically offers financial support through reward and recognition programmes to alleviate the cost-of-living for employees, despite 65% of them claiming to offer a programme.

There's clearly room for improvement when it comes to how organisations support and improve employee wellbeing. The impact of workplace stress and concerns is significant with **four in ten UK employees saying that workplace concerns have impacted their wellbeing**, with this most pronounced in Early Millennials (45%), Late Millennials – those aged 36-42yo – (42%), frontline workers (57%) and those who work in companies of more than 2,500 people (44%) – in fact, the larger the company, the more likely the employee is to have had their wellbeing impacted by negative feelings at work.

**43% of women say their wellbeing has been impacted by workplace concerns, compared to 36% of men.**

So, what is the current state of mental and financial wellbeing across the UK workforce now, and what can your organisation do to support employee wellbeing?
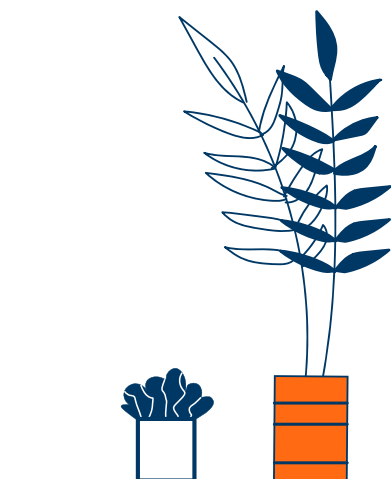
## Financial wellbeing top priority for employees

While **38%** of UK employees report improved financial wellbeing compared to the last two years, **35%** say their financial wellbeing has declined and 26% say it has stayed the same.

A closer look reveals that financial worries are most prominent amongst Gen Z (49%) and Early Millennials (46%), compared to Late Millennials (38%), Gen X (30%) and Baby Boomers (34%).

62% of UK **employees expressed the belief that their employers should do more to offset inflationary pressures and the rising cost of living**, a 9% increase on HR managers who were asked the same question.

Financial wellbeing was chosen as the area that employers should prioritise the most in the year ahead with 60% of employees selecting this option, closely followed by 52% for mental wellbeing, then 29% for physical wellbeing.

It's interesting to note that this percentage rises when you look at specific workforces, with **68% of hybrid workers saying that employers should prioritise financial wellbeing**, showcasing that this is a greater concern for those splitting office time with remote working.

## Want to boost your employees' financial wellbeing?

- **Review what you're currently providing.** Analyse your total rewards package (i.e. salaries, bonuses, monetary and non-monetary rewards, financial benefits) and survey your employees to gauge whether your current benefits offering is hitting the mark.

- **Repackage the compensation conversation.** Both candidates and employees need clear information before they make decisions about joining or staying in your team. Make sure you're showcasing all the financial benefits you offer (including, but not limited to, salary!) to make your people more financially secure, boost your EVP and attract the best talent.

- **Make financial support easy to access.** Host all your financial benefits in one hub, from expert financial advice through an EAP to salary sacrifice options, discount programmes, employee share options, and anything else you offer.

One UK employer who has addressed this issue head on is the **Department for Environment, Food & Rural Affairs** (Defra), a government department which employs 35,000 people across the UK.

Not only do Defra's employees work across 700 locations and 17 different arms of the organisation, they were also being offered different benefits packages depending on where they worked. With a large and multigenerational workforce, Defra needed to launch a benefits package that would be of value to all of their people in supporting financial wellbeing.

Reward Gateway worked closely with Defra's HR team to develop a centralised platform to house a carefully curated range of discounts and digital vouchers that have **saved staff £47,000 a month** on average. Named 'STaR', which stands for 'Special Thanks and Recognition', the hub was designed to offer consistent benefits and discounts to all Defra staff. The platform is easy to access for employees working in the office or out in the field, and has been created to reflect the company's visual brand.

> " Through our employee survey, we identified the need to build our employee engagement platform on financial wellbeing. And through employee discounts we've been able to put money back in the pockets of our people, at a time of heightened cost of living, helping them to save £47,000 a month on average."
>
> **Employee Benefits and Employee Financial Wellbeing Lead, Defra**

- **Look for ways to stretch salaries.** Benefits have become a baseline for any employee offering and introducing an employee discounts programme is a cost-effective addition to your total rewards arsenal that can make an impact on household budgets immediately. If you already have a discounts programme, run seasonal campaigns to remind your people to make the most of this benefit. Use our Employee Discounts Savings Calculator to uncover how much your employees could save each year.

> " What we've done now is provide a platform for employees to come and talk about their experiences in using their benefits and the savings they've been able to make. We've started sharing a view of figures with our employees, including how much they've spent through the STaR platform, how much they've saved and how much they've received in rewards from colleagues. Everything's getting bigger and bigger, and we're continuing to focus on the things that are important to our employees!"

**Employee Benefits and Employee Financial Wellbeing Lead, Defra**

Defra now counts 95% of its workforce as active users on the platform, which is fantastic engagement considering the number of deskless staff who work out in the field during their day-to-day roles.

Alleviating the financial pressure on your employees and boosting their financial wellbeing has never been more important. A common thread that emerged in our research was the inextricable link between financial wellbeing, mental wellbeing and workplace productivity.
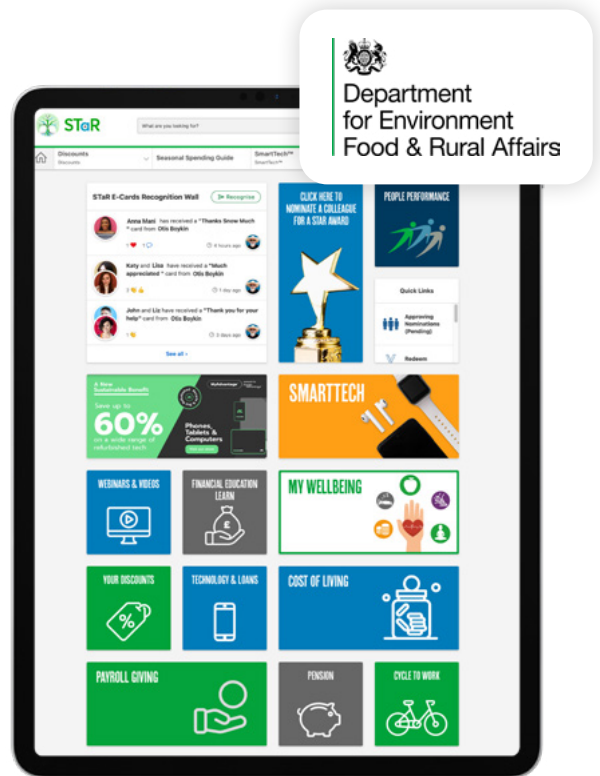
**Here's what our surveyed employees had to say:**

> " All of our employees are stressing about financial issues at this moment in time and are struggling to pay bills, this is detrimental to mental wellbeing.

> " Employers should be more understanding of employee welfare and offer incentives to allow employees to keep a productive and happy outlook in the workplace.

> " The cost of living crisis is a direct cause of many people's mental health issues as they worry about being able to pay for basic needs.

> " With today's cost of living crisis, extra money and rewards would help take the burden off people and reduce their stress levels.

## Mental wellbeing top priority for HR managers

While employees view financial wellbeing as their top priority, mental wellbeing tops the list for HR managers at 60%.

This could be due to a range of factors, from the increased focus on mental health in the wake of the COVID-19 pandemic and lockdowns to regulatory changes related to psychological safety and the growing understanding of the role mental health plays in productivity and performance.
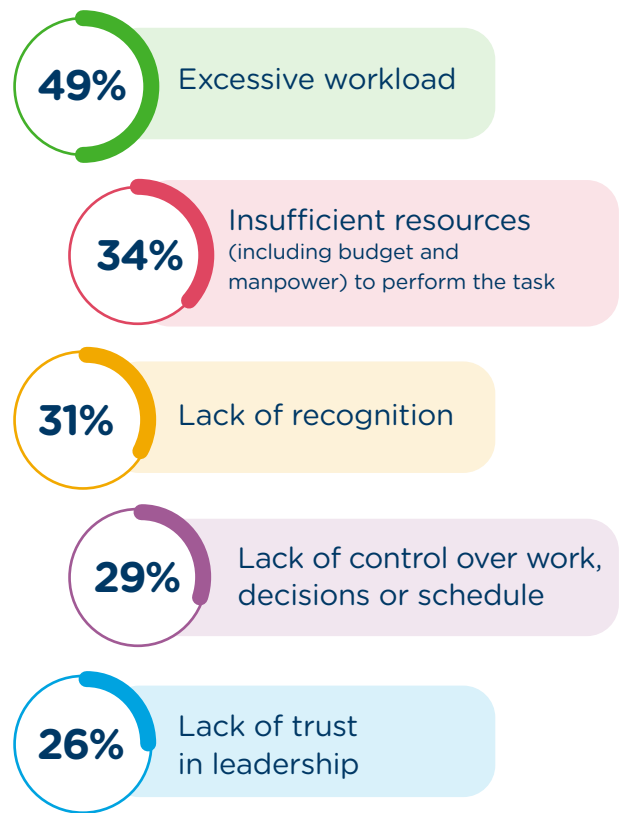
**28% of UK employees have seen their mental wellbeing decline over the last two years, with Gen X (31%) and frontline workers (41%) the most concerned.**

For our surveyed UK workers, 36% frequently feel stressed with 38% of fully office-based employers saying the same, increasing to 46% for frontline workers. When it comes to feeling overwhelmed, 32% frequently experience this, with both office workers and frontline staff again feeling it the most at 37%.

When asked how often they experience burnout, 30% of employees say frequently and 30% say occasionally.

### The top five factors that lead to burnout are:

**49%** Excessive workload

**34%** Insufficient resources (including budget and manpower) to perform the task

**31%** Lack of recognition

**29%** Lack of control over work, decisions or schedule

**26%** Lack of trust in leadership

This aligns with our research findings around what drives productivity, why people are leaving employers and what they're looking for. Notably, this also aligns with industry standards and guidance.
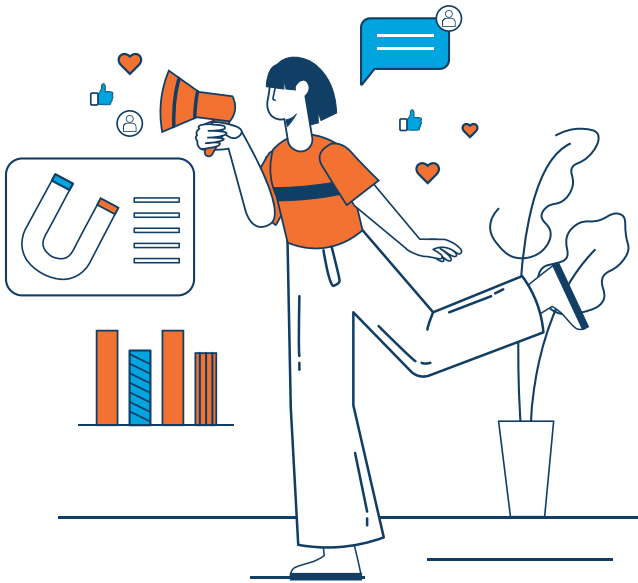
## Ensuring psychological safety

> "What is a healthy workplace culture? It's one that enables all employees to show up as their authentic self. It's one that fosters a culture of psychological safety. It's one that provides space for people to voice their views, opinions, ideas and needs in a supportive, non-judgemental and constructive environment. Healthy workplaces help each person thrive, grow and be highly productive."

**Nebel Crowhurst, Chief People Officer at Reward Gateway**

In our survey, we asked a range of questions to gauge the current level of psychological safety amongst UK workers. We found that only 47% of employees say that they're not afraid to take risks and commit mistakes because their company doesn't have a blame culture, however this sinks to 42% for graduates, 41% for deskless employees and 38% for frontline workers.

We also found that 58% say their company supports employees in voicing their views and opinions through proper feedback channels, while 51% of frontline workers and 50% of deskless workers say the same.

## Want to boost your employees' mental wellbeing?

- **Communicate goals and expectations clearly and regularly.** Promote trust through transparency and use company-wide communications to show how you are tracking towards your strategic, financial, department and team-specific goals. Go one step further and set a measurable goal for employee wellbeing that you and your people can work towards.

- **Provide employees opportunities for growth and challenge and create a digital space to share both professional and personal progress.** By creating a hub for all employees, you're not only ensuring communication is accessible and consistent but showing your people that the things they're excited about and working towards are valuable for both them and their company. This link can help your people understand the company's goals and how their work contributes to that shared vision.

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When it comes to workplace relationships, around **one in two (56%) say they feel comfortable sharing their personal struggles and feelings with their manager**, though slightly less (54%) feel comfortable sharing with their colleagues. Again, we see lower percentages for deskless and frontline workers.

A promising 65% agree that they feel safe to disclose their sexuality, religion or identity in the workplace without repercussions or being treated differently, while 19% neither agree or disagree and 11% don't feel safe to do so. While 68% of hybrid workers and 64% of office-based employees feel safe to disclose, only 59% of deskless and frontline employees feel the same.

**61% say that their work wellbeing would improve if they were simply thanked more for their hard work.**

When it comes to inadequate recognition, almost **two thirds agree that their wellbeing would improve if they received more recognition**, with the following groups seeing higher percentages: Late Millennials (64%); graduates (68%), director-level managers (67%) those working in marketing (73%), sales staff (64%) and frontline workers (69%). It's interesting to see the highest percentage for those at director-level, suggesting that many may feel that recognition only flows top down, rather than from the bottom up.

• **Give your people the gift of time back.** Nurture a culture that celebrates people prioritising their mental health and wellbeing; rebrand annual leave so people are more likely to take time off to rest and recover throughout the year and offer alternative leave options that cover a variety of needs, such as Wellbeing Days, menopause leave, miscarriage leave, caregiver's leave and volunteer leave.

We also asked whether employees feel safe going to HR whenever they have issues with their manager or colleagues and just 42% say they do. Only 39% of Baby Boomers and Gen X agree, compared to 47% of Early Millennials and 42% of Gen Z. Lower percentages were also seen in the arts & culture industry (23%), education (35%), graduates (32%), deskless workers (39%) and frontline workers (34%).

That **only 42% of employees feel safe confiding in HR** looks all the more severe when you consider that 51% of HR are confident their employees feel comfortable doing this.

All in all, these findings suggest that certain industries and workforces may be more susceptible to psychosocial hazards, negatively impacting mental wellbeing and workplace productivity. It's particularly concerning to see the poor outcomes across this report for deskless and frontline workforces, demonstrating a clear need for greater support and investment.

While mental wellbeing and psychological safety can be challenging to explore and analyse, UK organisations can take some initial steps to progress with employee engagement surveys, assessing their wellbeing programmes and initiatives and actively identifying and mitigating psychosocial hazards in their workplaces.

# The expectations and reality around HR tech are still at odds

*With bigger business goals, more pressure and flashier tools, HR are striving to achieve automation without complication.*

With many organisations now looking to technology and the advancement of AI and automation to drive their business goals, it'll come as no surprise that this has placed new expectations on HR departments to adopt and implement tech within their processes.

62% of HR managers say that adopting technology to simplify and streamline HR functions has increased in priority over the last few years. This sentiment is strongest for those in the Sales, Media and Marketing industries (75%), closely followed by IT (70%), Education (69%) and Finance (65%).

And when talking specifically about the adoption of AI technology, we can see that the need to explore how it can benefit HR has increased in priority for 49% of HR managers. This climbs to 70% for those in the IT sector, 53% for Construction and 51% for Healthcare.

But while the spotlight is now on HR to innovate through tech, there have been – and remain – some significant teething problems.

**The largest barriers facing HR in the adoption of tech are:**

**41%**   **Budget**

**25%**   **Current HR tech doesn't provide a consistent experience across all employees**

**23%**   **There are too many platforms and it's hard for HR to manage them all**

Lack of budget is a tale as old as time and it doesn't seem to be going away anytime soon. In fact, it's cited as the biggest barrier facing HR in adopting tech, with 67% of HR managers stating they are having to "do more with less" in 2024.

> **Gartner's 2024 HR Technology Imperatives Report asserts that: "Eighty-nine percent of HR leaders plan to increase or maintain HR technology budgets in 2024. However, the volatile economic environment has a profound impact on organisational priorities, meaning HR technology leaders must showcase consistent delivery of business value in their 2024 plans."**

Securing buy-in for more budget can be made even harder by the fact that 11% of HR managers still don't have the data they need to prove the ROI of their initiatives, with only 20% of respondents confident they had all the data they needed.

## How to make the business case for increased tech budget

- **Improve your data reporting on employee engagement.** Some of your initiatives will be easier to track than others, such as discounts. But for other programmes such as wellbeing and reward & recognition, investing a small amount of your budget in technology with analytics and reporting tools can help you prove the ROI of your efforts. This can save you money in the long run and secure that long sought-after buy-in from key decision makers.

- **Identify opportunities to consolidate.** Even with expanded accounts and permissions from certain tools, consolidating three or four pieces of tech that are currently performing similar tasks into one streamlined platform would likely save you both time and money – an amount that could be reinvested in exploring tech for new areas.

And while the expectation is there on HR to embrace technology and for it to streamline and optimise their processes, the results have been mixed for some so far.

Of the HR managers who say adopting technology to simplify processes is more of a priority in 2024 than previous years, 67% have found it challenging to manage ever-changing employee needs and expectations. This is in direct contrast to only 52% of managers who haven't had this priority.

This struggle is also seen in talent attraction, reward and recognition, creating DE&I initiatives and supporting employee wellbeing. One area where the implementation of new technology is paying early dividends is in communication, however, with only 61% of HR managers finding company-wide communication challenging. This is also reflected in facilitating effective leadership communication.

This suggests that the overload of technology can sometimes stunt the progress being made in core HR areas. In these cases, HR tech can play the role of the inhibitor rather than the solution. Perhaps the answer lies through consolidation.

## Automation without the complication

How much tech is too much? With 2023 figures from SHRM showing that the average enterprise organisation uses 15-35 different pieces of HR technology, it's no surprise that 23% of HR managers are struggling to get the most out of their tech stack.

The adoption of so many tools for people tasks can naturally be confusing for HR managers, raising the potential for error and creating delays in processes that automation should be optimising.

And this confusion can spread beyond HR, with different tools providing a different user experience to employees across their various touchpoints. This inconsistent employee experience across different platforms can ultimately cause uncertainty around your messaging and initiatives - something 25% of HR managers feel is the case. If it's too complicated or confusing to access, your people won't access it - it's as simple as that.

Consolidation of the HR tech stack is key here to not only deliver a consistent experience to employees, but to provide a platform for automation to speed up and streamline your processes.

## Client spotlight: Copart

Copart's HR team was struggling to accurately report on their spending due to having multiple financial recognition programmes and disparate budgets. The team was spending considerable amounts of time consolidating their information, while the results of their ongoing recognition efforts were being obscured.

By working with Reward Gateway, they created **Copart Rewards**, a centralised platform for employee benefits, communications and analytics. The consolidation of multiple platforms into one was a cost-neutral solution that leadership wanted to greenlight.

And the results from an employee perspective were just as impressive, with **96% of the workforce engaging with the platform**, while Copart's **retention rate increased by 14%.**
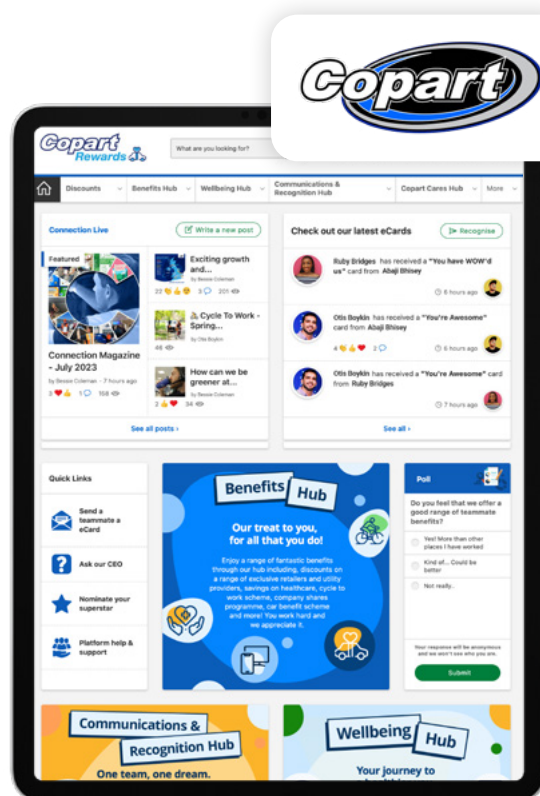
## The future is already here

Despite some growing pains, the drive behind automation and improving the efficiency of HR processes through technology isn't going anywhere soon. And it's up to HR managers to get their departments, and the rest of the organisation, on board and up to speed on whichever tools are brought in.

Within the field of reward and recognition, for example, automating moments of recognition can remove a lot of day-to-day hassle for your team. Free them up for other projects by automating repetitive tasks and scheduling recognition for birthdays, work anniversaries and other key milestones through your technology.

But this needs to start from day one. Onboarding your HR professionals with comprehensive training on how to use and get the most out of your technology is crucial. Whether you're using 3 or 30 different pieces of HR tech, you need to empower your team with the tools and knowledge to thrive in their roles.

## Want to get more out of your HR tech?

- **Consolidate to save time and avoid headaches.** This simplifies processes for HR and ensures consistent messaging across your employee initiatives. With a one-stop-shop to centralise your benefits, communications and analytics, you can eliminate platform fatigue, reduce the margin for error and make life easier for employees to access their benefits.

- **Offer helpful and easily accessible training from day one.** Complement your investment in the latest tech with a plethora of learning materials to provide your teams. Organise workshops and encourage knowledge sharing between your HR heroes by setting up dedicated communication channels.

- **Elevate your analytics capabilities.** We've already established that not every HR manager has all they need to make data-driven decisions for future initiatives, or to prove the ROI of existing ones. With employee analytics tools, you'll gain access to a suite of interactive dashboards, which reveal the impact of engagement drivers and initiatives that are having the most influence on culture and business outcomes.

## Harnessing AI

Urgency continues to increase on HR to adopt AI, for the purposes of reducing time-consuming, repetitive tasks such as payroll management, benefits administration and leave tracking.

A look into our data reveals that the wider growing pains with adopting new HR technology are very much present within the world of Generative AI, and the onus here could be on employers themselves. Only 52% of HR believe they are supported by their employer in leveraging AI, analytics and technology to improve processes and enable data-driven decision-making and monitoring.

While 16% of employees feel unsupported by their organisation in leveraging AI for their roles and responsibilities, this rises to 20% for both middle and managers and 20% for junior managers. With an additional 13% of director-level managers on 13% and 12% of executives on 12%, this lack of support appears to flow downwards.

A 2023 survey revealed that 65% of office workers are anxious about how to use AI ethically. This AI anxiety is fuelled by a lack of best practices regarding the technology. Within the HR space, it's important to acknowledge, address and remedy those fears.

Providing an environment where employees feel comfortable to make mistakes can work wonders. But with only 47% of employees saying that they're not afraid to take risks and commit mistakes because their company doesn't have a blame culture, there's clearly a long way to go.

## How to integrate GenAI and alleviate anxiety

- **Tailor your training.** Appreciating that training your team to use AI tools may require an additional layer of sentiment to address existing prejudices or information scepticism.

- **Set up an AI committee.** Invite members of each department to form an AI committee responsible for its safe and effective adoption in the workplace. As we've established, the right leadership is key to unlocking employee productivity, and it'll achieve similar results for your teams in terms of AI adoption

- **Establish data governance.** Your IT and security teams should be performing due diligence with the adoption of AI tech, including a full data governance audit and remediation.

- **Remain mindful.** Anxiety over AI tools might not stem from fear of complexity. Fears that AI will replace human jobs are understandably commonplace. But by highlighting the purpose of improving human productivity through AI, you can encourage your people to embrace the future of work. AI can be of significant benefit to younger employees, in particular, who can advance their productivity to match that of more senior and tenured employees.

# Conclusion

**No matter the size of your company or the type of workforce you have, we hope our report has provided you with the key building blocks and action items you need to support wellbeing and proactively drive productivity and performance.**

We know there's no miracle cure or silver bullet, but we can also see in this report that there are proven methods, backed up by data, that can boost employee wellbeing, morale, productivity and retention.

Our aim with The HR Priority Report is to provide UK organisations with the insights they need to understand:

- The issues and opportunities at the heart of their employee engagement strategies

- The challenges and complexities that different generations and workforces may face

- The key drivers that will supercharge how their business operates, communicates and connects

We would love to hear your thoughts on this research and what employee engagement looks like at your organisation. Get in touch with our team today.

**Looking for more strategic insights and actionable tips? Check out our other resources:**

- **Report: The Workplace Connection Report**

- **eBook: 15 Benefits to Truly Make a Difference in Your Employees' Lives**

- **eBook: 6 Steps to Boosting Employee Recognition ROI**

- **Calendar: Your Comprehensive HR Calendar for 2024**

- **eBook: Your Guide to Designing a Multigenerational EVP**

# About Reward Gateway

**Improving employee engagement to build better, stronger and more resilient organisations.**

Reward Gateway is culture- and client-driven. Since 2006, we've been right by the side of the world's most innovative HR people, giving them the tools and products they need to engage their people and drive company success. We empower more than 8 million employees to connect, appreciate and support one another to make the world a better place to work.

**8m+ employees** use our employee engagement solutions

**4,500+ clients** trust us with their employee engagement strategy

We're in **6+ offices** around the world

Our RG team is **700+ strong** and growing

**Our unified employee engagement hub provides the best of recognition, reward, wellbeing, surveys, benefits and discounts that support talent acquisition, retention and values-driven growth.**

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