

## ON THE HIGHWIRE BEING A CHRO IN 2025

### CHRO SURVEY INSIGHTS

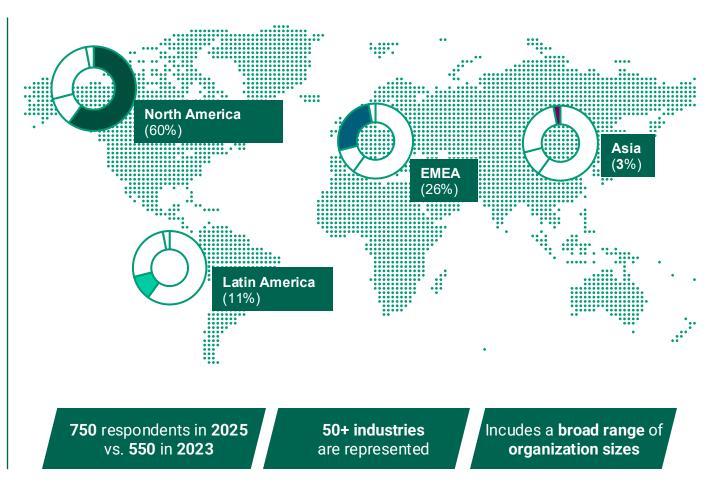


## SURVEY RESULTS FROM 750 GLOBAL HR LEADERS

Korn Ferry surveyed **750 Senior HR Leaders** (including 450 CHROs) to understand their key priorities in 2025 and beyond.

This document combines the survey results with supporting Korn Ferry data and reveals insights on:

- 1. The Business Transformation Tight Rope
- 2. Talent In The Balance
- 3. Keeping It All In The Air: The HR Agenda





## CHROS FACE A DELICATE BALANCING ACT

The challenge?

Supporting *forward business momentum* in the face of disruption – as a transformation leader and a strategic talent adviser. PERFORM

Run the organization

VS.

VS.

VS.

**EFFICIENCY** boosting productivity

**EXCELLENCE** perfecting operations

SHORT-TERM WINS meeting immediate goals **GROWTH** while expanding markets

**TRANSFORM** 

Change the organization

AGILITY while enhancing organizational flexibility

**LONG-TERM NEEDS** while investing in future capabilities

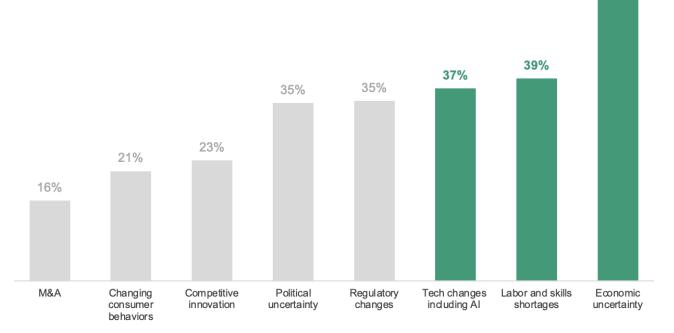


# THE BUSINESS TRANSFORMATION

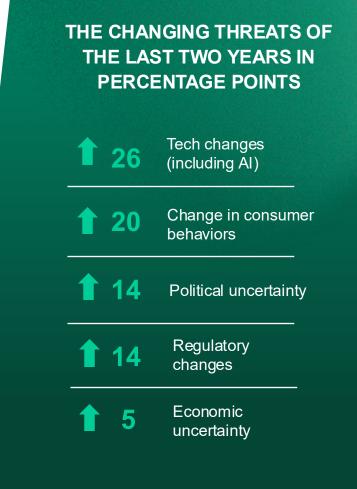


## COMPETITION IS NO LONGER THE CHRO'S BIGGEST THREAT

**Today's external environment is rapidly adding threats outside most organizations' immediate control.** CHROs tell us the top external trends impacting business in the next two years are economic uncertainty, labor and skills shortages, and technology advancements.



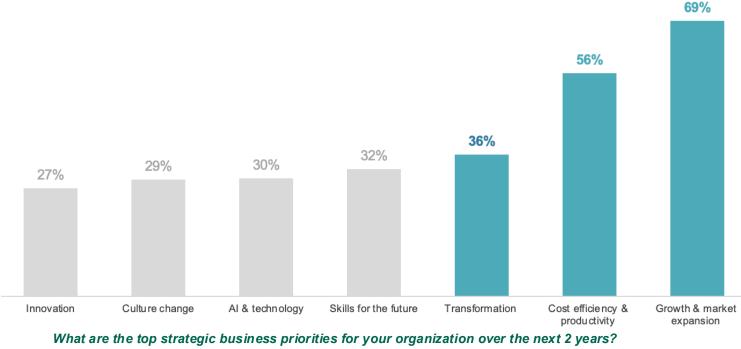
What external trends will have the biggest impact on your business in the next 2 years? Reported as percentage of total respondents; 2025, N= 756.





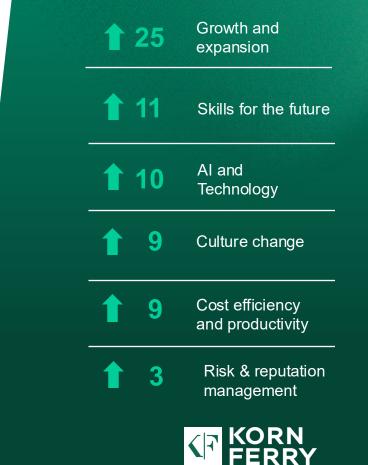
## GROW BUT CUT: CHROS UNDER PRESSURE

From skilled talent to technology, big investments are unavoidable – meaning the CHRO must support the drive for market expansion, all while cutting costs, improving efficiency, and boosting productivity.



Reported as percentage of total respondents; 2025, N= 756.

#### THE SHIFTING STRATEGIC PRIORITIES OF THE LAST TWO YEARS IN PERCENTAGE POINTS



## NOT ALL ORGANIZATIONS ARE TRANSFORMATION READY

There is a mismatch between **ambition** and **capability**. Many businesses have big ambitions, but their organizational capabilities aren't aligned to achieve them.

Transformation can't wait. Organizations that don't evolve risk being left behind.



Only **40%** incorporate **disruptive ideas** and **innovative practices** into their businesses. 60%

While 60% struggle to move away from old ways of thinking.



#### LEADERSHIP MISALIGNMENT CREATES NEW CHALLENGES

30%

of CHROs could not say their leaders are aligned with transformation needs

Without **clear alignment** across the leadership team, organizations will struggle to realize their full potential.





## TRANSFORMATION PRIORITIES FOR CHROS

90% of the **World's Most Admired Companies** are reevaluating their operating models. 60% say learning agility is the top characteristic they look for in hiring leaders. Here are 3 actions CHROs can take to get their organizations transformation-ready.



Re-align structures, roles, and resources to growth opportunities



Assess how AI and other new technologies are reshaping work and roles



Develop change ready leaders who can deal with disruption and the Perform-Transform tension



## HERE'S SOME MORE DETAIL ON WHAT THAT LOOKS LIKE...

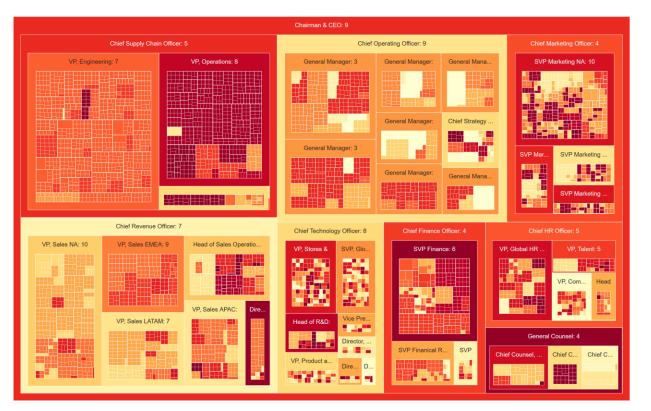
#### **1.** Aligning resources to growth opportunities:

- 53% of Most Admired Companies are aligning to customer journeys
- 33% are centralizing functions for greater efficiency

#### 2. Assessing how AI reshapes work and roles:

- 51% are adapting their organizations to new technologies, including AI
- Creating an AI-impact heatmap (see example) showing the extent of AI disruption on skills and roles
- 3. Upskilling leaders to become change ready:
  - Investing in professional development

#### Illustrative AI heatmap



Korn Ferry's skills-based organizational view

Dark shows job responsibilities with higher AI-impact potential



# TALENT IN THE BALAMCE



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## **TOP PRIORITIES** FOR CHROS IN 2025







**Elevating HR Capability and Impact** 



**Developing a Competitive People** Strategy and Employment Proposition



#### **Skills Development**

LEADERSHIP CAPABILITIES **CHROs NEED TO STRENGTHEN** TO DELIVER ON 2025 PRIORITIES:



**AGILITY & ADAPTABILITY** 



**CROSS FUNCTIONAL COLLABORATION** 



**DEVELOPING ORGANIZATIONAL CAPABILITIES** 



**BUILDING OPERATIONAL EXCELLENCE** 



## AS THE BATTLE FOR TALENT HEATS UP, REPUTATION MATTERS



of CHROs say they need to update their EVP to attract future talent



know the skills needed for their business's future growth



know how to get the **future skills** needed through hiring, reskilling, etc.



## SHORT-TERM FIXES COULD DERAIL LONG-TERM STRATEGY

HR leaders cite short-term pressure and lack of longterm planning as top challenges in **balancing talent investment with business growth**.



of CHROs say there is not enough planning for *future* workforce needs

**35**%

feel too focused on *short-term* growth, at the expense of long-term talent needs





### PEOPLE STRATEGY PRIORITIES FOR CHROS

Despite layoffs in some sectors, there's a perceived shortage of skills. CEOs are deeply concerned about accessing and retaining critical capabilities. This is the void HR must fill. The work begins with developing a people strategy that directly supports the business strategy.



Identify the top 3 organizational and leadership capabilities that will help your business thrive – and put these at the center of your people strategy



Position the organization for the future by refreshing the EVP and employer brand to attract and retain forward-looking talent



Broaden the organization's view of leadership succession by uncovering untapped, high-potential talent at all levels in the organization



## KEEPING IT ALL IN THE AIR: THE LIN THE AIR: THE HIR AGENDA



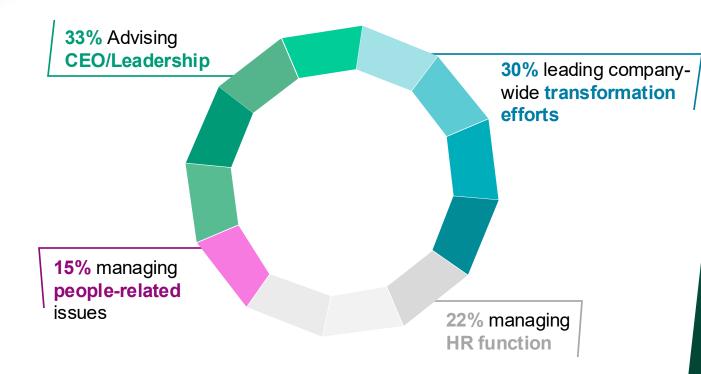
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## CHROS ARE STRATEGIC ADVISORS AND TRANSFORMATIONAL LEADERS

How CHROs spend the majority of their time:



CHROs are no longer just focused on people. They're **shaping business strategy and leading organizational change**.



of CHROs say their CEO frequently relies on them for strategic advice on key business issues



of CHROs are **driving transformation efforts**, highlighting a significant shift to key C-suite leadership



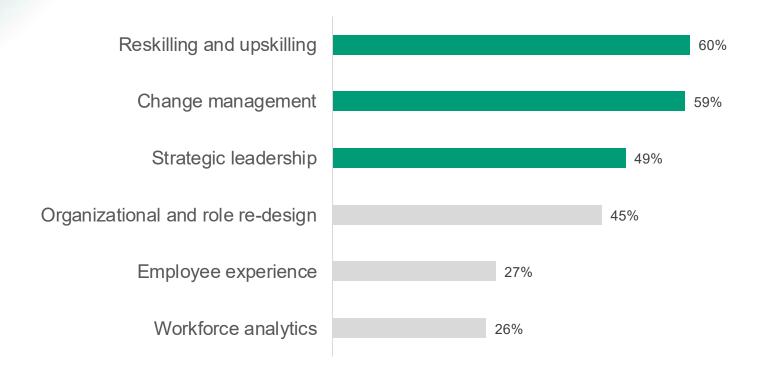
#### INCREASINGLY COMPLEX BUSINESS CHALLENGES CALL FOR MORE EXPERIENCED CHROS

Companies are searching for **more well-rounded**, **experienced CHROs** who can lead through uncertainty and drive transformation in both talent and business strategy.

- The average age of CHROs has increased by 5 years, signaling a preference for more seasoned professionals. The expectation that CHROs hold MBAs is rising slowly but steadily—up another two percentage points from the Korn Ferry 2023 CHRO trend study.
- There is a growing desire for CHROs with diverse careers. On average, organizations are selecting CHROs with experience across 4.5 organizations and 3.5 different industries; the appeal of broad, cross-industry experience has shown momentum year over year.



## CHROS SEE THE AI TRANSFORMATION OPPORTUNITY IN HR



What role do you believe HR should play in helping businesses address the impact of Al? Reported as percentage of total respondents; 2025, N= 756. With labor shortages keeping CHROs up at night, Al-driven tech skills might be the answer.

- Korn Ferry's Workforce 2025 data reveals employees are hungry for Al-specific training and opportunities to experiment with Al.
- More than 60% of the workforce say that they would stay at a job they hate if it granted opportunities to quickly upskill.
- The data also finds being trained specifically in AI skyrockets discretionary effort motivation by 192%.

Source. Korn Ferry Global Workforce survey, 2025.



## FAST-TRACKING AI: WHY CHROS CAN'T WAIT



Despite **42%** of CHROs prioritizing investment in AI, only **5%** of HR teams are **well-prepared to embrace it** 



of CEOs see the biggest obstacle to integrating AI into their organization's talent management is:

"Insufficient Al-related knowledge and skills within the HR team" KF Institute Research – 2024

**of CHROs** say they are FULLY prepared



## HELP CAN ARRIVE WITH BETTER ANALYTICS



indicate their HR analytics capabilities maturity is <u>basic</u> or descriptive only

...of CHROs believe their organizations consistently use data analytics to drive better people-related decisions

 $\mathbf{R}^{\prime\prime}$ 



## HR ANALYTICS CAPABILITIES IMPACT THE ENTIRE EMPLOYEE LIFECYCLE

Which of your people practices are most impacted by your HR data analytics capabilities?



Note. Reported as percentage of total respondents; 2025=756.



## HR FUNCTIONAL PRIORITIES FOR CHROS

CHROs must enhance HR capabilities to help the organization remain competitive and resilient in the face of disruption. This preparation encompasses not just the impacts of AI, but also other technological advancements, economic shifts, and social changes that are shaping the future of work.



Assess how AI can help improve talent management, workforce planning, and enhance the employee experience



Build agility into HR's operating model to increase flexibility, accelerate decisionmaking, and align with evolving business needs

Enhance HR's people analytics capability to boost performance anticipate workforce risks



## **ON THE HIGHWIRE:** THE CHRO'S BALANCING ACT IN 2025

#### PERFORM. TRANSFORM. LEAD FORWARD.

Today's CHRO walks a tightrope—balancing business needs and human ambition with every step. The role demands constant motion, precision, and courage.

#### CHROs are expected to:

- ✓ Drive efficiency while delivering excellence in every process
- ✓ Capture short-term wins without losing sight of long-term growth
- ✓ Build agility into the culture while ensuring organizational stability
- Support business transformation while remaining the strategic talent advisor your company relies on

#### The tension is real—but so is the opportunity.

In this moment of complexity and change, CHROs are not just balancing—they're leading from the wire, guiding organizations across uncertainty toward future-ready success.

#### Balance is not the end goal. Forward motion is.



## LET US BE PART OF YOUR SUCCESS STORY

Korn Ferry's significant experience in people strategy and transformation combined with our global reach, data, and access to world-class talent offers a holistic approach that solves your toughest organizational challenges, including:

#### ORGANIZATION DESIGN & ANALYTICS

We optimize structure and resources using data to align with your business goals.

#### <u>TOTAL</u> REWARDS

We design rewards strategies that attract, motivate, and retain talent while optimizing costs.

#### TALENT ACQUISITION

We deliver scalable, strategic hiring solutions to find the right people at the right time.

#### WORK & CAREER ARCHITECTURE

We create clear job architectures that enable growth, mobility, and reskilling.

#### CULTURE, CHANGE, AND COMMUNICATIONS

We guide mindset and behavior change to support your strategic goals.

#### ASSESSMENT & SUCCESSION

We identify and develop top talent to build robust pipelines and ensure leadership continuity.

#### **PEOPLE STRATEGY** & PERFORMANCE

We align talent and performance management to fuel innovation and results.

#### SALES EFFECTIVENESS

We boost sales performance through smarter structure, talent, and technology.

#### LEADERSHIP & PROFESSIONAL DEVELOPMENT

We develop leaders and teams to fuel growth, resilience, and performance.

## READY FOR MORE?

Let's connect. Speak with a Korn Ferry expert.





Korn Ferry is a global organizational consulting firm, bringing together strategy and talent to drive superior performance for our clients. We work with clients to design their organizational structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward, develop, and motivate their workforce. And we help professionals navigate and advance their careers.

Business advisors. Career makers.