



2025 Priorities & Predictions

C-Suite Perspectives from i4cp's Boards

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FOREWORD



Kevin Oakes

CEO, i4cp

Author of *Culture Renovation*®

There’s an old saying that reminds us, “those who do not learn from history are doomed to repeat it.” While that can be applied to many aspects of 2024, as we welcome 2025, let’s use that quote to remind ourselves how difficult it is to make predictions.

History is filled with notoriously bad predictions, which in hindsight turned out to be extremely off the mark. This is particularly true as humans try to make sense of new inventions. Here are some of my favorites:

- **1876:** An internal Western Union memo stated: "**The telephone has too many shortcomings to be seriously considered as a means of communication.**"
- **1903:** The President of the Michigan Savings Bank advised against investing in Ford Motor Company, warning, "**The horse is here to stay, but the automobile is only a novelty—a fad.**"
- **1920's:** H.M. Warner, co-founder of Warner Bros. Studios, reportedly uttered: "**Who the hell wants to hear actors talk?**"
- **1946:** Darryl Zanuck, a 20th Century Fox executive, predicted that "**Television won't last because people will soon get tired of staring at a plywood box every night.**"
- **1977:** Ken Olsen, founder of Digital Equipment Corporation, famously opined that "**There is no reason anyone would want a computer in their home.**"

There are millions of predictions today about Generative AI, and how it will impact society. Most are optimistic about the promise of its impact on efficiency, and how it will reinvent many of the products or services we use today. Others are more doom and gloom, such as Stephen Hawking's prognostication that “the development of full artificial intelligence could spell the end of the human race,” or Elon Musk’s dire warning that “with artificial intelligence, we are summoning the demon.”

As another old saying reminds us, “the train has left the station...” GenAI has already permeated society and is seemingly being used everywhere...you will see it mentioned several times in the following pages. At i4cp, we’ve been impressed with the clever ways our members are using GenAI in HR, and have been collecting interesting use cases, which are shared with our members. Today, we believe we’ve amassed **the largest collection of these examples**, which we think is incredibly important; most of the time, organizations only need to be inspired by what others have done to then implement and scale similar solutions.

And that’s the spirit of our annual *Priorities and Predictions* report. No other research study (that we know of) puts forth the priorities of HR’s primary functional areas and posits predictions from those who head them up.

Understanding the priorities of these various HR functions and their leaders helps inform and educate others for the coming year and offers insights on how organizations are thinking about critical issues. While some priorities are shared, most are specific to individual functional areas within HR and hopefully spark inspiration.

Predictions are much trickier. While we provide several predictions for the coming year, we’re reminded of the countless failed forecasts of the past. The inherent uncertainty of predicting the future highlights the importance of open-mindedness in the face of change, and the critical trait of agility.

Any successful organization has had to pivot quickly in the face of change. As another historical quote reminds us, this time from Charles Darwin, “It is not the strongest of the species that survives, nor the most intelligent, but the one most adaptable to change.”

So, as we usher in a new year, perhaps the safest prediction we can make is those who embrace agility will have much more success than those who resist change. Here’s to an agile 2025.



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2025 Predictions

i4cp's Executive Boards

Chief HR Officers

Chief Diversity Officers

Chief Learning & Talent Officers

Heads of Talent Acquisition

Heads of People Analytics

Heads of Total Rewards

Heads of Future of Work

Learn more about [these groups](#).

Since its inception, the Institute for Corporate Productivity (i4cp), has used the term "next practice" as a core tenet of all its research. We define next practices as human capital strategies that are strongly correlated to better market performance, but not yet in wide use by organizations (often less than 20%).

The goal of uncovering these practices is to help our members see around the curve and be prepared for what's next. We do this in a variety of ways. Most of our studies highlight several next practices we believe our members should consider, and we even [have an area of our website devoted to what we've uncovered](#). We host a weekly webinar that highlights next practices in action. Our annual conference is titled *Next Practices Now*; part of that focused agenda is recognizing and celebrating the most interesting and innovative approaches that i4cp members have deployed via the [Next Practice Awards](#).

To validate the next practices our data uncovers, we often rely on the insights of our executive boards. i4cp's boards represent key HR functions—Chief HR Officers, Chief Diversity Officers, Chief Learning & Talent Officers, Heads of Talent Acquisition, People Analytics, Total Rewards, and our newest board, the Future of Work. These boards advise each other with current initiatives as well as help shape i4cp's research agenda. At our conference and throughout the year, i4cp's boards meet to discuss and examine next practices in detail, and we ask them annually to share their top priorities for the coming year, as well as their predictions for future next practices.



Based on feedback from our boards, here's what i4cp analysts believe HR leaders should be prepared for in 2025:

1. Top companies will extend their lead by operationalizing AI while low-performing organizations sit on the sidelines.

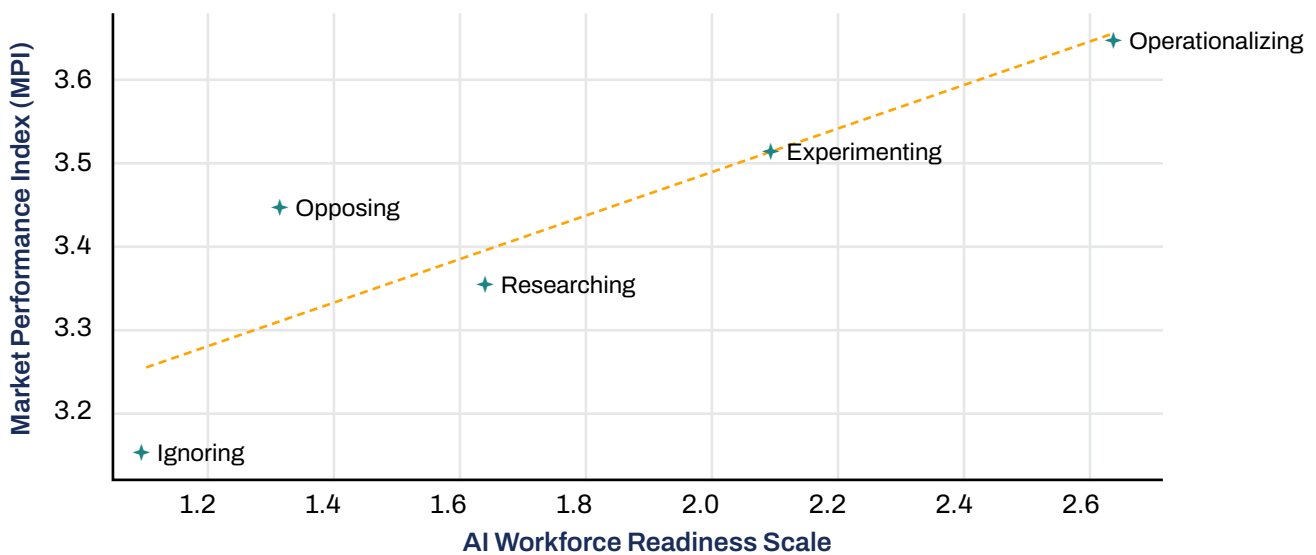
Organizations differ vastly in how they're approaching the era of AI. Many are experimenting with it, applying AI selectively in small pilot projects. Others are still researching the implications for their companies. A few are ignoring it, presumably assuming that the right strategy and applications will reveal themselves over time. Surprisingly, some organizations are actively opposing the use of AI.

A growing contingent, however, has fully embraced AI as part of their business. These organizations are the leaders in this new era—operationalizing and scaling AI across the enterprise to improve efficiency in large portions of processes or systems. Many have also already introduced new products and services centered on AI's capabilities.

Here's what we found interesting about these early adopters: Likely because of the efficiencies gained and new value added, organizations in the lead are much more likely to have higher market performance, as defined by higher revenue growth, market share, profitability, and customer satisfaction. This is further supported by how our audience of senior HR leaders gauges the impact of early AI adoption in their organizations: 91% confirm that their firms have realized positive returns as a result (e.g., efficiencies, cost savings, improved productivity, etc.)

91% confirm that their firms have realized **positive returns** as a result of their early AI adoption (i.e., efficiencies, cost savings, improved productivity, etc.).

Market Performance vs. AI Workforce Readiness (Updated)



Source: *Workforce Readiness in the Era of AI*, 2025. Institute for Corporate Productivity (i4cp).



Those who said their workforces are prepared to use GenAI at work are **52x** more likely to have provided GenAI training to most (if not all) of their employees.

Unsurprisingly, these early adopters are **20x** more likely (61% vs. 3%) than those who have yet to adopt GenAI to characterize their workforce as *prepared* to use the technology at work. Training is the primary reason. Those who said their workforces are prepared to use GenAI at work are **52x** more likely to have provided GenAI training to most (if not all) of their employees (52% vs. 1%) (i4cp, 2025).

That future is likely to see the leaders in AI adoption continue to expand their lead. And employees in AI-leading organizations believe, on average, that they could improve their productivity by 30% or more with additional training. This optimism reflects a significant workforce shift: AI fluency is becoming an expected skill and already AI-strong companies are getting stronger as a result.

2. Until companies shift their cultures, efforts to scale skills-based marketplaces will stall.

There has been a great deal of attention and significant investment over the last five years on creating skills-based organizations. By cataloguing the skills of the workforce and creating a database of these skills, the belief is that organizations can be more agile in quickly applying the right people to specific needs, and better leverage the existing workforce. Many organizations have set their sights on creating internal talent marketplaces that match projects and other initiatives with the best available talent.

While some companies have succeeded, most have stalled for a simple reason: the majority are organized around traditional job architecture. And most people leaders have a *job mindset* versus a *project mindset*—and the habit of hoarding top talent versus promoting the internal movement of employees—43% of organizations report managers hoard talent (i4cp, 2021).

As a result, mobility (particularly short-term mobility) is limited, which creates more risk of attrition. i4cp's new study on workforce readiness found that 39% of organizations report it's easier for existing employees to find a job externally than internally (i4cp, 2025). Despite the time and budget that has gone into creating talent marketplaces, many are largely limited to side projects, fun or charitable endeavors, and non-mission critical activities versus those that could significantly contribute to the bottom line.

To truly leverage a skills-based approach, organizations must focus first on a greater overarching effort: creating cultures poised to take advantage of a talent marketplace. This shift likely means some restructuring to the current hierarchy, as well as a change to performance measurement. To break the "job mentality," it will also require incentives, such as rewards and recognition, to encourage internal movement and counter talent hoarders. Some segments, such as large consulting organizations, already enjoy this culture because they've operated on a project mentality for decades, but for most other industries this will be a big shift. 2025 will see growing recognition that burning budget on sophisticated platforms is likely a waste until the culture is ready to change from a traditional approach to a skills-based marketplace.

3. Older workers go from overlooked to overtly courted.

It's no secret that we have an aging global population. Birth rates are steadily declining in many developed nations while at the same time life expectancy is increasing. As older individuals remain healthy and capable for longer, they represent not only a valuable, experienced segment of the workforce, but likely a necessary one.

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While talent shortages worldwide will likely force companies to reconsider the average age of their workforce, there are numerous benefits to leveraging older workers.

Despite advances that adopting AI can provide, the current skills gap in certain industries, such as healthcare and skilled trades, makes older workers essential for filling these gaps.

The cohort of full-time workers aged 65 and older is increasing steadily, according to data from the U.S. Bureau of Labor Statistics (BLS). In 2022, people aged 65+ accounted for 7% of the labor force. The BLS projects this group will grow by 45% by 2030, while the 16-24 age group is expected to shrink by about 7% (BLS, 2024). Similarly, the AARP Public Policy Institute found that by 2028, nearly one in four U.S. workers will be 55 or older (AARP, 2021).

This is not a U.S. phenomenon. The European Union projects that workers aged 55-64 will increase significantly in the next decade, while younger age groups are expected to decline in number (Belelieu & Nazeri, 2020). In Japan, about 12% of the workforce is already 65 or older (Nippon Communications Foundation, 2024). While talent shortages worldwide will likely force companies to reconsider the average age of their workforces, there are numerous benefits to leveraging older workers:

- The wealth of skills, experience, and institutional knowledge older workers possess is difficult to replace quickly. Retaining these employees longer will allow companies to benefit from their accumulated insights and mentoring abilities, which is invaluable to the development of younger employees. Many companies have implemented alumni networks of retired employees for this very purpose. Despite advances that adopting AI can provide, the current skills gap in certain industries, such as healthcare and skilled trades, makes older workers essential for filling these gaps.
- Contrary to stereotypes, older workers can be as or more productive than their younger counterparts. Research published by the Brookings Institution shows that older workers tend to have higher productivity than younger employees, especially in roles that rely on accumulated knowledge and interpersonal skills (Burtless, 2013). People over 50 often excel in areas like problem-solving, dependability, and attention to detail.
- While some firms, most notably large consulting companies, still have mandatory retirement at certain ages, keeping older employees longer can not only maintain high productivity but also reduce hiring and training costs. The European Commission estimates the EU could add six million people to its workforce by 2050 through policies allowing older individuals to remain active in the labor market (Grimm & Holzhausen, 2023).
- i4cp's research has found that **70% of older workers say they have experienced ageism**. This is unfortunate, because age diversity can contribute to more inclusive workplace cultures. The different perspectives, work patterns, and problem-solving approaches older workers provide can enhance team performance. Data from the World Economic Forum shows that age-diverse teams contribute to stronger decision-making, creativity, and higher overall productivity (Belelieu, A & Nazeri, H, 2020).

Regardless of the necessity and benefits, older workers may end up forcing the issue. The Federal Reserve reports that 40% of Americans approaching retirement age have not saved enough for retirement, with many older adults planning to work longer out of financial necessity (Dickler, 2024). Based on these factors, companies need to examine their retirement policies as well as total rewards offerings provided to older workers to prepare for this inevitable shift.



4. DE&I was under fire the last couple of years. In 2025, the pressure intensifies.

In the last two years, external pressure has caused several companies to scale back their visible support for diversity, equity, and inclusion programs. Boeing, Tractor Supply, John Deere, Harley-Davidson, Molson Coors, Lowe's, and several others have retreated in some way from their DE&I initiatives. Fueled by activists such as Robby Starbuck, lawsuits from Stephen Miller and his company America First Legal, and criticism from Elon Musk and other high-profile voices, organizations are justifiably nervous.

The impact is easy to see. DE&I roles peaked in early 2023, but fell 5% by the end of the year, and dropped another 8% in early 2024, according to Revelio Labs (Telford, 2024). Roughly 25% of executives said they believed DE&I programs were a fad according to a survey by Bridge Partners (2024), and 13% of senior business professionals believe that chief diversity officers will become extinct over the next five years, according to a report from West Monroe, a digital services firm (Morse & Burleigh, 2024).

If they aren't dismantling their DE&I departments and initiatives to avoid scrutiny, many companies are instead simply changing their language. Typically, dropping either the "D" or the "E" and talking more about inclusion, which is viewed as a safer description. Some organizations are trying to blend existing DE&I efforts and professionals into other areas of the company to avoid having a standalone function, even rebranding DE&I under broader organizational programs such as employee engagement or leadership development.

This pushback is likely to intensify in 2025. Here's why:

- Mass deportation of illegal immigrants is a promise president-elect Donald Trump has made once he takes office, and most expect that to happen in 2025. On immigration in general, it's clear that organizations can expect an immediate, stricter approach, which is most likely to negatively impact industries such as construction, agriculture, hospitality, and manufacturing. Workplace raids, in which government officials arrive

External pressure has caused several companies to **scale back their visible support** for diversity, equity, and inclusion programs.

To avoid scrutiny, many companies are instead **simply changing their language**.

Additional companies will retreat from their DE&I policies under increased pressure, while others will double down and unwaveringly stand up for what they previously committed to.

onsite with the intention of arresting undocumented workers, will likely be used again. There may be a sharp rise in I-9 audits as well...there were roughly 12,000 I-9 audits during Trump's last year in office, compared to around 400 during President Biden's final year.

- After the U.S. Supreme Court ended affirmative action in higher education (race-based college admission decisions) in 2023, the judiciary system is likely to have ongoing pressure on DE&I, especially with rulings on workplace discrimination, reproductive rights, and diversity training. Previous bans on racial sensitivity training for federal government and contract workers will likely be reinstated, and efforts to ban DE&I at state universities will probably continue. With the announcement that Stephen Miller will be appointed deputy chief of policy in the Trump administration, the pressure his company put on companies via litigation over their DE&I initiatives may intensify, and could affect other DE&I-related federal policies in areas such as hiring, education, and federal contracting.
- These changes may lead to an even deeper divide than we've already experienced. Additional companies will retreat from their DE&I policies under increased pressure, while others will double down and unwaveringly stand up for what they previously committed to. New policies and rhetoric will undoubtedly amplify DE&I detractors and fuel the resolve of DE&I supporters.

Most of the champions of DE&I in i4cp membership remain committed. DE&I budgets for members of i4cp's Chief Diversity Officer Board remain relatively stable; 57% report no change in budget for 2025, 29% reported "some" to "significant" budget increases, and only 10% anticipate a slight decrease (5% said it's too soon to tell).

The stability is for good reason. Organizations with mature DE&I programs are **2.5x** more likely to say that DE&I investments have a very positive impact on their business's competitive position and are almost **3x** more likely to report beating their most current fiscal year revenue expectations by more than 10%. Studies have shown that diverse teams make better decisions 87% of the time and do so twice as fast with half as many meetings. Racial and ethnic diversity on teams correlates to higher market performance, higher team effectiveness, more internal collaborative practices, and less collaborative dysfunction (DeMattia, 2023).

Despite those benefits, the pressure on DE&I will undoubtedly heat up in 2025. If it hasn't happened already, HR, the C-suite, and the board need to scenario plan and prepare for increased opposition to organizational DE&I initiatives. HR leaders and DE&I professionals should be ready to present the outcomes from previous efforts, and align those outcomes and proposed initiatives with **the organization's strategy, market, culture, leadership, and talent requirements**. Senior leaders should discuss with the board what they plan to do if their DE&I strategies are targeted by external activists and be clear on what their approach is to immigrants (whether they are undocumented or I-9 employees) currently in the workforce.

Most of the champions of DE&I in i4cp membership remain committed.



Chief Human Resource Officers

2025 Chief Human Resources Officer Priorities

- Ensuring HR is agile enough to stay tightly aligned with changes to the enterprise strategy
- Building or maintaining a healthy organizational culture
- Ensuring strong pipelines for C-Suite succession
- Using AI to accelerate business strategy execution/growth
- Upskilling the workforce

An organization that can **sense and respond quickly** to internal or external change requires an HR function that can do the same.

Budget projections for 2025 reveal that investment in the HR function will largely remain stable.

Summary

Today's Chief Human Resources Officer (CHRO) plays a pivotal role in identifying and addressing organizational risk, enabling enterprise agility, and achieving sustainable high performance.

Insights and the priorities set by members of **i4cp's Chief Human Resources Officer Board** illustrate that an organization that can sense and respond quickly to internal or external change requires an HR function that can do the same. Key anticipated challenges for HR in 2025 include:

- Ensuring the HR function can adapt to the changing needs of the business **(70%)**
- Delivering on top priorities with fewer resources **(51%)**
- Ensuring the HR function has the skills needed to deliver on its priorities **(47%)**

Budget projections for 2025 reveal that investment in the HR function for 2025 will largely remain stable, with nearly one-half **(49%)** expecting no budget changes. However, around a quarter of CHRO Board members anticipate moderate increases **(26%)** or decreases **(25%)**. CHROs are targeting their budgets to address six critical areas:

1. Leadership development **(61%)**
2. HR technology **(48%)**
3. Workplace culture **(39%)**
4. Learning and development **(34%)**
5. Total rewards **(32%)**
6. Organization effectiveness **(32%)**



CHROs are also preparing to manage several external factors that add further complexity to the role, including demographic and economic shifts, tighter labor markets, and data privacy demands, all of which make agile and adaptable HR functions a priority for organizations.

Several external pressures were cited by Board members, such as:

- Changing workforce demographics and expectations (51%)
- Macroeconomic uncertainty (47%)
- Regulations and/or compliance specific to industry (44%)
- Available talent pool (40%)
- Data security and privacy (33%)
- Evolving consumer demographics and expectations (33%)

With a need to accomplish more with the same or fewer resources, to sense and respond swiftly to change, and strategically position and prepare the organization for the future, CHROs will be focused on the following priorities in 2025:

Priorities

Ensuring the HR strategy is agile enough to stay tightly aligned with changes to the enterprise strategy—HR strategy and programs must flex to address strategic business and market shifts and remain in tight alignment with organizational strategy. CHROs recognize that critical to this is greater capability within HR to anticipate and understand the needs of the business, and to interpret, design, articulate, and deliver insights and solutions that consistently enable better decision making and produce desired outcomes.

Also critical are the relationships HR fosters throughout the organization. Expect to see more HR leaders act on a prediction i4cp made in 2022 (“*Experience outside of HR becomes a strategic professional building block*”) as they seek to build more business-specific perspective and credibility in HR (i4cp, 2022a).

Building or maintaining a healthy organizational culture—a future-ready organization requires a future-ready culture. CHROs play a pivotal role in ensuring that culture will and does support any strategic shift to the business and related capability requirements. CHROs will continue to heed a prediction i4cp made about 2024 (“*Culture measures—quantitative and qualitative—will now be expected*”) by ensuring a continuous pulse of the organization’s culture health and regularly reporting out clear and comprehensive data—paired with corrective remediations as needed (i4cp, 2023a).

Ensuring strong pipelines for C-Suite succession—future-ready organizations require leaders (at all levels) who embrace and enable change, consistently model the organization’s values, and deliver superior results.

CHROs are preparing to manage several external factors that add further complexity to the role.



For more, see i4cp’s [HR Capabilities In the New Era of Work](#).



For more, see i4cp’s [Strategy Execution Toolkit](#).



For more, see i4cp’s [The Future-Ready Culture](#).



A future-ready workforce benefits immensely from HR's knowledge and confidence in how AI will shape that future.

i4cp research has revealed that organizations that consistently achieve their goals are up to **7x more likely** to have **cultures that value how goals are achieved** (not just the achievements themselves). Those who describe their organizations' cultures as "very healthy" are **25x** as likely to say that they have leaders whose behaviors align to the organization's values vs. those who describe their organizational cultures as "toxic" (i4cp, 2023b).

CHROs realize that succession pipelines of executives who possess these traits are key to healthy and sustainable business outcomes.

Using AI to accelerate business strategy execution—a future-ready workforce benefits immensely from HR's knowledge and confidence in how AI will shape that future. It is incumbent upon HR to strategize on AI's impact across five core areas that correlate to i4cp's five domains: the organization's market, strategy, culture, leadership, and talent.

More than half (54%) of i4cp's CHRO Board members believe that AI will be "important" or "very important" to their function's ability to deliver on its priorities in 2025. And these HR leaders are looking beyond AI's ability to drive efficiencies; they are **9x** (64% vs. 7%) more likely (than those that view it as "somewhat" or "not important" to their function's ability to deliver on its priorities) to indicate they aim to use AI to accelerate business strategy execution and/or growth.

Upskilling the workforce—longitudinal i4cp research from 2021–2024 has found that 70% of organizations report continuing to struggle with equipping their workforces with the skills the organization needs for the future. Coincidentally, 70% of CHROs surveyed this year also believe their organizations are only "somewhat" prepared for an AI-enabled future of work—a mere 5% described their organizations as "very prepared."

Given the implications of talent availability and the demographic population shifts happening globally, coupled with the rapid pace of technological advancements, CHROs realize they need to advance on their workforces' continuous (and urgent) learning needs.



For more, see i4cp's [Strategy Execution Toolkit - Strategic Discussion Slides](#).



For more, see i4cp's [Upskilling and Reskilling Guidebook](#).

Chief Human Resources Officer Predictions

- **The utilization of AI and capability built (and brought into) HR will further increase the function's strategic contribution to the business**—from strategy formulation, adaptation, and execution to workforce readiness for the future, HR functions will be able to deliver faster and more precisely. These strategic HR functions will be viewed as change agents that assume more leadership in enterprise transformation efforts. All this elevates HR's skills in data analytics, technology management, consulting, change leadership, and strong business acumen from nice-to-have to must have.
- **The evolution to strategic work planning and nimble organization design will distinguish ready-for-the-future organizations**—what does workforce (and leader) capacity and capability mean in this new era of work? How will the work that delivers distinct value for the business evolve in the future, and what is the organization doing to prepare for this shift? Redesigning work (e.g., the responsibilities, jobs, and tasks that are performed) and reimagining organization design to support the evolving nature of work at the organization will be key. This, coupled with increased HR capability, will provide greater foresight, allowing for more targeted and effective workforce up/reskilling efforts.
- **Organizations court older workers**—due to an aging population and declining birth rates, older individuals represent not only a valuable, experienced segment of the workforce, but a necessary one. The participation of workers aged 65 and older in the U.S. labor force is increasing yearly, with BLS predicting that this group will grow by 45% by 2030. At the same time, the labor force of people in the 16-24 age group is expected to decrease by approximately 7.5%. Changing demographics is a global concern; the European Union projects that the number of workers aged 55-64 will increase significantly in the next decade, as do several APAC countries. While talent shortages worldwide will likely force companies to reconsider the average age of their workforce, companies will recognize there are numerous **benefits to leveraging older workers**.
- **Emphasis on AI and data, and increases in distributed work will require more human-centric work environments and experiences**—as work, work teams, and decision making become more distributed and augmented by AI and data, organizations shouldn't underestimate the enduring value of human judgment, creativity, interpersonal skills, and connection.

HR must not allow itself to become distanced from the everyday realities of the workforce. Staying highly attuned to employee sentiment, organizational culture, and employee experience will ensure its strategic endeavors are grounded in the needs and realities of the those whose skills, perspectives, and relationships position the business for sustainable success.

AI will elevate HR's skills in data analytics, technology management, consulting, change leadership, and strong business acumen from nice-to-have to must have.

As AI utilization increases, organizations shouldn't underestimate the enduring value of human judgment, creativity, interpersonal skills, and connection.

BNSF
RAILWAY**Judy Carter**CHRO
BNSF

“As we look ahead to 2025, the bar continues to rise for CHROs and HR professionals with the increasing expectation to deliver on strategic innovation and cultural evolution. We know that employees rely on their workplace to provide a fulfilling employee experience and a purposeful life outside of their work. The workforce's well-being is not just about wellness anymore; it is about ensuring that your company's programs and benefits address all employee needs—physical health, mental health, financial health, community, and career growth.

Trust and inclusivity remain paramount to successful leadership, meaning that learning and development organizations must deliver game-changing programs and toolkits that leaders can practice quickly and effectively. Speed to execution for both leaders and individual contributors is a necessity, and HR professionals need to develop an employee ecosystem based on reskilling and upskilling. Finally, we must use AI and People Analytics in all our HR processes to make more informed decisions and drive organizational success.

Our seat at the table is getting bigger all the time, and I'm excited about where we are headed as an HR industry.”



Chief Diversity Officers

2025 Chief Diversity Officer Priorities

- Strengthening DE&I strategies to ensure alignment with organizational goals
- Promoting and embedding inclusive leadership practices and habits
- Building cultures that support inclusion, belonging, and psychological safety
- Retaining diverse talent enterprise wide
- Embedding DE&I practices and considerations into work processes

Members of i4cp's Chief Diversity Officer Board say the work continues and is—in many cases—**expanding in scope.**

57% of the members of i4cp's Chief Diversity Officer Board anticipate no change to their budgets, while **29%** expect "some" to "significant" budget increases, and **only 10%** anticipate a slight decrease.



For more, see i4cp's [Resetting DE&I Brief](#).

Summary

The reelection of former U.S. President Donald Trump has sparked questions regarding the future of various policies, including immigration, taxes, reproductive rights, and healthcare. However, Chief Diversity Officers are particularly concerned about how it will affect one key issue: the future of Diversity, Equity, and Inclusion.

Seventy percent (70%) of these CDOs perceive the global effect of the U.S. Presidential election as a threat to their organization's ability to execute their strategy in 2025. Yet, despite this and the pushback driven by a relatively small outlier group of activists and exaggerated by media hype, CDOs are nevertheless actively addressing the issue.

From strategies such as increasing communications about DE&I's impact on the business, to ensuring greater organizational alignment, including evaluating and mitigating any perceived risk for new initiatives, members of **i4cp's Chief Diversity Officer Board** say the work continues and is—in many cases—expanding in scope. Moderating internal disruption related to the Israeli/Palestinian conflict is one example where CDOs have been tapped heavily to help with messaging and setting the tone for their organization's public responses.

Anticipated DE&I budgets also reflect this—57% of i4cp's CDO Board members anticipate no change to their 2025 budgets, while 29% expect "some" to "significant" budget increases, and only 10% anticipate a slight decrease (5% said it's too soon to tell).

Also, while 24% of DE&I leaders cited addressing DE&I pushback both internally and externally as a priority, none reported that their organizations are cutting or deemphasizing any existing programs or ERG/BRG groups. Several, however, are restructuring some ERG/BRG groups, broadening diversity definitions, and increasing emphasis on the data provided to the organization.

These leaders also report increased bias auditing of various HR functions, additional focus on both internal and external accessibility programs, creating more allyship/mentoring opportunities, along with rolling out programs to address workplace divisiveness. Evaluating alignment to the organization's mission and values of various external partnerships is also an evergreen focus.





Priorities

Strengthening DE&I strategies to ensure alignment with organizational goals—nearly one-half (48%) of i4cp’s CDO Board members are prioritizing the integration of diversity, equity, inclusion, and belonging into the fundamental business strategy to help foster better workplace culture, drive innovation, enhance employee experience, and boost business performance.

Consistent alignment with organizational goals, supported by metrics and accountability systems, will keep DE&I relevant and impactful. Of note: 43% of CDOs said that communicating the function’s strategic value to the organization remains a challenge—though few see internal resistance to DE&I and additional risk mitigation as an issue. Other challenges include collaborating with other functions on priority issues, upskilling DE&I function team members, and the need for technology upgrades.

Promoting and embedding inclusive leadership practices and habits—organizational culture flows from the top down; instilling and expecting inclusive behaviors from leaders is tantamount to fostering a healthy culture. Inclusion and belonging is one of the top five metrics for **determining culture health**, and low-performance organizations are **2x** as likely as high-performance organizations to view it as a challenge—with similar finding related to trust within organizations (i4cp, 2022b). Shoring up the inclusiveness of their organization’s cultures and working to expand access to diversity offerings and allyship opportunities is a prime area for DE&I practitioners to help ensure a future-ready culture with diverse networks that foster both diversity and a greater sense of community and belonging.

Consistent alignment with organizational goals, supported by metrics and accountability systems, will keep DE&I relevant and impactful.



Ensuring that all voices are heard within the boundaries of respectful workplace conduct is a message that needs continuous reinforcement and modeling.

Building cultures that support inclusion, belonging, and psychological safety—tensions and divisiveness stemming from global political instability, tumultuous elections—especially in the U.S.—and activism focused on DE&I call for organizational cultures that foster civility and encourage respectful dialogue. Healthy cultures may start from the top, but inclusion and trust occur in the day-to-day with interactions within and among teams. Ensuring that all voices are heard within the boundaries of respectful workplace conduct is a message that needs continuous reinforcement and modeling.

Retaining and attracting diverse talent enterprise wide—this will require a culture of inclusion, growth, and opportunity that supports employees from all backgrounds. Efforts to this end include career development, clear pathways for advancement, nurturing inclusive leadership behaviors, sponsorship, and prioritizing psychological safety. Without these factors in place, **i4cp research shows** that diverse top talent will seek opportunities elsewhere (i4cp, 2022b).

Embedding DE&I practices and considerations into work processes—staying on course and maintaining focus on existing goals and perennial concerns such as broadening talent pipelines, retention of diverse talent, and weaving DE&I considerations into business processes. This will require strong partnership with the CHRO and other HR functional heads to ensure talent/leader selection, development, promotion, and rewards programs and decisions are reinforcing of these.



Chief Diversity Officer Predictions

- **DE&I pressure will intensify in 2025**—as a direct result of external activists over the last two years, several companies decided to scale back their visible support for diversity, equity, and inclusion programs. With a new administration taking office in the U.S. in 2025, and with at least one prominent activist joining this administration, this pushback is likely to intensify. Despite this, most of the champions of DE&I in i4cp membership remain committed, and expect budgets to stay the same or increase (only 10% expect a decrease).
- **Political and societal pressure related to DE&I will continue to be major drivers of changes within the function**, however, there will also be increased emphasis on inclusion and belonging as drivers of culture health and engagement, as well as broadening of the scope of what comprises diversity to include socioeconomic background, degree attainment, neurodiversity, career stage, etc. Greater attention to existing diversity purviews such as disability accommodation, multi-generational worker needs, and military veterans is another probable outcome. i4cp's CDO Board members acknowledge that increased scrutiny will require greater rigor in communication and data collection about how DE&I drives business and employee outcomes to their specific business and stakeholder groups.
- **DE&I leaders expect AI to play a significant role in the advancement of DE&I objectives**—the majority (52%) of DE&I leaders view AI adoption as “very” or “somewhat” important to achieving their functional objectives. But most (65%) view their organizations as only “somewhat prepared” for an AI-enabled future of work. Expect to see DE&I leaders prioritize their function's own learning and utilization of AI in 2025.
- **DE&I vendor offering selection will be impacted by the current climate**—this will reward those who can contribute to and communicate the impact of their solutions or services on both business and employee outcomes. This trend could likely hamper experimentation in the DE&I space in the near-term, with more innovative new practices and products finding test markets among those with established organizational buy-in and less risk-averse cultures.

Increased scrutiny will require **greater rigor in communication and data collection** about how DE&I drives **business and employee outcomes.**

52% of DE&I leaders view AI adoption as “very” or “somewhat” important to **achieving their functional objectives.**

**NORTHROP
GRUMMAN**



Agartha Larbi

VP
Global Corporate Responsibility
Northrop Grumman

“*Belonging shouldn’t just be rhetoric—it’s about shaping your culture. Identify your key indicators and tie them to strategy and outcomes. Then, communicate about it in a way that is simple, actionable, and where everyone understands their role. For our company, belonging means creating an environment where employees are encouraged to speak up, valued for their diverse perspectives, supported in their daily work, and aligned with our mission and values.*”



Rohini Anand, PhD

Author and Chair of
i4cp's Chief Diversity
Officer Board, former SVP
Corporate Responsibility
and Global Chief Diversity
Officer, Sodexo

“*These are challenging times as organizations grapple with the backlash against Diversity, Equity and Inclusion (DE&I) and with navigating the complexities of identity politics that are polarizing our societies and organizations. Now more than ever, it is imperative that we figure out a way to focus our energy, stay the course, and have an impact by partnering across the organization and considering ways to leverage DE&I to demonstrate its impact on business outcomes.*”



Chief Learning & Talent Officers

2025 Chief Learning & Talent Officer Priorities

- Increasing manager effectiveness in the face of complex and increasing demands
- Upskilling the organization's workforce
- Building or maintaining a healthy organizational culture
- Leveraging AI to enhance learning and/or talent programs
- Establishing or improving the organization's learning culture

51% of responding CLTO Board members indicated that they view the **available talent pool** as a top-three external issue of concern.

Only **56%** of learning and talent leaders surveyed indicated that they believe their organizations are **“somewhat prepared”** for an AI-enabled future of work.

Summary

Members of **i4cp’s Chief Learning & Talent Officer Board** predict that 2025 will:

- Be a year with heightened expectations of the learning and talent function to deliver business value despite limited technology and other resources.
- See CLOs and CTOs seek more collaboration across HR and other functions to promote and reinforce cultures that enable and reward continuous learning.
- Have CLOs and CTOs laser-focused on building future-ready capability among managers and the workforce.

In addition, clearly there is much work to be done regarding AI—over half (56%) of learning and talent leaders surveyed indicated that they believe their organizations are only “somewhat prepared” for an AI-enabled future of work; 21% indicated their organizations are prepared, and an equal number said their organizations are “not prepared”—and no one said their organization is “very prepared.” And just over half (51%) of responding CLTO Board members indicated that they view the available talent pool as a top-three external issue of concern—they see it as posing a potential threat to their organization’s ability to execute on their 2025 strategies.





Priorities

Increasing manager effectiveness in the face of complex and increasing demands— leadership development remains a perennial concern for the learning and talent leaders, but a three-year trend to prioritize manager effectiveness in the face of complex and increasing demands has risen to the top. There are several factors driving this, including the nature of work shifting to more distributed and more team-based, as well as the need for managers to focus on more than performance and productivity, such as culture, employee well-being, and more.

Upskilling the organization's workforce—in addition to building manager capabilities, 46% of chief learning and/or talent officers indicated they have prioritized the broad upskilling or reskilling of the organization's workforce. This was already a trend, but the growth of AI has made it a critical need: nearly four of five survey participants (79%) said their organization's workforce is unprepared or at best somewhat prepared to use generative AI in their work. The same study provided a major reason: only 18% of organizations offer generative AI training to most or all of their employees as of September 2024 (i4cp, 2025).

Building or maintaining a healthy organizational culture—**culture renovation** remains a top concern for learning leaders, and this priority is no small effort. For many CLOs and CTOs, this will result in greater emphasis on building and rewarding the *how* of leadership (i.e., how a leader works with their teams and across the enterprise to deliver the desired outcomes). In many organizations, what it means to be a good leader is being redefined, along with updated measurements and incentives around leader behaviors that deliver desired business and employee outcomes.

Manager effectiveness in the face of complex and increasing demands has risen to the top of the list for leadership development concerns.

Those who describe their organizations' cultures as healthy are **7x** more likely to say they have a learning-centered culture.

Leveraging AI to enhance learning and/or talent programs—the adoption of AI (including generative AI) is nearly unanimously viewed as important to CLTO Board members in the context of its role in the ability to deliver on their objectives in 2025. While only 16% considered it “very important,” over a third (34%) said it was “important,” 41% said it was “somewhat important.”

Establishing or improving the organization's learning culture—continuous learning has long been a high-performance organization differentiator and is now a competitive necessity given the speed and frequency of technological change and the value workers across all generations place on their personal development. i4cp research has found that those who describe their organizations' cultures as healthy are **7x** more likely to say they have learning-centered cultures than those who describe their organizations' cultures as toxic (i4cp, 2023b). Also, traits of a learning culture according to our previous research include:

- Active knowledge sharing permeates the organization
- Learning is an espoused organizational value
- Leaders (at all levels) are teaching
- Learning is reinforced in hiring and development
- Measuring learning's effectiveness
- Managers rewarded for mobility and development




Simon Brown

Global Learning & Development Leader
EY

“AI presents a major strategic opportunity for learning teams to showcase their agility, helping the organization adopt a transformative technology that will reshape the way we work with confidence. However, without embracing this shift, learning teams may miss a critical chance to reinforce their role and value in guiding this transition.”

Chief Learning & Talent Officer Predictions

- **The impact of technology, AI and generative AI more specifically will continue to be profound**—leaders anticipate seeing AI in curriculum design and personalized learning; identifying top talent, successors, talent needs, and skill gaps; and more generally to free up capacity for more strategic work—including for managers by making talent processes easier.
- **AI will continue to drive urgent need for upskilling**; in some cases, this will lead to cost reductions (either through reduced headcount or increased efficiency). But more often AI-related upskilling will lead to augmented human capability with the ultimate benefits being reduced time on tasks, improved quality of outputs, and increased productivity overall. If both upskilling and AI implementation are done wisely and at scale, employees will shift from mundane tasks to more strategic and creative work and might even see a reduction in burnout and improved work-life balance.

AI-related upskilling will lead to **augmented human capability** with the ultimate benefits being reduced time on tasks, improved quality of outputs, and increased productivity overall.



- **Emphasis will be on skills-centric learning and talent processes**—*learning and development* ranked third highest in areas of anticipated investment in 2025 among members of all of i4cp's various Boards. Emphasis for many will be on furthering organizational efforts to build, validate, and reward specific skills, making those skills more visible and transferrable internally, and linking those skills to specific jobs, projects, or tasks in the effort to deliver greater impact and improve the employee experience.
- **There will be enhanced emphasis on cross-functional collaboration**—collaborating effectively with other functions on shared priorities is a challenge 33% of learning leaders ranked in their top three for 2025. Other areas of HR will often partner with L&D and Talent in order to shift to more skills-centric processes, and the learning function will be seen as a key resource for AI upskilling as new platforms and features come online.

Learning and development ranked third highest in areas of anticipated investment in 2025 among members of all of i4cp's various Boards.



Future of Work Leaders

While Future of Work Board members are projecting modest increases in investment in the function, **we anticipate it will see growth in 2025.**

2025 Future of Work Priorities

- Advancing AI skills of employees and leaders
- Operationalizing and scaling AI across the enterprise
- Changing culture to fully leverage a skills-based approach
- Deconstructing jobs and redesigning work for future task automation
- Building a future-ready culture and workforce
- Continuing to improve employee well-being

Summary

Today, many forward-looking organizations have initiated more targeted and strategic focus on “the future of work.” This often involves appointing a leader of this focus, and sometimes a team, to explore work scenarios and innovations given the rapid changes to work processes, the workforce, and the workplace. Though the exact components of the future of work may vary by organization, there are a few common factors and capabilities, specifically:

- The organization’s ability to create realistic scenarios, and strategically plan for an agile and competitive workforce and work processes.
- How it deconstructs work and reimagines, engineers, and perfects workplace models that address highly fluid labor markets and changing talent dynamics.
- How it prepares its workforce to thrive in an AI-enabled future of work.
- How it equips and supports leaders to influence effectively regardless of work model, reporting relationship, demographic, or shifting industry dynamics.

While **Future of Work Board** members are projecting modest increases in investment in the function, we anticipate it will see growth in 2025. Two telling signs that reinforce this are that 21% of CHROs indicate that Future of Work will see some of the strongest investment of resources in 2025 and 32% of CHROs indicate the same for organization effectiveness (OE). Notably, the implications of the future of work on OE include a heightened need for adaptability, a focus on a skills-based market internally, the embrace of automation and AI, a shift towards more flexible work arrangements, and a greater emphasis on employee well-being and mental health, all of which align with where organizations are focusing their Future of Work efforts.

21% of CHROs indicate that Future of Work will see some of the strongest investment of resources in 2025 and **32%** of CHROs indicate the same for Organization Effectiveness (OE).





AI can be used to streamline the process of cataloging and categorizing the skills of an organization's workforce, and matching skills to opportunities.

Priorities

Advance the skills of both employees and leaders on how to leverage AI—today, most companies (79%) say their workforce is not fully prepared for GenAI at work. The biggest impediments are a lack of organizational knowledge about AI (39%) and a lack of AI-specific training (27%). Seventy-three percent (73%) of organizations today either don't offer AI training or only offer it to a select group of employees yet, organizations that are already operationalizing and scaling AI are nearly **10x** more likely to offer AI training to all employees compared to those still experimenting (i4cp, 2025).

Expand the utilization of AI—a key strategy for how most organizations are envisioning the future of work and staying ahead of the competition is broadening and increasing the utilization of AI. Critical to this is getting executive-level buy-in and comfort with AI. Recent i4cp research found that organizations that are already operationalizing and scaling AI are generally high-performance organizations and are much more likely to have executive teams who promote and model the use of the technology.

Become a skills-centric organization and leverage an internal talent marketplace—both are challenging given current organization structures and leader mindsets that prefer traditional job-based architectures, yet both can also be improved and accelerated through AI. For example, AI can be used to streamline the process of cataloging and categorizing the skills of its workforce, and matching skills to opportunities. It can also recommend specific development paths to fill organizational capability gaps and drive proactive development discussions.

Deconstruct jobs and redesign work for future task automation—to overcome workforce fear of fully automating certain jobs and roles, co-creation of the future state is a necessity. Progressive organizations have gained the trust of the workforce to identify what aspects of their day-to-day tasks could be augmented or accomplished by AI, with the belief that doing so will only improve their efficiency and allow for more time to focus on strategic initiatives.

Ensure a future-ready workforce and culture—i4cp research has found that future-ready cultures are learning centered, inclusive, results-driven, customer-centric and collaborative. Future-ready cultures are also essential for future-ready organizations. These organizations are vastly better at cataloging current skills (48% vs. 10%), forecasting skill needs (45% vs. 11%), identifying skills gaps (45% vs. 13%), and offering upskilling opportunities (55% vs. 7%). This type of strategic readiness has a remarkable impact on the business—boosting market performance nearly twice as much as AI readiness alone, per i4cp’s statistical models (i4cp, 2025).

Increasing employee well-being—leaders of future-ready organizations realize that a workforce that is skilled for the future must also be motivated and healthy to achieve sustainable results. Combating burnout by balancing workloads, offering more autonomy over work schedules and location, and providing programs and resources for employee well-being are top of mind for board members. Previous i4cp research identified six areas of well-being that companies should holistically focus on: physical, mental/emotional, financial, community, career, and social or relational well-being (i4cp, 2020).

Organizations with future-ready cultures are vastly better at:

- Cataloging current skills
- Forecasting skill needs
- Identifying skills gaps
- Offering upskilling opportunities



Karen Kocher

Global General Manager
Future of Work
Microsoft

“AI will continue to be the big disruptor, so 2025 will focus on advancing proven HR strategies to grow dynamic work and teaming capabilities designed to succeed in transformative and disruptive environments. Work structures will continue to become ever more fluid as organizations seek new ways of engaging talent to advance organizational agility, and team-based learning promises to take center stage as workers are challenged to adapt urgently and in new ways, collectively. The pivotal role of the manager will evolve emphasizing connecting and empowering individuals, teams, and technology to identify and optimize opportunities for value creation.”



AI leaders are **20x** more likely than those who have yet to adopt GenAI to characterize their workforce as *prepared to use the technology at work*.

Most employers' systems and efforts to attract, develop, and reward leadership capabilities are **severely outdated**.

Future of Work Predictions

- **There will be a growing recognition for the need for this function**—particularly in larger organizations, the investment implications for future workforce readiness necessitates a more targeted focus and ownership internally. As GenAI tools, capabilities, and applications progress, it is also expected that the increased implications for the workforce and work processes will make strategic workforce planning a more complicated endeavor.
- **Skills-based marketplaces will stall without a culture shift**—the future of work at high-performance organizations is project- as opposed to job-based, is one in which leaders value and enable the mobility of people and capability across the enterprise ecosystem as opposed to keeping it to themselves, and is one in which a company's social capital (i.e., the relationships and trust) is managed and measured with as much rigor as its human capital. Technology such as an internal talent marketplace may enable this, but it's the mindset of leaders (at all levels) and the culture of the organization that will determine the extent to which it proliferates.
- **Those that incorporate AI into the flow of work will further separate from laggards**—organizations that are operationalizing and scaling AI today across the enterprise will further separate themselves from the AI plodders. Today, the AI leaders already enjoy higher market performance than companies that are merely experimenting with or researching AI applications, and are **20x** more likely (61% vs. 3%) than those that have yet to adopt GenAI to characterize their workforce as *prepared to use the technology at work*. Scarier for the laggards is that employees in AI-leading companies say they could improve their productivity by 30% or more with additional training.
- **A new leadership skillset is emerging**; leaders who are equipped to effectively manage and influence within distributed environments will be sought after as organizations increasingly value agility throughout the enterprise. People-leader capability needs to account for new work models (hybrid, flexible, remote, etc.) yet most employers' systems and efforts to attract, develop, and reward leadership capabilities are severely outdated. Focus and support for new leadership skills will need to evolve in order to create a future-ready workforce.



People Analytics Leaders

2025 People Analytics Leader Priorities

- Delivering customized insights to business leaders
- Providing meaningful insights to leadership that connect People Analytics data to the business's strategic goals
- Enhancing reporting and visualization tools
- Implementing AI and machine learning tools
- HR data integration and systems interoperability

While AI promises **faster, more efficient insights**, realizing these benefits will take longer than expected.

Emphasis among PA leaders is shifting from driving managers to dashboards or other platforms to access their people data toward **delivering customized insights to leaders when and where they need them.**

Summary

It's time to take People Analytics (PA) to the next level. Rather than just focusing on ROI, members of the **i4cp People Analytics Leader Board** are applying analytics to core business priorities (including the impact of distributed work decisions) and measuring that alignment and progress.

The rapid rise of generative AI has shifted expectations for People Analytics, creating a gap between AI's potential and the time, effort, and resources required to achieve it. While AI promises faster, more efficient insights, realizing these benefits will take longer than expected.

Emphasis among PA leaders is shifting from driving managers to dashboards or other platforms to access their people data, toward delivering customized insights to leaders when and where they need them. Technology enables this type of personalized data service, but limited resources, including insufficient technology, remain a challenge. The good news is that about a quarter of the members of all seven i4cp executive boards listed People Analytics as one of the top functions that will receive the greatest investment in 2025. But only 14% of People Analytics Board members agreed.

AI may explain this disconnect. As more HR tech features large language models (LLMs), this will require an upfront investment that will eventually make it easier for other HR professionals to access basic data reports on their own that have historically required the assistance of an analyst. Leaders in this field see a future of smaller People Analytics teams that leverage that additional time to provide more sophisticated consultation to help business leaders align their people and organizational strategies.





Priorities

Delivering customized, meaningful insights to the business that are both actionable and real-time—speed, precision, and relevance in delivering data and insights are critical to creating a competitive edge. People Analytics plays a vital yet often unseen role in enabling other functions to achieve their strategic objectives. In 2025, a core challenge for PA leaders will be to amplify awareness of the function's value by connecting customized insights directly to business priorities, demonstrating how People Analytics drives smarter decisions and aligns workforce strategies with organizational goals. This shift will elevate PA's visibility and position it as a cornerstone of the company's competitive advantage.

Enhancing reporting and visualization—making data meaningful both visually and verbally takes on heightened importance in this era of AI and the democratization of data. While LLMs may make it easier for leaders to access data, it cannot provide the context necessary to understand the full and real impact of this information. People Analytics leaders must show the value of their data through more compelling visuals and narrative to capture the attention of the C-suite and incite action. Providing insights that connect workforce data and business objectives is one of the most critical priorities for this field; its future depends on it.

Implementing AI and machine learning tools—50% of the leaders on i4cp's People Analytics Board view their use of generative AI as important (or very important) to their function's ability to achieve its objectives in 2025. Only 17% said it was not important. The application of AI (to include machine learning and generative AI) enables faster analysis of large datasets to identify complex patterns and relationships that provide greater foresight (e.g., scenario modeling) and makes workforce planning more dynamic and effective.

Ensuring HR data integration and systems interoperability—creating centralized, interconnected databases that streamline information sharing, enhance data analytics, and automate workflows is critical. As advanced analytics and AI platforms rely on clean, well-structured, and high-quality data from multiple systems, achieving seamless integration is more critical than ever. By enabling better data management and connectivity, the PA function will help HR and the business elevate their analytical capabilities, driving more informed, data-driven decisions across the enterprise.

People Analytics leaders need to show the value of their data through **more compelling visuals and narrative** to capture the attention of the C-suite and **incite action**.

Creating centralized, interconnected databases that streamline information sharing, enhance data analytics, and automate workflows is **critical**.

PA will be expected to provide leaders with a **hyper-personalized data experience and increasingly automated data delivery** that provides the business tailored data.

People Analytics Leader Predictions

- **The PA function will need to distinguish itself from AI**—the ability for AI to rapidly deliver insights from data will challenge the People Analytics function to distinguish itself from what AI can do and how the function validates and makes the output of AI better.
- **The role of People Analytics in workforce planning will become even more important**—from predictive modeling (e.g., identifying skills gaps) to sourcing optimization (e.g., recommending internal and external talent pools to fill those gaps), to quantifying the impact of talent decisions and potential scenarios (e.g., a workforce reduction, or upskilling effort).
- **The reporting aspect of the People Analytics function will significantly diminish**—the rapid expansion of AI across analytics tools means that the PA team's maturation (e.g., developing consulting capabilities, etc.) will be necessary as organizations increasingly lean into data.
- **Dashboards will become dinosaurs**; PA will be expected to provide leaders with a hyper-personalized data experience and increasingly automated data delivery that provides the business tailored data.



Edward Jones®



Buddy Bengé

Head of Talent Insights
Edward Jones

“*The next wave of People Analytics is upon us. We cannot be a luxury that an organization has to prioritize, we must demonstrate enough value to show that we are a requirement of the next wave of transformation across our people functions. This can only be accomplished by driving talent intelligence, behavioral science, and our deep people knowledge.*”

T.RowePrice 



Shannon Rutledge

Director, HR Data & Analytics
T. Rowe Price

“*As we grow People Analytics and juggle priorities, the key skills will shift from technical and analytical to those suited to navigate within a tech-driven environment. Leveraging AI and generative AI, we can more proactively deliver insights to leaders. However, clean and well-structured data is more crucial than ever with the rise of generative AI.*”



Talent Acquisition Leaders

People are remaining in roles longer; **hiring has been slow** for many industries and organizations.

2025 Talent Acquisition Leader Priorities

- Leveraging technology (including AI) to optimize talent acquisition
- Enhancing talent acquisition efficiency through process optimization
- Elevating skills within the TA function
- Improving internal talent mobility
- Leveraging data to inform recruitment recommendations and decisions

Summary

“The great resignation” gave way to “the great stay”—people are remaining in roles longer, hiring has been slow for many industries and organizations, and (per the International Labour Organization) unemployment rates in most industrialized countries are hovering in the low single digits (ILO, 2024). There are significantly fewer job opportunities now than there were in the past two years and organizations worldwide are also deluged with record-high volumes of applications.

With a slower hiring environment, 33% of **i4cp’s Talent Acquisition Board** members expect their 2025 budgets to decrease somewhat and 42% expect their budgets to remain the same—only 17% anticipate a slight increase.

Delivering on its top priorities with tighter resources and ensuring the function has the skills needed to execute will combine to challenge TA leaders. Compounding those challenges will be keeping pace with developments in AI while managing corresponding global compliance and regulatory concerns (e.g., data privacy, fair and equitable hiring practices, etc.).

Delivering on its top priorities with **tighter resources** and ensuring the function has the **skills needed** to execute will combine to **challenge TA** leaders.





58% of the members of i4cp's Talent Acquisition Board believe the use (or expanded use) of AI will be vital to their function's ability to deliver on its objectives in 2025.

Collaborating with their partners in People Analytics will lead to **deeper insights** that make recruitment more efficient and aligned with long-term objectives.

Priorities

Further leveraging technology (including AI) to optimize talent acquisition—while automation (including AI) and enablement via technology has been part of TA for a while, the onset and evolution of generative AI is making considerable impact in creating greater efficiencies, delivering better quality candidates, and enhancing employer brand. This will not slow in 2025. The majority (58%) of the members of i4cp Talent Acquisition Board believe the use (or expanded use) of AI will be vital to their function's ability to deliver on its objectives this coming year.

Enhancing talent acquisition efficiency through process optimization—TA is under constant pressure to deliver high-level, consistent results globally. There is a lot of work to be done to build strategies related to models, processes, tools, and more. An artful balance must also be struck between high tech and high touch—while chatbots greatly improve application completion and keep candidates engaged, the human element is (and will remain) important to sealing the deal.

Elevating skills within the TA function—the broadening adoption of AI and other advanced technologies that offer more opportunities to personalize candidate experience will also require and reward TA teams that create authentic connections and build trusting relationships via soft skills such as collaboration, empathy, adaptability, and resilience. Influence and strategic consulting skills will also become more important as TA leaders are looked upon to help the business understand how (and when) relying on skills and capabilities from non-traditional resources and backgrounds makes more sense.

Improving internal talent mobility—strategic TA leaders are well-positioned to help leaders across their organizations understand the importance and urgency of leveraging transferrable skills, capabilities, and experiences driving greater internal talent mobility throughout and across the enterprise. Tight partnership with the talent function will be critical to this end.

Leveraging data to inform recruitment recommendations and decisions—by analyzing internal metrics such as source of hire, candidate quality, and turnover rates, as well as external market data, recruiters can refine their efforts, proactively plan workforce needs and strategies, and identify process logjams. Collaborating with their partners in People Analytics will lead to deeper insights that make recruitment more efficient and aligned with long-term objectives.

Talent Acquisition Leader Predictions

- **The role of recruiters will evolve—so will the work**—from chatbots to *AI agents*, greater utilization of AI will culminate in major components of conventional TA work being offloaded in the next few years. For example, AI agents, which can learn, reason, make decisions, and take actions to achieve specific goals, will take on most of today's top-of-the-funnel and administrative work. This will enable recruiters to devote time to engagement with candidates and hiring managers and focus on internal mobility. This will presumably reduce TA team size in some organizations and accelerate the elevation of the TA function to strategic levels of advising and consulting, particularly in terms of internal/external workforce planning and talent management.
- **Data analytics will become more refined**—TA typically relies on data from applicant tracking systems (ATS), which provide limited insights because the data is specific to applicants who become candidates. Valuable information that isn't included (and currently isn't centralized) is all the work and touchpoints that take place before the ATS stage. TA professionals will increasingly expand beyond their ATS and CRMs to bring in other data from the tools and resources they use such as social media channels and online job matching and hiring platforms to help them understand which have the most impact and what works best for specific roles in what region, etc.
- **Research will help refine global TA strategy**—leveraging data that provides insight into various and often nuanced global issues such as cultural and socioeconomic conditions that drive what candidates look for in an employer in different regions of the world will be more widely implemented. For example, such insights can help organizations identify the features of their EVP that are appealing to software engineers in EMEA versus those in North America—informing how outreach is positioned to ensure they can grab the attention of passive candidates. This awareness can also aid TA in coaching hiring managers about what elements to weave into their conversations with candidates that are more likely to resonate.
- **Hiring will become personalized in a variety of ways**—offering candidates choice and flexibility in how they move through the hiring process will become standard practice in the coming years. For example, providing candidates agency in determining what they need to be successful in the hiring process may mean multiple options in how they are interviewed—some may feel more comfortable doing an initial interview via AI while others may believe they can put their best foot forward via a video interview. Personalization supports inclusion and sends a clear message that there is no expectation that everyone fits into a predetermined mold, which in turn is a powerful statement about the culture of the organization. An important element of attracting candidates via personalization is curating presence on the right platforms—day in the life videos on YouTube, TikTok, etc. attract the attention of Gen Z, for example, which has grown up in a customizable, personalized world.

AI agents, which can learn, reason, make decisions, and take actions to achieve specific goals, will take on most of today's top-of-the-funnel and administrative work.

Offering candidates choice and flexibility in how they move through the hiring process will become standard practice in the coming years.



Dani Monaghan

SVP, Global Talent Acquisition
Expedia Group
Chair of i4cp's Talent Acquisition Board

“*It has been decades since we have seen truly transformational technology in Talent Acquisition, but AI is here with a vengeance! TA leaders and teams **must** become AI literate while always keeping the human experience at the center.*”





Total Rewards Leaders

2025 Total Rewards Leader Priorities

- Improving total rewards communications
- Identifying or optimizing the ROI of compensation and benefit strategies
- Personalizing reward and/or benefit offerings
- Incorporating AI for predictive analytics or personalization, etc.
- Aligning rewards to organizational objectives

The Total Rewards function must adjust to accommodate the **rapidly shifting needs of the business.**

Half of the Board members surveyed said that they believe delivering on top priorities with **insufficient technology** will pose the biggest challenge for their function.

Summary

The waves generated by hybrid work continue well beyond the post-pandemic period, challenging organizations to take a design thinking approach to Total Rewards—identifying employee needs, customizing rewards packages to align with individual and organizational goals, communicating effectively to ensure employees understand changes and the options available to them, monitoring and adjusting rewards programs based on feedback and results, and measuring impact.

A prevailing sentiment among **i4cp's Total Rewards Leader Board** members is the belief that Total Rewards is (or can be) a significant source of competitive advantage for the organization, yet its full value is largely untapped. These leaders also believe their function must adjust to accommodate the rapidly shifting needs of the business. Technology will play a key role in achieving both.

Total Rewards leaders predict that among the most substantial changes to their function in 2025 and beyond will be the technology they will need to learn, adopt, and fully integrate into Total Rewards. This could potentially pose a challenge, as half of the board members surveyed said that they believe delivering on top priorities with insufficient technology will pose the biggest challenge for their function, complicated by (and echoing their peers) most (50%) rewards leaders anticipate that investment in their function will remain the same in fiscal year 2025.



Priorities

Improving total rewards communications—most (67%) Total Rewards leaders are focused on enhancing internal communication, which often falls short due to commonplace reasons, starting with the overuse of complex jargon and impersonal messaging. This missed connection makes it difficult for organizations to communicate the scope and worth of their employee offerings. Opening two-way communication channels that enable employees to ask questions and receive timely responses is something organizations **are leveraging AI for**—and with great results.

Identifying or optimizing the ROI of compensation and benefit strategies—this includes digging into quantitative and qualitative metrics that reflect employee satisfaction and utilization rates for specific benefits (e.g., tuition reimbursement, childcare, well-being, etc.) versus the cost of those benefits to determine which offerings are most valued and influential and maximize ROI.

Personalizing rewards and/or benefits offerings—five generations in the workforce requires flexible benefit packages, including providing menus of benefits (e.g., health plans, lifestyle-specific benefits, retirement plans, wellness stipends, etc.), and allowing employees to prioritize what matters most to them.

Incorporating AI for predictive analytics or personalization—the use of AI holds great promise for the personalization of Total Rewards. For example, by analyzing employee survey data to identify common themes in employee preferences and segment groups based on life stages, career goals, or well-being needs, they will be able to design targeted benefit offerings and communicate those options more effectively. Strong partnership with the People Analytics function will be important.

Aligning rewards to organizational objectives—ensuring that incentive structures drive meaningful contributions toward key business goals is essential. For example, Total Rewards leaders can work closely with performance management teams to link bonuses and merit-based raises to the achievement of specific KPIs, emphasizing individual and team contributions to broader organizational priorities. This alignment extends beyond performance metrics, rewarding leaders for embodying organizational values, such as fostering talent development and achieving desired employee outcomes. By strategically connecting rewards to both results and behaviors, organizations will ensure strong pipelines of leaders who drive the desired culture and deliver on key business and employee outcomes.

Opening two-way communication channels that enable employees to ask questions and receive timely responses is something organizations are leveraging AI for—and with great results.



Controlling rising healthcare costs for employees [...] will require new strategies such as **adjusting healthcare plan offerings and structures.**

Total Rewards Leader Predictions

- **Managing increases in healthcare expenditures due to macro factors will be a growing challenge**—health care costs in the U.S. are predicted to rise by about 9% in 2025 (Aon, 2024). Controlling rising healthcare costs for employees, driven by economic, demographic, technological, regulatory, and other influences outside the organization's direct control will require new strategies such as adjusting healthcare plan offerings and structures.
- **Deploying new HR IT systems for compensation programs and integrating new technology will be game changers for total rewards**—leaders believe that Total Rewards teams will soon need an enhanced skillset to perform the role, including the ability to script in SQL and Python to automate repetitive tasks, execute data analysis, and perform essential administrative functions.
- **Auditing pay and enforcing transparency will come into sharper focus**, driven by continuing demands for equity in the workplace, evolving regulations at local, state, and international levels, increased accountability and reporting, expectations of transparency, advancing technology and data capabilities, and more. The combination of these elements and how organizations confront them will likely become a factor in competitive business strategies and outcomes. This will also create an opportunity for more total rewards leaders to take an active role in educating managers on pay philosophy and how to have productive conversations with employees about pay.

ROBLOX



Supriya Bahri

VP, Global Total Rewards
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“Equity compensation, once a simple way to attract talent, is no longer seen as "free money" due to market volatility. Companies must rethink their strategies, balancing shareholder dilution with attractive compensation packages. Many are experimenting with new approaches to balance the expectations of employees, shareholders, and compensation committees. This trend highlights the shift toward more innovative equity practices, helping companies retain and reward talent in an increasingly unpredictable market.”



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Acknowledgements

i4cp extends sincere gratitude to the following individuals in appreciation of their contributions of time, expertise, and thought leadership in support of this report:

Supriya Bahri, VP, Head of Total Rewards, Roblox

Agartha Larbi, VP, Global Corporate Responsibility, Northrop Grumman

Buddy Benge, Head of Talent Insights, Edward Jones

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Danielle Monaghan, SVP Global Talent Acquisition, Expedia Group

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And we extend our appreciation to the (outgoing and incoming) Chairs and Member Co-Chairs of i4cp's Boards:

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Corinne Abramson (outgoing Jan 2025)

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Talent Acquisition Board

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