

THE

CHANGING ROLE OF THE **HR** LEADER



THE **CHANGING** ROLE OF THE **HR LEADER**

Gillian Pillans



© CRF. All rights reserved.

No part of this publication may be reproduced, stored in retrieval system or transmitted in any form or by any means without prior permission in writing from the publisher.

CRF LEARNING FOREWORD



CRF's report on the Changing Role of the HR Leader shows just how broad, complex and challenging the role has become. The HR leader needs to be first and foremost a business leader, but must also navigate a wide agenda incorporating business strategy, organisation development, technology-driven transformation, talent management and employee relations. The research questions whether the ways we develop HR leaders are keeping pace with the evolving demands of the role. Are we doing enough to prepare HR leaders, not only in terms of their technical HR expertise, but also to be credible and impactful business leaders?

CRF Learning delivers on demand, bespoke and open development programmes designed to enhance the capability of HR professionals to drive organisational performance. Backed by over 30 years' experience in the field of HR research and practical application, CRF Learning's programmes are business-focused, evidence-based and rooted in the principles of social science.

For more details on how CRF Learning can support you and your HR function, please contact Richard Hargreaves, Managing Director, at richard@crforum.co.uk. Alternatively, please visit our website at www.crflearning.co.uk.

OPEN PROGRAMME

[Business Catalyst: Reimagining HR Business Partnering](#)

Go beyond developing your skills to shifting your mindset. It will move your focus from bureaucratic HR towards delivering business impact, building organisational capability, and creating sustainable value.

OPEN PROGRAMME

[Becoming an Effective HRD](#)

Take this business-centric approach to enhance your understanding of how HR delivers value. Improve your capability in planning, implementing and evaluating HR initiatives to support managing key organisational relationships.

OPEN PROGRAMME

[Mastering Strategic HR: Driving Organisational Performance](#)

Go beyond personal development to redefine HR's contribution to organisational success. Focus on the collective and systemic influence of HR, empowering the team to align strategically, overcome barriers and drive performance outcomes.

OPEN PROGRAMME

[Aspiring Group HRD](#)

Develop your capability in the areas you most require. A great HR function builds people and organisational capability to deliver business strategy. CEOs expect their leaders to have functional expertise, but also require them to be commercially focused business leaders.

OPEN PROGRAMME

[Creating a 'Win-Win' Employee Relations Strategy](#)

Employers are facing challenges including legislative changes, pay pressures, modernisation and the impact of AI. These create tensions within the workplace and an increasing demand on those operating in the ER and IR space.

OPEN PROGRAMME

[Impact Through People Analytics](#)

Take an analytical approach and use evidence, rather than relying on gut instinct. Using HR data can help build credibility of the function and improve decision making, enabling more engaged employees, and optimising the impact of business and people-based processes.

ABOUT **CRF**

Founded in 1994, Corporate Research Forum (CRF) is a membership organisation whose purpose is to increase the effectiveness of the HR function, in order to drive sustained organisational performance, by developing the capability of HR professionals. Through more than 30 years of research and the expertise of our team, we have developed a deep understanding of the ways HR can contribute to business outcomes – what works, what doesn't and in what circumstances. With a network of over 250 leading organisations, we continue to grow as the respected focal point and knowledge source for improving corporate and individual performance.

We support our members in enhancing their personal capabilities and building organisational effectiveness, guiding them through topics relevant to success, identifying actionable insights and practical recommendations and facilitating networking opportunities. Our work helps organisations and the HR function make sense of the environment in which they operate, and develop capacity to deal with continuous uncertainty.

ABOUT THE **AUTHOR**

GILLIAN PILLANS is Research Director and the author of over 30 CRF research reports on a wide range of strategic HR topics including HR and business strategy, leadership development, talent management, organisation development and learning. Gillian has worked as a senior HR practitioner and OD specialist for several organisations including Swiss Re, Vodafone and BAA. Prior to her HR career, she was a management consultant with Deloitte Consulting and is also a qualified solicitor.



THE **CHANGING** ROLE OF THE **HR LEADER**



Evolving role of HR. As the context for organisations has become more complex and unpredictable, so too the role of the HR leader has shifted over the last decade. While HR has continued to fulfil its traditional roles in performance improvement, talent, learning, HR service delivery and compliance, it has had to incorporate an increasingly employee-centric social agenda which embraces, among other topics, new working models, inclusivity, employee wellbeing and sustainability. This evolution requires HR to balance both people-centric and business-centric priorities.



Complex business context. Global economic uncertainty, geopolitical instability, rapid technological change, a declining working population and social unrest are all creating an environment where organisations must constantly reassess their strategies. The re-election of President Trump has ramped up the unpredictable nature of the macro environment even further. HR leaders must help navigate this complexity by interpreting the impact of external trends on the organisation, its business and people.



Business and strategic acumen as a core competency. For HR leaders to have real impact, they must focus on how HR initiatives drive measurable value, support innovation, increase revenue and productivity, reduce cost and drive change. This requires HR leaders to have a deep understanding of the business strategy and to be able to demonstrate how HR's activities directly contribute to its execution.

KEY TAKEAWAYS



HR's strategic contribution. The fundamental purpose of HR is to help the organisation achieve its objectives and this remains the core priority of the HR leader. HR leaders must make a meaningful contribution to decisions on investment, market expansion, product development, technology and organisational change. This increasingly means managing a complex network of stakeholder relationships including the CEO, executive team and board, being politically savvy and facilitating the executive team to function effectively.



Working on the organisation, not just the people. HR needs to be capable of influencing higher order decisions around how the organisation operates and contribute to building a high-performance organisation. This requires HR leaders to develop expertise in operating models, organisation design and performance culture, not just working on individual performance.



Bringing the outside in. Responding effectively to external change is a key requirement for long-term sustainable performance. HR leaders must support their organisations in developing vigilance and adaptability as core competencies. HR can do this through becoming more externally oriented itself, developing foresight as a critical leadership capability and making sure the organisation is geared up to experiment and innovate effectively.



Harnessing technology and digital transformation. Technology is one of the biggest drivers of change today. HR leaders need to not only adopt new digital tools for process automation and people analytics but also understand how technological shifts (such as AI and automation) affect the workforce. This means planning for skills development, job redesign, and ensuring ethical, people-centric technology adoption.



Workforce planning, reskilling and upskilling. As organisations transform, there is an urgent need for strategic workforce planning. HR must identify current and future skills gaps, develop comprehensive reskilling and upskilling programmes, and ensure that the right talent is available to meet emerging business needs. Taking a proactive approach helps mitigate risks related to talent shortages and increased competition for high-value skills.



Revival of employee relations. There is a renewed focus on employee relations as a critical HR capability. HR leaders need to have the skills to deal with a resurgence in industrial unrest, greater union power, and an increase in workplace conflicts driven by economic pressures and shifting societal expectations. HR must rebuild core ER skills to manage disputes, address grievances, and foster constructive employee engagement.



Reframing the DEI agenda. We note that many organisations are reframing their approach to Diversity, Equity and Inclusion (DEI), with moves away from taking an activist stance. Partly this is driven by a political backlash in the US and other countries, but also reflects a desire to ensure DEI efforts deliver genuine business value while addressing regulatory and societal expectations. This reframing seeks to balance commercial priorities with the need for inclusive cultures.



Embedding risk management in HR. Increased complexity requires HR leaders to adopt a risk management lens, anticipating where risks may arise and building safeguards and mitigation strategies. The risks HR must address are wide ranging, spanning legal compliance, technology, reputational damage and availability of critical talent. By embedding risk management into the people strategy, HR can pre-empt challenges and contribute to sustainable business operations.



Evidence-Based HR as a strategic enabler. Adopting an evidence-based approach allows HR to quantify its impact and make more informed decisions. EBHR ensures that HR initiatives are aligned with organisational goals, thereby increasing the credibility of the function and ensuring that resources are directed towards the most effective interventions.











Active development of the next generation of HR leaders. We emphasise the need for intentional career development within HR. This includes structured rotational programmes, cross-functional assignments, relevant business education and targeted mentoring. The goal is to build HR leaders who not only possess specialist HR skills but also have broad business exposure and credibility and the strategic insight required to navigate future challenges.

RECOMMENDATIONS






SELF ASSESSMENT

Use the themes of this research to self-assess your capabilities as a HR leader and build a plan to address your development areas. Actions to consider include:

-  Partner with your head of strategy to deepen your understanding of your business strategy, the competitive environment, key trends in your industry etc.
-  Work with your financial planning and analysis function to develop a deep understanding of the key measures of performance in your business and what drives them.
-  Where external consultants are working on strategy or transformation programmes, work alongside them, help with providing data etc and use this to learn how they approach their work and the methodologies they use.
-  In all these conversations, determine how HR could make a more meaningful contribution to key decisions around the business strategy, for example around investment, market expansion, product development or change.
-  Attend external programmes and conferences on your industry sector. Volunteer to represent your organisation at these events. Connect with trade bodies or subscribe to trade publications.
-  Widen the range of sources you access to keep informed about external developments, e.g. business school briefings, podcasts, business publications.
-  Participate in specialist courses on organisation design, employee relations, job design or top team facilitation or complete a masters programme in business.
-  Make time every week to experiment with a new AI tool.






ORGANISATION ASSESSMENT

Review your organisation's processes for scanning the horizon, running experiments and assessing opportunities and risks.

-  Consider implementing a pre-strategy planning process, which includes people and social issues and risks. Partner with allies in the business who would support this work. Identify external experts, such as economists, industry experts or business school professors who could bring a new perspective to your discussions.
-  Ensure HR is included in company risk management processes.
-  Review the capability levels of your leadership population with regard to future sensing and preparedness. Adjust the leadership curriculum if necessary to include the development of horizon scanning and other strategic competencies.
-  Remember that it takes time to develop talent with these capabilities and may require you to rethink your criteria and processes for hiring people into the organisation and your programmes for developing leaders.
-  Consider how you can influence the agenda of leadership team meetings to ensure longer-term strategic or risk-related topics get sufficient airtime.

HR ASSESSMENT

Review the capability of the HR function, paying particular attention to business and strategic skills.



-  Appoint a senior person within the function to be accountable for assessing HR capability and developing future HR leaders as a part of their day-to-day job.
-  Run a skills assessment to identify current gaps against future requirements.
-  Implement skills development programmes including formal training, business projects, job rotations, coaching and mentoring. Undertake strategic resourcing to fill key gaps.
-  Review your succession plan within HR. Make sure you have plans for developing potential successors' business and strategic skills as well as their technical HR skills.
-  Review your process for developing the HR plan. Consider implementing a pre-scanning process to collect external talent market and other relevant people data and identify external risks and opportunities relevant to HR.

1.0

INTRODUCTION

Over the last decade we have seen a significant evolution of the purpose and role of HR. HR's traditional role embraced performance improvement, talent management, learning, change initiatives and providing effective HR services. This has evolved to incorporate an increasingly employee-centric social agenda which embraces, among other topics, new working models and practices, inclusivity, employee wellbeing and sustainability. Of course, these aspects have always been there, but they have assumed greater importance in recent years. As the business context has become more complex, so too has the role of the HR leader. The need for HR to develop and implement an agenda that significantly contributes to business outcomes and creates value for the organisation while taking account of the economic and social environment is greater than ever.

In this report we explore how the HR leader's role is changing and identify the skills and areas of contribution required to deliver effectively in a rapidly shifting business environment. Our aims are to:

-  Support CHROs as they plan their own succession and consider development of the function.
-  Help emerging HR leaders plan their own careers.

We begin by exploring how the changing context for organisations is shaping the evolution of the function. We then look at areas where the demands of HR leaders are likely to change. Finally we consider implications for development of the function.

A RAPIDLY SHIFTING **CONTEXT**

CRF's work continues to highlight how the pace of change in the political and business context increases complexity and uncertainty. Our research has highlighted how weak global growth, geopolitical instability, regional conflicts, an ageing and declining working population, declining trust in institutions, changing expectations of the workforce, social unrest, the sustainability agenda and large-scale technological change are requiring organisations to rethink their business and people strategies at speed.

The re-election of Donald Trump has ramped the uncertain and unpredictable nature of the geopolitical context up to an even higher level. While it is too early to predict the longer-term consequences, we can expect there to be fall-out in areas that directly affect HR. As a function we need to be paying attention to developments in the following areas:

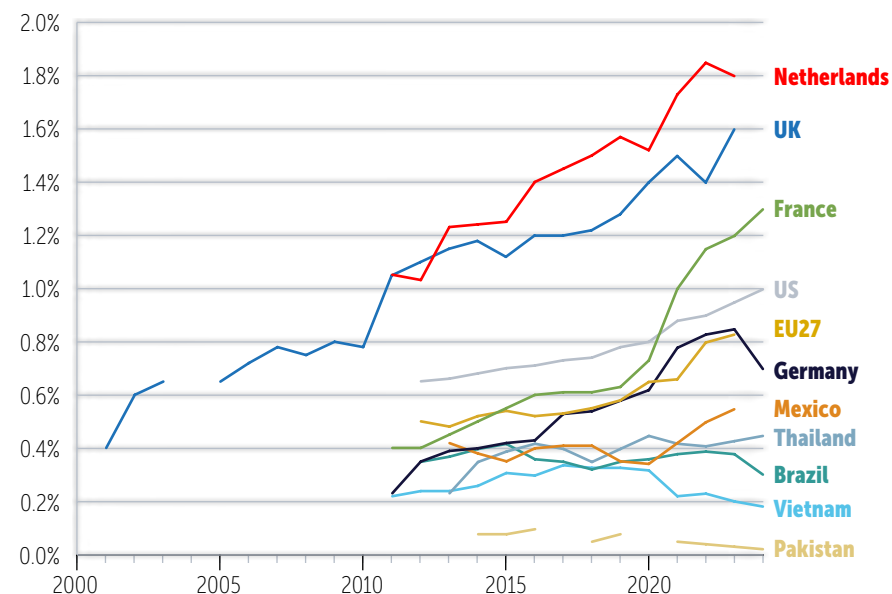
- ❏ What will the deteriorating relationship between the US and the EU mean for business? Will the UK's 'special relationship' with the US survive?
- ❏ Will the 'animal spirits' being unleashed by US deregulation be an opportunity or a threat for our business? How will the imposition of tariffs affect the economy in the markets in which we operate and what are the consequences for business performance and jobs?
- ❏ How will Trump's intervention in the conflicts in Ukraine and Gaza and his relationship with China play out across the wider global stage? What impact might that have on our operations?
- ❏ What will be the longer-term consequences of US dominance in technology? Will the massive investment commitments announced since the inauguration further widen the gap between the US and Europe regarding technology capability and innovation?
- ❏ What do retrenchments in commitments to DEI policies and net-zero mean for organisational policies in these areas? How will we deal with tensions arising between employees', leaders' and other stakeholders' expectations?

TAKING STOCK OF **HR'S BUSINESS CONTRIBUTION**

HR appeared to be riding high during the pandemic, when it led the roll-out of new working practices, supported employee wellbeing, played a central role in business' response to the crisis and expanded its corporate influence. However, more recently HR has once again been under fire with its business contribution called into question. HR jobs have been growing steadily as a share of the workforce across most Western economies. This is particularly pronounced in the UK where the British Labour Force Survey shows an 83 percent increase in HR roles between 2011 and 2023.

FIGURE 1

Size of HR sector as share of all occupations



Source: Eurostat, ILO, US Bureau of Labour Statistics

Some commentators have drawn correlations between expansion of the function and low growth and productivity in many economies. They are now questioning whether the steady expansion of the HR function over recent years, rather than boosting organisational performance and productivity, is actually holding organisations back. For example, a New Statesman article in November 2024 argued: *"If we could track trends towards higher retention, happier workers, fewer grievances, this growth would be welcome. If there was a correlation with HR and improved outcomes it would be rational for leaders to invest more. There is evidence for the opposite. As HR roles have increased so too have the number of tribunals and days lost to work-related illness, while productivity has flatlined. HR expansion is not coinciding with desirable things and appears to be coinciding with undesirable ones."*

We believe it is timely for HR leaders to take stock of the purpose, contribution and skills of the function and consider how we need to evolve to remain relevant for the future.

2.0

WAYS THE ROLE OF THE HR LEADER IS CHANGING

In this section we consider the key areas where HR is expected to make a greater contribution to organisational performance over the coming years. We start with the biggest priority for HR – delivering value as a business leader supporting the organisation in achieving its objectives – and consider how changes in the technological, social and economic landscape are playing out in terms of HR's role. While not all angles are necessarily new, they are areas where we see significant shifts happening which will result in HR leaders needing to rethinking their role and assess whether they have the capabilities to deliver against this increasingly demanding and complex agenda.

2.1

HR LEADERS AS BUSINESS LEADERS FIRST

The fundamental purpose of HR is to help the organisation achieve its objectives and therefore all HR activities must flow from this purpose. This means that, as HR leaders grapple with a fast changing organisation context, they must focus on being a business leader first and HR leader second. *"Every HR initiative should be driving revenue and productivity, reducing cost, friction or complexity or driving change. If you're not focused on this, you're not doing your job,"* said JP Elliott, Founder, Future of HR.

Research by Professor Patrick Wright and colleagues at the Center for Executive Succession at the Darla Moore School of Business, University of South Carolina, found that business acumen and strategy were the most important aspects distinguishing great from good CHROs and that they were the most important characteristics CEOs were looking for when hiring CHROs. However, they also found that business acumen and strategic thinking were the attributes that were in the shortest supply.

While this message is not new, it continues to be an area where HR needs to up its game. Too often, we find that HR tends to focus on delivering HR 'best practice' rather than crafting people and organisation solutions to business goals.



"The good news is that creating a high performance culture, attracting and retaining talent and creating world class teams are all becoming higher on the CEO's agenda. The challenge will be to make sure the HR profession is poised to lead on that agenda, that we have in place HR leaders who have the capability to deliver what's required."

KEVIN GREEN, CHIEF PEOPLE OFFICER, FIRST BUS

As a start point, HR leaders need to understand and be able to articulate the business strategy. How does the organisation achieve competitive advantage? What are its principal markets and customers and how does it meet their needs? How does the organisation create value? Where are we going to grow? What are our key business metrics and which factors drive them? How are its markets shifting and how does it need to adapt in response?

Having clear answers to these questions provides insight into how HR can support the CEO and executive team in addressing their greatest concerns around driving growth and innovation and improving performance. *"In our programmes for HR executives we teach business models, fixed and variable costs, margins and so on,"* said Professor Wright. *"We discuss what HR can do to impact fixed and variable cost and it's clear that HR people don't tend to think that way. It's not just profit and loss – we need to be thinking about what actions HR can take to positively impact financial results across the board."* Dan Caro, Managing Director of HR search firm Strategic Dimensions, concurs: *"Around 80 percent of CVs we see have very few business numbers on them. And the achievements listed tend to be quite HR-focused – reducing cost of hire or labour retention for example. What we should be seeing is a description of the state of the business when you joined, the business results you achieved and your contribution to them. What's happened to revenue and EBITDA? What about business growth?"*

STRATEGIC CONTRIBUTION

Going beyond understanding the business, HR leaders also need to have the right level of input and influence on development of the business strategy. HR leaders need to be present and actively contributing to discussions where the strategic direction is being determined, not just getting involved in implementing decisions taken by others.

HR leaders need to be capable of discussing in an integrated way with their CEOs and executive teams the following key strategies for business growth:

- **Overall business strategy:** Future plans and direction for the enterprise, competitive positioning and the capabilities required to execute the strategy.
- **Investment strategy:** Choices around CapEx investment, budgeting and external fundraising.
- **Product development and technology:** Innovating and improving existing product offerings, applying new technologies such as generative AI.
- **Market development:** Expanding into new market segments or geographic regions with existing products.
- **Strategic partnerships:** Collaborating with other businesses to access new markets, technologies or expertise, creating synergy and boosting growth potential.
- **Diversification:** Introducing new product lines or services to diversify revenue streams.
- **Customer relationship management:** Implementing systems to effectively manage customer interactions, build loyalty and increase customer retention.
- **Data analytics:** Utilising data insights to identify growth opportunities and optimise operations.
- **International expansion:** Entering new global markets by exporting products, establishing overseas subsidiaries or forming international partnerships.
- **Mergers and acquisitions:** Acquiring other companies to rapidly expand market share, gain access to new technologies or enter new markets.
- **Operational efficiency:** Streamlining processes, optimising supply chains and reducing costs to maximise profitability and reinvest in growth initiatives.
- **Brand awareness and marketing strategies:** Building a strong brand identity through targeted marketing campaigns across multiple channels to reach new customers.
- **Scalability:** Develop strategies that can be effectively scaled to accommodate rapid growth without compromising quality.
- **Talent management:** Attract, develop and retain top talent to support growth initiatives across the organisation.
- **Change management:** Effectively manage organisational change when implementing new growth strategies to minimise disruption.

➤ *"You need to have an opinion about what actions are needed to drive the business forward and that opinion needs to be based in data and business understanding."*

DOMINIC KEOGH-PETERS, GROUP CHRO, GALADARI BROTHERS

This also extends to being able articulate the value that HR brings to the business. *"As an HR leader you need to be thinking about what business you are in, which in my view is the business of providing people solutions to business problems,"* said Rob Kaiser, President at Kaiser Leadership Solutions. *"You have to start with the business problems your line leaders are trying to solve and work out what people solutions you can bring to address those challenges."*

➤ *"The cohesion and effectiveness of the top team, the quality of decision making, skilfully managing different perspectives, emotions and egos, these are all areas where the HR leader needs to make a key contribution."*

TONY VERBRAEKEN, INTERNATIONAL HR DIRECTOR AND SENIOR ADVISER, FORMER EVP HR, SHELL

Making a greater strategic contribution also affects the dynamics of relationships with the CEO, board and other members of the executive team. Typically, the HR leader acts as business partner for the CEO. However, as the HR leader plays a more strategic role, the complexity of stakeholder relationships also increases. It will be necessary for the HR leader to develop the ability to engage and influence across an ever-wider range of stakeholders, to be politically savvy and skilled in managing complex top team dynamics and egos. This often plays out in a more intimate relationship with the board. One CHRO commented: *"When I joined this business a decade ago, I was maybe at the board once per year, mostly to talk about remuneration. Now barely a month goes by when I'm not being asked to attend the board to provide information across a whole range of topics."*

Our interviewees reported that they are also playing a greater role in building an effective executive team and facilitating executive team discussions. *"An effective HR leader plays a key role in coaching and challenging the executive team, working alongside the CEO to achieve alignment around how they work together,"* said David Price-Stephens, Managing Director, Accenture. This trend is discussed in more detail in CRF's [Team Effectiveness](#) research.

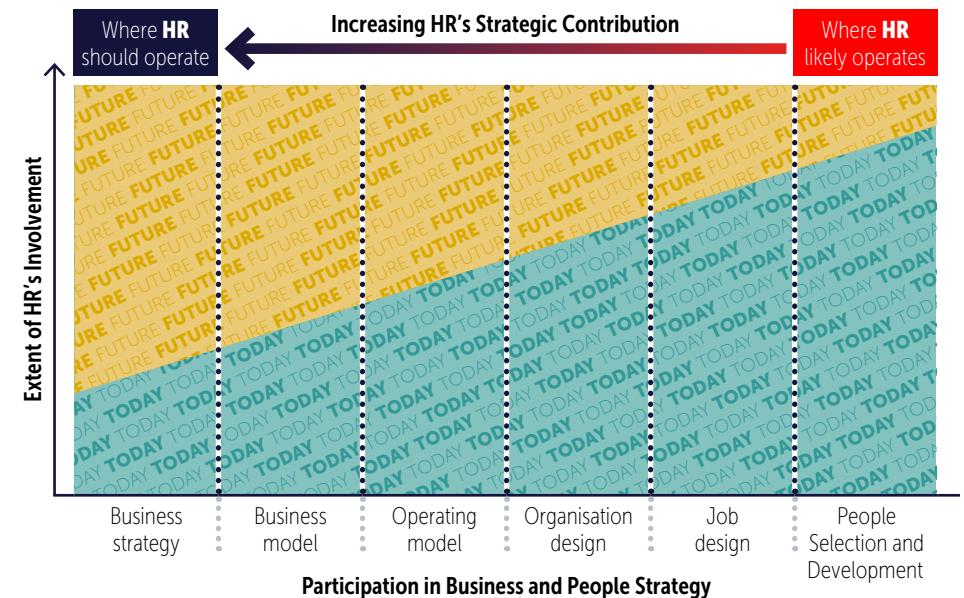
WORKING ON THE **ORGANISATION**, NOT JUST THE **PEOPLE**

As our research over many years has highlighted, HR also needs to be capable of designing the business operating model and the organisation design, influencing the higher order decisions that drive how the organisation operates rather than just working on people-related decisions down the line. Historically HR has tended to focus more on individual performance than improving the organisation and this balance needs to shift.

As Jorrit van der Togt, Executive Vice President HR, Shell described in Figure 2 below, HR's contribution needs to shift to the left. Viewing the development and execution of the strategy as a series of steps that starts with the business strategy and moves through the business and operating model to defining the organisation structure and selecting people, HR needs to be more involved in the left-hand decisions than is often the case today. *"Our role needs to not just be about building the organisational and social infrastructure and selecting the right people",* he said. *"We also need to be contributing to the definition of the business model and strategy."* Making a more meaningful contribution to the left of the diagram also requires HR leaders to upskill in areas such as organisation design.

FIGURE 2

HR's Role in Business Strategy



HR leaders also need to contribute to planning for innovation and growth, not just cost control and restructuring. *"The growth imperative is something we as a function need to be sharper on in terms of the tools and capabilities that we can bring,"* said Jonathan Crookall, Chief People Officer, Costa Coffee. *"It's helping identify where the greatest growth opportunities are and working out what's needed to get behind them, whether that's around the operating model, strategic workforce planning, hiring strategic talent or creating the culture to support growth."*

The HR leader also needs to be critically involved in creating a high-performance environment where the organisation and its people can achieve their goals. Performance exists at both *organisational* and *individual* levels – HR has to work on both. At the organisation level it is about creating the right culture, leadership, systems, processes, capabilities and organisation design to enable people to perform at their best. This requires a thorough understanding of the drivers of value in the business and how HR can contribute to these, for example through organisation and job design, development, technology and behaviour change.

At the individual level, people need to have a good understanding of the direction of travel of the organisation and how its objectives relate to their day-to-day work to ensure they are aligned, motivated and know what's important. There needs to be a clear line of sight between organisational and individual goals cascading through each level of the organisation.



"In a highly complex environment you have to experiment to find potential solutions. Innovation and experimentation give you options, which is what you need to have the edge in readiness for the future."

**MARGARET HEFFERNAN, AUTHOR AND PROFESSOR OF PRACTICE,
UNIVERSITY OF BATH**

BRINGING THE **OUTSIDE** IN

Building businesses that are successful and sustainable in the long-term requires the development of the essential core competences of vigilance and adaptability. One of the challenges for HR leaders is to support their organisations in developing these capabilities. HR can do this in multiple ways:



Making a meaningful contribution to conversations about the future direction of the organisation.

This means being informed and well-networked and prepared to bring expertise and insights to the discussions. According to Professor Patrick Wright, *"you have to have something to bring to the conversation to make a meaningful contribution to it."* Maria Antoniou, Chief Human Resources Officer at Morgan Advanced Materials, concurs: *"You need to be up to speed with what's happening globally in the markets that are important to your business: having at your fingertips information on demographic and labour market trends, costs and so on, so you can bring that information into discussions about the business strategy."* It also takes confidence and courage to challenge the consensus viewpoint. *"You need to be able to look at things critically and say, hang on, have we really thought through the consequences of this, have we considered the risks associated with this course of action?"* said Bev Cunningham, Interim People Director, Rolls Royce.



Developing foresight as a critical leadership capability. This involves updating leadership development strategies to teach leaders how to horizon scan, detect patterns and weak signals and develop actionable insights. HR leaders can also influence the executive team agenda so sufficient time is devoted to exploring the future together. Bringing in external experts or organising fact-finding visits to other organisations to stimulate leaders' thinking. Being well-networked with leading-edge academics and other experts externally.



Building the capacity for adaptability in the organisation. Organisation design is about more than just determining the units and reporting lines that make up the organisation. A critical role that HR can play in organisation design is to make sure the design criteria include considerations around how the design enables rapid execution, experimentation and learning. This plays out in two ways. First, the 'hardware' of the organisation design – the processes, systems, governance and skills required for rapid execution. For example scenario planning, agile experimentation and 'just-in-case' preparation. Second, the 'software' of the organisation – developing a culture that supports experimentation and learning from failure. Margaret Heffernan, Author and Professor of Practice at the University of Bath, said: *"Once you accept that the world is more uncertain and less predictable, you know you can't sit around and wait for the future to reveal itself. You have to try to define it for yourself through experimentation and that requires a different bunch of skills, specifically creative and critical thinking."*



Tapping into external talent pools. A practical area where HR can bring the outside in is making sure the organisation has access to pipelines of longer-term talent in critical skills areas and to build links with educational and other organisations who can help build those talent pools. *"My ideal HR leader is one who is living in the future and can make the connections between where we're going and what we actually need to do around specific agenda items such as talent and reskilling,"* said Heffernan.







2.2





**READYING THE ORGANISATION
FOR THE IMPACT OF TECHNOLOGY**

Technology is one of the single biggest drivers of change in most organisations. Large-scale technological change is influencing strategies, business models and operations and will underpin everything HR does. AI will change both organisations and the nature of work, affecting large swathes of the workforce.

HR leaders need to understand the technology landscape, not just in terms of how we can apply new tools to improve the practice of HR, but also in terms of the impact of technology on the business. As our recent research [*Harnessing HR Technology to Drive Organisational Productivity*](#) highlighted, achieving productivity improvements through technology is a massive challenge. We are faced with remarkable claims about the capabilities of technologies such as GenAI. However, there is still much to do in terms of bringing those use cases and their potential benefits to fruition.

The implementation of technology has implications for the role of HR leaders across a number of areas:

- 
Understanding the impact of technology on the workforce. HR leaders need to be proactive in identifying emerging technologies (AI, automation, digital collaboration tools) that could reshape work and the workforce. They need to work closely with business leaders to anticipate opportunities for productivity improvement and to identify skill gaps and new ways of working. HR will be required to work more closely in cross-functional collaboration with IT, operations and business leaders to ensure a cohesive approach to digital transformation.
- 
Workforce planning and skills development. Strategic workforce planning is a key skill area for HR leaders, enabling the business to identify what capabilities the organisation will need and in what quantities and timescales, and where are the gaps, both in terms of current skills and skills areas that will become obsolete in future. It provides a foundation for scenario planning, managing the risks of non-availability of critical talent and action planning. The workforce plan enables HR to work with the business to implement action plans around buying in new skills, developing learning solutions, building internal and external talent pipelines, outsourcing, engaging contingent workers or making targeted acquisitions.
- 
Reskilling and upskilling. Organisations are likely to face significant skills shortages as they adopt new technology. Reskilling and upskilling are important elements of the digital transformation plan, allowing organisations to redeploy people into new roles, build resilience and avoid restructuring costs. Reskilling involves both creating learning pathways for new skills and supporting employees to be deployed into new roles and therefore requires joined-up action across different elements of the talent strategy including recruitment, learning and redeployment. Technology developments also have significant implications for the upskilling of the HR function itself. Leading discussions of the impact of technology on the organisation and implementing new tools requires a deep understanding of current tools and awareness of emerging technologies. CRF's [Reskilling for Sustainable Growth](#) research sets out potential strategies for reskilling and practical considerations.
- 
Job redesign. The emerging world of work envisages organisations taking a skills-based view of work, which will have a fundamental impact on the design of jobs. As AI develops, humans and machines will increasingly work together in collaborative human-machine teaming. This requires breaking jobs down into their constituent tasks to identify which elements of jobs are suitable for automation before being reconfigured and automated in ways that increase productivity and meaning. Job design is an important skill area for HR to develop in order to support the business through these changes.

- 
Change management, communication and employee buy-in. Change is moving away from being a periodic event towards continuous change as a way of life in organisations. Managing change is an opportunity for HR to demonstrate its contribution to business outcomes and is an area where HR leaders need to develop deep expertise. Culture change is a prerequisite for successful technology implementation – realising the benefits of technology requires new behaviours and practices to be successfully embedded. HR can play a central role in ensuring change initiatives are managed as a collaborative process involving employees who are affected by the change, which helps reduce resistance. This includes human-centred design and transparent communication about the purpose of new technologies and how they will impact employees.
- 
Ethical and people-centric technology adoption. A major consideration is to make sure that AI solutions are implemented in ways that align with the company's values and avoid bias. HR needs to be involved in developing policies and guidelines around ethical use of technology, particularly in areas like AI-driven decision making, employee monitoring and data privacy. HR can also advocate for a people-first strategy when implementing new technology, ensuring it creates a positive user experience and supports employee wellbeing as well as delivering against business goals.
- 
Data-driven decision making around people. AI will play a central role in helping organisations make better informed people decisions around topics such as workforce planning, talent management and addressing skills gaps. Harnessing these tools will help HR to embed talent and market insights into day-to-day business decisions. *"We need to get to the point as a function where we can use data to predict what might happen and use those insights to have a fundamentally different conversation with the business,"* said David Price-Stephens.
- 
HR technology and digital transformation within HR itself. There is increasing scope for automating HR processes across all aspects of HR, including process automation and using analytics for workforce insights. HR tech can also help improve the employee experience through better integrating tools into the flow of work and providing self-service portals and digital tools. This also has implications for the work we consider to be core and non-core for HR and the way that HR is structured.



“The HR profession has lost sight of the employee champion role and has let go of some of its core ER skills, so as we experience a resurgence of union power we need to rediscover these skills.”

JORRIT VAN DER TOGT, EXECUTIVE VICE PRESIDENT, SHELL

2.3

EMPLOYEE RELATIONS IS BACK

Employers are having to deal with shifts in the nature of the employment relationship and changing expectations of people at work. This is showing up at both the collective level – increased incidence of industrial unrest – and in individual dissatisfaction and conflict. According to Shell’s Jorrit van der Togt: “*The HR profession has lost sight of the employee champion role and has let go of some of its core ER skills, so as we experience a resurgence of union power we need to rediscover these skills.*”

Since the onset of the COVID-19 pandemic, incidences or threats of strike action have surged. In the UK between June 2022 and December 2023, the Office for National Statistics reported an estimated 5.05 million working days were lost to strikes. This marks the highest cumulative total for any 19-month period in over three decades. Similar trends have emerged in other parts of Europe.

The factors behind this increase in industrial unrest are varied and complex. These include:



Economic pressures and growing inequality. The cost-of-living crisis and high inflation have intensified financial strains on employees and heightened the potential for workplace disputes and industrial action.



Resurgence of union power in non-traditional sectors. Recent trends indicate a growing union presence in sectors like technology. For example, the formation of the Alphabet Workers Union (the Google Union) in 2021 marked a significant development in labour relations in the technology sector and reflects a broader shift towards collective bargaining in industries previously characterised by individualistic cultures.



Navigating complex workplace issues and conflict. Modern workplaces are increasingly confronted with multifaceted issues such as gender identity, political expression, neurodiversity, mental health and the pervasive influence of social media. These topics often present challenges in balancing free speech with respect for individuals’ personal circumstances, political, social and religious views and legally protected characteristics. Social media makes workers’ personal opinions, which would in the past have not been visible in the workplace, easily accessible by colleagues.

This can spill over into workplace disputes that HR leaders are called on to adjudicate. Furat Ashraf, Partner at Bird & Bird said: *"Suddenly, you are faced with situations where you may have had a difficult meeting with someone in private but you have to deal with the risk that they may make it public on social media."* The CIPD's 2024 Good Work Index found that approximately 25% of UK employees – an estimated eight million individuals – experienced workplace conflict in the past year, including being undermined or humiliated, exposure to shouting or heated arguments, verbal abuse and discriminatory behaviour. Employees subjected to such experiences report lower job satisfaction and increased intention to leave their job.

Deprioritisation of work and career progression as a life goal. Several of our interviewees reported that they are having to contend with changing attitudes around the role that work plays in people's lives. This is particularly pronounced among younger generations in the workforce who tend to prioritise work-life balance ahead of achieving progression at work. This is exacerbated by economic factors such as the cost of housing and pensions. One CHRO told us: *"More and more I hear, why should I bother going the extra mile when I'm never going to be able to afford to buy my own home or to have a family."*

A decline in employees' trust in their leaders. For many years the Edelman Trust Barometer has shown a consistent pattern: individuals tend to place greater trust in their employer compared to broader institutions like government and the media. However, we are starting to see some indication that this trust is breaking down. The 2025 Edelman Trust Barometer revealed a slight decline in employees' trust in their employers. In 2025, 75% of employees globally reported trusting 'my employer', a decrease from 78% in 2024. Employers remain the most trusted institution compared to business (62%), NGOs (58%), government (52%), and media (52%). However, a notable finding in the 2025 report was the significant erosion of trust in CEOs. Since 2021, trust in business leaders has declined by 21%, with 70% of respondents believing that government officials, business leaders and journalists intentionally mislead the public. Executives were also 2.5 times more likely than junior employees to trust their CEO to communicate truthfully about organisational matters. This growing divide underscores the need for organisations to address internal disparities and foster transparent communication to maintain and build trust within their workforce.

Employee relations has become a lost art for many HR teams; therefore it is a priority for HR leaders to upskill in this area. Maria Antoniou said: *"We've got a generation of HR people who grew up in relatively calm times and are unused to dealing with labour disputes. It's even more difficult because you also have inexperienced union leaders and shop stewards on the other side of the table so disputes can become more difficult to manage as neither side has had role models to learn from."*

➤ *"We need to be thinking more like product managers, adopting agile and employee-centric design methodologies, looking at the entire employee experience end-to-end in the same way we define customer journeys."*

JP ELLIOTT, FOUNDER, FUTURE OF HR

HR leaders also need to pay attention to the employee experience. Are we measuring how our EVP aligns with people's expectations and preferences? Are we keeping track of equity and fairness in pay, not just in relation to protected characteristics but across the board? Do we have an effective employee listening strategy? Do we have a process for continuous improvement? JP Elliott said: *"We need to be thinking more like product managers, adopting agile and employee-centric design methodologies, looking at the entire employee experience end-to-end in the same way we define customer journeys."*


 crf ER/IR

More info. →

As organisations navigate an evolving employment landscape, staying ahead of legislative changes and industrial relations challenges is critical. With significant updates to UK Employment Law on the horizon, CRF's exclusive **Employee and Industrial Relations Network** is a collaborative forum designed to empower, develop and support HR and ER / IR leaders.

2.4 REFRAMING THE DEI AND SOCIAL AGENDA

For several years we have seen an increase in the expectation that employers take a stand on social and political issues. However, the wave of political activism that swept through many organisations following the death of George Floyd in 2020 appears to have peaked. Recent research by Professor Patrick Wright found only 4% of organisations expected to become more politically active over the next few years and most expected to become less active. Wright's research also found that CEOs are becoming less inclined to take a stand on political issues that are not directly related to their business.

This trend was already underway before President Trump's orders to end federal government diversity programmes in the US led to a cascade of organisations cancelling their DEI (Diversity, Equity and Inclusion) programmes. Companies with operations in the US, particularly those engaged in government contracts, are under pressure to respond to the backlash against DEI, even if their leaders have previously publicly endorsed their programmes or privately believe in their value.

Some organisations, including Amazon, Google and Walmart, have publicly rejected their previous DEI commitments. However, others are using this as an opportunity to reassess their approach, retaining those programmes that deliver genuine value and fulfil important business objectives and retiring activities that promote a more extreme or politically-charged agenda. Professor Wright said: *"It's an opportunity to reject the excesses of the DEI agenda and reframe it in terms of what matters to the business."*

The response of some organisations is to quietly rename and reframe, for example switching to terminology such as 'fairness' or 'respect', or to shift their focus to creating an inclusive culture.

Many organisations continue to recognise the commercial value of having a workforce that reflects the profile of their customer base. One CHRO summarised a typical position: *"The DEI agenda is still important to us and we are both privately and publicly committed to it. It's driven by proper commercial reasons, relating to the consumer. But we don't want to be a leading edge business in this."* Another said: *"The reason we have pursued equal representation of women in leadership roles is that our customer base is 50-50. It's the right thing to do from a business perspective."*

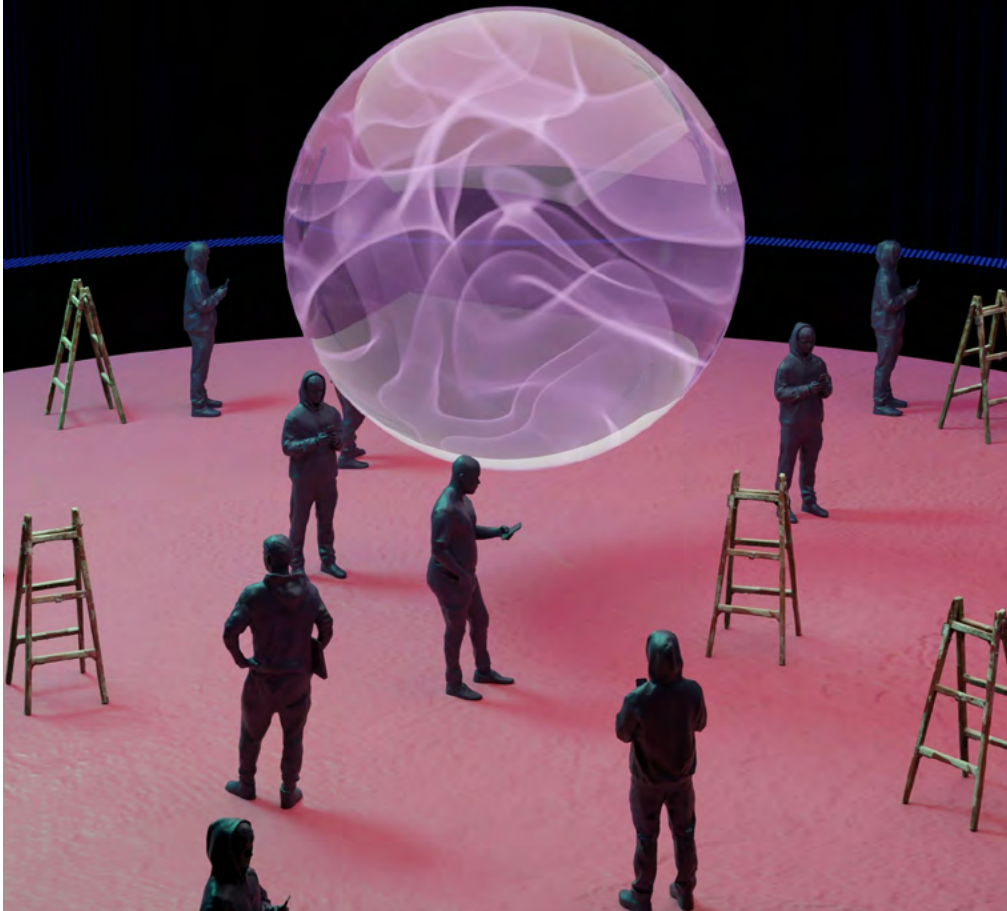
Businesses with global operations will need to balance the needs of different markets where they operate. While the US backlash appears to be spreading to other parts of the world, companies still need to follow the rules of the markets within which they operate. In the UK and Europe in particular, this means responding to an increasingly complex regulatory framework with new rules coming through regarding pay equality and transparency. Janet Tidmarsh, Managing Director, Inclusive Employers, said: *"You have to recognise that DEI is highly localised due to local employment laws and culture. This is actually quite helpful in the current environment as global companies can continue to invest in these programmes where it is right for their business."*

For HR leaders the DEI space is becoming increasingly complex, requiring a balance to be struck between commercial, regulatory, ethical and political judgments. HR leaders will need to partner with their CEOs and executive teams to work out how to navigate the new tensions in this area and find a way forward that addresses the organisation's business and social objectives.



"Productivity, performance and talent availability are some of the biggest risks facing organisations. HR needs to play a more central role in making sure these are on the agenda in executive meetings and being actively discussed."

KATE MATHIAS, CHIEF PEOPLE OFFICER, CLYDE & CO



2.5

VIEWING HR THROUGH A RISK MANAGEMENT LENS

Given the rapid pace of change in business strategies, workplace expectations, regulatory frameworks and social dynamics, HR leaders need to view their activities through a risk management lens. Being equipped to assess and manage risks effectively is a critical capability for HR professionals. Furat Ashraf, Partner at Bird & Bird, said: *"What we need is a broader approach to risk management that anticipates where risks might lie and makes sure there are appropriate safeguards in place. In particular, that due attention is given to risk in key decision-making processes."*

HR leaders can help the organisation identify and mitigate critical risks that could put the organisation's ability to execute its strategy at risk. *"You need to have data at your disposal regarding the people-related risks that you can use to influence the board and executive team"* said Derrick Crowley, Head of Group HR, Glencore. *"But you also have to be quite deliberate and thoughtful in how you create commitment to action. Having the right data isn't enough – you have to know how and when to galvanise people to act."*

Taking a longer-term perspective on the business and being more involved in strategic discussions is important. According to Maria Antoniou: *"The more we can take a three- to five-year perspective on how our organisation needs to evolve, the more acutely we become aware of the risks we have to manage."* An important contribution that HR leaders can make to executive teams' discussions is to ask questions such as: What risks will we face in pursuing this course of action? How can we lay the groundwork to mitigate these risks? What have we missed?

HR leaders also need to embed risk management in the people strategy. This requires HR leaders to work closely with other business units to align people-related risks with broader organisational risk management strategies.

The risk of commercial or reputational damage through saying or doing the 'wrong' thing is increasing. HR can help business leaders identify and manage these risks through facilitating conversations and providing training and coaching. HR leaders also need to be able to engage credibly with their boards on all aspects of corporate social responsibility and reputation.

The key risks HR must consider continues to widen in scope and includes:

-  **Legal and compliance risks.** Labour laws and employment regulations are constantly evolving, particularly in the UK and Europe with significant changes related to employment rights, pay transparency and use of AI in the pipeline. Getting this wrong can result in significant legal and financial penalties and reputational damage.
-  **Technology, data privacy and AI risks.** The widespread adoption of AI brings with it substantial risks related to data security, privacy, algorithmic bias and cyber security. Breaches are becoming more commonplace – several HRDs we interviewed for this research have had to deal with their organisations becoming incapacitated due to cyber attacks. Risks come not only from technology adopted by the company, but more importantly from unauthorised usage of tools by employees which can result in leaking of sensitive personal or commercial data. HR must ensure that the use of AI across its operations is ethical, unbiased and compliant with data protection regulations. It also needs to have a programme of communication and training to alert employees to the risks. HR needs to be actively leading in this topic – technology-related risk is not something that can be left to the IT function.
-  **Availability of critical talent.** Employers are having to contend with two opposing forces: the working population is ageing and shrinking while demand for skills in key areas such as AI is increasing. Key risks include accelerating competition for high-value skills resulting in increased wage costs and difficulties in attracting and retaining key staff and maintaining corporate memory. Risk mitigation plans need to consider strategic workforce planning, succession management, reskilling and knowledge transfer, automation of work and making sure the employment offer is fit for purpose in attracting and retaining critical talent.
-  **Reputational and brand risks.** Employees today have access to platforms that can amplify workplace concerns rapidly to a global audience. Poor handling of employee issues – such as layoffs, discrimination cases or grievances – can quickly escalate into reputational crises. HR must work closely with people managers and communications teams to ensure transparency, consistency and fairness in all people-related decisions. How does the HR leader ensure the organisation stays out of the press?



"Many of the critical risks faced by businesses – cyber attacks or risks around AI, for example – are largely people-related. It's not the systems themselves that pose the risk, it's the way people engage with them."

BEV CUNNINGHAM, INTERIM PEOPLE DIRECTOR, ROLLS ROYCE



Employee relations and industrial action. As discussed above, the rising cost of living, the resurgence of union power and increased social unrest is increasing the risk of industrial action that can have a significant impact on business operations. HR must take a proactive role in managing employee relations, ensuring fair treatment and addressing grievances before they escalate into formal disputes or industrial action.



Workplace culture and employee wellbeing. The increasing complexity of workplace dynamics – such as gender identity at work, political expression, neurodiversity and rising levels of mental ill health – creates new challenges for employers. HR must balance free speech with respect for employees' personal circumstances and legally protected characteristics. Failure to manage these issues sensitively can lead to a toxic work environment, high attrition and potential legal disputes.





Risks to productivity and performance. Are we doing enough to harness the benefits of technology to drive productivity? How is the shift to remote and hybrid work affecting productivity, innovation and performance? Are we getting the balance right between flexibility and accountability while ensuring employees remain connected and motivated?

It is essential for HR leaders to get on the front foot with regard to identifying and managing risks, moving beyond reactive problem-solving to take a strategic, preventive approach.

2.6

**CONNECTING BUSINESS STRATEGY
AND HR PRACTICE THROUGH
EVIDENCE-BASED HR**

Another lens through which HR needs to review its purpose and activities is through the effective use of evidence. If the fundamental purpose of HR is to help the organisation achieve its objectives, then we need a way to determine whether the activities we undertake within HR are actually having a positive impact on business outcomes. This is the role of Evidence-Based HR (EBHR), which enables HR to answer two fundamental questions:

-  Which are the most important problems or opportunities facing the organisation which are relevant to HR?
-  Which solutions or interventions are most likely to help?

The benefits of taking an evidence-based approach include helping HR increase its effectiveness in addressing important business issues, helping HR mitigate risks, prioritise its activities, increase the credibility of the function and reduce waste. EBHR can help HR respond to the scrutiny it receives from both inside and outside the function regarding the extent to which we add value and whether our interventions are addressing the needs of the organisation. Therefore, EBHR is a critical enabler for business-oriented HR leaders and is essential for the future success of the HR function.

SUMMARY

In summary, each of the factors described in this section on its own represents a significant challenge for the HR function. HR leaders need to respond to a volatile business environment, rapidly developing technology and a shifting social and political environment, while continuing to deliver core HR services, drive performance, manage talent and enable change. The future agenda of the HR leader is broad and complex. In order to succeed in this environment, HR leaders will need to develop their business acumen, their capacity to handle complexity and their ability to engage with a wide range of stakeholders to get things done.

CRF's [research](#) in EBHR has developed a model HR leaders can use to implement evidence-based practice in their functions (see Figure 3). Three principles underpin CRF's model for EBHR:

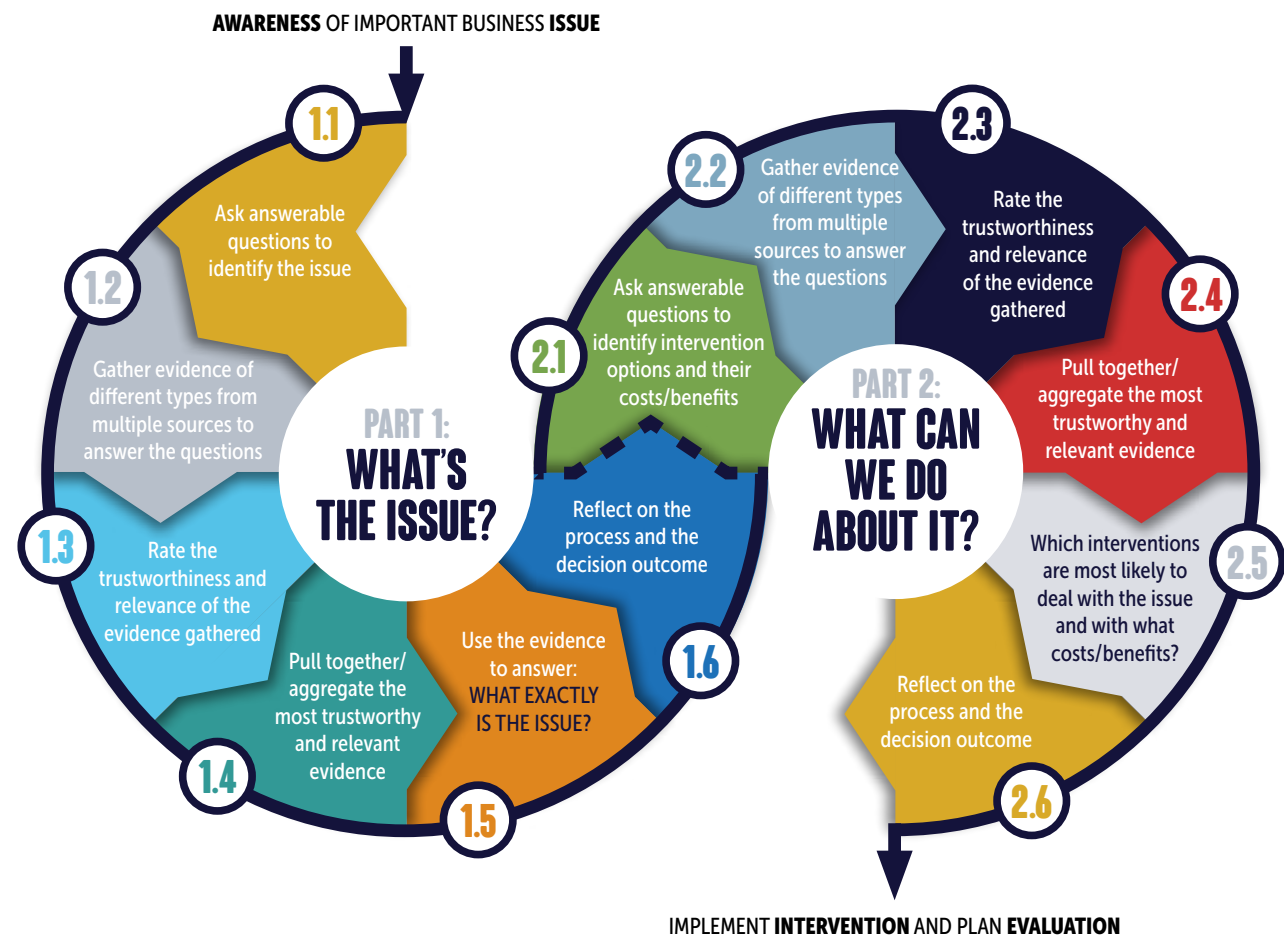
- 1 Incorporate multiple sources and types of evidence and information
- 2 Adopt a structured and explicit process of gathering and using evidence
- 3 Focus on the most trustworthy and relevant evidence

EBHR is a two-stage process. The first part helps us make better-informed decisions about what are important problems and opportunities for the business. The second helps us make better informed decisions regarding what actions to take in relation to the opportunities identified in stage 1.

Each stage involves six key steps, as set out in Figure 3. For further information about CRF's research in evidence-based HR, please access our EBHR hub [here](#).

FIGURE 3

CRF's Evidence-Based HR Process



3.0 EVOLVING CHALLENGE OF DEVELOPING HR LEADERS



"The best thing you can do in terms of developing as an HR leader is to get out of the function, get line management experience, take responsibility for a P&L."

NICK HOLLEY, MANAGING DIRECTOR, CRF LEARNING

As the role of the HR leader becomes more challenging and complex, we must consider the pathways to HR leadership. Are they keeping pace with the evolving demands of the role and if not, how could we make the development of HR leaders more effective?

Research by Professor Patrick Wright and colleagues at Center for Executive Succession highlights troubling findings suggesting that current CHROs are not effectively developing successors. Their results show that CHROs are primarily sourced from outside the organisation, with only 32% having been internally promoted. The rate of internal succession has been declining for the last 15 years. This compares unfavourably with CFOs and General Counsels which have had a significantly higher rate of internal promotions over the same period. If one of the critical success factors for HR leaders is their ability to demonstrate business leadership, this would suggest it will be even more important to develop internal successors who have relevant understanding of the business challenges facing their particular organisation and industry.

Wright's research found the most cited reason for hiring externally was *"lack of internal successors"* and, when CHROs were promoted from within, the most cited reason for hiring internally was *"succession planning"*. The researchers conclude: *"These results all point to the critical importance of the sitting CHRO in shaping from where the next CHRO will come. Effective CHROs and those who invest great effort in developing potential successors increase the likelihood that their successor will come from one of their own direct reports."*

As a function, we need to be actively investing in the career development of our future HR leaders. We also need to be creative to find opportunities for upcoming leaders to take on roles or projects of increasing complexity to build their experience, resilience and business acumen.

One of the biggest challenges for HR leaders is to build their business acumen. We therefore need to make sure that, as HR professionals progress through their career, they not only build relevant specialist and generalist HR expertise, but they also gain significant exposure to the broader business environment and to business leaders. HR leaders who have followed insular career paths focused on HR specialisms are unlikely to be well equipped for the wider demands of contributing to the business strategy and leading organisational change.

Our research suggests a combination of career strategies can help HR leaders build the skills and experiences required:

-  **Laying the foundations of experience.** A challenge for HR, as transactional HR work that traditionally would be undertaken by junior team members is increasingly offshored or automated, is to make sure entry-level HR people build up a broad range of experiences of working alongside the business. Structured rotational programmes can give early-career HR professionals exposure to multiple areas within HR and the business to ensure they build a strong foundation and avoid specialising too early. Encouraging early-career HR professionals to spend time in commercial roles before specialising in HR can enhance their credibility and effectiveness later on.
-  **Relevant business education and qualifications.** Qualifications such as an MBA or other targeted leadership development programmes and executive education programmes can provide HR leaders with essential financial and strategic skills. Data and digital literacy are also key areas for upskilling as HR becomes more data-driven and future HR leaders must be comfortable with analytics and workforce intelligence.
-  **Bringing a different range of skills into the function** to increase diversity of thinking. HR has done well in increasing diversity in terms of individual characteristics at senior levels but it is also important to widen the range of experiences we bring into the function, both at entry level and at different career stages. *"We need people who take an integrative and practical approach to problem solving as opposed to people who take a narrow view from their own specialism,"* said Shell's Jorrit Van Der Togt. *"We need to move from mono-source to multi-source in terms of the skills we bring in, for example hiring mathematicians, economists, historians and so on to make sure we have as wide a range of inputs and experiences as possible."* Curiosity will be an important characteristic of successful HR leaders.
-  **Working on projects, cross-functional assignments or secondments.** Enterprise-wide projects are a good way of getting HR leaders to think in business terms in a lower risk setting than running a business unit – putting together a strategy, plan and budget, engaging stakeholders, keeping track of progress and so on. *"It's important for future HR leaders to have led projects where the outcomes are business- and not HR-related,"* said Burak Koyuncu, SVP, Head of Leadership Development, LHH.

-  **Taking on roles outside of HR such as general management, operational or other functional roles.** This is an opportunity to build experience of running a P&L, developing and implementing a strategy and managing trade-offs. Jenny Dearborn, Chief People Strategy Officer, BTS, said: *"Now more than ever having business line experience is essential to a successful HR career. Sometimes the best thing you can do for your career is to leave HR and then come back."* *"What I hear from people who have done this is that it's not so much about what they learned from taking on these roles, it's that it gave them more credibility with business leaders,"* said Professor Wright. *"They also benefit from having been a consumer of HR which gives them a different perspective of where HR can add value and where HR processes are just getting in the way."*
-  **Mentorship and sponsorship.** Partnering HR leaders with senior business leaders to help shape their understanding of strategy and drivers of business performance.
-  **Building credibility with the CEO and the board.** It's important to provide opportunities for upcoming HR leaders to have access and exposure to the CEO and other board members. This helps the individual build their understanding of how relationships work at this level but also helps the CEO and board members become comfortable with that person and build trust. CHROs need to plan for this. *"I often hear CHROs say 'I can't bring that person to the board meeting because it's too risky. They might make a mistake or derail their career,'"* said Professor Wright. *"But when I talk to board members they really want to see these people and get to know them. I sometimes think it's a sign of cowardice on the part of the CHRO – they are scared to either be made to look bad or to look replaceable."*
-  **Have someone within HR who is accountable for developing future HR leaders.** *"What marks out those organisations who are good at this is they have someone who is assigned this as their job,"* said JP Elliott. *"They are responsible for the HR development plan and are measured on its success. They have timelines, deliverables and resources to upskill and develop the team."*
-  **Raise the expectations of CEOs and other business leaders.** Sometimes CEOs have a limited view of the contribution HR can make to business issues. Effective HR leaders can demonstrate their ability to add value to strategic topics by volunteering to lead business initiatives or asking *"Have you thought about this?"* when strategic initiatives are being discussed. *"You have to be really careful about which CEO you choose to work for,"* said Nick Holley, Managing Director, CRF Learning. *"Because if they simply view HR as an administrative function, you will struggle to be taken seriously on business issues."*

Organisations looking to prepare future HR leaders more effectively need an intentional, structured approach to development. By providing HR leaders with business exposure, data capabilities and the ability to manage risk and complexity, companies can ensure they are equipped to navigate the challenges ahead. The need for highly skilled, commercially aware and strategically minded HR leaders has never been greater.

THE **CHANGING ROLE** OF THE **HR LEADER**

- The role of the HR leader is becoming increasingly complex in today's fast-evolving business landscape. In the face of this challenge, HR leaders must cultivate foresight, vigilance, adaptability and resilience, both for themselves and their organisations.
- At the heart of this evolution is the imperative for HR leaders to be business leaders first. Their primary focus must be on strategic contributions that drive growth, improve performance and align closely with the organisation's overarching objectives. This means engaging deeply with commercial issues, understanding financial drivers and using data-driven insights to inform decision making.
- Simultaneously, HR leaders must balance the demands of business growth with an increasingly challenging social environment. The modern workplace is characterised by heightened societal expectations, complex stakeholder relationships and rapidly shifting cultural norms. In this context, the ability to navigate and reconcile these often competing priorities is essential.
- Continuous investment in personal and professional development is non-negotiable. Successful HR leaders recognise that their own growth, as well as the development of their function, is crucial to staying relevant and effective. Being informed and curious, engaging in structured learning, taking on cross-functional business experiences and continuously helping up-and-coming HR leaders hone their business skills are all vital in building the capabilities required to meet future challenges.
- Addressing these challenges head-on will not only bolster the credibility of HR leaders but also enable them to contribute meaningfully to long-term business success.

4.0 CONCLUSIONS

5.0

APPENDIX

5.1

REFERENCES AND READING LIST

CIPD. 2024. **Good Work Index**. Survey Reports. <https://www.cipd.org/uk/knowledge/reports/goodwork>

CRF. 2025. **Harnessing HR Technology to Drive Organisational Productivity**. Research Report. <https://www.crforum.co.uk/research-and-resources/research-harnessing-hr-technology-to-drive-organisational-productivity>

CRF. 2024. **A Manifesto for Future-Ready HR**. <https://www.crforum.co.uk/research-and-resources/hr-manifesto>

CRF. 2024. **Reskilling for Sustainable Growth**. Research Report. <https://www.crforum.co.uk/research-and-resources/research-reskilling-for-sustainable-growth>

CRF. 2024. **Evidence-Based HR: A New Paradigm**. Research Report. <https://www.crforum.co.uk/research-and-resources/research-evidence-based-hr-a-new-paradigm>

CRF. 2023. **Team Effectiveness**. Research Report. <https://www.crforum.co.uk/research-and-resources/research-team-effectiveness>

Dow, P. 2024. **HR Britain: How Human Resources Captured the Nation**. *The New Statesman*. 27 November 2024. <https://www.newstatesman.com/business/2024/11/hr-britain-how-human-resources-captured-the-nation>

2025 Edelman Trust Barometer, Trust and the Crisis of Grievance. <https://www.edelman.com/trust/trust-barometer>

Martin, I. 2024. **Bloated HR is More About Woke than Wealth**. *The Times*. 4 December 2024. <https://www.thetimes.com/comment/columnists/article/bloated-hr-is-more-about-woke-than-wealth-f3x6r2th3>

Wright, P., Schepker, D., Nyberg, A., Steinbach, A. and Yadav, R. **The CHRO Role in 2024: Current Status and Preparing a Successor**. Center for Executive Succession. Darla Moore School of Business, University of South Carolina

5.2

RESEARCH PARTICIPANT LIST

Maria Antoniou, Chief Human Resources Officer, Morgan Advanced Materials

Furat Ashraf, Partner, Bird & Bird

Dan Caro, Managing Director, Strategic Dimensions

Jonathan Crookall, Chief People Officer, Costa Coffee

Derrick Crowley, Head of Group HR, Glencore

Bev Cunningham, Interim People Director, Rolls Royce

Nick Dalton, Former EVP HR, Unilever

Jenny Dearborn, Chief People Strategy Office, BTS

JP Elliott, Founder, Future of HR

Kevin Green, Chief People Officer, First Bus

Quintin Heath, Former People & Performance Director, AB Mauri

Margaret Heffernan, Author and Professor of Practice, University of Bath

Nick Holley, Managing Director, CRF Learning

Olga Hypponen, Partner, RHR International

Rob Kaiser, President, Kaiser Leadership Solutions

Dominic Keogh-Peters, Group CHRO, Galadari Brothers

Burak Koyuncu, SVP, Head of Leadership Development, LHH

Kate Mathias, Chief People Officer, Clyde & Co

David Price-Stephens, Managing Director, Accenture

Janet Tidmarsh, Managing Director, Inclusive Employers

Jorrit van der Togt, Executive Vice President HR, Shell

Tony Verbraeken, International HR Director and Senior Adviser, Former EVP HR, Shell

Professor Patrick Wright, Darla Moore School of Business, University of South Carolina