

2025 SHRM STATE OF THE WORKPLACE



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EXECUTIVE SUMMARY

In 2024, HR departments faced the challenge of steering organizations through rapid change, political and economic uncertainty, and the ever-evolving nature of work and the workplace. This report delves into HR's role during this transformative year, highlighting key achievements and opportunities for future growth. Drawing on insights from 1,615 HR professionals, 238 HR executives, and 471 U.S. workers, the findings encapsulate multiple perspectives to assess HR's effectiveness across 16 HR practice areas. This comprehensive review offers valuable insights into HR in 2024 while providing actionable insights to inform strategies for 2025 and beyond.

KEY FINDINGS:

- 1. *Recruiting a Persistent but Common Challenge*** — In 2024, recruiting was the top priority for HR, fueled by the ongoing challenge of attracting top talent in a market where job openings outnumber individuals actively seeking work. Given these conditions, it is unsurprising that only a portion of HR professionals and U.S. workers viewed their organization's recruiting efforts as effective. These staffing challenges resulted in heavier workloads for some employees, ultimately driving higher burnout rates.
- 2. *Employee Experience as a Strategic Priority*** — In 2024, employee experience was a top priority for HR. Previous research conducted by SHRM Thought Leadership identified a strong connection between employee experience, engagement, and turnover;¹ however, not all HR professionals or U.S. workers felt that their organizations excelled in these areas. Key drivers of positive employee experience include teamwork, purpose, fairness, and recognition. The current research highlights recognition and team collaboration as areas of opportunity to enhance employee experience and drive retention, which are crucial amid labor shortages.
- 3. *Leadership and Manager Development as a Catalyst for Growth and Key Priorities*** — In 2024, leadership and manager development was a key focus for organizations, seen as essential not only for individual growth but also for its broader impact on employee experience and retention, two areas critical to the other 2024 priorities. Despite its importance, however, only a portion of HR professionals and U.S. workers felt that their organizations excelled in this area, with about a third of workers reporting poor management and ineffective senior leadership.
- 4. *Excellence in Labor Relations and HR Function Strategy and Management*** — Labor and employee relations emerged as the strongest-performing HR practice area in 2024, earning the highest ratings from HR professionals, HR executives, and U.S. workers alike. Similarly, HR function strategy and management was recognized as a highly effective practice area, particularly by HR professionals and HR executives. However, neither of these HR practice areas were a top priority in 2024, reflecting their established nature as foundational to the HR function. This foundational strength will be particularly important amid the rapidly evolving regulatory and political landscape of 2025.

¹ The Case for Employee Experience, SHRM, 2024.

5. *A Call to Shift Priorities Toward Employee Engagement and Development in 2025* — Both HR professionals and U.S. workers are aligned in identifying leadership and manager development, employee experience, and learning and development as the major priorities for 2025, signaling a shift from a recruiting focus in 2024 to a focus on employee development and engagement in 2025. Workers also highlighted the importance of total rewards in light of inflation and economic concerns, creating new challenges for HR to address in a constrained environment.
6. *Strong HR Technology Important to HR Success* — HR technology emerges as a pivotal yet potentially overlooked pathway to achieving 2025 priorities. The data showed a strong relationship between the perceived effectiveness of HR technology and overall HR effectiveness — when HR technology is more effective, U.S. workers are more likely to view their HR departments as effective. HR technology's strong relationship with learning and development effectiveness further reinforces its strategic value.

In sum, 2024 was defined by talent shortages, technological advancements, and a rapidly evolving landscape, driving organizations to prioritize recruiting efforts while also focusing on employee experience and leadership as well as manager development to develop and retain scarce top talent. HR excelled in labor and employee relations as well as HR function strategy and management, areas that, while not top priorities, are essential to HR's role.

Looking ahead in 2025, HR professionals and U.S. workers are calling for a shift toward employee development and engagement, with HR technology potentially playing a key role in achieving these priorities. The strong foundation in labor relations and HR strategy and management will be crucial as organizations navigate the evolving regulatory and political landscape.



INTRODUCTION

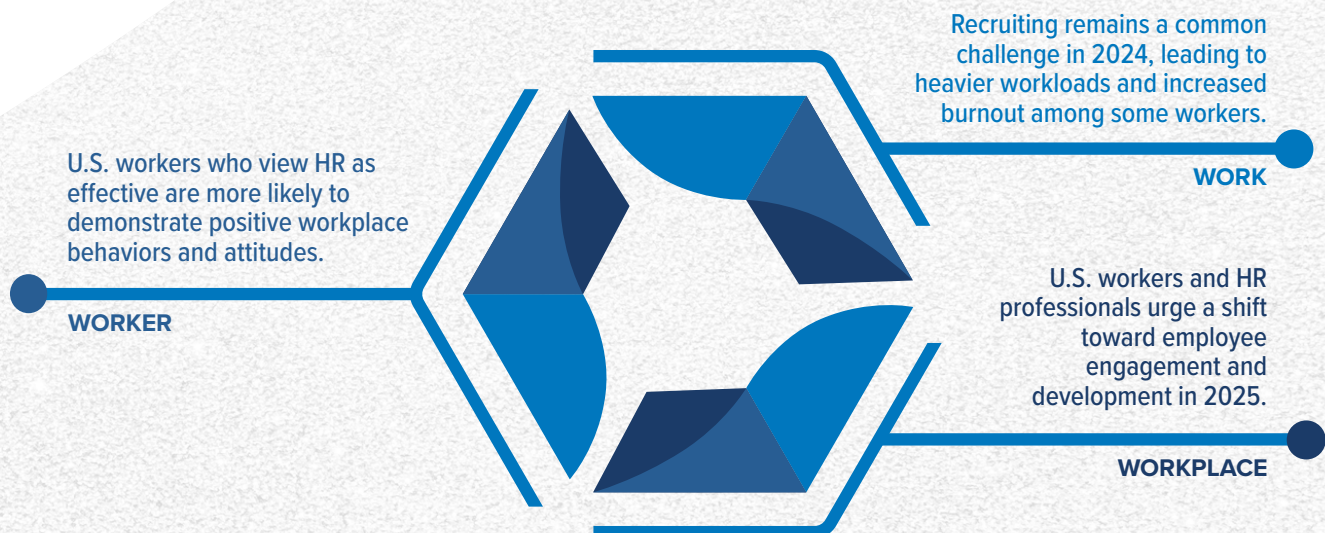
The year 2024 was marked by rapid change, economic and political uncertainty, and the ongoing evolution of work, workers, and the workplace. For HR departments, it was a pivotal year — demonstrating both their ability to adapt to shifting demands and the immense challenges they face in managing increasingly complex organizational dynamics. Navigating these complexities required innovative strategies, strategic foresight, and a commitment to sustaining progress in a workforce landscape that continues to undergo profound transformation.

Understanding the state of HR during this defining moment is crucial not only for addressing current challenges but also for preparing for a future that demands even greater resilience, adaptability, and innovation. This report offers a comprehensive evaluation of HR's priorities for 2024 and their impact. It highlights key strengths, identifies areas for improvement, and provides a look toward the future.

The report seeks to answer critical questions such as:

- » What were the top HR priorities in 2024?
- » To what extent did HR meet its 2024 priorities?
- » In which areas did HR succeed in 2024?
- » Which areas do HR professionals and U.S. workers believe organizations should prioritize in 2025?

To explore these questions, SHRM gathered data from 1,615 HR professionals, 238 HR executives, and 471 U.S. workers employed outside of HR in December 2024. The findings presented here serve both as a mirror, offering an honest reflection of HR's performance in 2024, and as a map, offering a strategic guide to drive improvements in 2025.



LOOKING BACK

It is both timely and essential to reflect on the evolving landscape of work and HR over the previous year. Such reflection enables HR to evaluate accomplishments, address challenges, and uncover key insights that can inform strategic directions moving forward.

A comprehensive review is best conducted through the framework of the **16 HR practice areas** identified by SHRM. These areas represent the foundational elements of HR's role. While these practice areas remain consistently important, their prioritization evolves annually in response to the unique demands of the work environment. A thorough assessment of how these interconnected areas were managed throughout 2024 offers a valuable perspective on HR's contributions and provides a strategic road map for future growth and progress.

HR PRACTICE	DEFINITION
Leadership and manager development	Enhancing skills for guiding teams and managing organizations effectively
Learning and development	Training and resources to foster employee growth and development
Recruiting	Attracting and selecting talent to meet organizational needs
Total rewards	Comprehensive compensation and benefits strategies to attract, retain, and engage talent
Performance management	Process of aligning individual objectives with organizational goals to optimize employee and organizational success
Employee experience	Holistic approach to enhancing employee engagement, productivity, and satisfaction
Inclusion and diversity (I&D)	Fostering an inclusive environment that leverages diverse perspectives to enhance organizational success
Talent analytics	Data-driven insights to inform workforce planning and optimize performance
Talent management	Comprehensive integration of HR processes for recruiting, developing, and retaining talent to support organizational goals
HR function strategy and management	Aligning HR practices with business goals to drive organizational success
HR technology	Strategic use of digital tools and platforms designed to enhance HR processes, streamline operations, and improve employee experiences
C-suite/board relations	Fostering effective communication and strategic alignment between executives and board members to enhance governance and decision-making
Environmental, social, and governance (ESG); ethics; and compliance	Strategic integration of ethical practices and compliance measures to advance sustainability and governance objectives
Future of work	Adapting work models and transforming workplace dynamics to enhance organizational agility and innovation
Labor and employee relations	Managing workplace dynamics and ensuring compliance with labor laws to foster a harmonious and legally sound work environment
Organizational design and change management	Aligning organizational structures and processes with strategic goals to enhance adaptability and performance

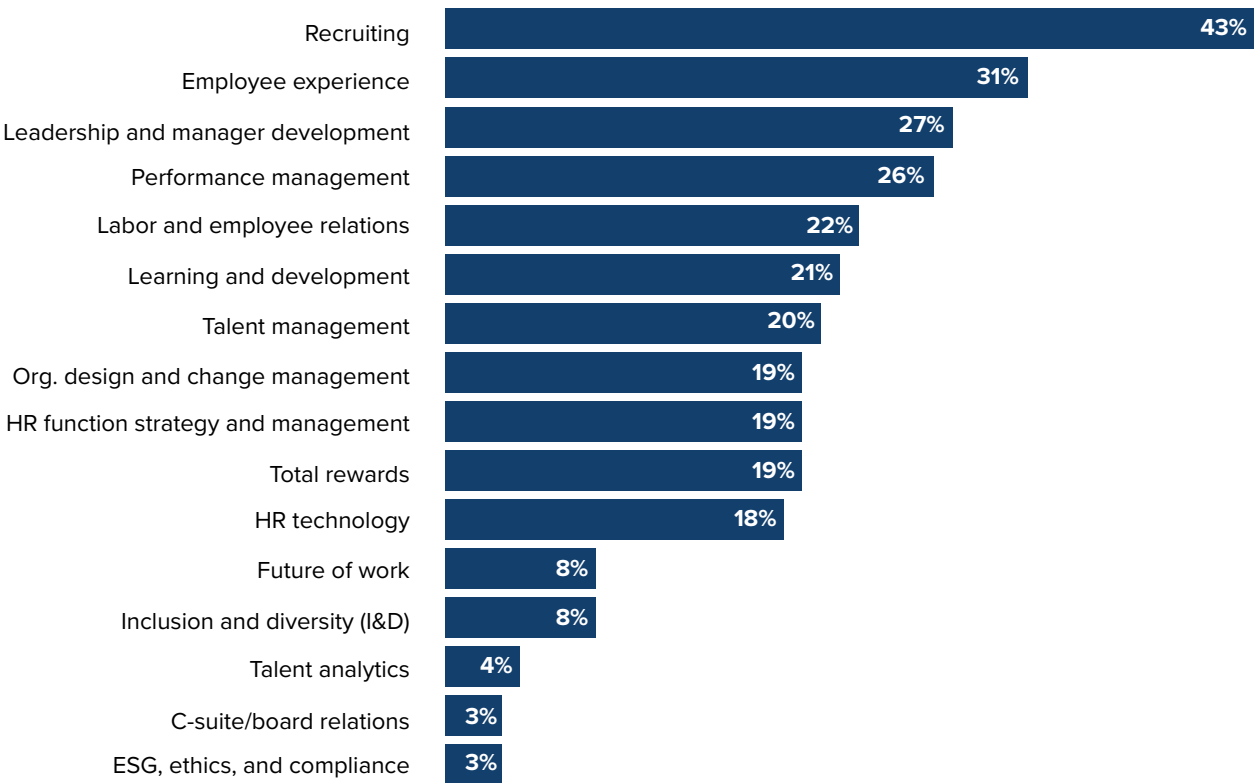
2024 PRIORITIES

The priorities for 2024 serve as a reflection of the anticipated challenges for the year and highlight the areas HR deemed most critical to address to drive organizational success.

HR professionals identified **recruiting** (43%), **employee experience** (31%), and **leadership and manager development** (27%) as top priorities in 2024. These are the most frequently cited priorities, but the relatively low percentages suggest a lack of strong consensus about priorities across organizations. These variations underscore the complex and dynamic nature of HR's role, requiring tailored approaches to address the unique challenges and opportunities of each industry and organization. It reaffirms that a one-size-fits-all strategy is neither practical nor effective in today's evolving workplace.

Top HR Priorities in 2024

Respondents could select up to three options across 16 HR practice areas



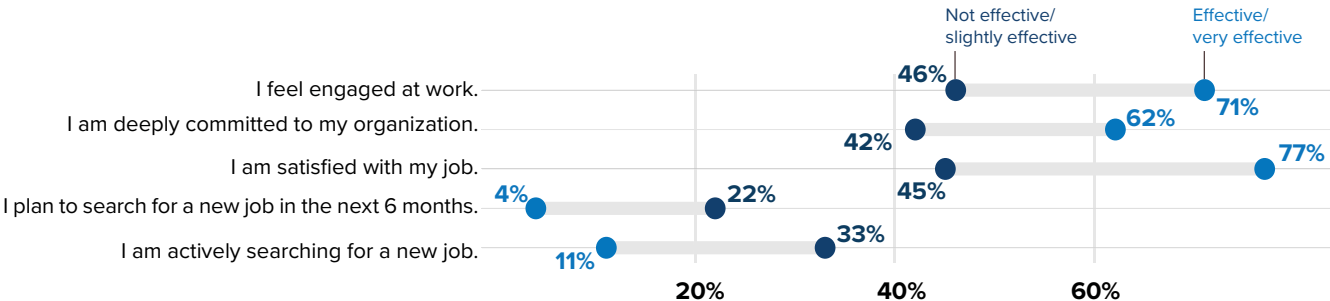
Results based on responses from 1,615 HR professionals.
Percentages have been rounded to the nearest whole number.

KEY PRIORITIES AND PERFORMANCE

To understand the state of the workplace in 2024, it's important to evaluate HR's effectiveness across the 16 HR practice areas. A comprehensive assessment requires insights from multiple perspectives, including those of U.S. workers, HR professionals, and HR executives. By examining these diverse viewpoints, we gain a clearer picture of HR's successes and opportunities for improvement, setting the stage for 2025. The following section will assess the effectiveness of HR against the three key priorities for 2024.

Impact of HR Effectiveness on US Worker Behaviors and Attitudes

U.S. workers who regard their HR departments as effective or very effective are significantly more likely to exhibit positive workplace behaviors and attitudes.



Results based on responses from 471 U.S. workers.
Percentages have been rounded to the nearest whole number.

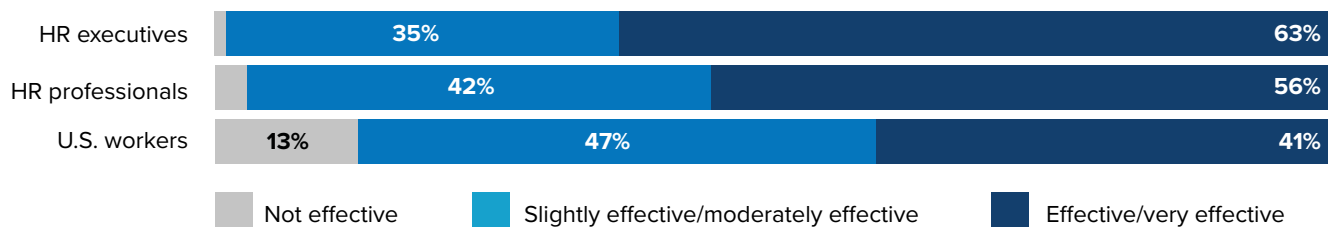
RECRUITING: A PERSISTENT BUT COMMON CHALLENGE

Recruiting was the leading priority for organizations in 2024, with 43% of HR professionals identifying it as a top priority, the highest percentage across all 16 HR practice areas. This focus on recruiting is unsurprising given the ongoing challenges organizations face in attracting top talent. Although the job market has cooled relative to its pandemic-era peak, it remains very tight by historical standards. The U.S. Bureau of Labor Statistics' Job Openings and Labor Turnover Survey (JOLTS) data continue to indicate that there are more total job openings than there are people without a job and actively looking for work.² Notably, over 75% of organizations reported difficulty filling full-time roles.³

Despite the critical importance of recruiting, only 56% of HR professionals rated their organization's recruiting efforts as effective or very effective in 2024. HR executives viewed this slightly more positively, with 63% offering favorable assessments. However, the perspective among U.S. workers was far less optimistic — only 41% reported that their organization was effective or very effective in this area. The consequences of these recruiting challenges are evident — 36% of workers reported heavier workloads due to unfilled roles in 2024. Employees experiencing increased workloads as a result of staffing shortages were significantly more likely to report feelings of burnout (61%) compared to those without additional workload pressures (18%).

² Job Openings and Labor Turnover Survey. Unemployed Per Job Opening Ratio – Seasonally Adjusted, Bureau of Labor Statistics, November 2024.
³ Talent Trends, SHRM, 2024.

Effectiveness of Recruiting in 2024



Results based on responses from 1,615 HR professionals, 238 HR executives, and 471 U.S. workers. Percentages have been rounded to the nearest whole number.

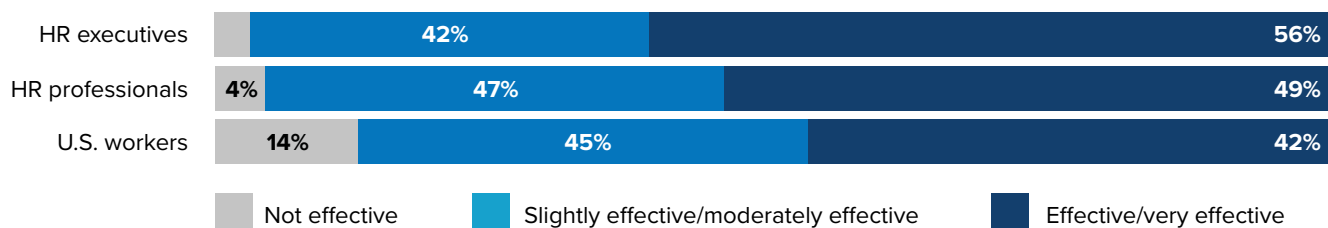
These persistent recruiting difficulties underscore the importance of employee engagement and retention. In response, organizations also prioritized improving the overall employee experience in 2024, ensuring that once individuals are hired, they remain engaged, productive, and committed to the organization.

EMPLOYEE EXPERIENCE AS A STRATEGIC PRIORITY

Employee experience emerged as the second most common priority for organizations in 2024. This suggests that organizations recognize that a positive employee experience is not just a nice-to-have but a key factor in attracting and retaining top talent.

Notably, previous SHRM Thought Leadership data found that employee experience and engagement account for 42% of turnover intent, emphasizing their powerful influence on retention.⁴ However, despite the importance of employee experience, effectively enhancing it is a challenge. Only 49% of HR professionals rated their organizations as effective or very effective in this area. Again, HR executives had a slightly more favorable assessment, with 56% rating this area as effective or very effective. However, only 42% of U.S. workers agreed that their employers were excelling in fostering a positive employee experience.

Effectiveness of Employee Experience in 2024



Results based on responses from 1,615 HR professionals, 238 HR executives, and 471 U.S. workers. Percentages have been rounded to the nearest whole number.

⁴ The Case for Employee Experience, SHRM, 2024.

HR professionals and U.S. workers consistently identify four key workplace features as essential to a positive employee experience: 1) being part of a cohesive team, 2) finding purpose in one’s work, 3) receiving fair treatment, and 4) being recognized for contributions.⁵ However, in 2024, 34% of U.S. workers reported a lack of recognition for their contributions, 25% cited insufficient collaboration or support within their teams, and 15% noted unfair performance evaluations. These findings highlight key opportunities for improvement in 2025, particularly in strengthening recognition and teamwork to enhance the employee experience and, ultimately, drive retention.

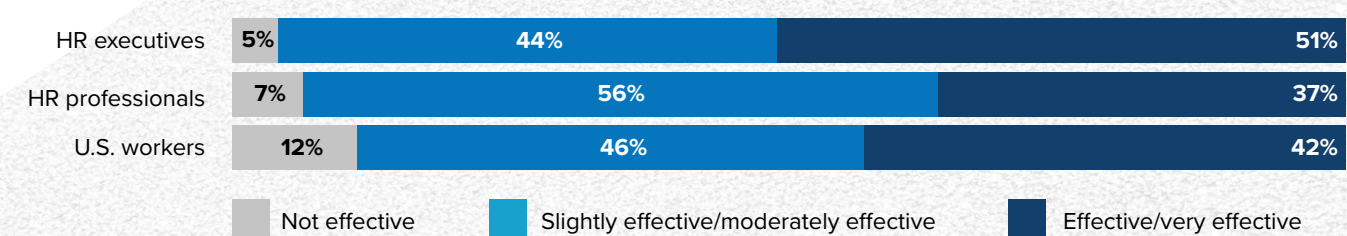
In the context of ongoing labor shortages, retaining top talent is more critical than ever. Strengthening employee experience must remain a strategic priority for organizations aiming to address this challenge effectively.

LEADERSHIP AND MANAGER DEVELOPMENT: A CATALYST FOR GROWTH AND KEY PRIORITIES

In 2024, leadership and manager development was a critical priority for organizations. The strong connection between effective leadership, employee retention, and positive employee experience illustrates why this area commanded significant attention. According to SHRM Thought Leadership, HR professionals ranked managers as the second most influential factor in shaping overall employee experience, and employees themselves placed managers as the third most significant factor.⁶ What’s more, workers who reported having highly effective managers were nearly twice as likely to feel satisfied and fulfilled by their jobs.⁷

However, despite the importance of leadership and manager development, only 42% of U.S. workers felt their organizations were effective or very effective at this practice area in 2024. Just 37% of HR professionals agreed, making this one of the only areas that fewer HR professionals than U.S. workers rated as effective. With that said, 35% of U.S. workers reported experiencing poor or ineffective management during the year, while 34% cited ineffective or poor senior leadership.

Effectiveness of Leadership and Manager Development in 2024



Results based on responses from 1,615 HR professionals, 238 HR executives, and 471 U.S. workers. Percentages have been rounded to the nearest whole number.

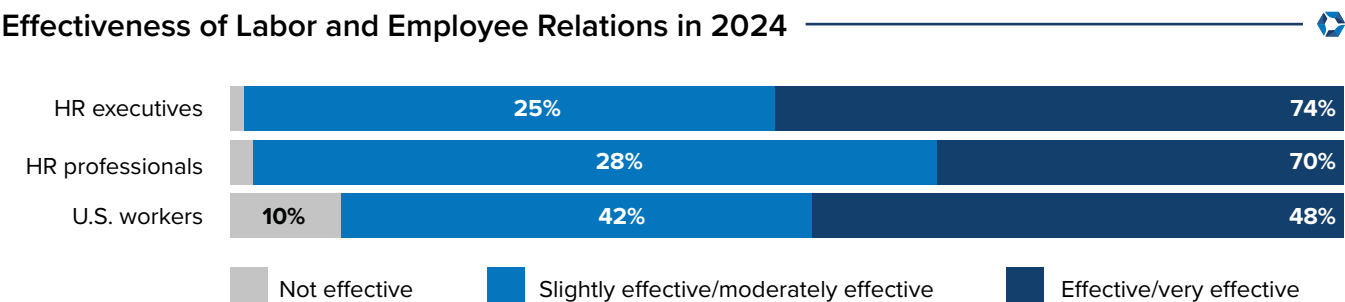
In 2024, HR navigated a complex labor landscape while addressing key priorities such as recruiting, employee experience, and leadership and manager development. Challenges were evident, but these priorities exist precisely because they are difficult but important to address. HR will need to stay persistent, innovative, and forward-thinking to achieve excellence. That said, HR’s impact extends beyond these specific priorities. The next section will highlight the areas where HR was most effective in 2024.

⁵ The Case for Employee Experience, SHRM, 2024.
⁶ The Case for Employee Experience, SHRM, 2024.
⁷ Effective People Managers: The Linchpin of Organizational Success, SHRM, 2024.

HR AREAS OF STRENGTH

LABOR AND EMPLOYEE RELATIONS: THE MOST EFFECTIVE HR PRACTICE AREA IN 2024

Labor and employee relations, centered on managing workplace dynamics and ensuring compliance with labor laws, received the highest ratings for effectiveness across HR professionals, HR executives, and U.S. workers. Notably, 70% of HR professionals and 74% of HR executives believed their organizations were effective or very effective in this domain, and 48% of U.S. workers agreed. Despite this disparity, all three groups identified labor and employee relations as the strongest HR practice area overall.



Results based on responses from 1,615 HR professionals, 238 HR executives, and 471 U.S. workers. Percentages have been rounded to the nearest whole number.

This area has historically been a cornerstone of HR’s responsibilities, and the data suggests HR continues to perform well in this area, although workers view HR’s effectiveness less favorably. Despite this strong performance, labor and employee relations was not among the top priorities for HR departments in 2024. This may be because many organizations have traditionally excelled in this area, viewing it as a foundational, well-established practice area.

Looking ahead to 2025, labor and employee relations is more critical than ever. In today’s rapidly evolving regulatory and political landscape, HR must leverage this foundational strength to steer organizations through uncertainty and change.

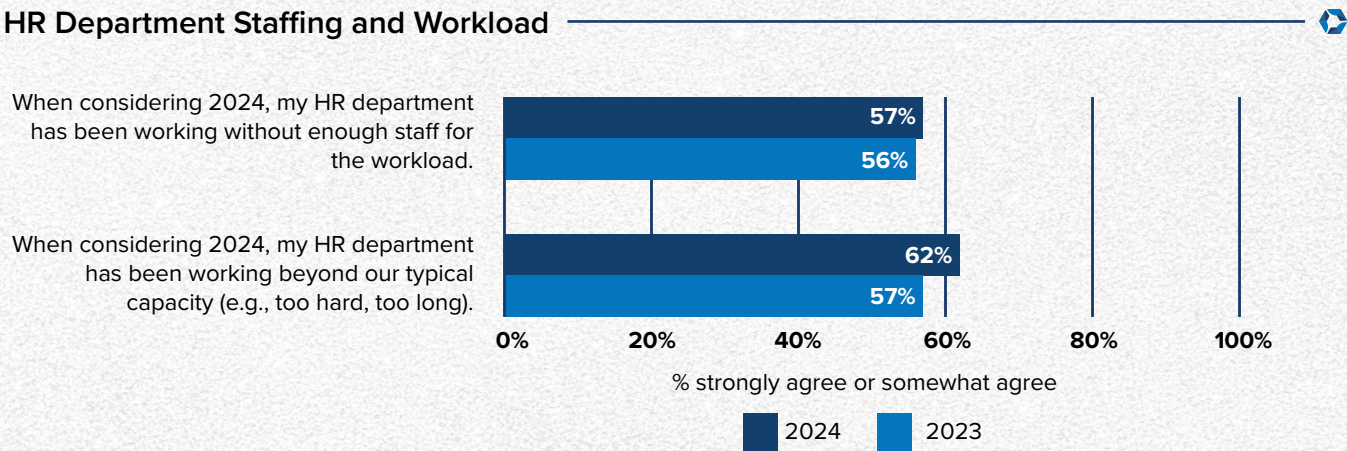


HR FUNCTION STRATEGY AND MANAGEMENT

HR function strategy and management was also recognized as one of the most effective HR practice areas in 2024, according to both HR executives and HR professionals. Over half of HR professionals (57%) rated this area as effective or very effective, with HR executives providing even higher ratings at 70%. Given HR executives’ broad perspective on the entire department, their assessments hold considerable weight. While this area did not rank among the top three for U.S. workers — only 41% rated it as effective or very effective — this is expected, given their likely limited insight into the internal operations of the HR function.

The importance of this practice area cannot be overstated. HR’s contributions to employees, departments, and business often take center stage, but the internal management and strategic functioning of the HR department are critical to its overall success.

A key factor in this is HR department staffing. In 2024, 62% of HR professionals reported that their departments have been operating beyond typical capacity — an increase from 57% in 2023.⁸ Similarly, 57% stated that their department lacked sufficient staff for its workload, consistent with 2023’s findings (56%).⁹



Results based on responses from 1,1615 HR professionals in 2024.
Percentages have been rounded to the nearest whole number.

Staffing challenges are directly linked to HR department effectiveness. HR professionals who reported being understaffed were less likely to describe their HR department as effective (66%) compared to those who said their department was not understaffed (76%). This underscores the need for adequate staffing while also presenting a promising opportunity for 2025: the adoption of artificial intelligence and automation. Many HR professionals pointed to these technologies as potential solutions for improving efficiency, saying:

- » “Implement new technology to take some of the burden off our manual practices.”
- » “Leverage AI to automate processes.”
- » “Leverage AI for more workload efficiencies — we could do more with less.”

By addressing staffing constraints and embracing technological advancements, HR departments can drive greater impact and effectiveness in the years ahead.

⁸ 2023-24 SHRM State of the Workplace Report, SHRM, 2024.
⁹ 2023-24 SHRM State of the Workplace Report, SHRM, 2024.

NAVIGATING THE FUTURE: HR AND WORKFORCE INSIGHTS FOR 2025

With a clear understanding of the priorities, successes, and areas for improvement in 2024, it's time to turn our attention to the future.

SHARED PRIORITIES FOR HR'S FUTURE

As we look ahead to 2025, both U.S. workers and HR professionals are largely aligned on what they believe HR should prioritize. Leadership and manager development, employee experience, and learning and development are the standout focus areas for organizations. Notably, recruiting no longer ranks as a top priority for either group, with learning and development replacing recruiting as a top priority. This highlights a shift among workers and HR professionals from focusing on acquiring new talent to enhancing the capabilities of existing employees in order to address evolving organizational needs.

Top HR Priorities for 2025

% of respondents who indicated the following should be a top-three priority for HR in 2025

#	HR PROFESSIONALS	U.S. WORKERS
1	Leadership and manager development (41%)	Total rewards (42%)
2	Employee experience (37%)	Employee experience (33%)
3	Learning and development (25%)	Learning and development (24%) Leadership and manager development (24%)

Results based on responses from 1,615 HR professionals and 471 U.S. workers.
Respondents could select up to three top priorities.
Percentages have been rounded to the nearest whole number.

When HR professionals were asked how their organizations could strengthen competitiveness in 2025, they highlighted the importance of enhancing training and development programs, saying:

- » “Develop training programs to support career progression.”
- » “Provide more training and development for hourly employees.”

US WORKERS CALL FOR A FOCUS ON TOTAL REWARDS

While HR professionals are prioritizing internal growth and development, U.S. workers are sending a clear message about the importance of financial security. The top priority for workers in 2025 is total rewards (42%). This is hardly surprising given the financial pressures many workers face. In 2024, 43% of workers reported that inflation had an extreme or significant impact on their personal financial situation, with 46% expressing at least moderate concern about how inflation affects the value of their compensation.¹⁰ About 1 in 4 workers did not receive a cost-of-living adjustment in 2024, while nearly all (98%) said they need one in 2025.¹¹

HR professionals have recognized this need — 24% ranked it in their top three priorities— but they also foresee substantial challenges in addressing compensation concerns due to tight budgets and ongoing economic uncertainty. Key expectations or recommendations for 2025 shared by HR professionals include:

- » “A focus on increasing revenue to maintain market competitiveness in the area of compensation.”
- » “Economic challenges in our industry that put pressure on budgets.”
- » “Budget will be very tight.”
- » “Pay more (which we can’t do in today’s budget). Reinforce the full value of total rewards.”

Striking the right balance between limited resources and competitive compensation strategies will likely remain a delicate undertaking, especially as organizations seek to preserve stability while addressing worker needs.



¹⁰ December 2024 Current Events Pulse, SHRM, 2024.

¹¹ December 2024 Current Events Pulse, SHRM, 2024.

NAVIGATING BROADER CHALLENGES TO ACHIEVE HR PRIORITIES

HR teams are aligned with workforce needs on several core priorities, but achieving these goals requires overcoming broader challenges. HR professionals and executives agreed that the most significant barriers to achieving HR's priorities for 2025 stem from organizationwide (excluding talent) and executive-level challenges, factors often beyond the direct control of HR teams. This represents a shift from 2024, when organizationwide (excluding talent) and talent-related challenges were the greatest challenges to achieving HR priorities.

Levels Where Respondents Identify the Greatest Challenges to Achieving HR's Priorities for 2025



Results based on responses from 1,615 HR professionals and 238 HR executives. Percentages have been rounded to the nearest whole number.

At the heart of this shift is a growing recognition of the need to collaborate across departmental silos and secure leadership buy-in to address systemic obstacles. These challenges underscore the importance of creating cohesive strategies that address not only immediate HR objectives but also broader organizational goals.

HR TECHNOLOGY AS A STRATEGIC PATHWAY TO ACHIEVE PRIORITIES

Amid these challenges, HR technology emerges as both a critical enabler and an untapped opportunity. HR technology, which refers to the strategic use of digital tools to streamline processes and improve employee experience, is integral to HR's ability to deliver value.

HR technology was not a top priority for 2024, and it isn't seen as a primary focus for 2025 by HR professionals and U.S. workers, but it plays a crucial supporting role in achieving HR priorities and improving overall HR effectiveness. In fact, there is a strong correlation between the effectiveness of HR technology and workers' perceptions of their HR department's effectiveness in 2024 ($r = .67$). This means that when HR technology is more effective, employees are more likely to rate their HR department as effective.

HR technology was among the top three priorities for the government and education sectors in 2024, and HR professionals in these sectors have identified it as an area they believe should remain a top priority in 2025.

However, despite the importance of HR technology, only 43% of HR professionals, 43% of HR executives, and 43% of workers rated their organization's HR technology as effective. This statistic highlights a clear opportunity for improvement and underscores the need for HR departments to invest in and optimize their technological tools.

Workers interact with HR technology daily through tools such as time tracking systems, benefits management portals, performance review platforms, and recognition programs. When these tools are poorly designed, difficult to use, or insufficiently integrated, they can become barriers rather than solutions, frustrating employees and diminishing HR's effectiveness. The quality and usability of HR technology directly impacts workers' perceptions of their HR department's performance, making it a critical area for improvement.

One of the most significant areas where HR technology can drive success is learning and development. In 2025, learning and development was identified as a top priority for both HR professionals and U.S. workers, and HR technology plays a pivotal role in supporting learning and development initiatives. Among HR's 16 practice areas, the effectiveness of learning and development showed the second strongest correlation with the effectiveness of HR technology ($r = .67$), only behind the effectiveness of HR function strategy and management. This means that when HR technology is viewed as more effective by workers, so is learning and development. This strong relationship highlights the potential of HR technology to enhance learning and development outcomes, enabling organizations to meet employee development needs more effectively.

Improving HR technology is essential for enhancing overall HR effectiveness. As organizations continue to prioritize digital transformation, investing in HR technology will not only streamline processes but also elevate employee experience and perceptions.



RECOMMENDATIONS

NO. 1: DRIVE HR EXCELLENCE IN A DYNAMIC LANDSCAPE

In today's dynamic and rapidly evolving environment, maintaining high levels of effectiveness is both challenging and critical for organizational success and employee well-being. To achieve long-term success, HR teams must prioritize key focus areas, sustain excellence in their traditional strengths, and enhance their capacity to adapt to changing demands.

ACTIONABLE STEPS

1. ***Strengthen Data-Driven Insights:*** Utilize data analytics to continuously evaluate HR initiatives, measuring success and identifying opportunities for realignment. By basing decisions on clear metrics, HR can proactively address inefficiencies and adapt strategies to create lasting impact.
2. ***Lean on Agility to Adapt and Evolve:*** Establish frameworks that enable swift responses to organizational and workforce changes. Encourage flexible strategies to prioritize efforts, ensuring alignment with evolving business objectives and employee needs. Agility ensures that, as priorities shift, execution keeps pace.
3. ***Accountability:*** Foster a culture of ownership and transparency by clearly defining roles, responsibilities, and deliverables for HR initiatives. Regularly track progress against predefined objectives and encourage open feedback. Accountability reinforces trust and ensures the organization stays on track to achieve meaningful results.

NO. 2: PRIORITIZE HR FIRST

To drive meaningful business outcomes, organizations must prioritize the effectiveness of their HR function, an often-overlooked yet critical factor in success. Like the principle of “putting your oxygen mask on first,” HR cannot effectively support the business without first ensuring its own strategy, tools, and management are strong and aligned.

ACTIONABLE STEPS

1. ***Regularly Align and Integrate HR Strategy with Business Goals:*** HR should participate in strategic planning sessions with C-suite leaders to ensure its initiatives are fully integrated into the company's operational framework. This guarantees HR remains at the forefront of organizational change and innovation.
2. ***Invest in HR Technology and Tools:*** Equip HR teams with advanced tools like AI-driven analytics for workforce planning or employee self-service portals to streamline tasks such as onboarding and benefits management. These tools free up HR to focus on higher-value strategic priorities, and HR technology is important to U.S. workers' perceptions of HR effectiveness and learning and development, making it a win-win.
3. ***Provide Continuous Development for HR Teams:*** Offer opportunities for HR professionals to refine their skills through certifications, workshops, and peer networking. Elevating HR's expertise strengthens its credibility and influence.

NO. 3: DEMONSTRATE HR'S VALUE THROUGH EMPLOYEE INVOLVEMENT

Engaging employees in the process of HR is a vital step in fostering transparency, alignment, and trust. By actively involving employees in HR initiatives, organizations can address the perception gap — where HR's strategic contributions may not be fully understood by workers — and build a stronger connection between HR and the workforce. This collaborative approach not only enhances mutual understanding but also empowers employees to contribute to shaping workplace strategies that meet their needs. The result is a more engaged workforce, improved satisfaction, and outcomes that drive organizational success.

ACTIONABLE STEPS

1. **Feedback-Driven HR Initiatives:** Conduct regular feedback surveys with employees to understand their perceptions of HR effectiveness and identify areas for improvement. Use the insights gained to develop and implement new HR initiatives that directly address employee concerns, ensuring clear communication about how their feedback shaped these efforts.
2. **Increase Communication About HR's Role and Impact:** Develop regular, open lines of communication with employees to demystify HR's purpose and demonstrate its contributions. Share insights into initiatives such as leadership programs and wellness strategies. Use communication campaigns to celebrate HR's role in both employee success stories and organizational achievements.
3. **Reinforce HR's Strategic Importance:** Share results and successes through key performance indicators such as engagement scores, reduced turnover rates, or successful talent initiatives. Position HR as a vital force in achieving measurable outcomes.



CONCLUSION

The findings from this research paint a nuanced picture of HR's performance in 2024, highlighting both notable successes and pressing challenges. Key priorities such as recruiting, employee experience, and leadership and manager development reflect the year's demands, and the difficulty of excelling in these areas underscores their strategic significance. While HR faced challenges in certain areas, it excelled in areas such as labor relations and HR function strategy and management, demonstrating its capability to deliver on foundational responsibilities. For 2025, both U.S. workers and HR professionals expressed a clear desire for organizations to shift focus away from recruiting and toward development-oriented initiatives.

To succeed, HR will need to:

- » Drive HR excellence in a dynamic landscape.
- » Prioritize the HR function itself.
- » Demonstrate HR's value through employee involvement.

By addressing these areas, HR can drive organizational success, build resilience in an evolving workforce, and ensure its strategic contributions are both recognized and valued.

RESOURCES

NO. 1: DRIVE HR EXCELLENCE IN A DYNAMIC LANDSCAPE

- » **Managing Organizational Change Toolkit** - shrm.org/topics-tools/tools/toolkits/managing-organizational-change
- » **Managing Change Educational Program** - store.shrm.org/Managing-Change
- » **SHRM People Analytics Specialty Credential** - shrm.org/events-education/education/team-training/shrm-people-analytics-specialty-credential

NO. 2: PRIORITIZE HR FIRST

- » **Practicing Strategic Human Resources Toolkit** - shrm.org/topics-tools/tools/toolkits/practicing-strategic-human-resources
- » **Staffing the Human Resource Function Toolkit** - shrm.org/topics-tools/tools/toolkits/staffing-human-resource-function
- » **SHRM Certification** - shrm.org/credentials/certification

NO. 3: DEMONSTRATE HR'S VALUE THROUGH EMPLOYEE INVOLVEMENT

- » **Q&A: How Do I Determine Which HR Metrics to Measure and Report?** shrm.org/topics-tools/tools/hr-answers/how-determine-hr-metrics-to-measure-report
- » **Managing Organizational Communication Toolkit** - shrm.org/topics-tools/tools/toolkits/managing-organizational-communication
- » **Communicating with Credibility Educational Program** - store.shrm.org/Communicating-with-Credibility

METHODOLOGY

U.S. workers: A sample of 471 U.S. workers employed in areas other than HR was surveyed between Dec. 12 and Dec. 16, 2024, using the Amerispeak Omnibus probability-based panel from NORC at the University of Chicago. This panel is designed to be representative of the U.S. household population. All data was weighted to reflect the U.S. adult population.

HR professionals: A sample of 1,615 HR professionals was surveyed between Dec. 9 and Dec. 12, 2024, using SHRM's Voice of Work Research Panel. Respondents were eligible to participate if they were employed full time or part time in HR. Respondents represented organizations of all sizes in a wide variety of industries across the U.S.

HR executives: A sample of 238 HR executives was surveyed between Dec. 9 and Dec. 12, 2024, using SHRM's Voice of Work Research Panel. Respondents were eligible to participate if they were employed full time or part time in HR and held a title of vice president or above.

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