



HR 2025: 7 Critical Strategies to Prepare for the Future of HR

To become a trusted workforce advisor, HR must focus on seven critical areas, including business strategy, analytics and, of course, people.

By Susan Milligan | October 29, 2018

Not so long ago, HR managers were like high school assistant principals—paper-pushers who kept the building running and tsk-tsked those who broke the rules. Now, these managers focus more on people than on paper and, like skilled teachers, they help both the strugglers and the stars. And in the future? Expect those in HR (if it's still called that) to be akin to championship coaches, guiding employees throughout their careers and becoming more essential than ever to business analytics and strategy.

The role of the HR professional has changed dramatically along with the workforce and economy, and that evolution will continue as machines and technology replace tasks once performed by humans. But that doesn't make people—or the HR teams that work with them—any less important. Tomorrow's HR leaders will need to be bigger, broader thinkers, and they'll have to be tech-savvy and nimble enough to deal with an increasingly agile and restless workforce.

"I think we're going to see HR positions [develop] in such a way that [they] will probably be one of the most sought-out professions in the enterprise," says Jill Goldstein, global practice lead for talent and HR operations at management consulting firm Accenture (<https://www.accenture.com/us-en/new-applied-now>) in the Miami area. "I can envision a future where HR professionals are no longer thinking that their job is to stay on top of current HR trends, but to reposition [themselves] to become workforce advisors."

Technology is freeing up HR to take on bigger-picture matters, making the field more exciting, more demanding and perhaps more competitive as well. "We used to be about compliance, party planning and benefits," says Tracie Sponenberg, SHRM-SCP, senior vice president of human resources at The Granite Group, a wholesale plumbing supplies distributor in Concord, N.H. "To some extent, there are still some companies that see HR as a purely tactical kind of role. But the good ones, the smart ones, see HR as a strategic partner."

We've Come a Long Way

HR has greatly evolved since one of the earliest HR departments (called "personnel management") was created in 1901 in response to a strike at the National Cash Register Co. in Dayton, Ohio. It wasn't until after World War II that the public embraced the idea of a human resources department to handle employees. And in the latter half of the 20th century, a slew of work-related laws—including the Equal Pay Act (1963), the Civil Rights Act (1964), and the Family and Medical Leave Act (1993)—made the presence of HR specialists even more important.

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Nowadays, the stock of the HR professional is rising, with some practitioners being asked to join the C-suite instead of just visiting it. Many organizations are ditching the title "HR manager" for monikers such as chief happiness officer, director of talent-attraction strategy and even head of optimistic people. Future titles are likely to reflect the growing focus on technology and analytics in the field, says Jonathan Kestenbaum, managing director of New York City-based Talent Tech Labs (<https://talenttechlabs.com/>), a talent acquisition software company.

It's that technology that will help HR adjust to a changing workforce accustomed to going online to get everything from a date to groceries. HR departments will need to make more information and services available to workers around the clock—a shift that will also free up time to focus more on business strategy and employee career paths.

BULLISH ON HR

Thousands of new HR jobs will be created in the next decade, but competition for these positions is likely to be strong. Candidates with a master's degree or professional certification are expected to have a leg up on other applicants, especially for higher-level positions.

Position	Employment, 2016	Projected Employment, 2026	Change in Employment
Human resources specialists	547,800	586,700	+7%
Human resources managers	136,100	148,800	+9%
Compensation and benefits managers	15,800	16,600	+5%

Source: U.S. Bureau of Labor Statistics.

Even if your job title or your responsibilities have yet to change, it's imperative to start adapting to the new reality now. You can begin by enhancing your skills in seven critical areas that analysts say are key to future success in the profession and likely to be widely practiced by 2025. They include business strategy, analytics and, of course, people.

[SHRM members-only resource: *Accelerate Your Career* (www.shrm.org/LearningAndCareer/Career/Pages/Accelerate-Your-Career.aspx)]

Feedback

1. Embrace Technology and Analytics

Savvy HR departments are already using analytics to predict and assess everything from employee retention to recruitment strategies to the success of wellness programs. For example, chatbots allow candidates and employees to have automated, personalized conversations with a computer. A worker could use a chatbot to find out how many sick or vacation days he has remaining or what procedures the company's dental plan covers. And a job candidate can answer questions, complete assessments, and track the status of his or her application through a personalized assistant who has a name, a face and a pleasant demeanor. Of course, all these features are computer-generated.

Millennials, now the largest generation in the workplace, are used to getting information right away through a computer or smartphone. A wide range of employee experiences, then—from application to onboarding to checking benefits and paid time off—should be available online to accommodate the digital customer experience younger workers prefer, and HR should be managing that effort.

"Technology is enabling us to provide employees with a more consumer type of presence at work, with a greater ability to have richer digital experiences and find what they need 24/7," says Larry Nash, U.S. director of recruiting at consulting company EY (<https://www.ey.com/us/en/home>) in Pittsburgh.

Freed from such mundane tasks as processing payroll, answering benefits questions and scheduling interviews, HR will have more time for strategic planning. Human resources "can go from being a steward of employment to being a steward of work," says Ravin Jesuthasan, a managing director in the Chicago office at HR consultancy Willis Towers Watson (<https://www.willistowerswatson.com/en>). "It may be the pathway to what we aspire to be—the trusted advisor."

2. Understand How the Company Succeeds

It's not enough to be conversant in the language of HR. Human resource professionals need to know and contribute to the vision, mission and financial success of the business—otherwise, they won't be taken seriously by the C-suite. And on a practical level, they won't be able to execute effective workforce planning or attract, hire and train the right talent, experts say.

"I see HR lacking, literally, core competency in the businesses they manage every day," says Amelia Ransom, senior director of engagement and diversity at Seattle-based Avalara (https://www.avalara.com/simplify/en/avatax/avalara-brand.html?gclid=EAlalQobChMI3srB8q-d3glVhAOGCh2LxwSmEAYASAAEgKWrvD_BwE&CampaignID=7010b00000eP0wAAE&st-t=all_visitors&ef_id=EAlalQobChMI3srB8q-d3glVhAOGCh2LxwSmEAYASAAEgKWrvD_BwE:G:s&s_kwcid=AL%215131%213%21278193500631%21p%21%21g%21%21avalara&lso=Paid%20Dic) a tax software business. Beyond knowing the company's stock price and how to read a profit and loss statement, HR leaders need to understand the strategic direction of the business and the economic and social environment in which the company operates. They need to anticipate and prepare for changes in work and the workforce. Only then can HR leaders effectively manage human capital and align HR initiatives with the organization's goals.

"HR professionals need to understand something about how business and companies work. What does the CEO worry about? What does the CFO worry about?" says Janine Walter, chief talent officer at Epic Holdings, a financial firm in the New York City area. As HR moves into the C-suite, it needs to start acting like part of the executive team.

HR Jobs of the Future

As the nature of HR and of work itself changes, so will the skills you'll need to do your job. What HR jobs could be in your future? Experts offer their predictions:

HR data scientist/chief technology officer. Data and analytics will increasingly drive the job of HR—and this is the person who will head the effort.

Employee experience specialist. This HR professional will focus on the entire worker relationship with the company, from benefits to training to career trajectory.

Head of talent-acquisition technology selection. New talent acquisition platforms are emerging and evolving. This specialist will comb through them to find those most appropriate for the organization.

Head of candidate experience. The hiring process should provide job candidates with all the speed, convenience and efficiency of the best online consumer experiences. This person will oversee that effort, ensuring that applications do not simply go into a "black box."

Performance coach. This HR specialist will help maximize the individual contributions of both management and nonmanagement staff.

Organizational psychologist. While not technically an HR position, organizational or industrial psychologists use the principles of psychology to develop a more holistic approach to HR, marketing and sales.

3. Stay Focused on People

Embracing technology doesn't mean taking humans out of the equation. In fact, HR managers in 2025 will have more time to focus on individuals, enhancing both recruitment and retention. At Cisco, executive vice president Fran Katsoudas' title changed from HR officer to chief people officer. She sees that as a sign that her job is morphing from mitigating risk and ensuring compliance to executing business strategies.

Feedback

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Fran Katsoudas

"Today, technology is bringing a level of intelligence to HR that really thrusts HR into a compelling consultancy role," she says, noting that's how the HR team at Cisco now functions. The team is also more focused on coaching and management issues.

Additionally, top HR professionals of tomorrow could become what Goldstein calls "talent brokers" and coaches who help to guide the individual careers of everyone at the office, says Sponenberg, who is a member of the Society for Human Resource Management's HR Disciplines Special Expertise Panel (www.shrm.org/membership/volunteers/special-expertise-panels/pages/default.aspx).

With competition fierce for good talent, successful HR managers need to give top workers a reason to come to work for them. "If you're not in a global business now, you're going to be competing with global businesses for the very best employees," says Judy Collister, executive vice president and human resource officer at Cleveland-based Park Place Technologies, a data center support company. "You need to create an environment where people enjoy being there and can't imagine being anywhere else."

4. Be Ready for the New Workforce

The 2025 workforce will include not just transient workers (60 percent of Millennials told Gallup they are open to new job opportunities) but also gig workers who pop in and out of jobs on a daily basis. In addition, HR will need to help assess which tasks throughout the organization can be automated and then reskill those whose jobs are affected by automation. A recent Willis Towers Watson survey found that more than half of employers say it will take "breakthrough approaches in HR's role" to deal with automation and digitalization. Meanwhile, some of HR's remote workers will increasingly be very remote—as in, seven or 10 time zones away—as globalization leads to an increasingly diverse workforce.

HR Roles Are Already Evolving

Some new HR roles focus on creating a powerful employee experience that mirrors the customer experience, says workplace futurist Jeanne Meister. Examples of those roles and the people filling them include:

- Melissa Werneck, senior vice president of global HR, performance and IT at Kraft Heinz. Werneck has a **combined responsibility for the HR and IT functions**, leveraging machine learning techniques and sophisticated algorithms to automate work and create a consumer experience for employees.
- Anshul Sheopuri, IBM's vice president of data, artificial intelligence and offering strategy. Sheopuri **oversees HR's use of data to proactively retain employees** and enhance internal career mobility with learning opportunities and personalized job alerts based on their skills.
- Ashar Khan, director of people analytics at Kraft Heinz. Data-driven initiatives already under way include predicting employee retention and **suggesting which employees in the company are likely deserving of recognition** through a merit increase.

Feedback

5. Market a Modern Benefits Package

Attracting and keeping talent involves offering (and administering) a benefits package that appeals to the modern worker. That includes not just parental leave and flextime but also caregiver leave, expanded fertility benefits, gender reassignment and transformation assistance, financial wellness programs, and a slew of benefits that support critical life events, says Kathie Patterson, chief human resources officer at Ally Financial Services in Detroit. "Recruitment marketing exists now, but given the demographics and importance of attracting talent, more organizations could add those [benefits]," she says.

6. Stay Abreast of Compliance Issues

Complying with tax regulations, laws like the federal Family and Medical Leave Act, and Form I-9 and E-Verify requirements will continue to be at the core of HR compliance. But as the workforce changes, HR will need to be agile enough to comply with laws related to the gig economy and remote workers, says employment lawyer Michael Studenka, a partner in the Newport Beach, Calif., office of the law firm Newmeyer & Dillion (<https://www.newmeyeranddillion.com/>).

Additionally, changing state laws on marijuana use will force HR to deal with potential new policies (though federal law conflicts with the states that have approved recreational or medicinal marijuana use). There's also likely to be continued attention on pay equality, forcing HR to determine how to construct a compensation strategy that allows the organization to attract star workers while not violating the law, Studenka says.

7. Be Certified (or Update Your Skill Set)

As certain HR functions become automated or outsourced (payroll, benefits and recruiting, for example), human resource specialists need to expand their knowledge of both traditional tasks and overall business strategy. "Education in our field is becoming increasingly more important," says Walter, Epic's chief talent officer. "The field of HR is changing rapidly, with many new regulations impacting how we interview, how we pay, required training, how we protect privacy, et cetera." HR professionals need to pursue education opportunities. She advocates taking courses in business finance to develop a more authoritative voice in the executive suite.

HR veterans also note that certification leads to higher pay and more promotions. A 2018 PayScale survey (<https://www.payscale.com/data/hr-certifications-pay>) found that certification increased the odds of being promoted within five years by more than 21 percent for HR assistants and by nearly 25 percent for HR directors. And the higher the title, the more likely an individual is to have HR certification, the study found. Salaries, too, tend to be fatter for those with formal certification. In 2018, HR credential-holders made nearly 32 percent more than those without credentials, PayScale found.

All signs indicate that HR will look very different by 2025. "I can really envision a day when HR is no longer HR," Goldstein says. Not only will HR leaders administer business decisions, they will help make those decisions—as trusted workforce advisors.

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