

Research report

The changing face of HR in 2024

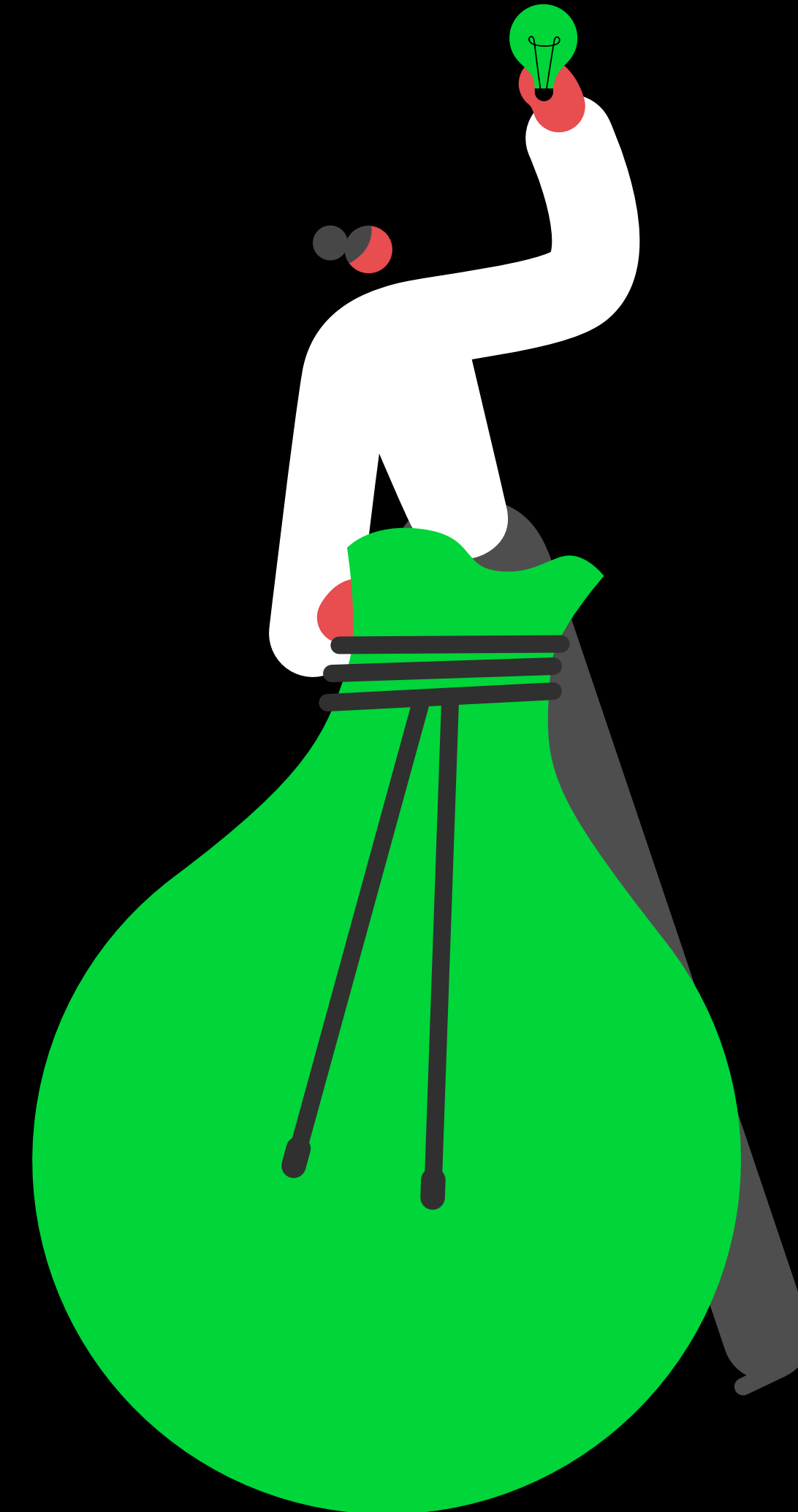
Sage



The changing face of HR

Sage polled over 1000 HR leaders and c-suite executives to uncover how HR is changing and what success looks like in today, and tomorrow's, new world of work. Our research reveals some surprising findings... Here's what this report on our research findings will cover.

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HR and C-suite executives reveal all

Over 1,000 HR leaders and c-suite executives shared their candid thoughts, including what's keeping them up at night and their hopes for the future.

We spoke to both HR and c-suite leaders to get a 360-degree view...

Including Senior HR leaders, CEOs, CFOs and CTOs.

...from small and medium organisations

49%

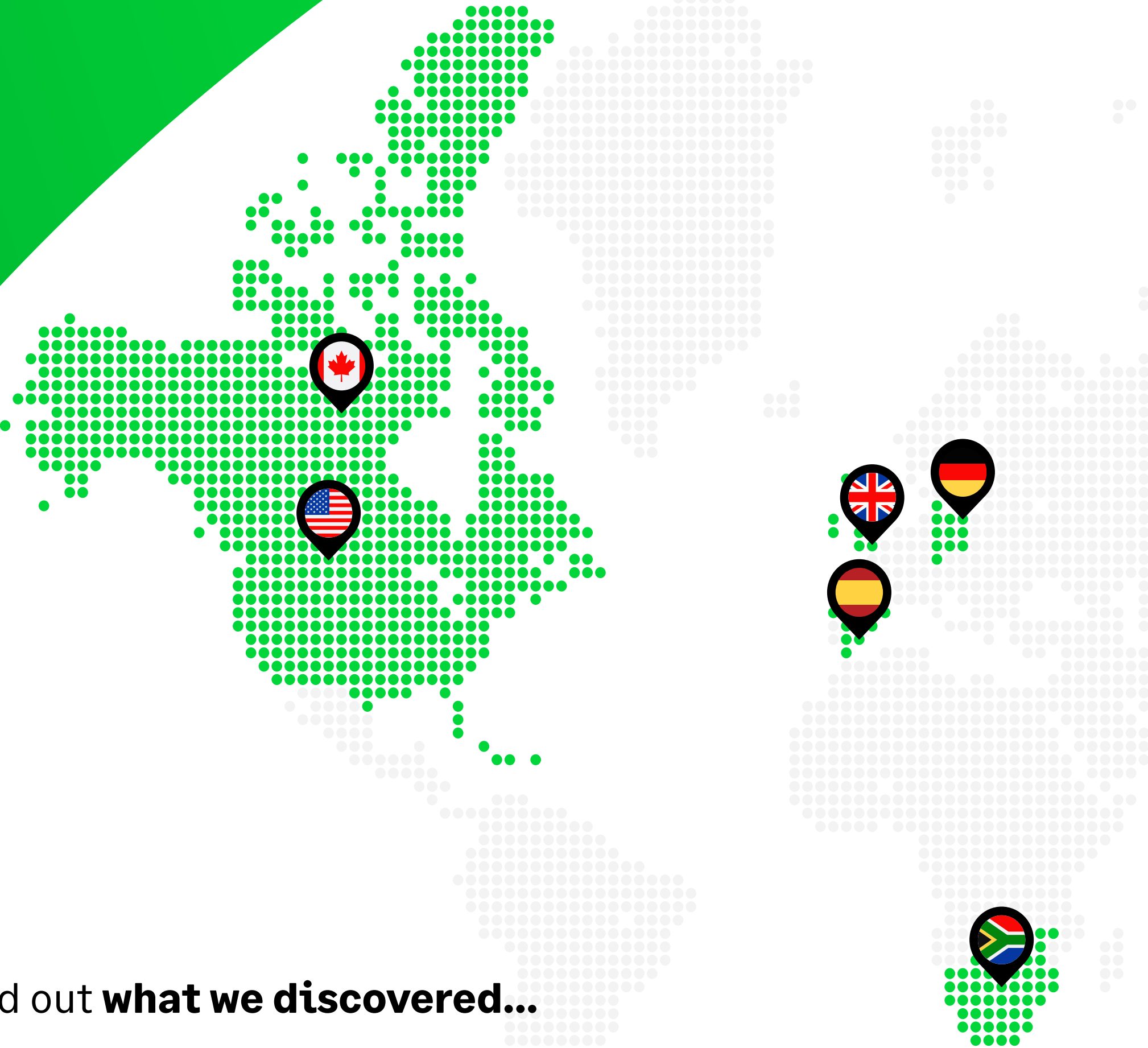
of small business
50-249 employees

51%

of medium business
250-1,999 employees

...focussing on several high-skill sectors

- Financial Services
- Technology
- Professional Services
- E-commerce retail
- Telecommunications
- Insurance

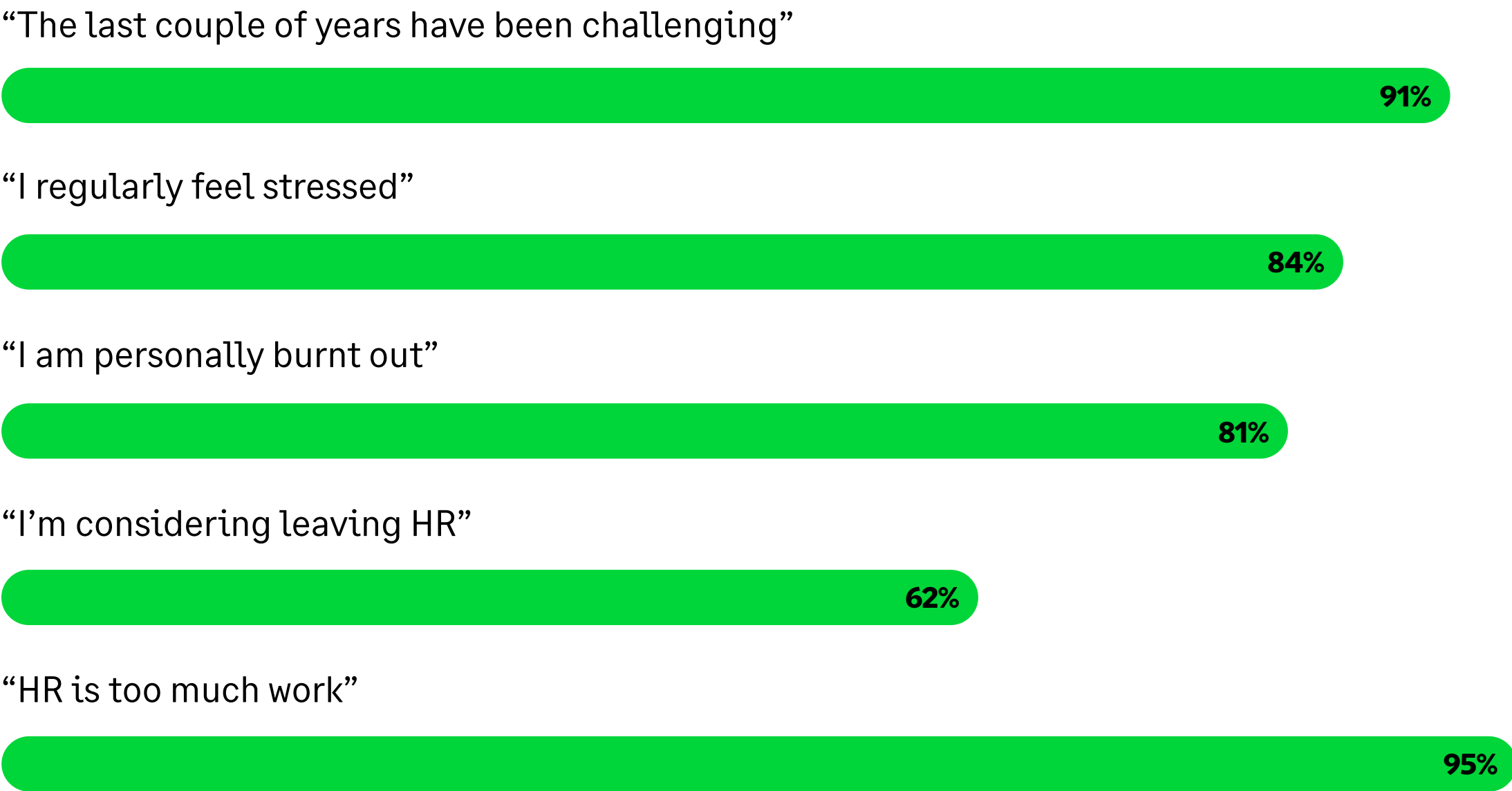


Read on to find out **what we discovered...**

HR today

HR’s temperature check

The last year or so has been challenging to say the least. HR leaders told us they feel stressed, burnt out, and are considering leaving the profession. 95% of HR leaders say working in HR is simply too much work and stress.



“The last couple of years have been very stressful. We’ve had to face really complex issues at work and have also had to help our people who have been going through really difficult times.”

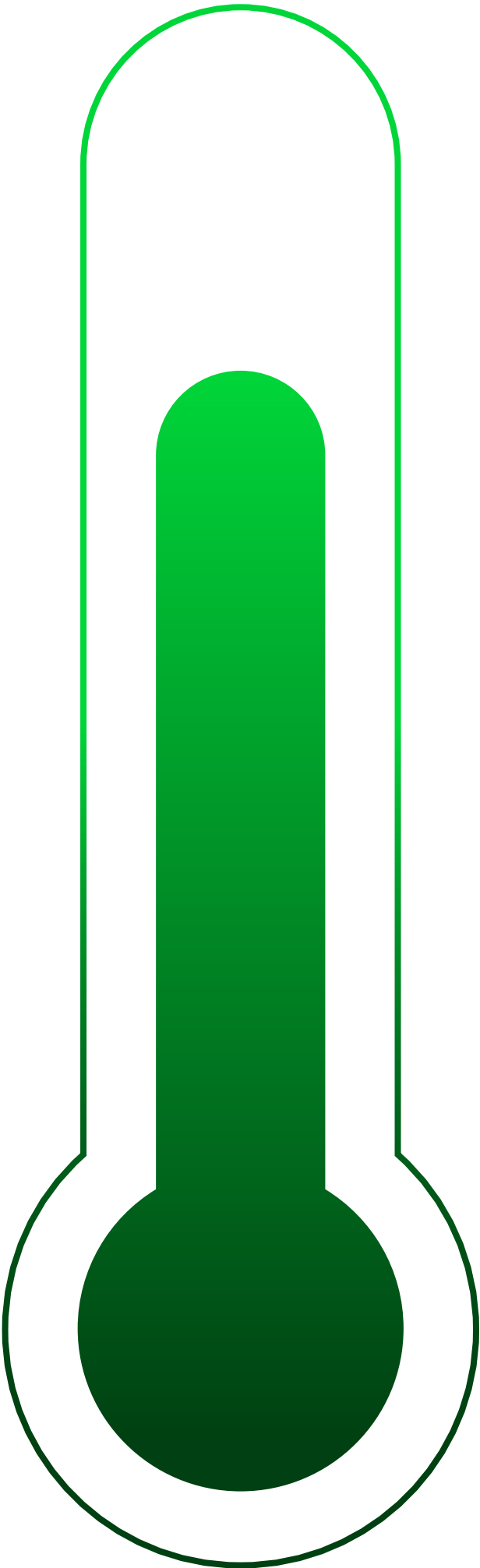
Tushar Kad
Director of Human Resources, Simeio Solutions

“[During the pandemic] there was no best practice for guidance, you had to figure it out on the fly and learn along the way. We were in unexplored territory and with so much happening, everyone looked to the HR leader.”

Daphne Logan
Senior VP People and Culture, Start Early

“The last few years have taught me more about HR than any textbook or any of my educational qualifications.”

Tushar Kad
Director of Human Resources, Simeio Solutions



You love what you do

Despite facing enormous challenges, 57% of HR leaders say they greatly enjoy working in HR.

“I’m definitely happy to be in HR. I really love it as despite all the challenges, it’s really the time to make an impact and shaping new ways of working. I think that, with the recent changes and trends in the world, HR’s role is becoming even more important —because business leaders have really started to understand how important the people side is, and the personal touch.”

Eszter Lantos
Head of People, TCC Global

“I am highly motivated by the impact that a People function can have on a business culture and performance when executing brilliantly. The things ‘we’ can put in place, the mechanisms to help people, and the way we influence the business can be great as you can really see and feel the knock-on effect in people’s lives. That is a massive driver to try to always do the best job I can.”

Jat Bansal
Director of Talent, Funding Circle

57%

“I love working in HR”

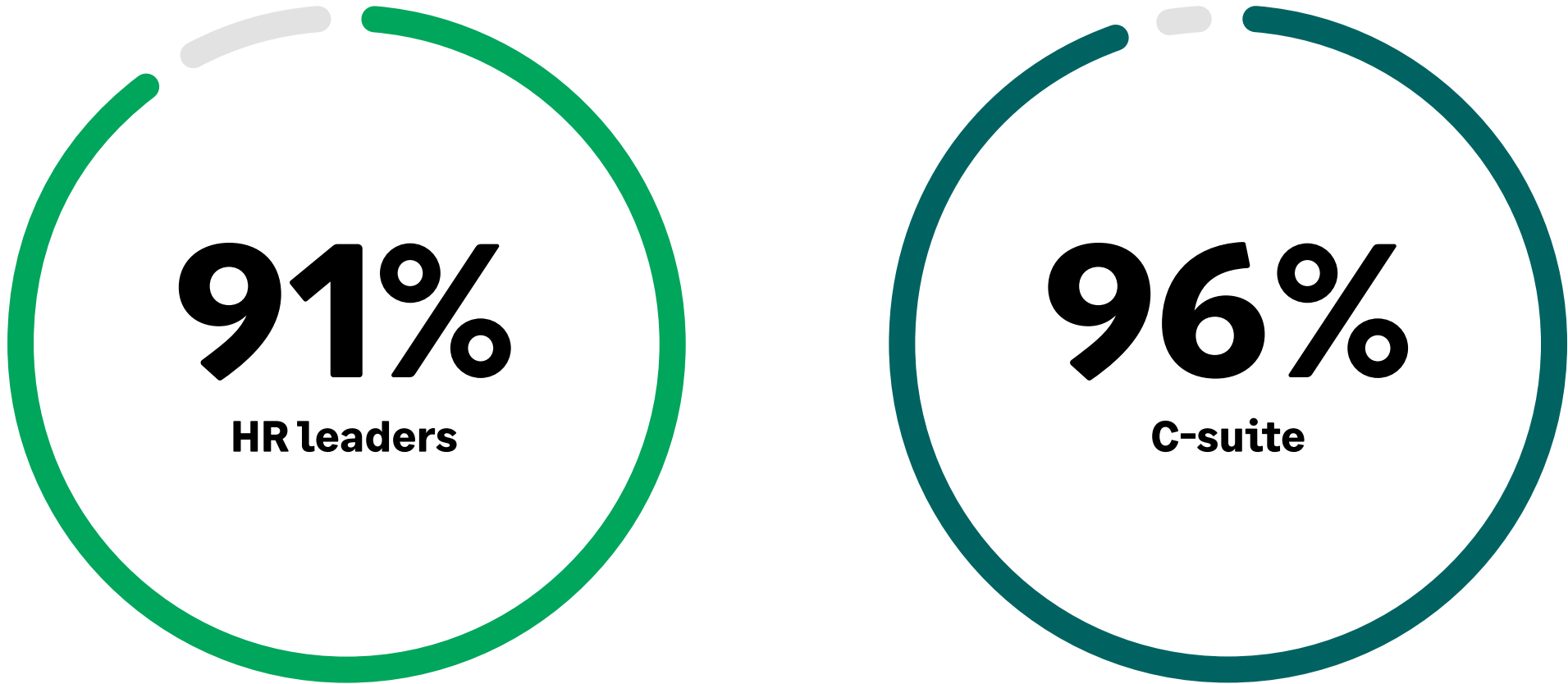
You’re leading in times of accelerated change in the HR function

The rate of change in HR in recent years has been eye-watering, thanks to the pandemic and seismic shifts in the workplace—and the world itself. 91% of HR and c-suite leaders say HR’s role has changed dramatically over the past five years. Around a third of HR leaders, and 40% of the c-suite, told us they don’t think these drastic changes will slow down anytime soon either.

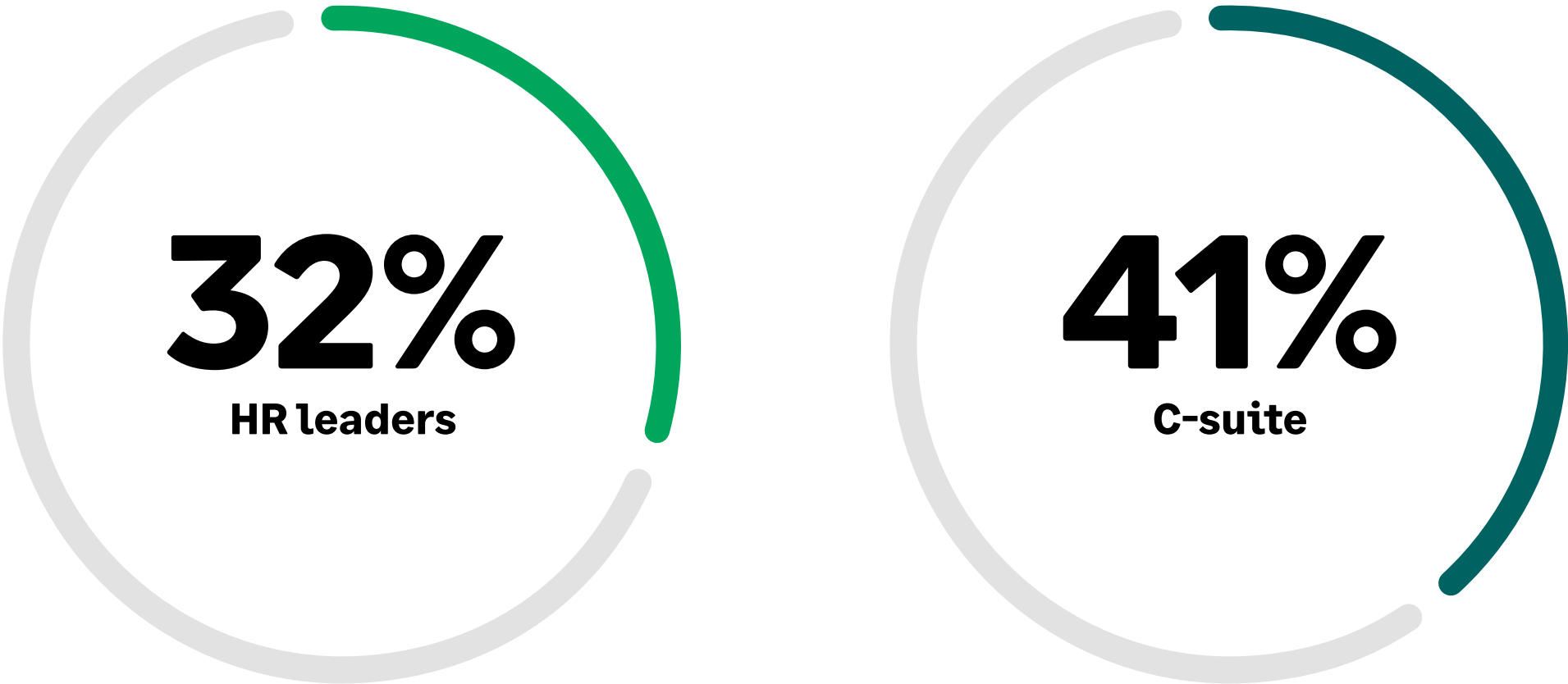
“HR has no alternative but to pull up its socks and be part of the change. For us to be able to do that, we must be on our toes, to get ourselves educated and informed, so that we can anticipate the transformation to the greatest possible extent.”

Tushar Kad
Director Human Resources, Simeio Solutions

Fast-forward
“The scope of HR’s role has changed dramatically over the last five years”



Not hitting the stop button
“HR’s role will continue to change a great deal in the next five years”



**“Things are
changing so fast.
In the last five years,
we’ve seen as much
change as in the
previous 10 or 15.”**

Rob Wiseltier
CFO, The Channel Company

Sage



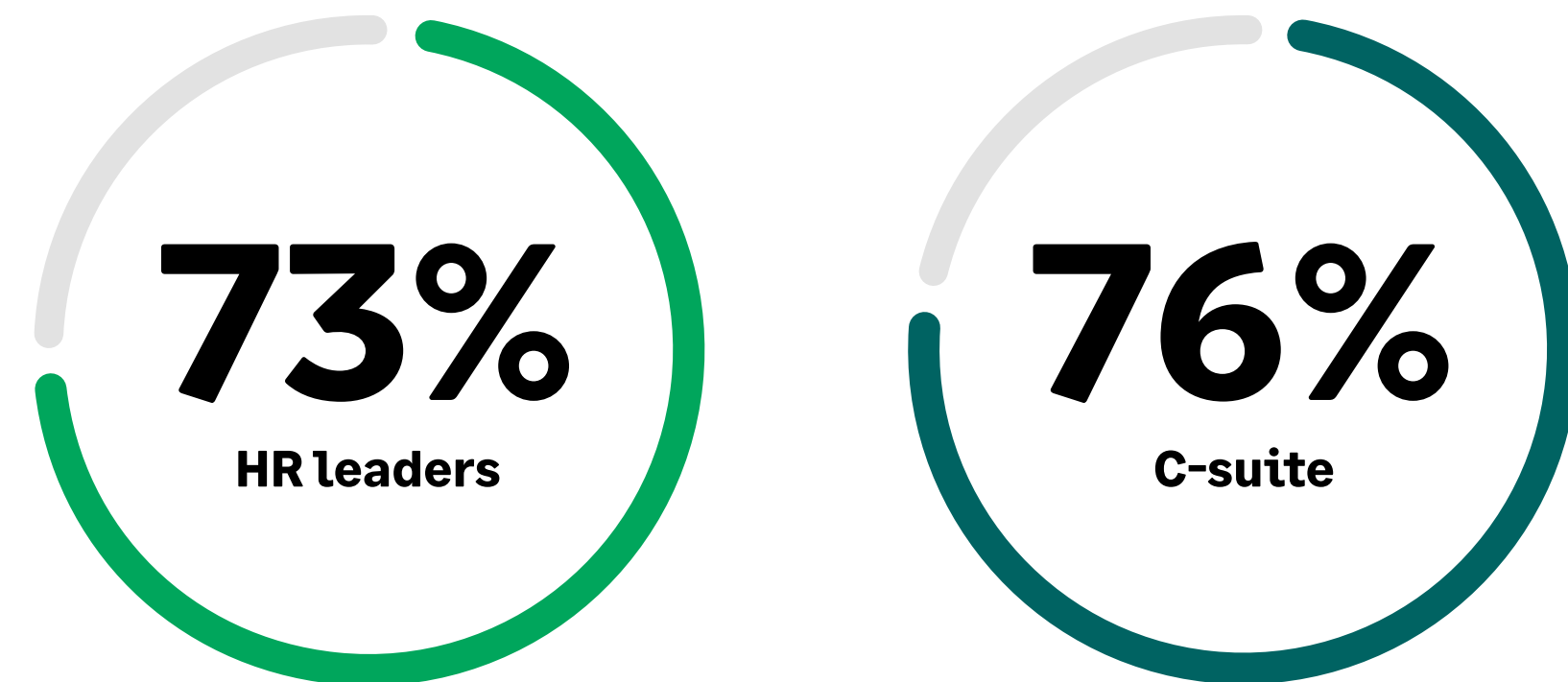
HR today

Time spent on people versus processes

Respondents universally recognised that HR needs to evolve from predominantly an administrative function to take on more of a strategic focus, with a greater consultancy role in companies today. However, most also pointed out that the balance today often still tips in favour of the administrative more than they would like.

Stuck on process

“Our HR team today focus primarily on processes”



Time for HR’s big re-brand?

Despite this, this is widespread consensus in the HR community that the days of HR being seen as an admin function—simply managing ‘humans as a resource’—should have moved on.

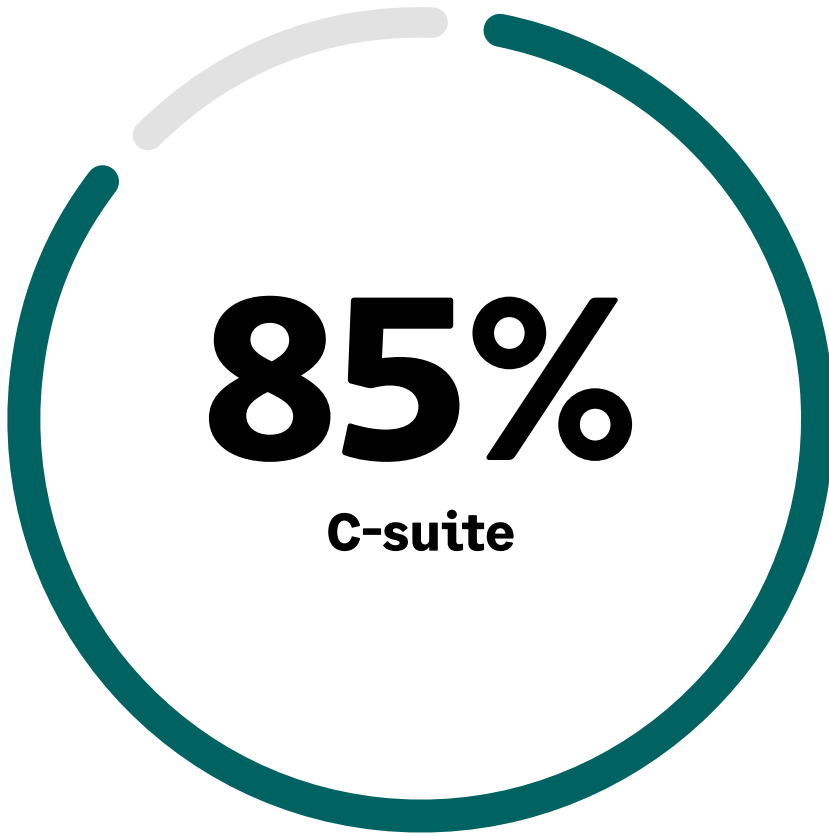
“There is a move away from ‘Human Resources’ and what that originally meant. A more appropriate name would now be a ‘People function’. It’s an old-school view to look at people only as resources rather than as individuals with their own values, challenges, and gifts.”

Eszter Lantos
Head of People, TCC Global

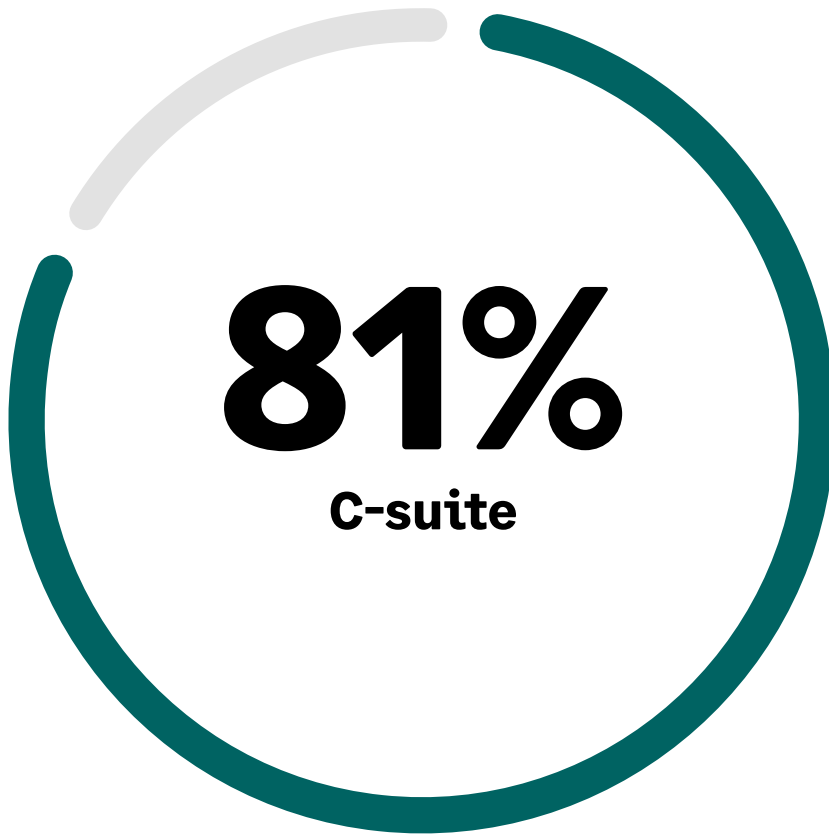
“I’ve shifted away from ‘Human Resources’. I use ‘People and Culture’ now because that is a truer description of who we are and our work.”

Daphne Logan
Senior VP People and Culture, Start Early

A modern take on HR
“The term ‘Human Resources’ is outdated”



HR agility
“HR today is organised for speed, agility and adaptability”



HR today

HR's perceived value

However, HR leaders still have some way to go to convince organisations of their value, and the power and flexibility of the modern People function. 63% of c-suite leaders admit to still seeing HR's role as administrative, and many business leaders don't expect HR to play a leading role across key areas that would traditionally sit in their wheelhouse, such as workforce planning and company culture.

Is HR facing an uphill battle?



of c-suite leaders still see HR's role as administrative



of HR leaders think employees are knowledgeable about what HR does



Who’s leading? HR versus the c-suite’s expectations

C-suite executives also told us they don’t expect HR to play a leading role in areas that would traditionally sit in HR’s wheelhouse. For example, less than half of the c-suite think HR should play a leading role in employee health and wellbeing, and talent management and workforce planning.

Top areas where HR and the c-suite think HR will play a leading role in the next three years



The future of HR

The future of HR

Navigating the future of HR

91% of HR leaders told us they're excited about the future of HR. Despite this, some 66% of HR leaders told us they still have some worries about what lies ahead.

Excited...

91%

of HR leaders and **95%** of c-suite are **excited** about the future of HR

...but worried

66%

of HR leaders say they are **worried** about the future of HR

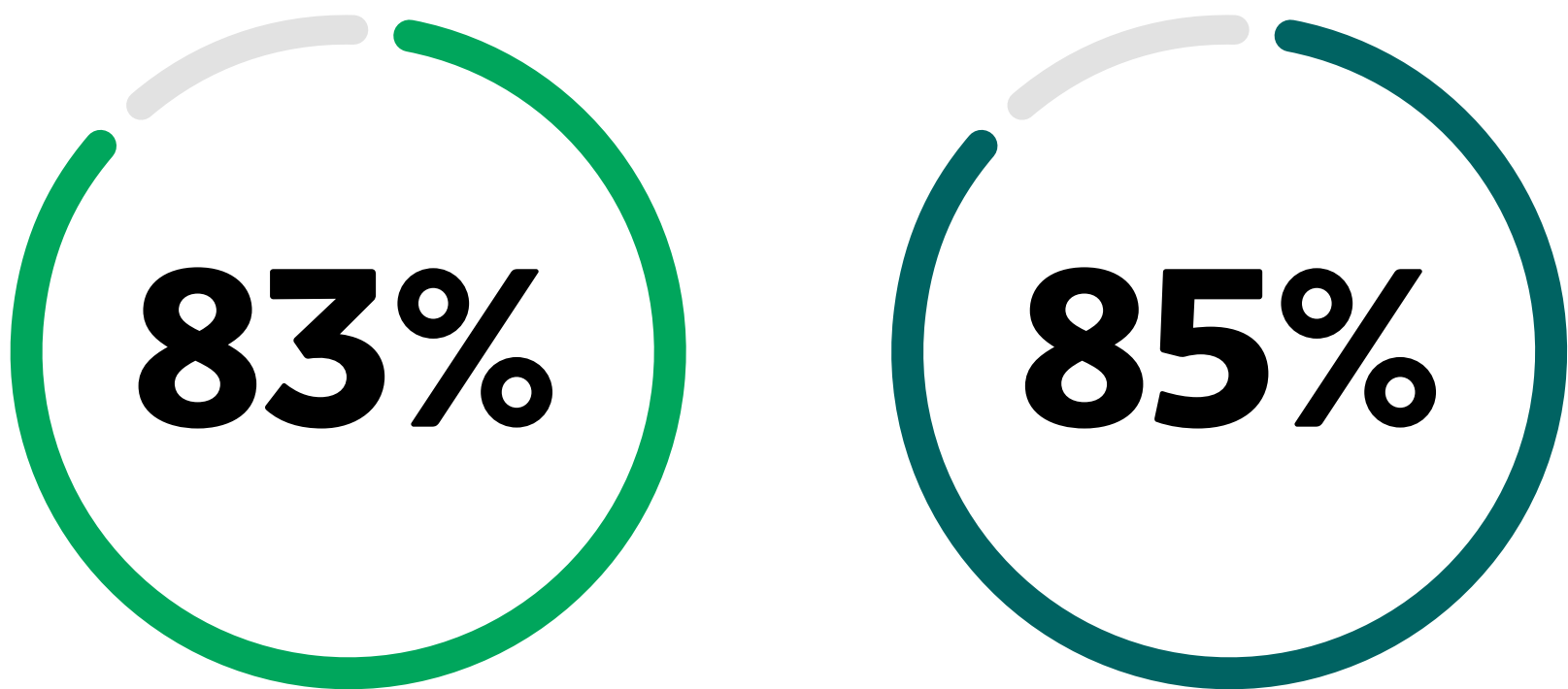


The future of HR

A focus on people: HR as designers of experiences

83% of HR leaders and 85% of business leaders say employee experiences and satisfaction will continue to become more of a focus for HR—as the function moves away from admin towards a more strategic and people-focussed role in the changing world of work.

Great workforce experiences remain paramount



of HR leaders say employee experiences will be more of a focus for HR

of c-suite leaders say employee experiences will be more of a focus for HR



There must be more focus on the people experience and looking at our colleagues like important customers. HR should become architects for great employee experiences.

Eszter Lantos
Head of People, TCC Global

We invest in our people because they are going to be our future leaders; if they’re engaged, then we’re productive and we can achieve our strategic objectives and goals.

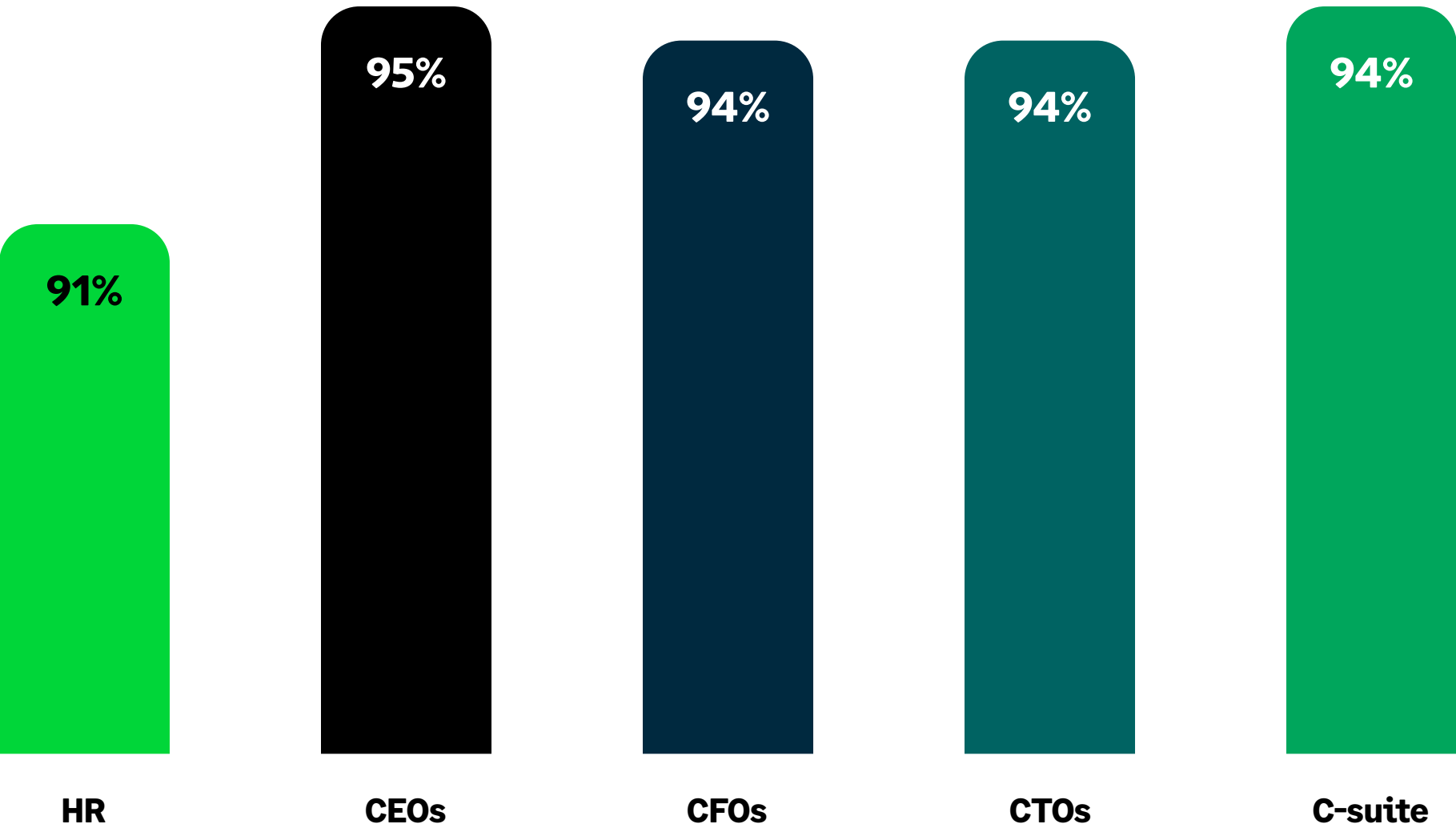
Daphne Logan
Senior VP People and Culture, Start Early

The future of HR

From CPO to CEO?

HR leaders also told us that, in the future, their experience makes them the perfect candidate to be future CEOs—and current business leaders agree. 91% of HR leaders and 95% of c-suite execs say HR has the right skills to become heads of business.

“Our HR leader has the right skills to become CEO”



“If you have the right skills and you match it up with all the good things in HR—the empathy and the humanity—that is an important combination, which, in my opinion, any CEO should have if their aspiration is to build trust and inspire their people.”

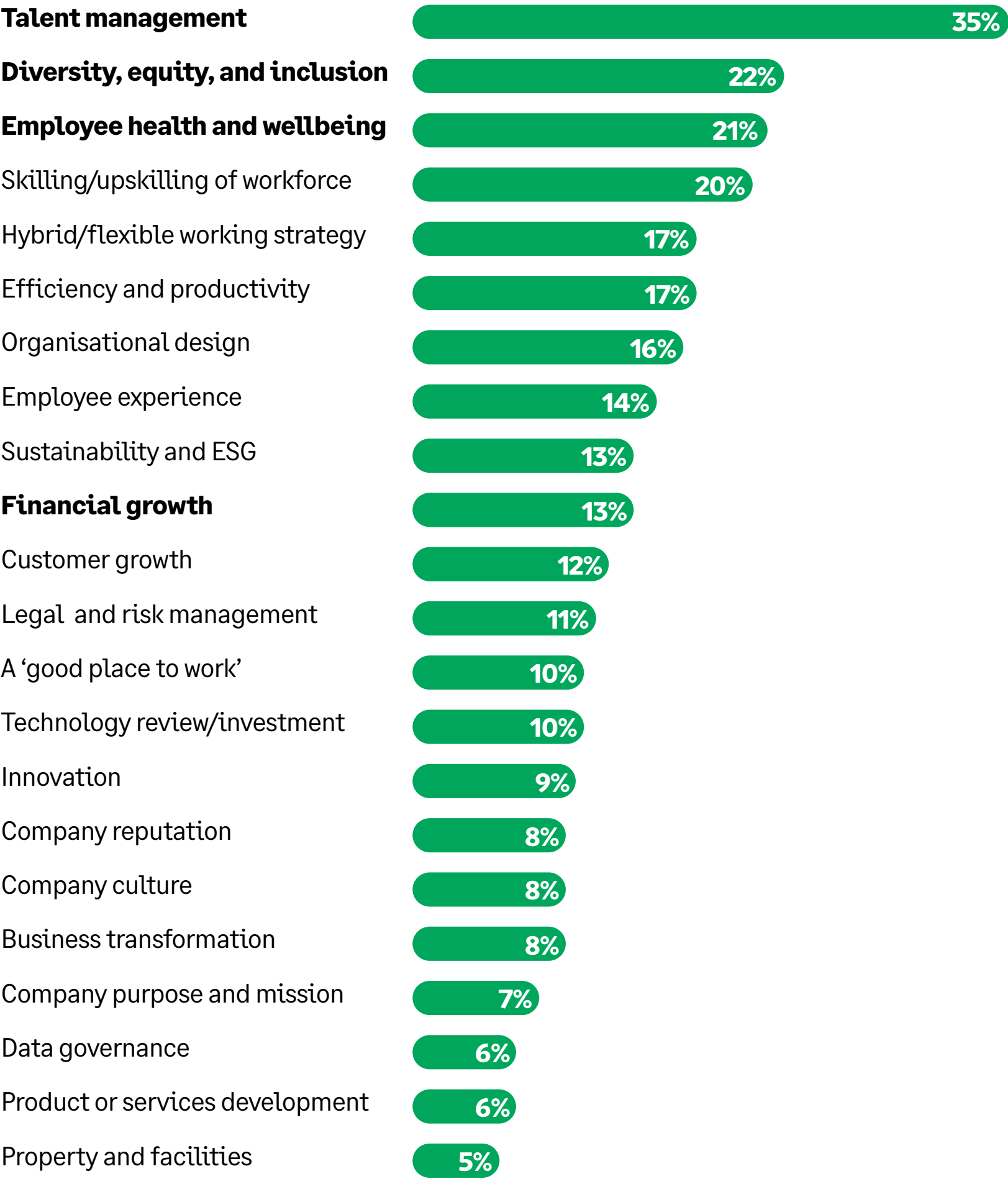
Eszter Lantos
Head of People, TCC Global

HR in 2024: Are HR and the c-suite on the same page?

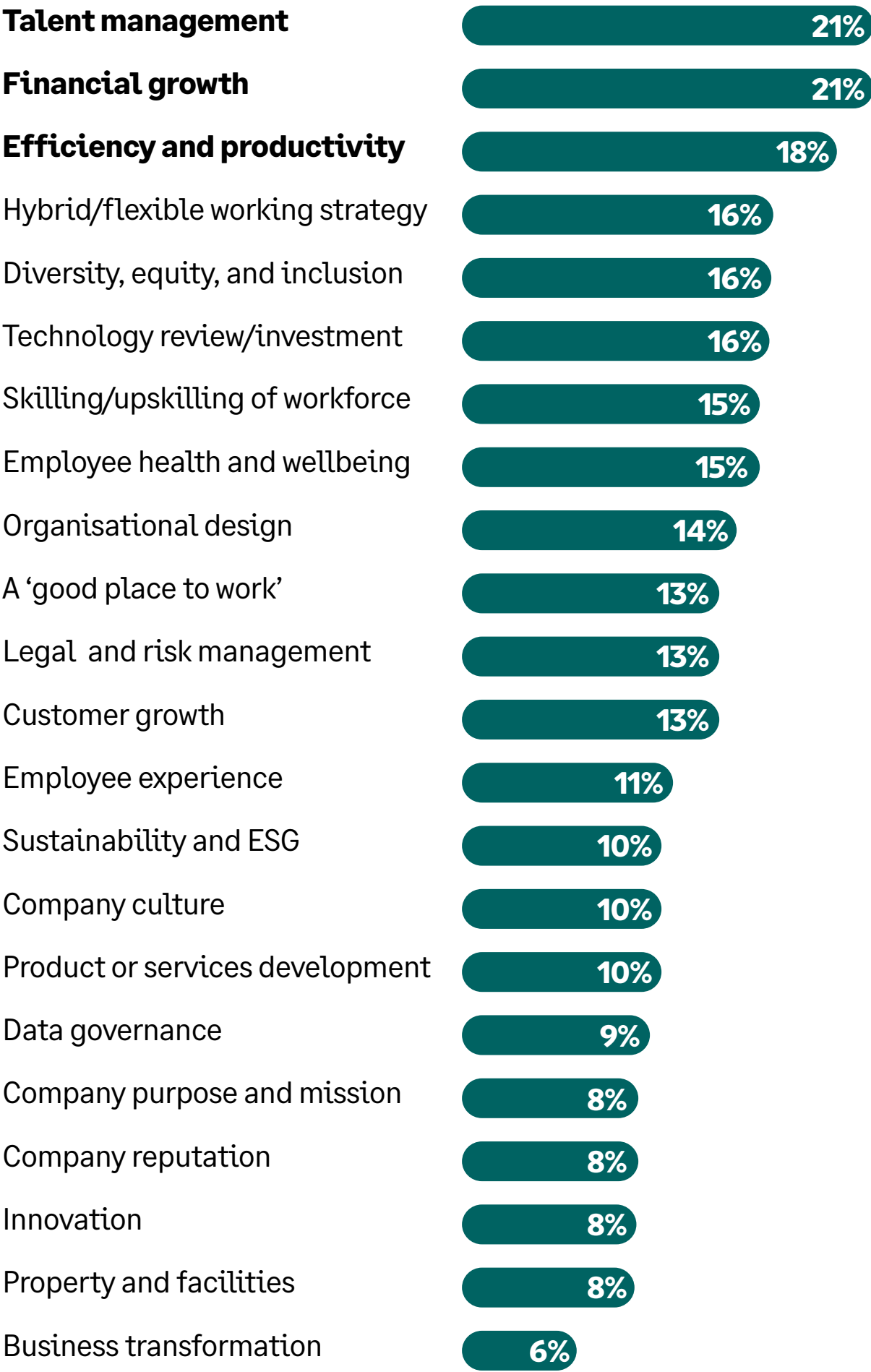
Are HR leaders today, however, aligned with CEOs and other c-suite execs? Our research shows talent management remains the top priority for both HR and the c-suite in 2024. However, whereas business leaders also prioritise financial growth, putting it second in their list of priorities—it is much lower on the list at tenth for HR leaders.

What should be a top priority for HR in 2024?

HR leaders

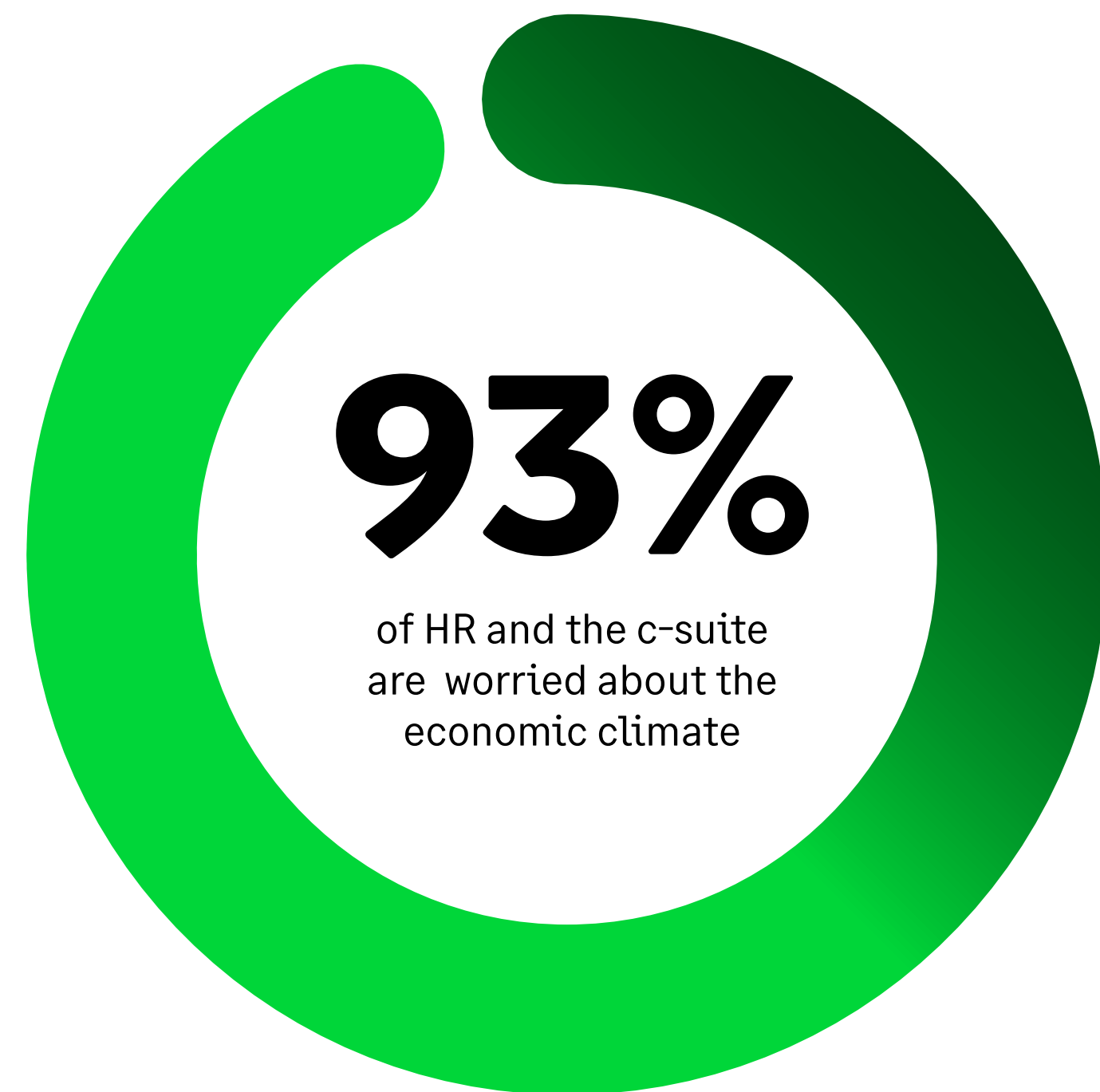


C-suite



Economic turbulence

The financial health of companies could not be more important right now. In the immediate term, 93% of HR and business leaders say economic uncertainty will be a challenge for HR in the years ahead.



“There is naturally some nervousness across the industry as the UK hits record inflation levels. Companies will need to hustle harder and diversify their revenue streams as much as possible during an economic downturn.”

Jat Bansal

Director of Talent, Funding Circle

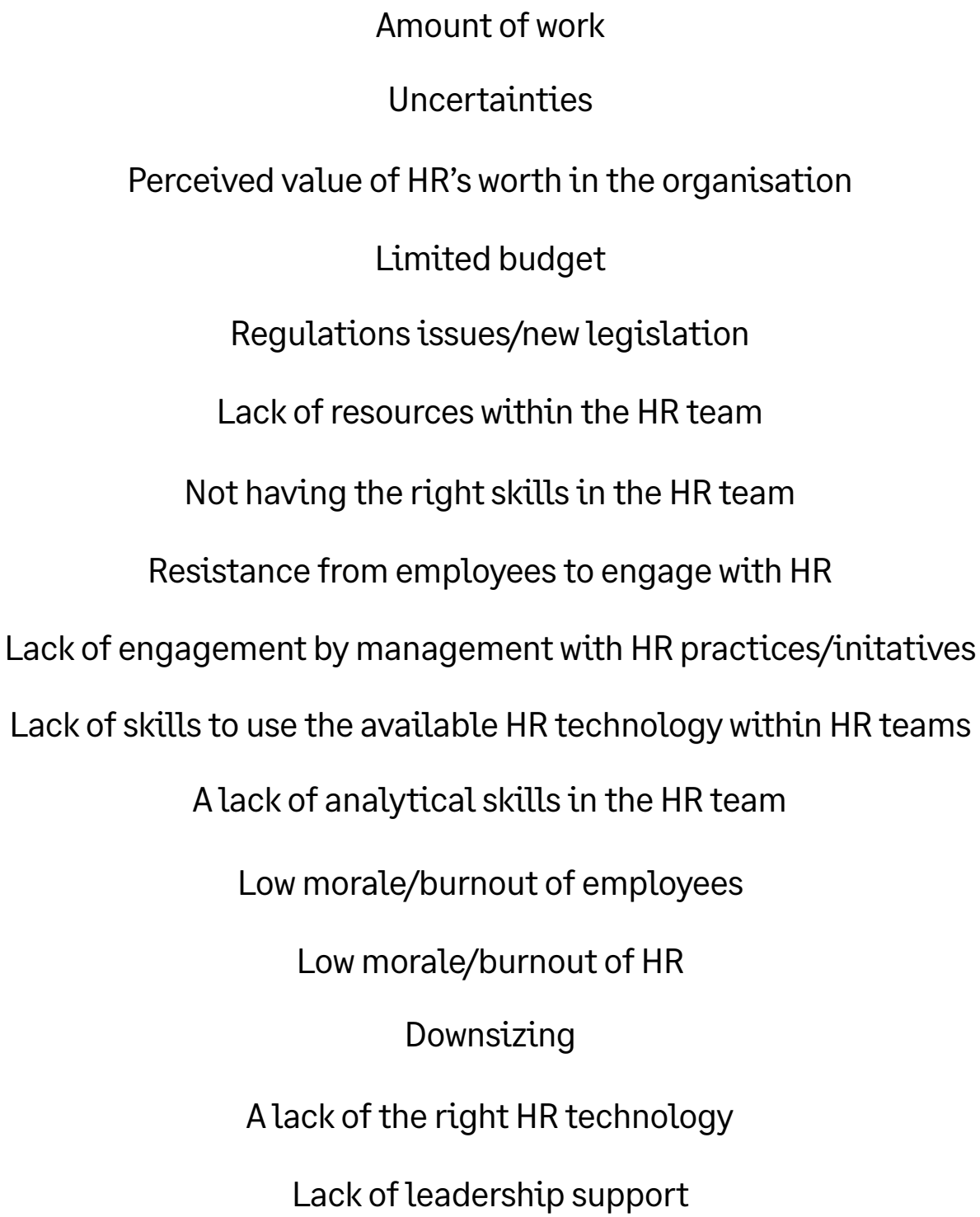
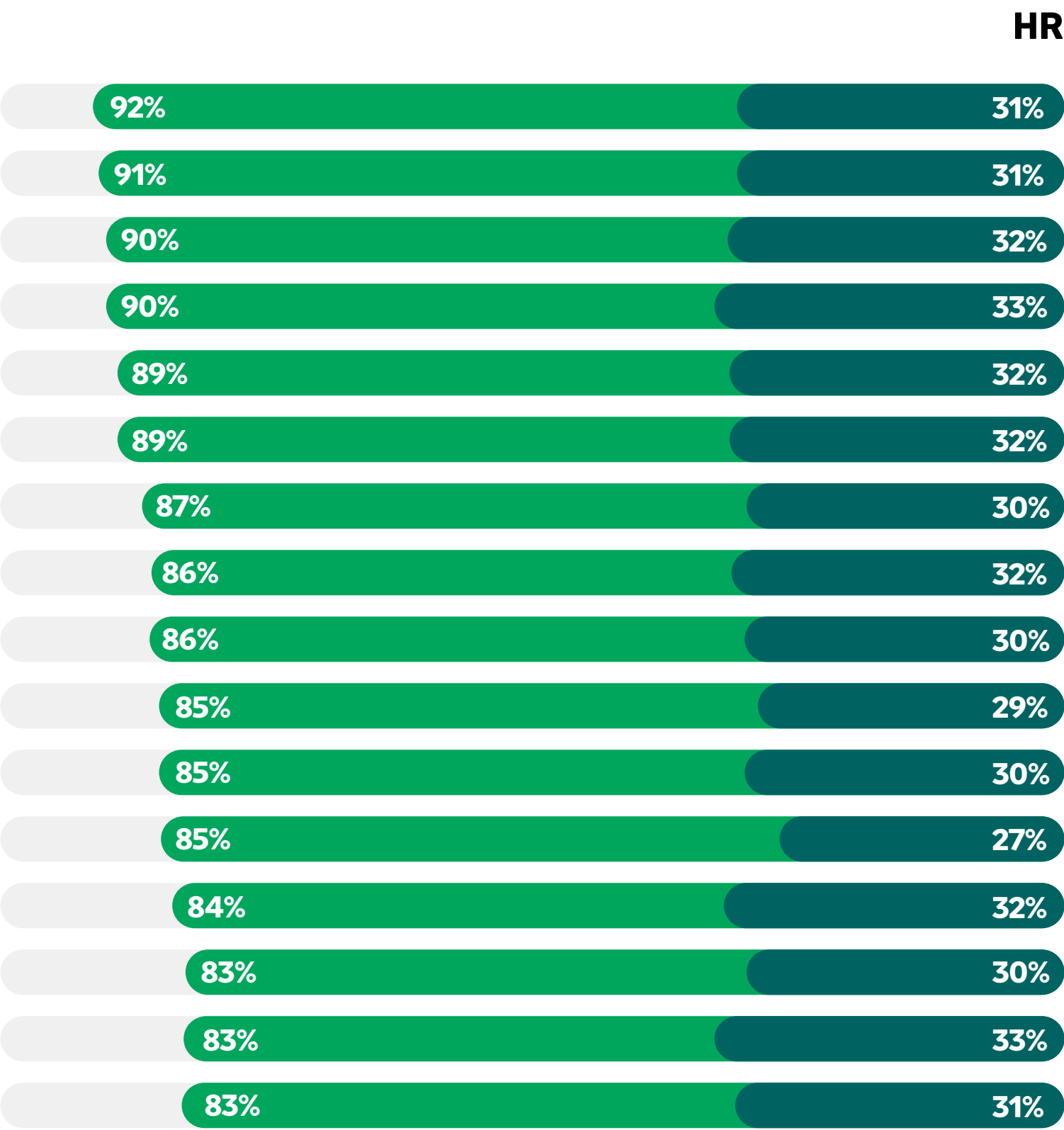
“What keeps me up at night? In a word: the economy.”

Rob Wiseltier

CFO, The Channel Company

Top challenges ahead in 2024

92% of HR leaders say the sheer amount of work they have to undertake is a big barrier to future success in 2024. Limited budgets, lack of resources, and not having the right skills in the HR team are also barriers.



% who believe it is a big challenge for HR % who believe it is a challenge for HR

HR in 2024 summary: HR paradoxes

Our findings reveal that HR is dealing with several paradoxes as it sheds outworn functions from its old role and embraces new opportunities.

 91%	of HR leaders are excited about the future of HR	Exhilarating vs. daunting future HR leaders say they are exhilarated, but also daunted by the prospect of future challenges.	 66%	of HR leaders are worried about the future of HR
 57%	of HR leaders say they love working in HR	Loving what you do vs. being burnt out People leaders say they love what they do—but are burnt out and want to leave HR.	 62%	of HR leaders are considering leaving HR
 91%	of HR leaders believe they have the skills to be CEOs	Leading the table vs. seat at the table HR leaders believe they have the skills to lead companies and be future CEOs, but don't feel they're currently leading business success in their current role, and aren't currently prioritising financial growth.	 13%	of HR leaders are prioritising financial performance today
 86%	of HR leaders say they're speedy and agile	Actual value vs. perceived value HR feel recent changes have accelerated the value they bring organisations, but that c-suite and employees don't see this value.	 63%	of the c-suite still see HR's role as administrative

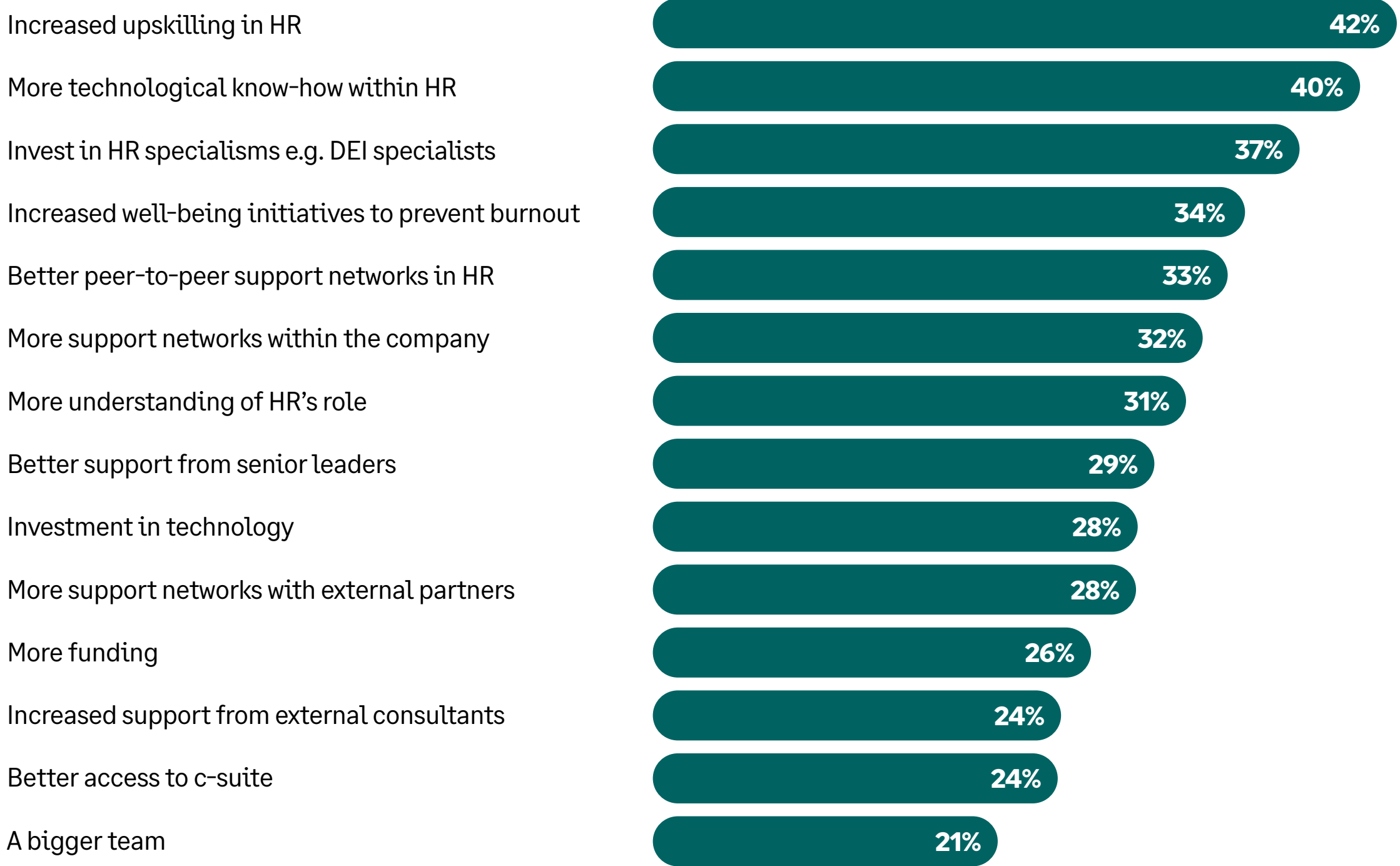
Solving HR's challenges



What does HR need in 2024?

A boost in HR skills and increased investment in specialisms feature highly on HR's list to succeed.

What HR say they need to succeed



“We need technology to streamline the tactical work, so we can have time to focus on the strategic.”

Daphne Logan
Senior VP People and Culture, Start Early

Is a skills overhaul needed?

HR doesn’t prioritise business-focussed skillsets our research revealed, and HR leaders and CEOs don’t have the same view when it comes to the top skills needed in HR.

HR leaders’ top three ranked skills needed in HR teams



C-suite leaders’ top three ranked skills needed in HR teams

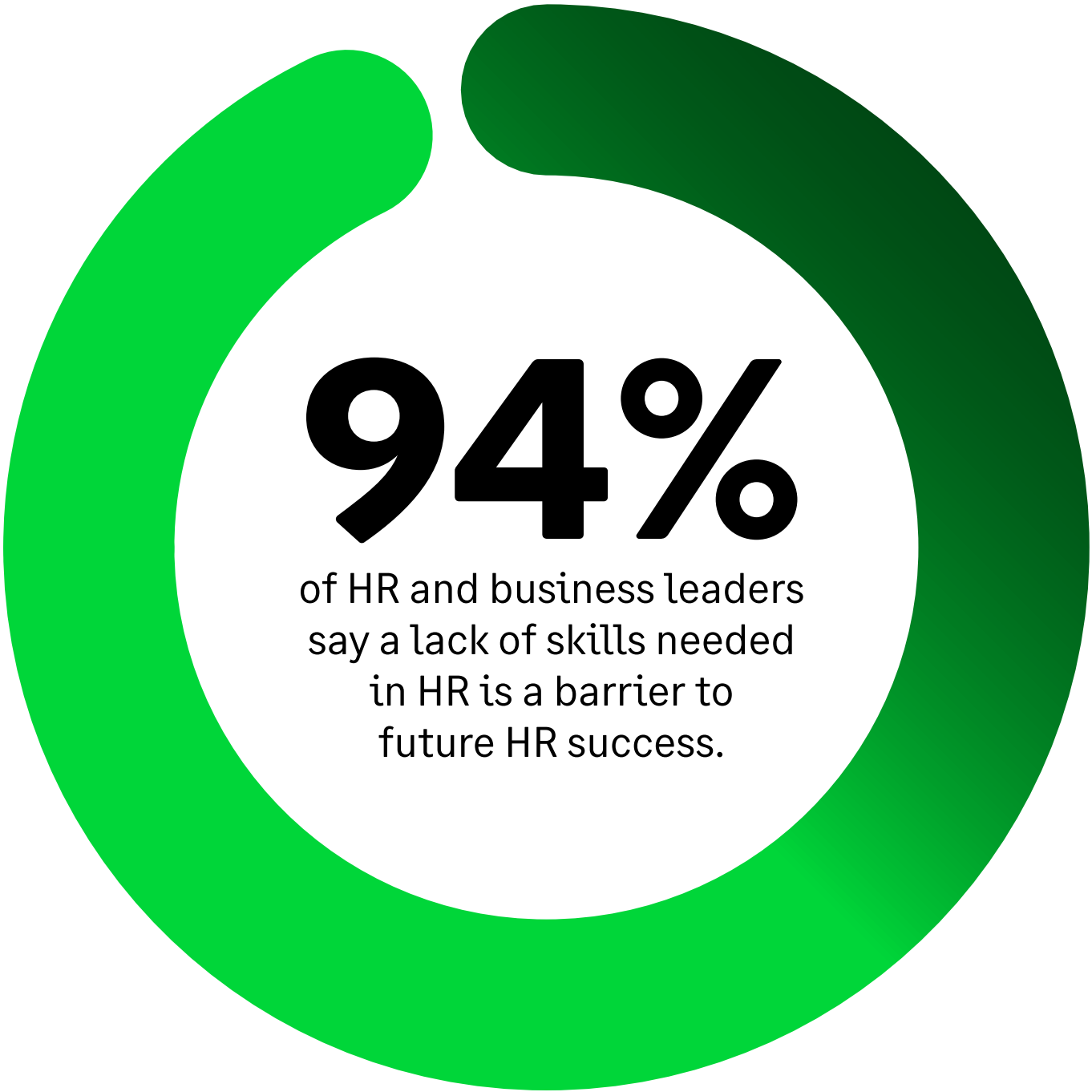


The HR skillset has changed. We need to upskill HR for the new era.

Shiva Narayan
CEO, iBank

I am concerned that the skills I need will not be readily available, to help me deal with the ever-changing times we face today.

Anonymous HR leader
View shared in polling anonymously



Solving HR's challenges

Does HR need to get better at it's own PR?

92% of the c-suite believe a major challenge facing HR teams' success is the perceived value of HR's worth in the organisation. Is it time HR got better at its own PR?

“HR people need to have more confidence. Their understanding and empathy and other soft skills that HR leaders usually have are key today. Ultimately, HR are going to help companies become winners.”

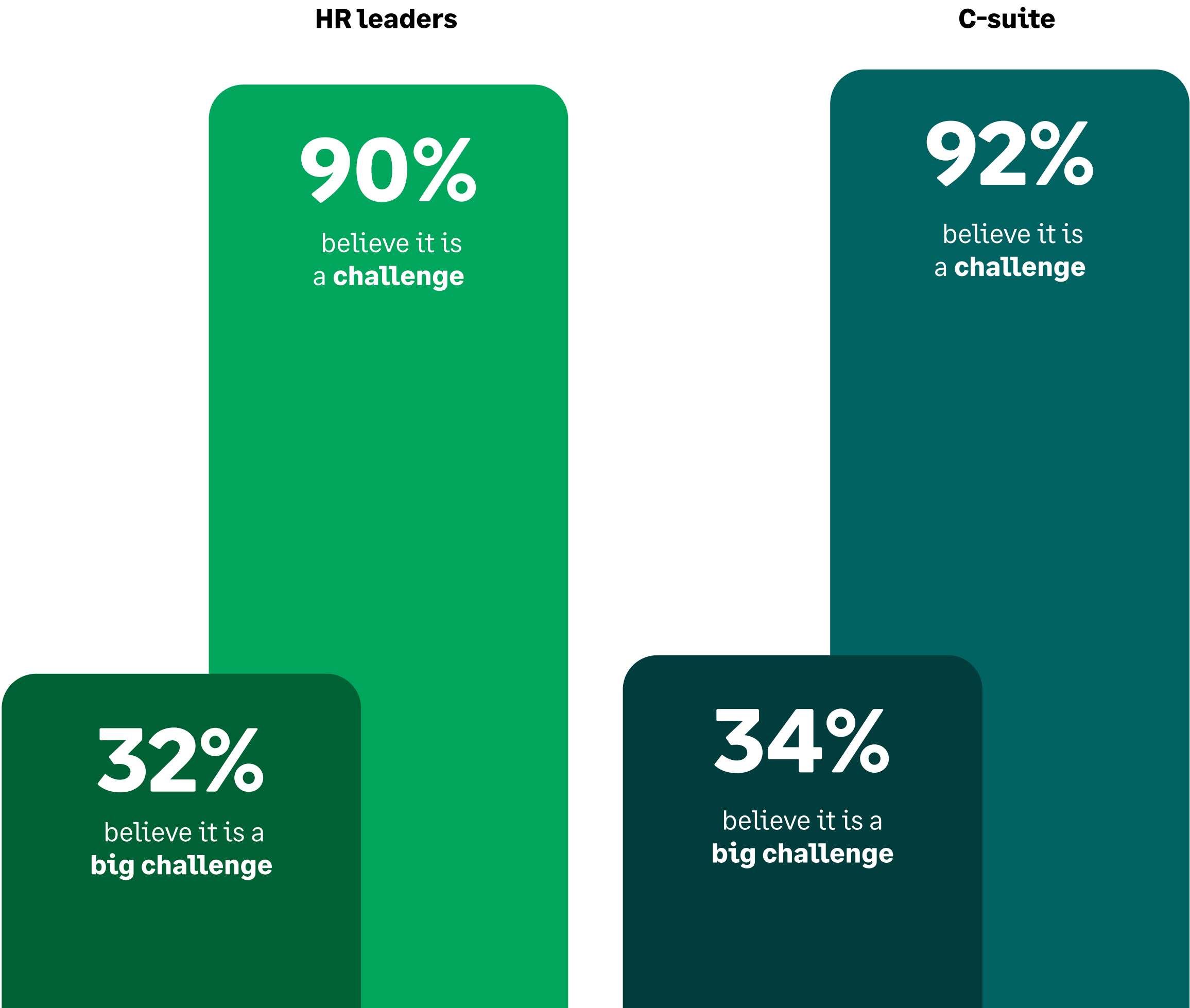
Eszter Lantos
Head of People, TCC Global

“HR needs to be close to their CEO and leadership team, and show that they're planning for the future.”

Jat Bansal
Director of Talent, Funding Circle



“A lack of perceived value of what HR does is a top challenge for HR leaders”



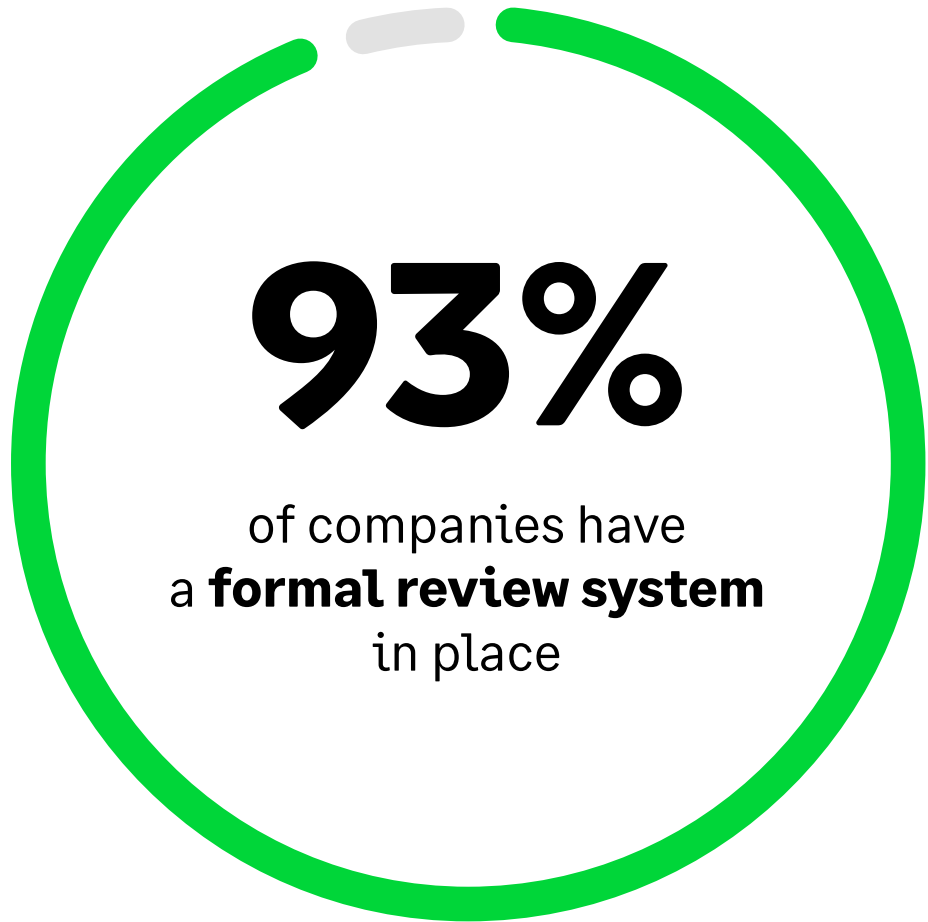
The role of performance management in light of the Great Resignation

C-suite and HR leaders told us that performance management is one of the most crucial areas of focus following the Great Resignation. Despite most companies (93%) having a formal review system and 58% of leaders thinking performance management is now even more important, 75% of HR and the c-suite don't believe their current performance management process is fit for purpose.

Performance management is extremely important. A robust system is like the spinal cord for the body, it connects so many other things that go on in the organisation. Annual appraisal, however, are dead.

Tushar Kad
Director Human Resources, Simeio Solutions

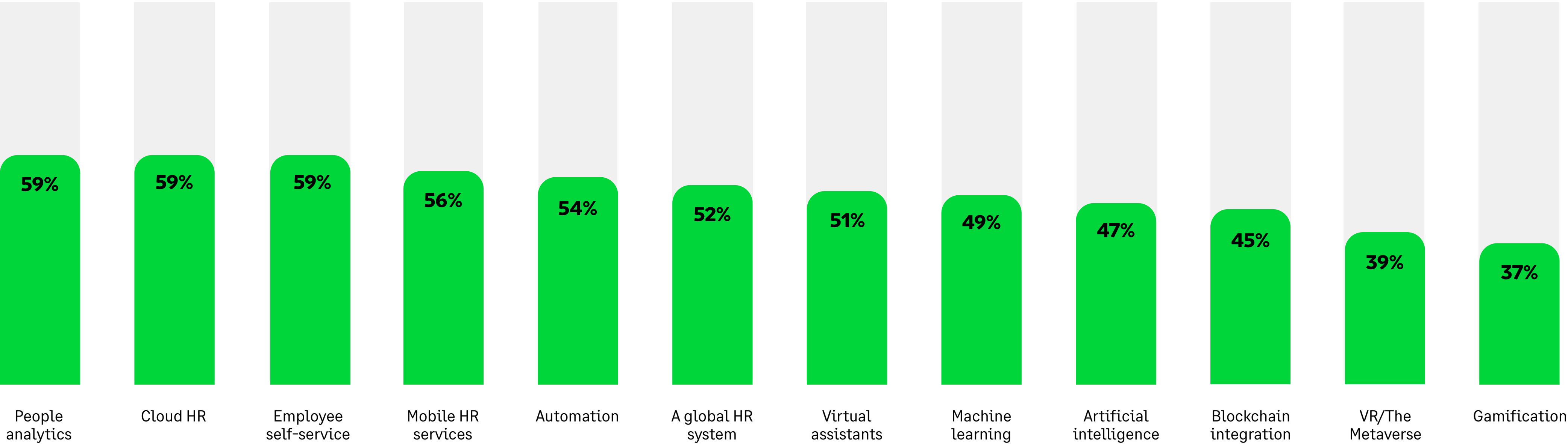
Is it time to put the old ways of managing performance on review?



Solving HR's challenges

HR leaders need to up the pace when it comes to HR tech

Current HR tech adoption in companies today



There are so many tools and technologies available for HR which take away a lot of that transactional or tactical burden for them.

Tashar Kad
HR Director, Simeio Solutions

HR leaders must continue to evolve and leave old-school practices behind and adopt technological advancements in HR to improve the efficiency of how business operations are conducted.

Anonymous HR leader
View shared in polling anonymously

Your immediate next steps

Our research revealed how HR leaders are faring today, what you're concerned about in 2024, and how to address some of these challenges –but what now? Sage has a range of resources to help, when it comes to getting ahead in HR.

Relevant resources for HR leaders



HR in 2030 research report

Five trends HR leaders need to know to get ahead

What will HR look like in 2030? Find out in this report, featuring 17 HR and People experts.

[Get the report](#)



How to choose HR technology

The ultimate guide for HR, IT, Finance and CEOs

Get your IT leader, finance leader, and the CEO on the same page as HR when it comes to choosing HR tech.

[See the guide](#)



Digital transformation in HR

The 10-step guide

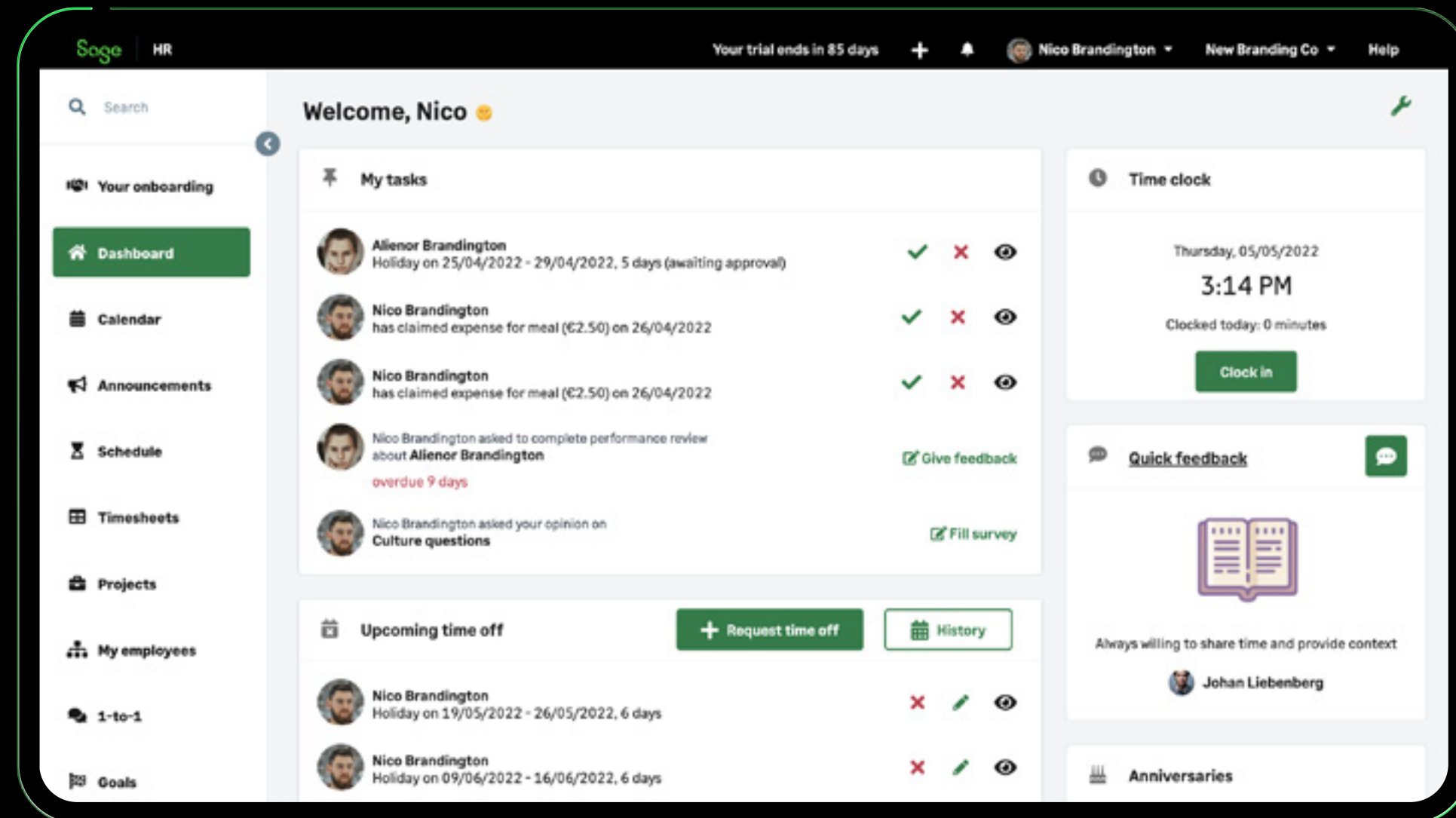
See how you can get the most out of your digital transformation journey with the 10-step guide.

[Download the eBook](#)

Automate process to prioritise people

Sage HR

Ideal for up to 250 employees



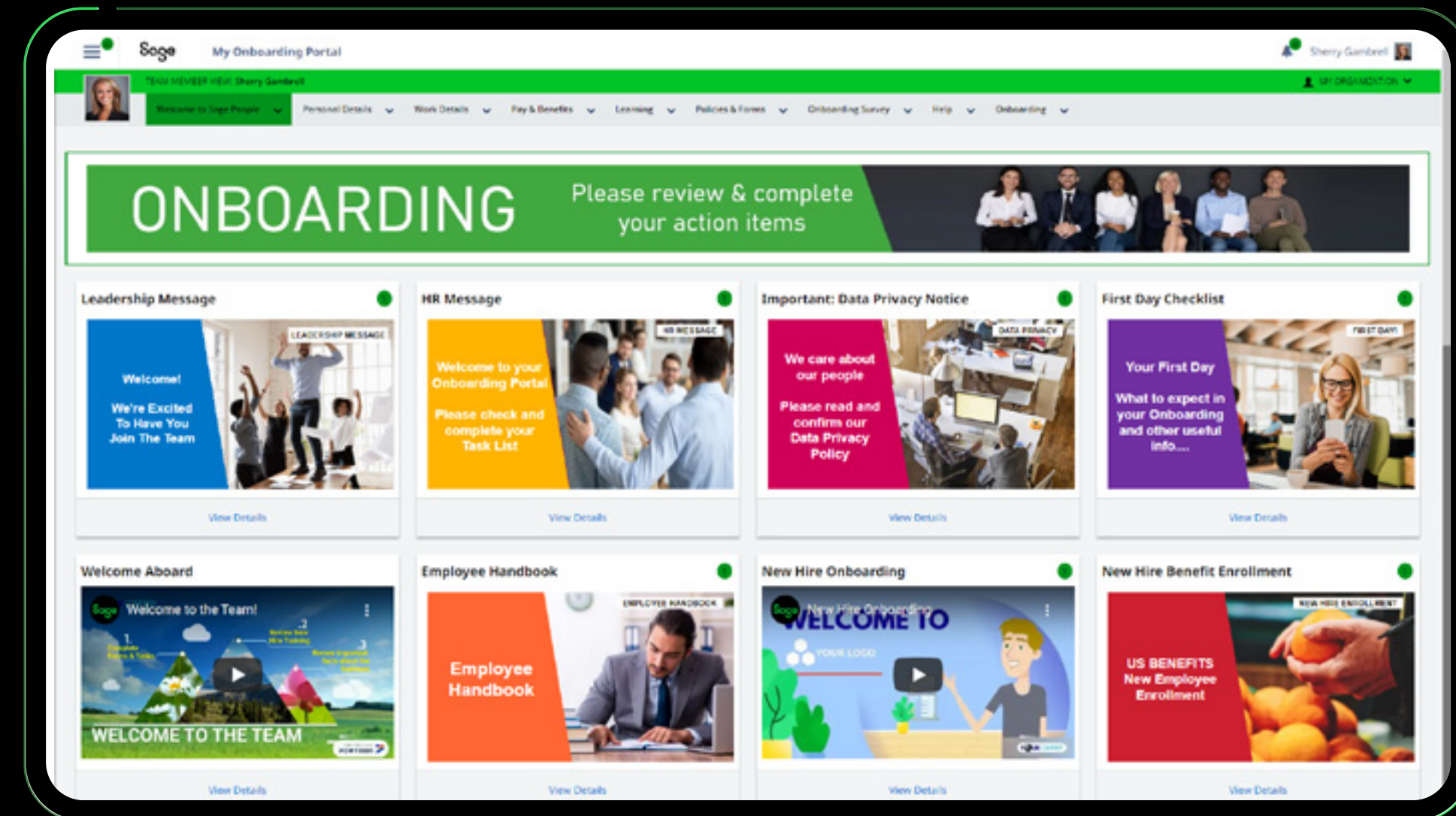
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Sage People

Ideal for 100–2,000 employees



For medium sized businesses that want to manage global or multi-locational teams from a single, scalable cloud system.

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