HR Leadership:
Research Insights into 2025 Challenges

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Background: To 2025 and beyond...

Back in 2007 we started offering our clients, candidates and contacts the opportunity to attend our Circle of Peers events. These were offered at a variety of locations. Then when COVID hit we experimented with a number of Zoom sessions at set times of the year.

This highlighted that a great benefit of working with our clients and candidates is the truly global perspective we gain. This combined with the range of sectors we also work in gives us an added depth. Our Circle of Peers events are now global. We are only just re-introducing face to face events.

In 2023 I coined the phrase "*Shifting Tides*" on the basis that the usual term "*Shifting Sands*" felt too static. In 2024 I continued the theme with "*Tackling Turbulence*". We have all experienced this in our own way. I decided to run three focus groups instead of the usual Circle of Peers events to try to find out where we could be heading for 2025. Trends emerged and I then asked David Hayden to design a questionnaire to explore these further and then write up a report.

We hope you will enjoy this insight and we will be planning the 2025 Circle of Peers events to discuss and debate the issues identified below.

Maureen Scholefield
Founder

About David Hayden

David is passionate about all things organisational learning and ensuring it is integrated with the business strategy and values. He began his career in 1988 as an operational manager with responsibility for three Youth Trainee placements. Training and Development roles morphed into Training Project, Recruitment and Training Manager, Head of Personnel and Development, Recruitment Consultant, L&D Consultant, Lean Engineer, Digital Learning Portfolio Manager and Content Manager.

He has worked for across both public and private sector and worked in distribution, local government, retail, finance manufacturing and his last employment role before going freelance was with the CIPD where he wrote the L&D factsheets as well as working on a range of L&D and organisation design and development products for members and customers. He is the co-author of 4th edition of *Learning and Development Practice in the Workplace* and *Adjacent Learning*.

In 2025 he takes up the role of one of the board Directors of The Learning Network.

On Saturday mornings he can be seen either running a parkrun or volunteering at one!

David Hayden
Author

Introduction to the report

Following a successful and highly interactive series of the Circle of Peers in Autumn 2024, we at Scholefield: The People Consultancy wanted to explore the themes raised in the sessions held online.

We broke the questions into three categories to find the challenges facing the group:

- Across the organisation
- Within the people team
- As individual people practitioners

Within each category we outlined challenges that were raised at the Circle of Peers events, namely:

- Organisation performance
- Skills
- People practices
- Technology

Organisational Challenges

Organisation performance
Respondents identified three primary organisational challenges, distributed relatively evenly:

- **Business improvement**: 28.6%
- **Organisation design/redesign and the impact of redundancies**: 25%
- **Performance management issues**: 25%

Skills
- Over 50% of the respondents shared that leadership issues around capability and capacity were the biggest challenge
- 26.8% cited that addressing the skills gap was the next highest challenge.

People Practice
- Mental health and wellbeing were cited as the biggest area here (19.6%)
- Developing resilience (17.9%), L&D capacity (17.9%), and career pathways (16.1%) were challenges for a significant number of the respondents.

Technology
Not surprisingly an almost even split of AI (48.2%) and speed of change of technology (44.6%) were the respondent's number one challenge in this area.

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Summary

We can draw some parallels within the feedback, the connection with leadership capability, organisation design and the impact of mental health and well-being can all interlink.

As one respondent put it:

> *"I would say we are experiencing struggles in a multitude of the areas noted above. Employee wellbeing is problematic at the moment, and this is feeding into capability/absenteeism, which is becoming more difficult to manage, therefore causing us to think about providing further training and support for managers. We are experiencing it all as interlinked issues."*

There is a clear opportunity for people practitioners to consider how we rise to these challenges and deliver impact for the organisation.

The impact of the external market is also a worry for some respondents, as one put it:

> *"We are facing unprecedented challenges due to eroding markets and a decline in customers following the war in Sudan. The leadership struggles to communicate a vision for adopting a trading model rather than continuing with the outdated dealership model. Team spirit, collaboration, and leadership dynamics remain obstacles that hinder our speed and agility in pursuing this new vision."*

People Team Challenges

Organisation performance
- Over a third (33.9%) stated that Performance Management was their most challenging area.
- Almost another third of the respondents (30.4%) reported organisation design/redesign and redundancy were the biggest challenge.

Skills
- Leadership capability and capacity was the biggest challenge highlighted by almost half the respondents (42.9%)
- Understanding the skills gap was the joint second biggest challenge at 25%
- Addressing that gap was the joint second area at 25%.

People Practice
- Learning and development capacity was the biggest challenge in this category at 21.4%
- Followed by mental health and wellbeing 17.9%.

Technology
The people team mirrored the organisational challenge with a close split with AI at 44.6% and the changing pace of technology at 48.2%.

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Summary

Whilst there were some similarities in this section with the organisational challenges, there were a few stand out differences. Notably, from a people team perspective, the learning and development capacity infers that there is a strong desire to use L&D as a way of addressing the challenges faced within this research.

Although for some there is a way to go in terms of being able to articulate the strategic value of the people profession across the organisation:

> *"Restructure of HR team without being given clear plan for the dept - HR is being treated as an admin dept by inexperienced SLT refusing to recognise the strategic importance of HR within business. They are blinkered and not taking on board HR dept guidance and dismissing that there is more to HR than admin. Time for me to find a new path elsewhere."*

And as one respondent put it, despite the challenges faced there is:

> *"Resistance to Agility and culture transformation mindset."*

People Practitioner Challenges

This section looks at the personal challenges of the individual practitioners themselves, those who attended the Circle of Peers.

Organisation performance
- Business improvement scored highest (33.9%) with just over a third of respondents stating this was their personal challenge
- Followed by performance management demands (26.8%).

Skills
- Addressing the leadership capability and capacity was rated highest by 48.2% of the respondents
- Addressing the wider skills gap in the organisation the second highest skills challenge for 28.6% of practitioners.

People Practice
- A quarter (25%) stated that their biggest personal people practice challenge was mental health and wellbeing
- A slightly smaller number (21.4%) citing alignment to the leadership team as their challenge.

Technology
- The use of AI was a bigger personal challenge at 58.9% than in the previous two sections
- Followed by the pace of change of technology at 33.9%.

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Summary

The themes within the people practitioner challenges gives an opportunity to consider how personal development is embraced and time allocated to address the challenges.

The comments showed some interesting themes, such as:

> *"How to manage with outdated technology when the organisation can't pay to upgrade."*

One common theme throughout was highlighted by this comment:

> *"Doing all of the above with greatly reduced budgets hence a real need for focus on expenditure."*

Conclusions

Whilst there were no shocks in the responses; after all the survey was built around the theme drawn from conversations with the respondents at the autumn Circle of Peers events; we can see where there are some strong priorities.

Whilst one respondent told us:

> *"I would say we are experiencing struggles in a multitude of the areas noted above. Employee wellbeing is problematic at the moment, and this is feeding into capability/absenteeism, which is becoming more difficult to manage, therefore causing us to think about providing further training and support for managers. We are experiencing it all as interlinked issues."*

Three areas were consistently highlighted across the research:

- Leadership capability
- Mental Health and Well Being
- AI and the pace of change of technology

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We therefore urge all people practitioners to consider:

Approaches to Leadership Development

- Does it meet the needs of the target audience?
- Build engagement strategies with leadership stakeholder
- Looking for advocates and working with dissenters to explore their world further and provide tactical solutions that work for both the organisation and individuals.

Addressing the Mental Health Challenge at Work

- Remember that there is no easy magic want of a 'one-size fits all' approach here. Each employee group will have different challenges
- Consider strategies that can be implemented and where employee voice can contribute.

Exploring the Potential of AI

- Make it a part of team meetings
- Allow people to share their experiences, both positive and where they have concerns.
- Look at ways of allowing AI to free up burdensome tasks so employee talent can be released to deploy the skills they were hired to undertake.

You can find out more about exploring the potential of AI in our blog from September 2022: The Artificial Intelligence Evolution and what it means for leaders in the People Profession. Always interesting to reflect!

Thank you to those of you who took part in the survey, and we wish you all the very best in the drive to work with your organisations to address your challenges in 2025.
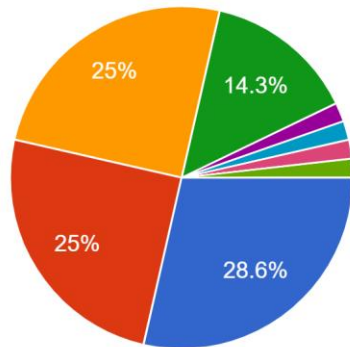
Appendices: The Full Data Set

Appendix One: Organisational Challenges
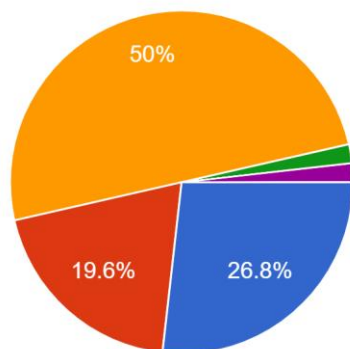
Organisation performance
56 responses

- Business improvement
- Organisation design/ redesign/ redundancies
- Performance management demands
- Aligning with Government/ Regional agendas, goals & targets
- Organisation is going through major c…
- Reconnecting SLT with HR, inexperie…
- Profit targets for sale
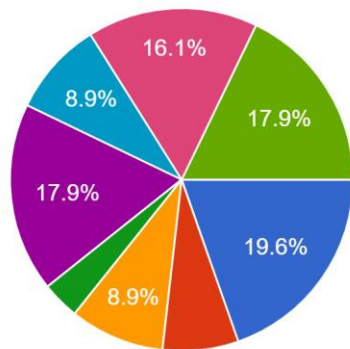- Aligning my personal skills with formal…

Skills
56 responses

- Addressing the skills agenda/ skills gap
- Understanding the skills gap within your organisation
- Leadership capability and capacity
- Change management, adaptability.
- Get employees to complete training

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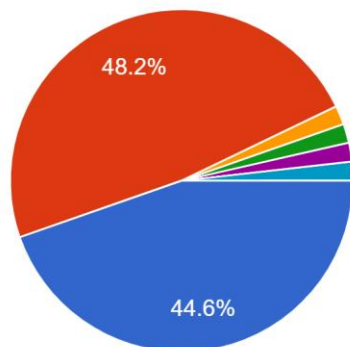Scholefield: The People Consultancy, 2025

People practices

56 responses

- Mental health and wellbeing
- Inter-generational employee harmony
- Recruitment challenges
- Onboarding challenges
- Learning and development capacity
- Alignment with leadership team
- Career pathways
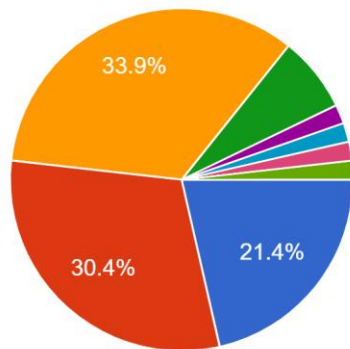- Developing resilience

Technology

56 responses

- Use of AI within the organisation
- Pace of change with technology
- New HRIS implementation
- n/a
- New technology projects
- Need for better analytics

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Appendix Two: People Team Challenges

Organisation performance
56 responses

- 🔵 Business improvement
- 🔴 Organisation design/ redesign/ redundancies
- 🟠 Performance management demands
- 🟢 Aligning with Government/ Regional agendas, goals & targets
- 🟣 Realigning the business requires skills…
- 🔵 Working with our consultants so that t…
- 🔴 Inexperienced SLT making poor decisi…
- 🟢 Aligning my personal skills with formal…
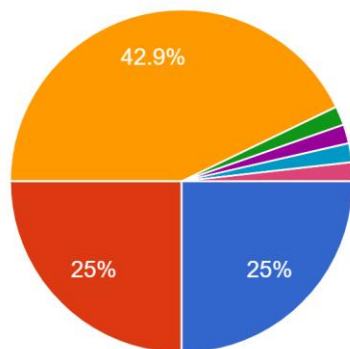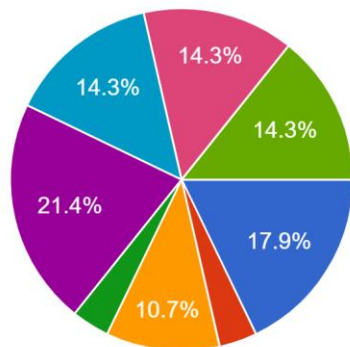
Skills
56 responses

- 🔵 Addressing the skills agenda/ skills gap
- 🔴 Understanding the skills gap within your organisation
- 🟠 Leadership capability and capacity
- 🟢 Adaptability, agility
- 🟣 Developing the facilitation and coaching skills of the associates
- 🔵 The high turnover due to the global/ regional job market competitiveness
- 🔴 Aligning my personal skills with formal…

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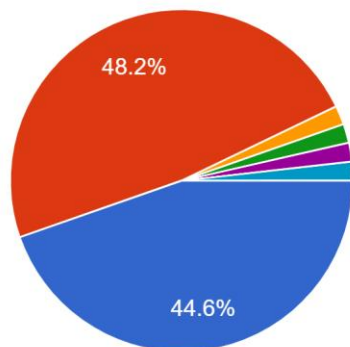Scholefield: The People Consultancy, 2025

People practices

56 responses

- ● Mental health and wellbeing
- ● Inter-generational employee harmony
- ● Recruitment challenges
- ● Onboarding challenges
- ● Learning and development capacity
- ● Alignment with leadership team
- ● Career pathways
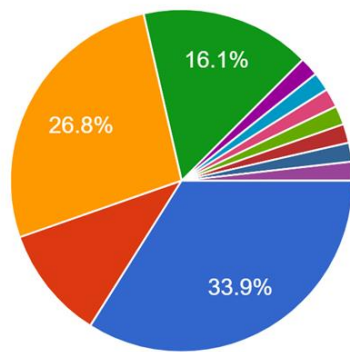- ● Developing resilience

Technology

56 responses

- ● Use of AI within the organisation
- ● Pace of change with technology
- ● New HRIS implementation
- ● Developing the IT skills of our associates
- ● Automation, culture change
- ● Data analytics

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Appendix Three: People Practitioner Challenges

Organisation performance
56 responses

- ● Business improvement
- ● Organisation design/ redesign/ redund…
- ● Performance management demands
- ● Aligning with Government/ Regional a…
- ● Coping with the speed of work coming…
- ● Dealing with major change in my role…
- ● I'm not yet a people professional at wo…
- ● Delegation of some of my activities so…
- ● Capacity to face into varying organisational and people demands in an ever changing environment and landscape
- ● coping with agility and mindset change
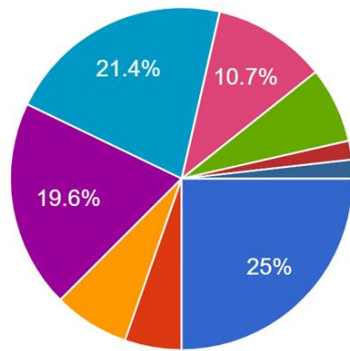- ● Own development and cost attached to it

Skills
56 responses
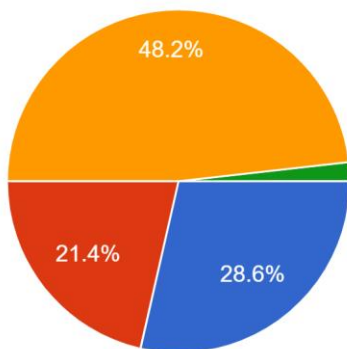
- ● Addressing the skills agenda/ skills gap
- ● Understanding the skills gap within your organisation
- ● Leadership capability and capacity
- ● Agility, adaptability, self-motivation, professional confidence and courage.

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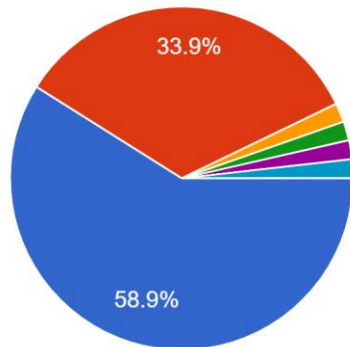
People practices

56 responses

- Mental health and wellbeing
- Inter-generational employee harmony
- Recruitment challenges
- Onboarding challenges
- Learning and development capacity
- Alignment with leadership team
- Career pathways
- Developing resilience
- Retention
- HR function transformation

Technology

56 responses

- Use of AI within the organisation
- Pace of change with technology
- How to manage with outdated technology when the organisation can't pay to upgrade.
- Using tech as a solution even in a hybrid way
- n/a
- Data analytics

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