



Reflecting on 2024: Insights to Help You Look Forward





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Reflecting on 2024: Insights to Help You Look Forward

As we close out 2024, now is the perfect time to reflect on the year that was.

In November we held two panel sessions with HR and wellbeing experts to provide insights for 2025. This guide summarises takeaways and insights from those discussions as well as some interesting data from [ELMO's 2024 Benchmark Report](#) and [Employee Sentiment Index \(ESI\) Reports](#).

The Benchmark Report surveys 1200 HR professionals across Australia and New Zealand and uncovers key HR trends, challenges, and opportunities in the HR industry. Meanwhile, the ESI reports are conducted quarterly and survey about 1500 employees across Australia and New Zealand. We conduct this research to understand their perceptions of economic security, wellbeing metrics, career plans, salary perceptions and priorities for new jobs.

Finally, we look ahead to 2025 and how to use technology more strategically. You can use these insights to help make 2025 your best year yet.

Navigating Economic Uncertainty

The prevailing theme of 2024 was navigating economic uncertainty. ELMO's HR Benchmark Report revealed that economic volatility was the top challenge that organisations were facing. We found that almost a quarter of businesses thought they'd be undergoing some type of restructuring.

While the Australian economy hasn't been in a severe downturn, growth rates have remained below historical averages. This can be pinned to global uncertainties, ongoing supply chain disruptions, and domestic challenges like low consumer confidence and reduced business investment.

Interest rates have remained relatively high due to inflation, which remains a concern despite some improvements. Finally, the labour market has remained tight with low unemployment rates and high demand for skilled workers. This has created challenges for employers, particularly in healthcare, technology, and construction industries.

As we close out 2024 the cost of living continues to challenge employees. However, there is optimism

about potential rate cuts in early 2025, which may bring some household relief.

Kat Shoobridge, Senior Manager, HRIS & People Experience at Judo Bank, says their focus is helping people manage cost and maximise value and what their organisation can do from a benefits and reward perspective to support that.

If your organisation doesn't already have a program to balance salary with attractive employee benefits this could be something to review for 2025.

It might be prudent to think about implementing a sustainable Reward and Recognition program that can help retain, attract, and support employees. Focusing on attracting and retaining top talent should be imperative for all businesses as the cost of hiring, employee turnover, and time to productivity was a concern at the beginning of 2024.

Attracting & Retaining Top Talent

The Benchmark Report drove home the sheer cost of hiring in today's market and that many organisations struggle to hold onto their recruits.

Our research found that at the start of 2024 the cost of hiring was estimated to be \$20,000 AUD per new hire, but what's most worrying is that one in seven employees left within their probation period.

According to our ESI data, a similar number of employees (one in eight) left a job within the first year of employment and 40% of those respondents said it was because the job or organisation did not match their expectations.

One explanation for this low retention rate is that older generations of employees such as Gen X and Baby Boomers have generally had more of an appetite to accept circumstances that aren't perfect. Younger generations, in particular Gen Z, aren't prepared to do that. They're more mobile. So businesses must be realistic about who they want, and be open about what to expect both the good and the bad.

Organisations could consider implementing a two-way reference check. As employers you'll more often than not conduct reference checks on prospective employees, however providing an employee the opportunity to reference check the company with leaders around the business could be a great way to open up conversations.

Time-to-productivity is another important metric to consider. At the beginning of 2024, it was sitting at an average of 35 days in Australia and 42 days in New Zealand. When you spend a lot of time and effort finding talent, you want to ensure the start of their employment and the speed at which they get up to task is as seamless as possible.

An onboarding platform such as [ELMO's Onboarding](#) solution is a great way to engage employees before they start. Onboarding allows you to provide streamlined and automated employee orientation with a personalised experience for new hires while reducing HR workload.

[Learning Management Systems](#) can also assist with onboarding by providing and recording all the policy and compliance elements to ensure your employees have completed any relevant training before they start.

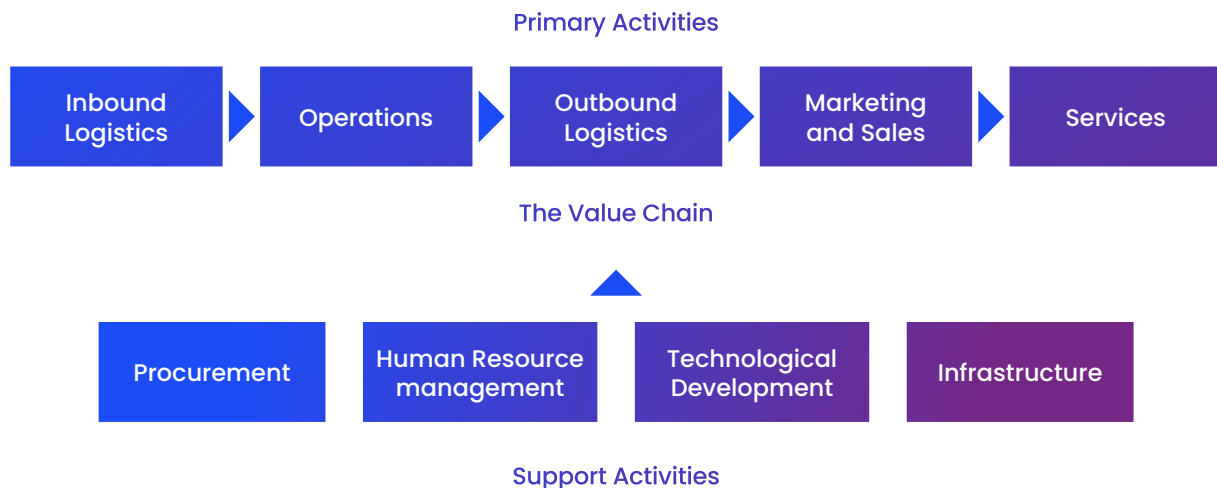
Ensuring a smooth onboarding process can help employees feel better equipped to get started right away. Be mindful though, that you should also review your systems to see if they are holding back productivity.

Improving Organisational Productivity

A lack of employee engagement was the top barrier holding back employee productivity according to the Benchmark Report. Identifying the root causes behind the lack of productivity can significantly impact engagement and well-being.

In 2025, HR professionals would be wise to examine problems in all aspects of the value delivery chain, not just from an HR perspective. The value delivery chain is every element that consists of either selling a service or product to a customer to make a profit. There are many models and depending on your business' industry, different types may impact you in different ways.

Porter's Value Chain – the seminal 'business school definition'



If HR professionals were to drill down on the elements in the value delivery chain, they could identify the root cause of any lack of productivity.

Let's say your company is in the **healthcare sector** and provides essential medical equipment. The value delivery chain in this context might look like this:

1. **Research & Development (R&D):** This stage focuses on designing and developing new products.
 - **Pain Point:** Slow R&D cycles due to a lack of coordination between teams, which delays new product launches.
2. **Manufacturing:** Once the product is designed, it needs to be manufactured efficiently.
 - **Pain Point:** Manufacturing delays caused by outdated machinery or supply chain issues, leading to production bottlenecks.
3. **Sales and Marketing:** The marketing team then promotes the product to attract customers, while the sales team works to close deals.

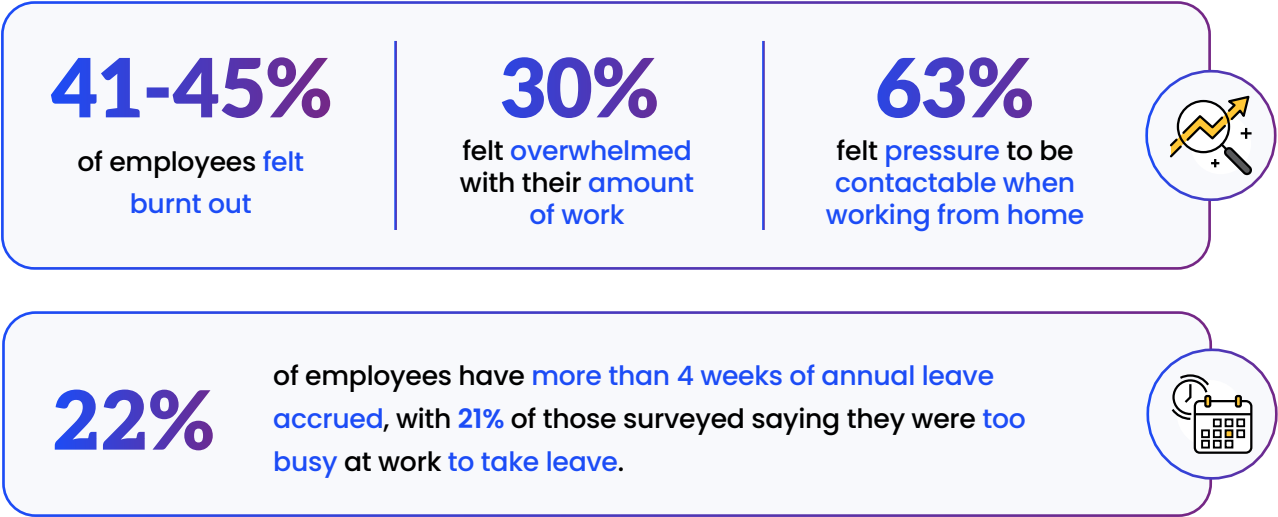
- **Pain Point:** Low employee engagement in the sales team, possibly due to unclear incentives or lack of training on new products, impacting conversion rates.
4. **Customer Delivery:** Finally, the product is delivered to customers.
- **Pain Point:** Issues in the delivery process due to poor logistics or miscommunication between teams, causing delays in getting products to customers on time.
5. **Customer Support:** Post-purchase support is crucial for maintaining customer satisfaction and addressing any issues.
- **Pain Point:** Inefficient customer support processes, possibly stemming from inadequate tools or insufficient staffing, leading to longer response times and lower customer satisfaction.

How HR Can Use This Framework:

HR professionals	Analyse each of these stages to identify productivity barriers. For example, if the sales team is underperforming, HR could look into whether leadership issues, inadequate training, or lack of motivation are contributing to the problem. Similarly, if customer support is slow, HR might assess staffing levels, team skills, or technological support available to improve efficiency.
Data analysis	HR can also use data analytics tools to track and measure the effectiveness of each stage. For example, employee productivity data or engagement surveys can reveal which teams are struggling, while turnover or training data might highlight skill gaps.
Solution	Based on these insights, HR could implement targeted solutions—such as leadership training for sales managers, process improvements for the manufacturing team, or better cross-functional communication tools to help teams work together more efficiently.

Prioritising Employee Wellbeing & Engagement

Throughout the year we kept track of employee wellbeing metrics. What became clear was that it continues to be a massive challenge for HR leaders. From the data;



In August this year, the Right to Disconnect legislation was introduced to give employees the right to not be contactable outside of working hours.

Although many organisations provide mental health resources, only 56% felt comfortable accessing them.

“Businesses should start by normalising conversations around mental health in the workplace. Leaders should champion these resources by sharing their own experiences of how they have used them in the past to help with challenging times. This helps create a culture where seeking support is seen as a strength, not a weakness.”

Chelsea Pottenger, Founder & Director of EQ Minds

Wellness resources should also be made easily accessible to employees in a variety of formats, including mobile apps, workplace workshops, training sessions, and team check-ins.

This year ELMO launched ELMOHR, our app that gives employees easy, on-demand access to essential learning and compliance content – no matter where they are located. In addition, employees will have access to ‘Your Mind Matters’ which is exclusive mental health resources through our partnership with UNSW, EQ Minds, and Lifeline.

Leadership Capability

Leadership capability was the second barrier holding back productivity in both Australia and New Zealand, and leadership development was one of the top five priorities for organisations. According to our panel of experts, successful leadership is a multifaceted set of skills and behaviours.

The following insights can help organisations address this challenge:

Clarity and Communication	Leaders need to be clear about organisational goals and priorities, ensuring that employees understand what is expected of them, This requires effective communication from the top down, with supervisors or managers playing a crucial role in translating organisational objectives into tangible tasks for their team members.
Performance Management	a comprehensive performance management framework that’s driven by the executive team. This framework, which can be embedded using ELMO’s Performance Management solution, includes regular performance reviews, development conversations, and transparent goal setting. The cascading of Objective Key Results (OKRs) through organisations helps ensure alignment between individual performance and overall business goals.
Adaptability and Trust	leadership styles should cater to the needs of a diverse workforce. This includes flexible working arrangements like hybrid models and trusting employees to manage time effectively.
Leading Through Change	equipping leaders with the skills to navigate technological advancements like AI. This involves critical thinking and decision-making skills to effectively manage change and support employees through transitions.

Organisational Culture & Hybrid Work

Hybrid work arrangements are highly valued by employees, particularly younger generations, and play a significant role in attracting and retaining talent. According to our ESI data, a hybrid work model is consistently ranked as the second most important priority when employees are considering a place to work, second only to salary.

Organisations need to adapt their management approach to accommodate the preferences of a workforce that increasingly prioritises work-life balance and flexibility. Of course, organisations also need to achieve their goals and objectives so it's about balancing those requirements.

Interestingly, our panelists all admitted that this balance is difficult to get right so it doesn't favour either employees or the organisation.

A couple of key takeaways from our panelists when you think about your hybrid solutions:

- While remote work offers benefits, there is real value in human connection and there must be opportunities for collaboration and in-person interaction, particularly for the younger workforce.
- Create learning environments that will engage your workforce, particularly for younger generations. This will likely be a combination of face-to-face and online learning such as through an LMS.
- Understand how your business measures productivity and focus on output rather than input.

Hybrid working and organisational culture will be a continual focus for ELMO, and we'll be delving further into strategies you can use to help navigate it in 2025.

Navigating a Multi-Generational Workforce

With Baby Boomers retiring and Gen Z stepping into the workforce, the dynamics of organisational culture are shifting dramatically.

Our data paints a vivid picture: Gen Z (those aged 18 to 27), are far more mobile than previous generations. They are:



The takeaway? Engaging and retaining this value-driven, mobile generation isn't just a challenge – it's a necessity. As we head into 2025 and beyond, organisations must prioritise creating workplaces that resonate with Gen Z's values to stay competitive.

Below are some recommendations from our panel of experts for organisations to consider adapting to the changing workforce.

Invest in Development Programs	To retain Gen Z employees who seek growth, organisations should offer robust talent development programs, mentoring opportunities, and clear career pathways.
Foster a Culture of Purpose	Organisations should articulate their purpose clearly and demonstrate their commitment to values that resonate with Gen Z, such as social responsibility and sustainability.
Promote agility	Organisations need to be agile in adapting their HR practices and management style to meet the evolving needs and expectations of this workforce.

Leading With Data To Be More Strategic

Adopting a data-driven approach is essential for HR leaders who want to be more strategic in how their teams operate.

Data can be used to understand trends, identify challenges, and inform strategies. There is power in data to drive decision-making but also a need for a holistic perspective that includes qualitative insights and a focus on individual needs and experiences.

As a HR professional you want to understand how technology can help solve the unique challenges of your business. Some good, practical applications of technology would be using data for workforce planning and modelling. Ask yourself where you can use your technology to understand what it would mean to change the composition of your labour. For example, what would happen if instead of paying overtime of 150% or 200% you hire permanent employees?

[Download our whitepaper](#) to learn more about data-driven strategies to improve 2025.

Looking Ahead To 2025

One of the biggest challenges businesses can expect in 2025 and beyond is the rapid rise of AI and its impact on HR. One particular challenge is managing the expectations around technology between generations. Some employees will be more proficient because of their generational influence and the fact they've grown up with technology more than others. Businesses will need to address that skill gap as businesses look to embed technology more and more in ways of working and in the tools they use.

The evolution of hybrid work will continue to be a challenge that many businesses will feel they struggle to get right as they balance the needs of the employee with the needs of the organisation.

In the new year, we'll release our next HR Industry Benchmark Report so keep an eye on your inbox.

RELEASING HR'S FULL POTENTIAL

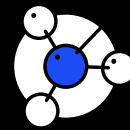
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Management

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With a comprehensive suite of ISO-certified solutions that span the full employee lifecycle, ELMO Software is designed to scale as organisations grow. Flexible and configurable, ELMO's one-stop HRIS fits to your specific needs and workflows.

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