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The next evolution of HR leadership: The connecting HR leader

HR leaders from around the world discuss the new demands on, and opportunities for, their role and how they are preparing themselves and the next generation of HR leaders.

Strategic expectations for chief people officers (CPOs)

CEOs today are seeking HR leaders with business stature, business acumen, and influence at the C-suite level that is at least equal to others at the table. According to the CPO of a Fortune 100 company, an HR leader must be a "thinker-diplomat-therapist with a perspective on the business— and if you do not [have that], you become part of 'smiles and files.'"

HR leaders must also be business and data savvy enough to approach their peers with strategies for ensuring the company has the talent it needs to deliver on business goals. Another Fortune 100 CPO cites a need for "HR executives who are more in tune with technology, understand the ecosystem of HR technology, and can pressure that system to work."

Today's CPOs must be able to handle new situations and apply first-principled thinking to address them, create new solutions to build a connected culture, and be thought partners on issues related to hybrid work, mental health, crisis management, and DEI. One CPO sums all this up as "navigating 'net new' is the role of HR."

HR leaders were well into an evolution of their roles, from back-office functionaries to strategic partners with the rest of the leadership team, when Covid hit. The pandemic not only accelerated the evolution but was also the beginning of a host of fundamental changes across organizations. Today, all executives are absorbing radical shifts in technology and business complexity, data usage, customer expectations, employee activism, DEI, sustainability, health and safety concerns, and social and geopolitical turmoil. Additionally, HR leaders must grapple with asymmetrical talent wars at a time when having the right people in the right places is more important than ever. And they are doing so in the context of still-volatile hybrid work dynamics; a multigenerational, global, and cross-cultural workforce; the increasing role of AI in individual roles and in HR management; demands for transparency and privacy; and an acute rise in mental and physical health issues.

Our work and research highlight that, in this context, connectivity is increasingly essential for leaders and organizations. Organizational culture, founded on a meaningful purpose, is crucial to building and maintaining connections,[1] and HR leaders often partner with their CEOs to define and shape those cultures. But building connectivity throughout an organization requires more from leaders. We have seen that when individual leaders also focus on five imperatives for action, they significantly reinforce connectivity. Those imperatives are: envision the future, deliver today; act with purpose and courage; harness the power of others; orchestrate ecosystems; and cultivate a learning mindset.[2] And HR leaders, given their role, must be superconnectors.

Envision the future, **deliver** today

Orchestrate ecosystems

Learning mindset

Act with purpose and courage

Harness the power of others

However, HR leaders from around the world indicate that they and their peers have mixed success with implementing these imperatives, meeting the strategic demands of the role today, and preparing for what the role will demand even in just five years, in 2030. There is now an inherent tension in HR. It is the function responsible for foundational operations related to people, such as

1 For more, see Dorothy Badie, Christina Cary, and Steven Krupp, "Human resources focus: Four priorities for HR leaders to empower a hybrid model and culture," Heidrick & Struggles, November 9, 2023, heidrick.com; and Darren Ashby and Atif Sheikh, *Every Team Actually Doing Business Better*, Paddock Wood, United Kingdom: Identity Print, 2023.
2 Regis Chasse, Steven Krupp, and TA Mitchell, "The connecting leader: Four imperatives for leaders today," Heidrick & Struggles, May 24, 2024, heidrick.com.

making sure employees are paid properly and on time, extending benefits, and negotiating labor contracts, to name a few. But it is also the function responsible for attracting, developing, promoting, and retaining game-changing talent; ensuring the right talent is in the right places; ensuring the organizational design makes sense; and supporting a thriving culture, to name a few. When any of the operational pieces break, HR, understandably, takes the heat. But HR leaders can then get bogged down in fix-it mode and have difficulty being strategic and proactive. Ideally, companies will have both a highly disciplined, operationally excellent function and a strategic, superconnector function. Most don't yet.

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One fact that underscores the degree of change in the HR function is a change in title: more and more HR leaders now have the title of chief people officer (CPO) rather than CHRO; many companies have made the change to indicate a broader strategic remit for their HR leaders. (We use the CPO title throughout this article to include HR leaders with either title.)

In what follows, we draw on our ongoing conversations with CPOs around the world and interviews with 10 CPOs specifically on this topic to share their thoughts on what's working well, what's not, and how they are reshaping HR leader development to meet this new set of expectations and opportunities.

Imperatives for connecting HR leaders

Envision the future, deliver today

HR has always been in the business of "delivering today." This will persist because short-term pressure to attract, retain, develop, and rightsize talent is front and center. However, most HR leaders have not particularly focused on envisioning the future in a proactive way that aligns talent strategy to business strategy. For example: In a 2022 survey, only 30% of HR leaders said that their executive learning and development programs were mostly or entirely connected to their executive succession planning processes.[3] And, they indicated, this hadn't been an issue for leaders in other business functions, reducing pressure for change. Indeed, in a 2023 survey, 42% of HR leaders said their executive succession planning was hindered because it was a low priority for senior leaders and it wasn't tied to immediate strategic needs.[4] In addition, the majority of CPOs today describe workforce planning and succession as still being a manual process, often done without sophisticated technology. Some leaders even find themselves restarting the process for each board meeting.

Yet HR leaders today must be able to envision the future precisely, as both the workforce's expectations and the skills and capabilities that will lead to the organization's strategic success are changing faster than ever. A CPO in the technology industry noted, "The pace of change is super rapid. This requires dynamic talent management that is a challenge to meet." After the pandemic, which many CPOs say was a time when performance management took a backseat to empathy, and after the two years following the pandemic, now seen as a period of overhiring, many CPOs are now conducting intense "talent density" studies to rightsize their organizations with high performers capable of driving future growth.

In addition, CPOs must envision how hybrid work will settle in their organization, the long-term role of AI, and responses to new challenges that come up every day. The CPO of a multibillion-dollar global company underscored "the need to get HR leaders comfortable dealing with tension of short-term pressure and long-term value creation."

Act with purpose and courage

CEOs are often the face and the backbone of organizational culture and purpose, but CPOs play crucial roles in shaping and maintaining culture and purpose throughout the organization. CPOs must have the courage to take a stand for what is right and stay consistent with the organization's values and purpose when facing crisis or change. For example, if an organization that claims to value people and training must shut down a plant because it is no longer viable or strategically aligned, how should the organization treat the workers? The CPO of a global energy company described how the company handled this type of scenario, stating that they "did not want to leave anyone behind, so we have retrained or redeployed two-thirds of the workforce." HR also helped those who could not be retrained to find other jobs outside the company.

And we have heard from a number of CPOs that they must at times have the courage to keep purpose top of mind when a star producer or top executive treats colleagues in ways that don't reflect the organization's values. CPOs often are the ones who must bring such behavior into the open and coach their CEO or other senior business leaders about how to address unacceptable actions, conversations that can be awkward and can certainly risk offending a top revenue performer.

Keeping purpose top of mind also helps support growth. With the rise of the gig economy, there can be as much competition for hourly employees as for executives, particularly since the promise of automation has not kept pace with the number of employees dropping out of the workforce due to gig work or generational retirements. A retail CPO explained taking action such as "pushing the organization to make significant compensation investments and acknowledge that [improving] frontline and hourly pay practices were not just the right thing to do, but right for the business." CPOs across industries often have to make the case for a longer-term investment in areas such as leadership development or coaching to ensure high-potential leaders will have the skills and capabilities they need to drive growth in the longer term.

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Harness the power of others

Creating and maintaining a human-centric culture that brings out the best in people is more complicated, and more critical, today than ever before. A Silicon Valley CPO succinctly explained, "People are exhausted from thinking about one crisis after another and the anxiety of AI."

CPOs are leading the charge to ensure workplaces stay human-centered. A European CPO noted, "The role needs to be some sort of an ambassador of well-being and life balance, and even health and safety topics." Another CPO added that a mindset shift to treating employees like customers has been helpful. One technology CPO highlighted that "coaching leaders who have not been trained as leaders and managers, and who now find themselves in expanded roles with scaled teams" is another area where HR leaders can help their entire organization work better together. The CPO noted that many leaders "rose to prominence in boom times and have never led during a downturn or with scarcity."[5]

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5   For more on coaching, and the role of other leaders in coaching their teams, see David Peck, "Developing future-ready leaders: When—and when not—to invest in coaching," Heidrick & Struggles, April 18, 2023, heidrick.com; and Chris Brookfield and Steven Krupp, "Treating your leadership pipeline as a strategic asset: Leaders as coaches," Heidrick & Struggles, June 13, 2024, heidrick.com.

In addition, several CPOs agreed on the importance of HR leaders being able to communicate effectively across the company to bring people together. Said one CPO, HR leaders "must be able to meet with [the] board and then work with low-level employees up and down the organization." Another CPO added, "Leaders who invest in relationships are the ones who are very effective in the organization." Some CPOs even have internal communications as part of their remit.

Orchestrate ecosystems

Historically, other than talent acquisition, HR has been internally focused, which makes sense for the most part. But now, the growth of remote work, the gig economy, and technological breakthroughs have upended the old model. In addition, many forces are blurring the boundaries of the enterprise in ways that require organizations to build lasting ecosystems to address more complex challenges; HR leaders need to figure out how to make that ecosystem work. Pallavi Tyagi, executive vice president and group head of people experience design at Capgemini, the French-based IT consulting firm, explained in an interview for a related article: "There is an increasing need for diversifying our talent pool. We are investing in creating a flexible talent ecosystem—'frictionless' is what we call it. And this includes freelancers, gig workers, part-time workers. This approach allows us to adapt more quickly to changing requirements from the clients, while also fostering diversity of thought and experience."[6]

Another CPO described how the DEI team at their organization built a successful ecosystem: DEI was "the leanest team under HR (just one vice president and a program manager), and they built, guided, and enabled an ERG [employee resource group] leadership force that represents an extensive ecosystem across the company." That network of leaders has done more for enabling the vision, setting strategies, collaborating on programs, and building culture than the HR team could have done alone.

Looking more broadly, a recent report from Deloitte noted that HR must now think beyond the traditional internal "customer" of leaders, managers, and employees and also focus on end customers, investors, and society to develop "people expertise" with a wide range of relationships beyond the organization.[7]

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Learning mindset

In today's context, whoever learns the fastest has a huge advantage. We consistently hear from HR leaders around the world that they want to be curious, eager learners who are first-principled thinkers and are willing to start from scratch. They know the old models don't work and that they must approach new situations with a fresh, unbiased, forward-looking mindset. However, one of the Fortune 100 CPOs noted, "I don't see us [in HR] pressing productivity or technological expectations as well as we could be. HR is retrenching to tried and true ways—we're not reengineering the systems. Our ways of working and ways of organizing are outdated, and we have a bias to help and be responsive, so the situation perpetuates." Another CPO said simply that "this might the hardest" of all of these imperatives.

6   Christoffer Black, Shaloo Kulkarni, Suresh Raina, James Raley, Luke Robbins, Martin Xiang, and Jiat-Hui Wu, "Navigating the future workforce: Insights from CHROs in Asia Pacific and the Middle East," Heidrick & Struggles, February 22, 2024, heidrick.com.
7   Sue Cantrell, Julie Duda, Kraig Eaton, and Kim Eberbach, "From function to discipline: The rise of boundaryless HR," Deloitte, February 5, 2024, deloitte.com.

Preparing CPOs for today, tomorrow, and 2030

Learning and first-principled thinking will help HR leaders at all levels build the skills to manage both sides of the HR equation.

Given the inherent tension in HR, what will it take for you as CPOs to stretch yourselves and your functions so you can be full operational and strategic contributors to your organization? Pulling together perspectives from all the CPOs we've talked with, we encourage you to challenge your current ways of doing things in three areas: your team, your model, and your role in the organization. The connecting imperatives we've described above will help in all of these areas.

The team: Business first, HR second

Learning and first-principled thinking will help HR leaders at all levels build the skills to manage both sides of the HR equation. A Fortune 100 CPO explained, "I run into many in the function who have big hearts but who are underprepared with business and technical competence." One of the technology CPOs noted a need to improve technological acumen because "HR suffers from a lack of metrics, data, and precision." On the business side, the same CPO added that "HR leaders don't focus on understanding the business they work in fast enough. Business is now viewing people problems as strategic, and HR leaders are not strategic in solving those problems. They have to become business first, HR second. They must apply themselves as business executives."

A CPO in Silicon Valley described ideal first steps: "Be clear on what capabilities HR employees need to develop. Then create personalized development plans across the HR teams. The first step is on-the-job learning: if I need someone to learn how to build a capacity model, we assign them to finance to build a capacity model." This person also sees value in rotation across HR teams: "Coordinators become recruiters or HR analysts; DEI employees move into HRBP [HR business partner] roles." In addition, this CPO suggests that rising HR leaders can broaden their skills further if they are given "a 'major,' which is a business partner for a specific area, and a 'minor,' which is having a spike strength in, say, recruitment."

Another technology CPO seconds the idea of rotation, both across HR teams and into the business.[8] This person has also seen value in stretching people by assigning them special projects outside their core area of responsibility, which forces them to draw on the strengths of others working on cross-functional teams. A CPO in another industry puts a different spin on this idea, offering HR employees "gig concept" options, in which they can "contribute 10–20% of their time to another part of the business." In doing so, "they provide input, insights, and perspectives, and gain an expanded network and thinking." This leader views these "gigs" as innovation and retention drivers, in addition to providing important learning opportunities.

This CPO also focused on the importance of learning to communicate differently, which both rotations and special projects can help with: "At scale, we see time after time that HR has too much information and not enough people who know how to find the salience. We can be in love with our work and present to other executives with mass complexity. It erodes our credibility and creates an impression of busyness without impact."

CPOs also cite the value of many kinds of mentoring. One CPO lets employees "get behind the curtain of HR" by spending dedicated time with him. Another said that in her function, high-potential leaders work on a part-time basis with more-senior leaders in something like a chief of staff capacity. She herself meets with a vice president every Friday to "plan the HR leadership team meeting, go over priorities for the function, and discuss 'HR for HR' issues." She added, "There's no better preparation than being in that staff capacity." Another leader cited the value of apprenticeships "like a model in the trades where you work with a highly skilled tradesperson to learn what they're doing. You spend time going out on jobs with a master craftsperson and see different situations to develop capability. We need to do more of that."

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8   For more on how risk leaders have used rotation across the business to develop more effective leaders in that function, see Mark Jackson, "Financial services: Ensuring the next generation of risk leaders is ready," Heidrick & Struggles, heidrick.com.

Fundamentally, CPOs can ask their team every day to focus their work on creating a better employee experience. That focus can often lead to a unifying purpose—one that keeps the team focused on doing the right things for the organization and on committing to learning what they don't know.

## The model: Achieving a consolidated view of the business

One CPO stated emphatically, "We are stuck in our COE [center of excellence] models. They served us well for the last 50 years, and there's so much pressure to protect the system. But we need to be courageous and break our own models. Our tools aren't supporting us—systems that support HR are totally fractured." This is even more of an issue as the HR function evolves to be the problem solver for a host of cross-functional issues.

CPOs can start by asking themselves questions: Why is the current model the way it is? Is it able to meet the current—and future—needs of the company? If not, what needs to change? Is it a matter of supplementing the current team with teams of temporary talent from within or outside the company to fix or reinvent the way we're doing things? Is it a complete reorganization of the function? Where can ecosystems founded on skills built through cross-functional work or projects help? How can automation of basic tasks free up time to do more strategic work?

Additionally, one CEO suggested organizational changes and found it valuable to "consolidate legal, employee relations, and compliance into one space. They can be the best they can be and will change the work of HR business partners to be closer to strategic planning. Connection between talent [as a function], HR business partners, and the CFO is critical, and so is developing those relationships to get a consolidated view of the business."

Cross-functional issues need cross-functional minds: HR can be the superconnectors from the senior leadership team down to the front line.

Indeed, cross-functional issues need cross-functional minds: HR can be the superconnectors from the senior leadership team down to the front line, building relationships, forming teams to address problems, promoting rotations and the gig model across the organization, and looking at organization design as a whole when necessary. It can take courage to consider and make fundamental changes to the function, but the rewards can be significant for CPOs, their function, and the organization.
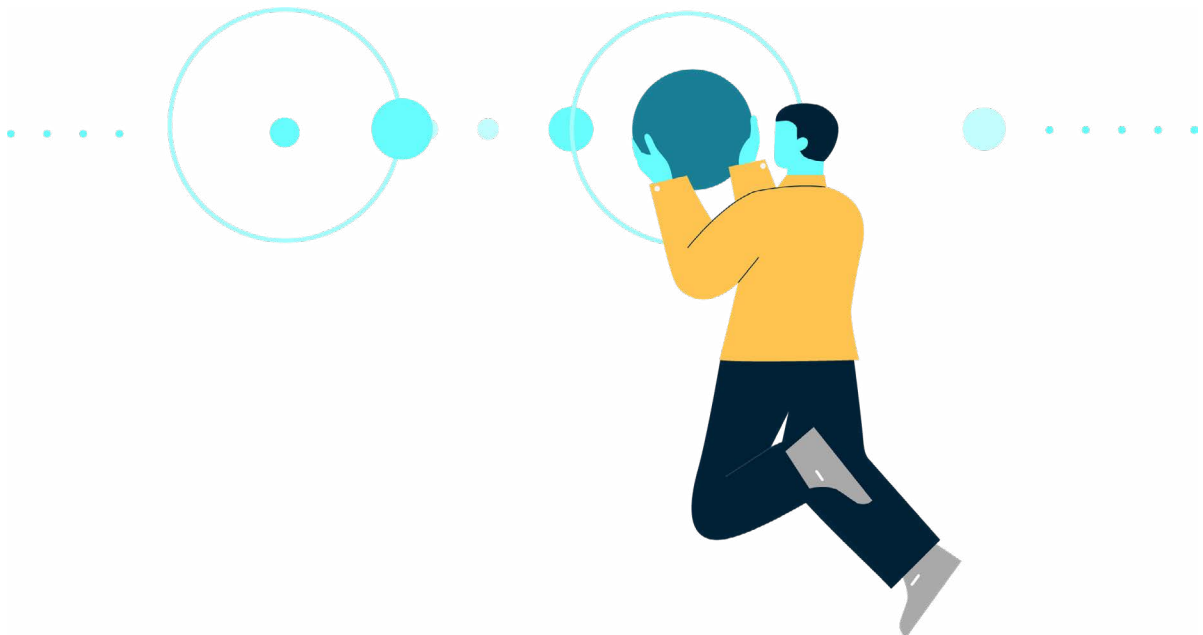
The role in the organization:
A culture shift for HR and everyone else

Overcoming old perspectives about HR throughout the rest of the organization, as well as within HR itself, will be crucial to attracting and developing the next generation of HR leaders. One reason old perspectives linger is because the evolution of the HR function from a purely operational function to a function that is both operational and strategic is incomplete. One CPO noted, "Traditionally, HR had no seat at the table; our voice wasn't heard. It's only been in the last four years that it's been recognized that HR needs somebody who can lead. And there are still many CEOs who don't view HR strategically." Another CPO at a global company offered an example: "We've done a beautiful job of creating an internal AI tool, but the push for HR executives is how do you take that from writing a performance memo to actually accelerating the business and changing the organizational structure to solve business problems? I have yet to see HR helping to solve business problems."

A European CPO is making progress on a culture shift within HR: "It really is about walking the talk and in an authentic manner. The basis of our culture and values is our customers' success, and what we as a team can do to help our customers succeed. That provides us opportunities to learn and develop ourselves, and development always also means growth opportunities on a personal level as well as opportunities to grow as a team, for us as individuals to share our own knowledge and be proud of what we do. That's what then creates a sense of meaning, wholeness, and belonging, and that, as we know, builds that engagement."

A few CPOs mentioned a different culture and process shift within the function, from wanting to hire people with HR expertise to being willing to, as one CPO stated, "take fewer years of HR experience to hire people who have aspirations to ascend in the function and continue to strive for learning. We're willing to wait to find the best people with business and consulting and critical thinking skills, and then we train them on HR experience." Another noted simply that "you don't have to grow up in HR." However, another added, there are "some challenges with that profile in that they may not like working in HR or may not have patience for others in HR. Coming from a background like consulting to HR, you have to learn how to motivate a more diverse set of people."

Today's times demand a different approach from HR leaders. You need to manage the role's inherent tension between operational and strategic expertise. Leveraging the five connecting imperatives— envisioning the future while delivering today; acting with purpose and courage; harnessing the power of others; orchestrating ecosystems; and having a learning mindset—can help you reimagine your team, your model, and your role in the organization. You can make it happen.

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