



The future of leadership is **you**

# The leading-edge CHRO

The future of the people function is here

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# Executive summary

## What is the future of the CHRO?

N2Growth conducted a global study on the present and future of the CHRO role between March and November 2025. The work draws on more than 10,000 data points, interviews with over 100 CHROs, and a survey of 35 of the leading 40 CHROs identified in our analysis.

## In this report you'll find:

**A deep dive into the 5 accelerants transforming the CHRO role**

**The profile of the leading-edge CHRO**

**How leading-edge CHROs manage their time**

**A glimpse into the future of the CHRO role**

## This report is for:

### Boards and CEOs

who want to understand the future of the HR function, support current CHROs, and, when the time comes, hire the right CHRO for their organization.

### Current and aspiring CHROs

who want to understand the future of the HR function, how to prepare for it, what skills to develop, and what priorities to set.

# The CHRO's transformation from administrative manager to core business partner is accelerating

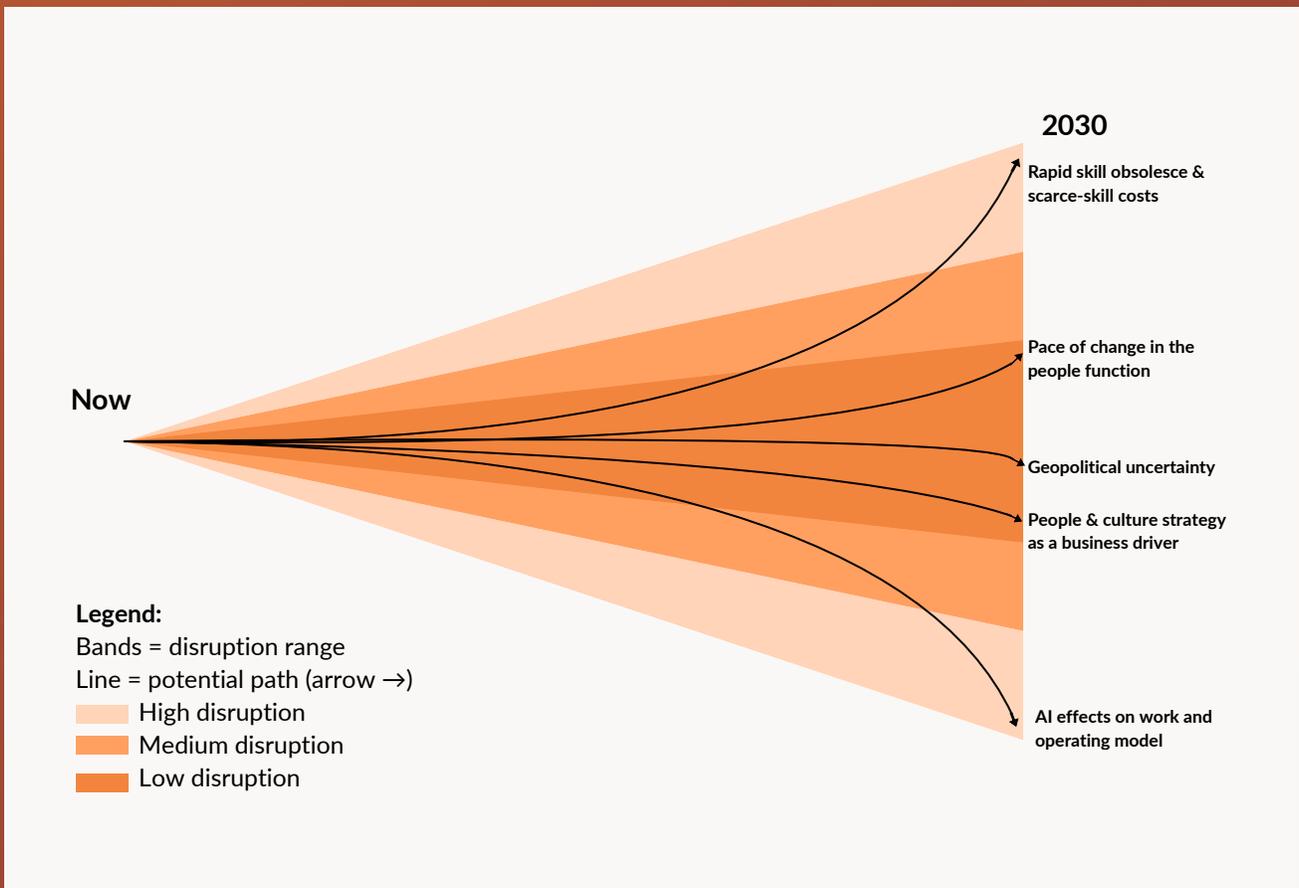
## Why?

1. The increasing role of people and culture strategy in determining business outcomes
2. Rising skill obsolescence and scarce-skill costs
3. Escalating geopolitical uncertainty
4. The effects of AI
5. The fast changing future of the people function itself

### Five disruption drivers: cone of possible futures (2025 → 2030)

The cone shows possible low-, medium-, and high-disruption futures for each of the five drivers—light orange for high disruption at the edges, dark orange for low disruption in the center.

The lines are not forecasts, but a set of scenarios for CHROs to monitor.



## What do boards, CEOs, other C-suite officers, & CHROs need?

Board members and CEOs need CHROs who can advise on how people, culture, and technology will drive enterprise value, translating those insights into real time decisions about strategy, growth, risk, and execution.

CTOs/CIOs, CFOs and other C-suite officers need CHROs who can advise on the workforce and capability implications of technology and AI decisions, the P&L and ROI impact of people and culture investments, and the talent, leadership, and change dynamics underpinning the delivery of enterprise wide transformations.

CHROs need business acumen at levels historically expected of CEO succession candidates, a strong point of view on people and culture, and the capacity to lead in an environment of increasing technological and geopolitical uncertainty.

### 3 actions for boards & CEOs

- 1 Hire and develop CHROs with cross-functional, P&L, and AI fluency**, not just HR tenure, and be deliberate in weighing the tradeoffs between internal versus external appointments.
- 2 Expect the CHRO to be a core business leader**: seek their involvement in setting strategy, not just in downstream execution.
- 3 Give the CHRO a clear mandate and resourcing to lead people, culture, and change management initiatives**, including succession planning, workforce development strategy, and enterprise wide AI enablement.

### 3 actions for CHROs & aspiring CHROs

- 1 Deliberately build enterprise, P&L, and technology fluency** through close collaboration with business unit leaders and the finance, product, revenue, and technology functions.
- 2 Re-architect the HR function into a strategic engine**: build a star team and foster shared understanding across the C-suite of how HR efficacy directly creates essential business results.
- 3 Act as the organization's chief futurist for work**: partner closely with the board and CEO to ask and answer big questions on broad workforce possibilities, identify and magnify core values and abilities to lead through uncertainty, and protect time for scenario planning.

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# What is driving the accelerating transformation of the CHRO role?

## The increasing role of people & culture strategy in determining business outcomes

The shift to a knowledge- and service-based economy has pervaded advanced economies for decades, even in industrial and energy sectors, which depend more and more on specialist knowledge and technical know-how. Despite the maturity of this macroeconomic change, many executives still view human capital in Fordist terms of the early to mid-20th century, that is, as relatively interchangeable and fixed quantities of labor value. From this perspective, HR's responsibility is narrow: administer benefits, control compensation, and staff a largely "plug-and-play" workforce.

But, with intangible assets now accounting for over 90% of the S&P 500's total valuation (to cite one illustrative index), any organization that structures its HR function as primarily administrative and its workforce as a set quantity is at best antiquated and at worst delusional. An organization that doesn't view people and culture as central to the creation and sustenance of durable value is holding itself back and risks falling behind.

**Today, the center of business strategy is people strategy, whether organizations embrace it or not.** For it is the highly elastic variables of human motivation, culture, and teamwork that produce the patents, quality of service, brand reputation, and technical innovation and know-how that determine market capitalization.<sup>1</sup>

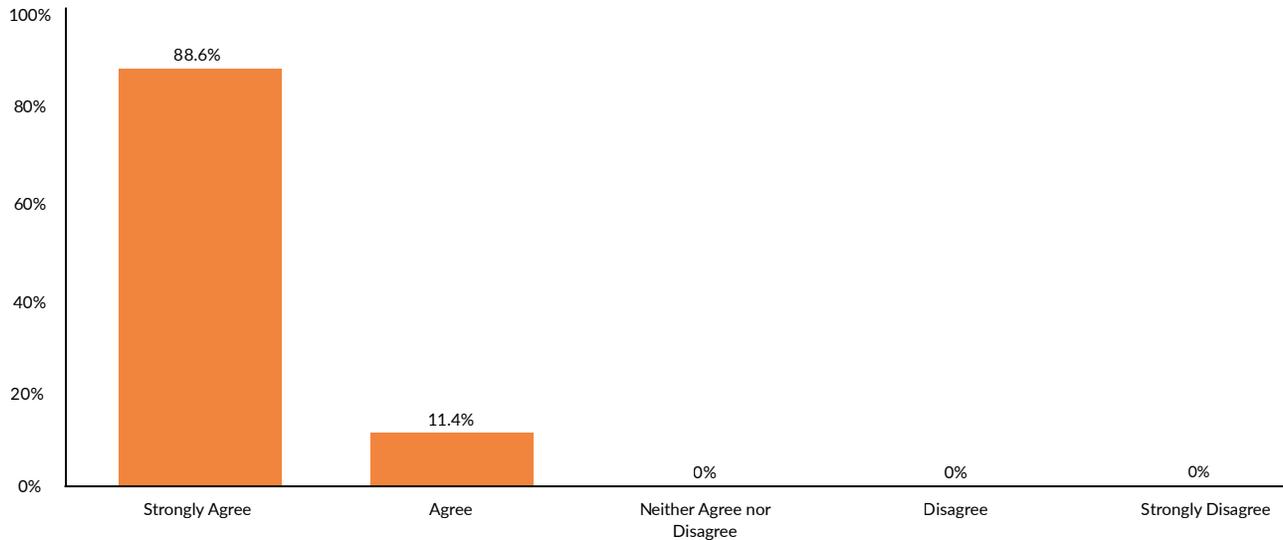
The revenue and profits that flow from motivation, purpose, and engagement are not alchemical accidents, however, but the result of sophisticated, strategic decision making and leadership. CHROs must be able and empowered to drive business performance through crafting smart and effective people and culture strategies.

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<sup>1</sup> Walmart's 2015 decision to improve in-store experience and operations through focus on employee experience and boosting starting salaries was greeted by skepticism on Wall Street, but it has ultimately led to increased U.S. sales each year since; see, "Walmart, Once a Byword for Low Pay, Becomes a Case Study in How to Treat Workers," *Wall Street Journal*, October 17, 2025.

## People & culture strategy will increasingly drive business performance

CHROs unanimously agreed or strongly agreed that “people and culture strategy will become an increasingly important driver of business performance” over the next 5 years.<sup>2</sup>



As Lisa Buckingham, Chief People & Culture Officer at Vialto Partners, explains, “HR is no longer a service line; it is a strategic engine that architects the conditions for sustained performance.”<sup>3</sup>

“

**HR is no longer a service line; it is a strategic engine that architects the conditions for sustained performance.<sup>3</sup>**

Lisa Buckingham  
Chief People & Culture Officer, Vialto Partners

**Boards and CEOs should prioritize having and hiring CHROs who know how to make workforce engagement, culture, and development the center of HR.**

**The leading-edge CHRO knows how to drive business performance by deftly maximizing workforce engagement, culture, and development, while effectively advising the board and CEO on the direction and value of their people and culture strategy.**

<sup>2</sup> Percentages may not total 100% due to rounding (*passim*).

<sup>3</sup> “Vialto Partners’ Lisa Buckingham on the transformation of the HR function,” *N2Growth*, December 4, 2025.



# Lisa Buckingham

Chief People & Culture Officer

**VIALTO**  
PARTNERS

We sat down with Lisa Buckingham to discuss the ongoing transformation of the HR function.

## **What are some key changes you've seen in the HR function over the past 5–10 years?**

Over the past decade, HR has been reshaped by two intertwined shifts: digital transformation and redefining the human experience at work. Digitally, the journey has had two stages. Stage one focused on eliminating rote manual processes. Now, AI augments human judgment and decision making. In stage two, on the human side, expectations matured: people need clarity of purpose, flexible work design, continuous growth, and psychologically safe teams. In parallel, organizations discovered the value multiplier of an engaged, purpose-driven workforce.

The mandate now is integration with augmentation as the design principle. Workflows should assume people bring judgment, ethics, and creativity, while systems handle data gathering, pattern detection, and workflow coordination. As leaders, we must enable and build tech fluency, change leadership, and data literacy across the enterprise, as we train systems and people together under governance that keeps the experience fair, transparent, and humane.

In practice, the HR function is becoming the operating system for how work gets done—how capability is built, how culture shows up in everyday decisions, and how value is created at pace. The headline is a mindset change: HR is no longer a service line; it is a strategic engine that architects the conditions for sustained performance.

**Read the full interview with Lisa Buckingham by clicking here.**

Lisa M. Buckingham is a globally recognized human resources executive with over 25 years of experience leading people, culture, and transformation strategies across complex, mission-driven organizations. As Chief People & Culture Officer for Vialto Partners, she oversees the company's global people strategy, driving organizational performance and advancing a culture of inclusion and agility that supports Vialto's purpose of helping people thrive in a global, mobile world.

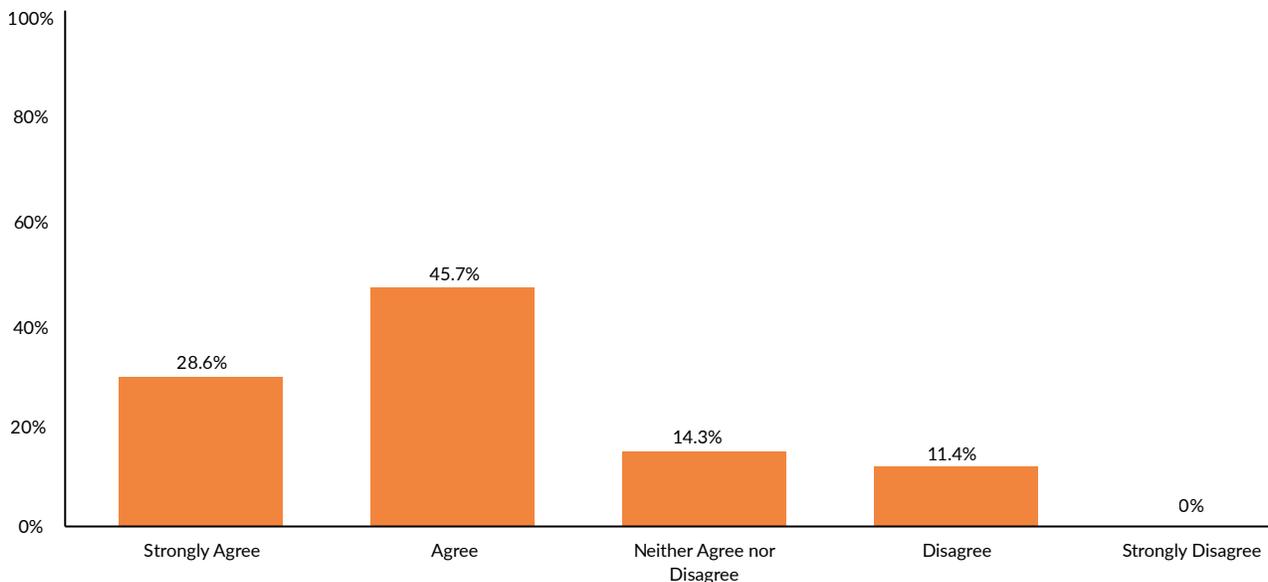
Vialto Partners' mission is to lead and evolve the global mobility industry through innovation and service excellence. The company has more than 6,500 global experts working across more than 150 countries and territories.

## The new era of rapid skill obsolescence & scarce-skill costs

The skills that organizations need are changing at an unprecedented pace. As Buckingham notes, “high demand skills are evolving faster than org charts and headcount plans can absorb.”<sup>4</sup> Skill sets recently thought to be durably valuable, such as computer programming or advanced economics training, have become deprioritized seemingly overnight.<sup>5</sup> Other skills, such as advanced AI abilities, have gone from niche to so valuable that companies are paying out multi-million dollar pay packages to attract talent, sometimes even exceeding \$100 million in the first year alone.<sup>6</sup>

### Skill obsolescence & scarce-skill costs will be a growing challenge over the next 5 years

A striking 74.3% of CHROs agreed or strongly agreed that “rapid skill obsolescence and scarce-skill costs are likely to become a growing challenge for HR” over the next 5 years.



What should organizations do?

Hire on-demand, locking in employees with rare skill sets that meet the moment, but potentially paying significant premiums even as those new skills may themselves become quickly dated?<sup>7</sup>

Or develop strategies that enable a nimble workforce that grows and adapts to technological changes and skill demands as they emerge, but risking first-mover advantages gained by hiring talent on demand?<sup>8</sup>

<sup>4</sup> “Vialto Partners’ Lisa Buckingham on the transformation of the HR function,” *N2Growth*, December 4, 2025.

<sup>5</sup> “Goodbye, \$165,000 Tech Jobs. Student Coders Seek Work at Chipotle,” *New York Times*, August 10, 2025; “The Bull Market for Economists is Over. It’s an Ominous Sign for the Economy,” *New York Times*, July 28, 2025.

<sup>6</sup> “Here’s What Mark Zuckerberg Is Offering Top AI Talent,” *Wired*, July 1, 2025.

<sup>7</sup> “AI Skills are in High Demand – And Employers are Willing to Pay a Premium for Them,” *CNBC*, September 24, 2025.

<sup>8</sup> “CEO of IT Firm with 350K Workers Says AI will Create More Entry Level Jobs—and He’s Recruiting Liberal Arts Graduates,” *Fortune*, October 24, 2025.



Workforce thinking has evolved from tasks to duties and now to skills, with leading organizations rebuilding career architecture around the skills that enable people to move vertically and laterally, and even into jobs that don't yet exist, through shared awareness and deliberate development. Our view is that the next frontier is going deeper, explicitly inventorying and developing the abilities (partly innate) and values (deeply held beliefs) that sit beneath skills and ultimately drive behavior and contribution. That's why we encourage CHROs to leverage psychometric and leadership assessments in board and executive assessment on one end, while reaching earlier into universities and long-lead internships on the other: it's critical to identify, cultivate, and align underlying abilities and values, not just today's favored skills.



**Tony Morales**  
Co-Chairman, N2Growth  
Chicago, IL

**Boards and CEOs need forward thinking guidance and insight from the CHRO to make key enterprise level decisions about talent attraction, development, retention, and deployment strategies.**

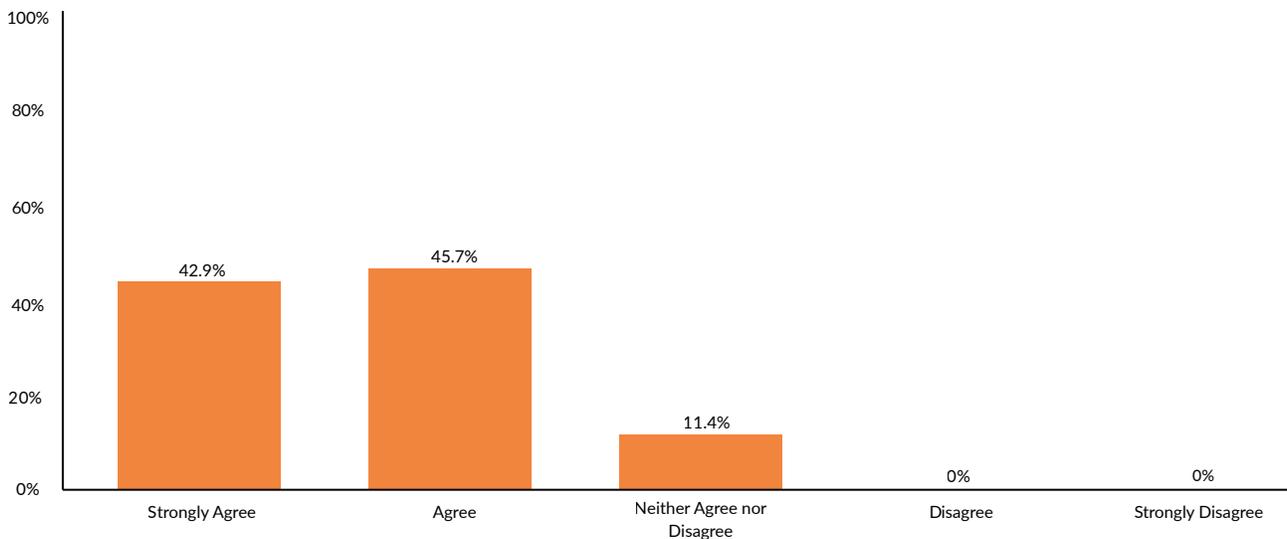
**The leading-edge CHRO recognizes that hiring skills on-demand and building them from within are complementary, not either-or. They proactively navigate the organization through the challenges of rapid skill obsolescence and scarce-skill costs, advising the board and CEO on the organization's approach to workforce development so that in-demand skills are present, costs are controlled, and a culture of growth pervades the entire enterprise.**

## Escalating geopolitical uncertainty

Geopolitical tensions are nothing new. Yet, as the global policy consensus of the past 30+ years breaks down, organizations are experiencing regulatory contradictions, policy changes, and workforce placement choices they haven't faced in decades, if ever. How will shifting trade policies affect supply chain demands, delivery schedules, and workforce location? What new workforce needs will emerge with changing immigration policies? How will international organizations handle the new normal of fast changing and contradictory regulatory directions?

### Geopolitical pressures will increase the complexity of the HR function over the next 5 years

88.6% of CHROs surveyed agreed or strongly agreed that "geopolitical pressures (e.g., trade policies, varying regulatory environments, immigration policies) will increase the complexity and risk facing the HR function."



Rising geopolitical challenges illustrate the necessarily integrated role of the leading-edge CHRO. Global challenges require a cross-functional and organization wide response, led by the board and CEO. Leaders across the C-suite and board of directors will not be able to respond quickly or efficiently unless they have a CHRO who understands the totality of the enterprise and foresees how new demands on the HR function will impact the broader functioning, performance, and durability of the business.

**Boards and CEOs need wide angle insight from the CHRO as quickly shifting geopolitical realities demand integrated short- and long-term decisions. These decisions span workforce footprint and talent access, organizational structure and operating model including reward and cost structures, and regulatory, geopolitical, and reputational exposure across markets.**

**The leading-edge CHRO acts as an enterprise translator of geopolitics into people, organization, and operating model choices, linking shifts in the external environment to concrete implications for growth, profitability, resilience, and the organization's license to operate.**

## The effects of AI

The challenges AI poses to workforce strategy are immense. As Buckingham puts it, “AI does not just add tools; it rewires how work should be designed.”<sup>9</sup> Quick, decisive, and accurate decision making on AI use, implementation, and strategy will likely prove the difference between winners and losers across industries.

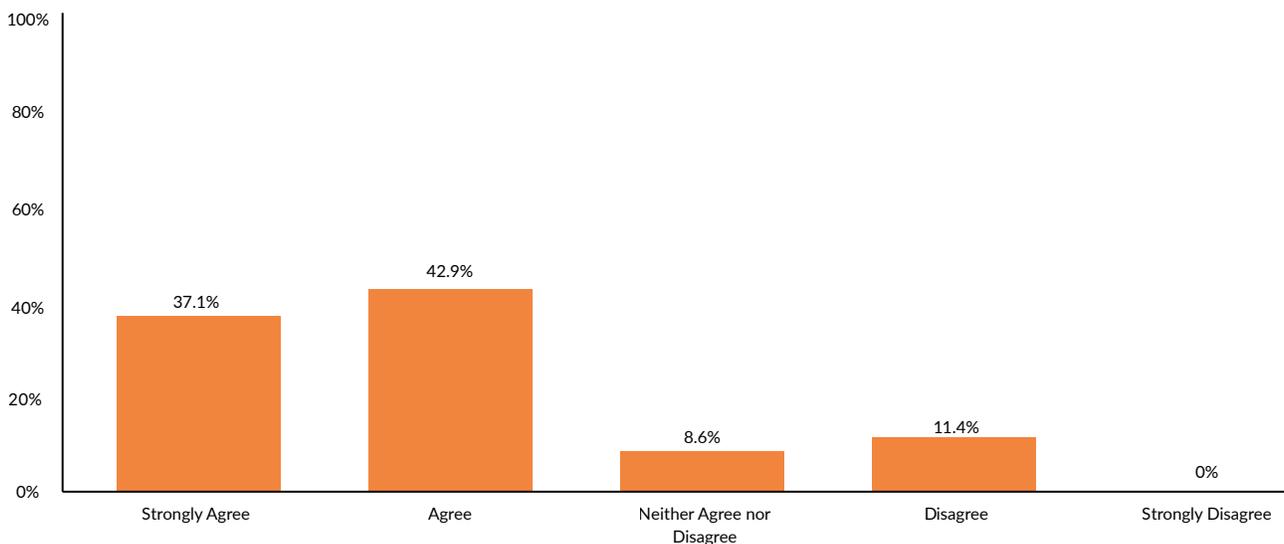
Three critical areas where the board and CEO need strategic advice from the CHRO:

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*If, when, and how to transform the workforce:* AI may function as an add-on that boosts employee productivity and performance in their current roles.<sup>10</sup> Or, as some are predicting, it may represent the biggest workforce transformation since the Industrial Revolution.<sup>11</sup> In other words, the types of work done in 2022, or even today, may soon feel as dated as hand blowing glass bottles.<sup>12</sup>

### CHROs expect AI-driven, enterprise wide workforce transformations within 5 years

80% of CHROs agreed or strongly agreed that their organization “will complete an AI-driven enterprise wide workforce transformation” within 5 years.



<sup>9</sup> “Vialto Partners’ Lisa Buckingham on the transformation of the HR function,” *N2Growth*, December 4, 2025.

<sup>10</sup> Daniel Jolles and Grace Lordan, “Bridging the Generational AI Gap: Unlocking Productivity for All Generations,” *The Inclusion Initiative*, London School of Economics.

<sup>11</sup> “Walmart CEO Issues Wake-Up Call: ‘AI Is Going to Change Literally Every Job,’” *Wall Street Journal*, September 26, 2025.

<sup>12</sup> Joan Wallach Scott, *The Glassworkers of Carmaux: French Craftsmen and Political Action in a Nineteenth-Century City*. Cambridge: Harvard University Press, 1974.

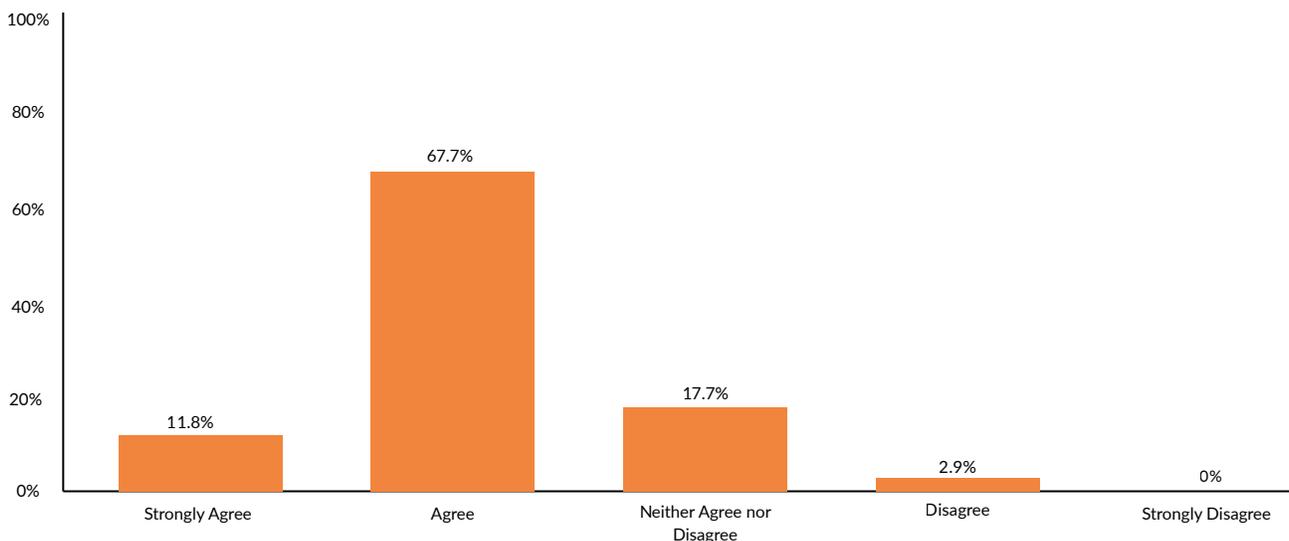
Organizations need executive level leadership from their CHROs as they decide whether and how to implement a workforce transformation in response to AI. CHROs should act with an agility and decisiveness that allows them to pivot quickly, correct course even quicker, and learn and adapt as AI capabilities may affect nearly every aspect of the work.

# 2

*Right-sizing talent pipelines:* Economic uncertainty, combined with unrealized but seemingly limitless possibilities of AI in the near future, has led many companies to reduce or pause entry level hiring.<sup>13</sup> This pause is intended to give companies an opportunity to better evaluate the impact of AI on the workforce, including headcount, requisite skills, and experience.<sup>14</sup>

## AI will reduce entry-level hiring over the next 5 years

79.5% of CHROs agreed or strongly agreed that “AI will drive broad-based reductions in entry-level hiring” over the next five years.



This strategic hiring pause at the entry-level may reflect short-term trepidation, or it may portend a future in which headcount is significantly reduced for many organizations. Reduced hiring, however, may complicate leadership development, from the manager level up: (1) many of the tasks AI is scheduled to replace are learning experiences that are necessary for developing into a mature industry insider and leader; (2) managers and, eventually, executive leadership, are often drawn from the ranks of top performers at the lower levels of the pyramid. If the base of the pyramid shrinks, there is less

<sup>13</sup> Christopher Marquis, “Is This a Moment for Strategic Hibernation?” *Harvard Business Review*, November–December, 2025.

<sup>14</sup> “More Big Companies Bet They Can Still Grow Without Hiring,” *Wall Street Journal*, October 26, 2025; “Jerome Powell Says the AI Hiring Apocalypse is Real: ‘Job Creation is Pretty Close to Zero,’” *Fortune*, October 30, 2025.

leadership potential to draw from.<sup>15</sup> A successful AI implementation now may mean an empty leadership pipeline later.

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If AI enables productivity per worker to grow faster than demand for goods and services produced by an enterprise, organizations will need fewer entry-level hires even as their need for capable leaders changes more slowly. One CHRO client we support at a multibillion dollar, multinational industrials business describes this as emerging ‘talent debt:’ a structurally smaller early-career pipeline trying to feed a leadership demand curve that outpaces the early-career supply. Leading CHROs are responding by investing more aggressively in employer brand, listening and job-design work, and significantly higher investments per capita in leadership training and skills development, because the value and risk concentration in each individual role is rising.



**Tony Morales**  
Co-Chairman, N2Growth  
Chicago, IL

These shifts now critically shape entry-level hiring and retention. The board and CEO will need strategic input from the CHRO to rethink their talent development pipelines.

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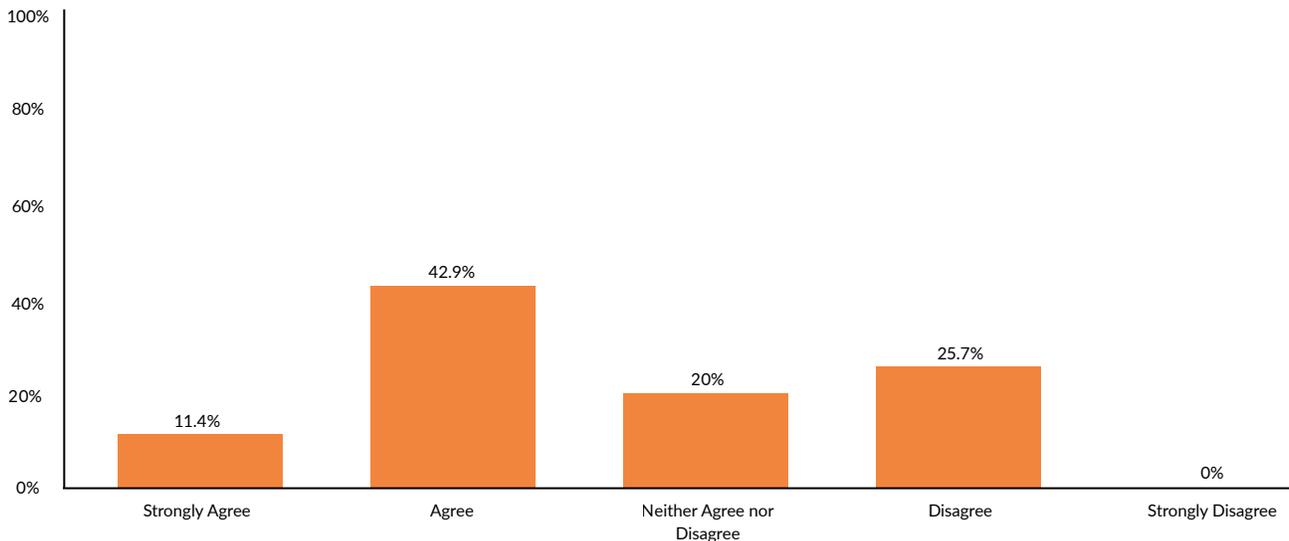
<sup>15</sup> David S. Duncan, Tyler Anderson and Jeffrey Saviano, “AI Is Changing the Structure of Consulting Firms,” *Harvard Business Review*, September 10, 2025.

# 3

*Realizing productivity gains and ROI:* Even as organizations increasingly adopt AI,<sup>16</sup> ROI often remains unclear. Solutions to persistent hallucinations may be found or greatly reduced in the near term, and generative and agentic capabilities may quickly increase exponentially and even reach AGI,<sup>17</sup> offering quick paths to ROI. Alternatively, the primary benefits of this wave of AI development may already be realized. Some scholars question whether AI will ever deliver significant ROI and productivity boosts.<sup>18</sup>

## The ROI of AI over the next 5 years is simply unclear

CHROs are split (54.3% strongly agree/agree to 45.7% neither agree nor disagree and disagree) over whether “organizations will struggle to demonstrate clear, sustained productivity ROI at scale” over the next 5 years.



To realize ROI from AI, boards and CEOs need CHROs who have a strong understanding of the causal levers linking business operations and transformation to financial statement excellence.

**As AI transforms workforce planning and leadership development, and its impact on financial performance remains a critical goal, boards and CEOs will need advice and guidance from a forward facing CHRO.**

<sup>16</sup> Ryan Pendell, “AI Use at Work Has Nearly Doubled in Two Years,” *Gallup*, June 16, 2025.

<sup>17</sup> “What Happens When AI Replaces Workers?” *Time Magazine*, May 30, 2025.

<sup>18</sup> Aditya Challapally, Chris Pease, Ramesh Raskar, and Pradyumna Chari, “The GenAI Divide: State of AI in Business 2025,” *MIT NANDA*, July 2025; “These 2 Kinds of Employees are Emerging in the AI-Generated ‘Workslop’ Era—Here’s Why it May be Better to Write the Email Yourself,” *Fortune*, October 6, 2025; “AI Is Juicing the Economy. Is It Making American Workers More Productive?” *Wall Street Journal*, October 13, 2025.

The leading-edge CHRO knows that integrating AI into the workforce is a once-in-a-generation opportunity, challenge, and risk. They are willing to lead and advise, even in the midst of uncertainty. They understand how to plan for different potential futures, pivot quickly, and learn as they go. They pay attention to financial forecasts while advising on people and culture and are ready to rethink and transform the workforce to ensure long term durability and sustainability.

## The fast-changing future of the people function itself

AI is already transforming how applicants apply for jobs, with some applying for hundreds or even thousands at a time.<sup>19</sup> Recruiters, on the other hand, are automating parts of recruitment through AI.<sup>20</sup> It is also now starting to inform or even set wages,<sup>21</sup> and its role in performance management may grow. An overwhelming 93.9% of leading CHROs believe that “50% or more of process steps” in their organization’s talent acquisition and internal mobility will be AI-automated within 5 years, according to our survey. (See our fuller discussion of [AI and the future of the HR function below](#) for more on how leading CHROs expect the people function to be transformed by AI in the next 5 years.)

94.1%

of leading CHROs believe that “50% or more of process steps” in their organization’s talent acquisition and internal mobility will be AI-automated within 5 years<sup>22</sup>

As AI and AI agents become thoroughly embedded in the workforce, CHROs are likely to gain an increasingly central role in technology management, working closely with the CTO/CIO or even becoming the combined head of technology and people, as has already occurred in some instances.<sup>23</sup>

**The board and CEO need a CHRO who can lead the HR function through its own AI transformation, up to and including the integration and management of the AI workforce.**

<sup>19</sup> “Recruiters are ‘Drinking through a Fire Hose’ of Job Applications, Experts Say—AI is Partially to Blame,” CNBC, October 29, 2025.

<sup>20</sup> “Recruiters Use AI to Scan Resumes. Applicants are Trying to Trick It,” *New York Times*, October 7, 2025.

<sup>21</sup> Maxime C. Cohen, et al., “What Happens When AI Sets Wages,” *Harvard Business Review*, October 1, 2025.

<sup>22</sup> N2Growth survey.

<sup>23</sup> “Moderna’s Game-Changing Reorg Merges HR And IT,” *Forbes*, August 28, 2025.

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We've seen this function evolve from 'personnel' to 'HR' or variations of 'people and culture.' In many instances, the function becomes a composite, with many other functional areas subsumed in the set of responsibilities. We won't be surprised if the next iterations of this function include non-human resources, too. Perhaps we're at the dawn of the 'Chief Agents Officer.'



**Armin Effendi**  
Managing Partner, N2Growth  
Kuala Lumpur, Malaysia

The leading-edge CHRO will not wait to react to changes in the people function. They will be proactive, understanding how AI is already affecting the core HR functions (and planning to maximize its potential gains), while simultaneously shaping the future of HR to meet developing business needs.



# Who is the leading-edge CHRO?

## No single “right” profile, & no single “right way” to get there

As boards and CEOs seek to position their organizations for the future, which backgrounds and experiences matter most in a CHRO? What paths lead to the CHRO role today?

### What kind of CHRO does your organization need?

The CHRO profile by enterprise need: skills, abilities, and values for three key organizational moments.

Organizational moment	Skills needed	Abilities needed	Values needed
Strategic moments: when the organization is making big choices about direction, portfolio, and future positioning (e.g., where to play, how to win, and what capabilities to build).	Enterprise and business unit strategy, portfolio workforce planning, succession and board level talent planning, operating model and organization design, financial and P&L literacy.	Seeing the whole system, connecting external trends to internal implications, framing strategic choices and trade offs, influencing board/CEO and C-suite peers.	Enterprise first mindset, long term stewardship, external and market orientation, disciplined, evidence based thinking, intellectual curiosity.
Operational moments: when the organization is running the business reliably and efficiently, delivering today’s plan, managing risk, and continuously improving core people processes.	HR operations and shared services, talent acquisition, total rewards, employee relations, policy, compliance, and workforce risk management.	Driving execution at scale, prioritizing and sequencing work, simplifying and optimizing processes, managing vendors and budgets, solving problems quickly.	Discipline and reliability, fairness and consistency, accountability, service orientation, stewardship of risk and resources.
Transformational moments: when the organization is making a step change (e.g., hypergrowth, turnaround, restructuring, M&A, or reinvention) or shift from one way of operating to another.	Large scale change and transformation design, culture and behavior change, AI and digital adoption in work and HR, restructuring, M&A integration or separation.	Mobilizing leaders and teams, storytelling that creates urgency and hope, navigating high ambiguity and conflict, sensing and responding quickly, building cross-functional coalitions.	Courage and bias for action, experimentation and learning mindset, resilience under pressure, inclusion, openness to challenge and dissent.



There is no single CHRO profile, set of credentials, or career path that will succeed in every organization—especially in an era where no one has ‘already led an AI-based people enablement transformation,’ or ‘already led through a changing world order,’ for instance. As the pace of change increases, the marginal value of highly specific prior experience declines, and what remains is who the person is: their values and their underlying abilities. Boards and CEOs that hire best have a very clear view of the values and abilities they need, such as courage in the face of uncertainty, learn-it-all curiosity, and authenticity evidenced by followership, rather than chasing a mythical ‘perfect’ CV.



**Tony Morales**  
Co-Chairman, N2Growth  
Chicago, IL

## Do leading-edge CHROs always come from careers spent in HR?

The leading-edge CHRO will not rely on the same set of skills and experiences that CHROs of the past did. They will have to be able to communicate deftly with the board, advise the CEO at a moment’s notice, and partner with CFOs, CTOs, CLOs, and other executives to shape the business. Mastery of the HR function, of course, remains a strong predictor of CHRO success. And boards and CEOs look specifically for this experience, with 86.3% of S&P 500 CHROs coming straight from the HR function, and 83.8% spending the majority of their careers in HR.<sup>24</sup>

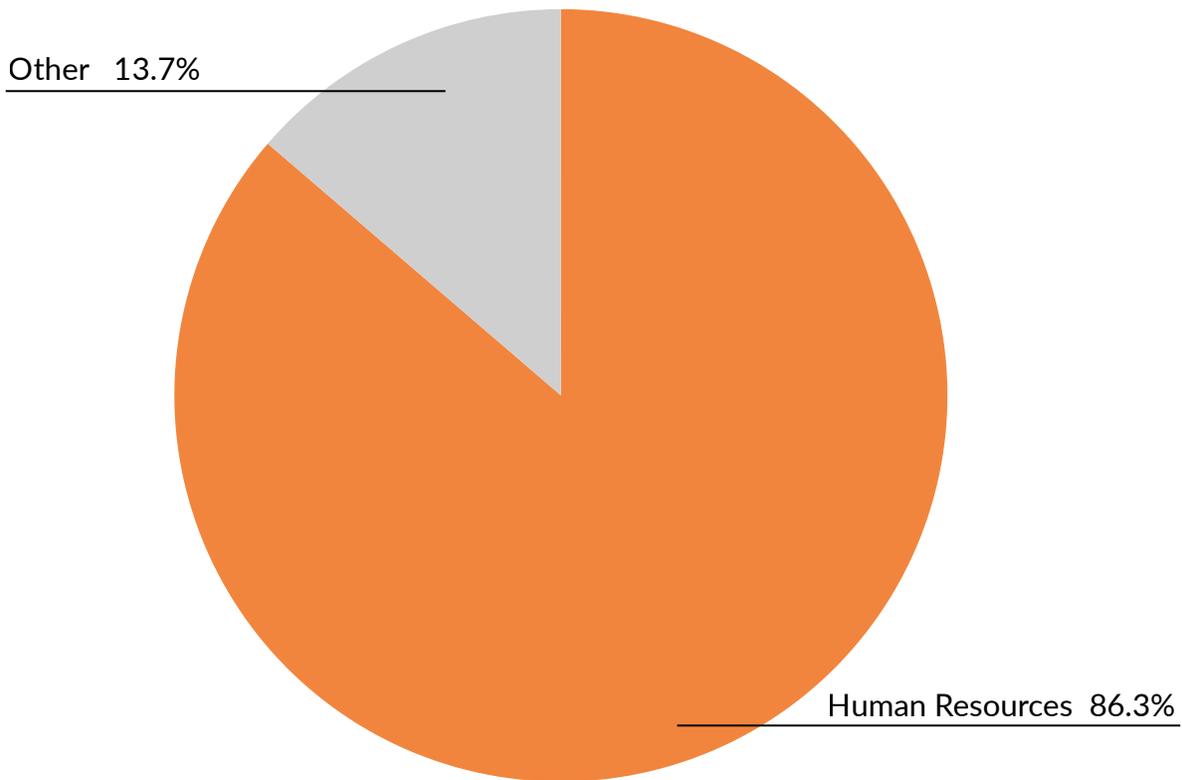
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<sup>24</sup> N2Growth analysis.

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### 86.3% of S&P 500 CHROs came directly from the HR function

86.3% of S&P 500 CHROs come directly and solely from the HR function (i.e., the 86.3% doesn't include CHROs whose prior stops were dual-function, even when one of those functions was HR). Those coming from outside of HR came from general management (5.6%), legal and compliance (3%), marketing and communications (1.1%), operations and supply chain (0.9%) and dual-function positions (often including HR) (1.5%).<sup>25</sup>



For the many CHROs coming strictly or predominantly from an HR background, it is critical to learn across the business. To be effective, the leading-edge CHRO must speak the languages of finance and technology, while being highly credible with commercial and product or service leaders, advocating for the business benefits of the people function's activities. CHROs and aspiring CHROs have to be intentional about engaging not just with the board and the CEO, but also with business unit P&L owners, the CTO, the CFO, and the CLO, among others.

Boards and CEOs should not shy away from hiring career HR leaders, but interviews should probe how the candidate will engage the broader C-suite. Organizations cannot afford siloed CHROs.

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<sup>25</sup> N2Growth analysis.



# Ivory Harris

SVP, Chief Human Resources Officer



We sat down with Ivory Harris to discuss the ongoing transformation of the HR function.

**If you were advising early- or mid-career leaders who want to become CHROs, what experiences would you seek out again? Would you stay in HR or rotate cross-functionally and why?**

I had the privilege of developing in companies where diverse experiences allowed me to touch almost every area of the business, work in different geographies, and lead and learn all HR functional areas.

It is hard to quantify how impactful this has been in crafting my ability to feel knowledgeable across an array of topics and, more importantly, to connect with nearly everyone and feel grounded in those connections. If I could rewrite my story, it would include a rotation that not only supports the business, but leads it, providing direct commercial experience. Not only do I believe this will make you an even stronger CHRO, but it could also make you more competitive to become CEO.

**Read the full interview with Ivory Harris by clicking here.**

Ivory Harris is SVP, Chief Human Resources Officer, for AGCO. Ms. Harris is responsible for leading the development and execution of high-impact talent strategies that deliver winning outcomes for AGCO's employees and stakeholders. Ms. Harris is based in Duluth, GA, U.S.

AGCO is a public company with a global team of more than 23,000 employees.

For CHROs with significant experience outside the HR function, they should realize the potential benefits of this wider exposure to the business, while also seeking to gain mastery of HR across all of its remits. When interviewing, call attention to business unit and cross-functional experiences, a demonstrated history of innovation in the face of uncertainty, and a self aware accounting of your abilities and values that will drive excellence in the role.



At one multibillion-dollar consumer company, an internal HR leader won a competitive succession process for the CHRO role not just because of her HR track record, but because earlier in her career she had spent an extended secondment working on a production line in an important geography to the business. That hands-on, frontline experience gave her a deep, practical understanding of how the business actually works, how products are made, and how culture is lived on the shop floor. In the CEO's eyes, that ground-level exposure, on top of her HR credentials, was the differentiating insight the company needed in its next CHRO.



**Rebecca Pitsika**  
Managing Partner, N2Growth  
Athens, Greece

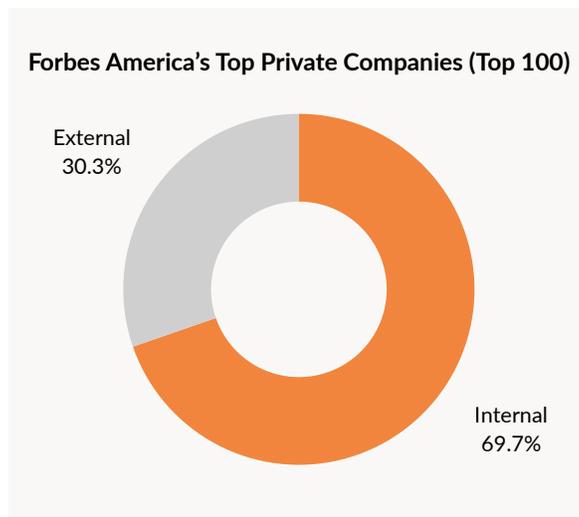
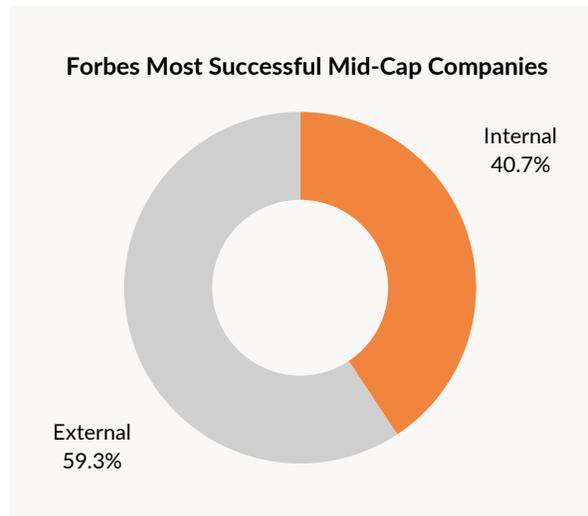
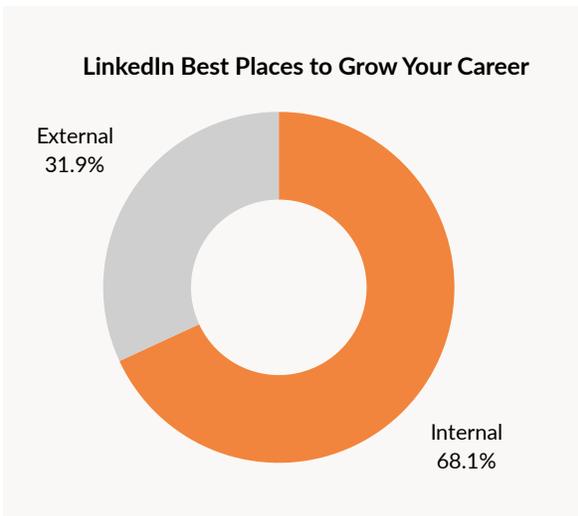
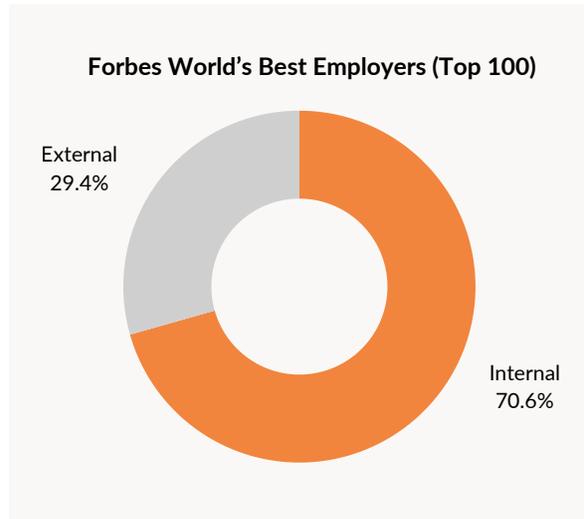
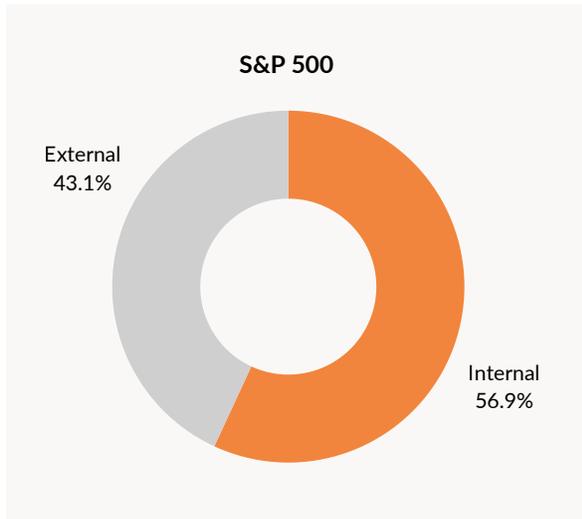
Since the CHRO role is an increasingly cross-functional position, boards and CEOs are open to hiring a CHRO whose primary experience lies in another functional area. When that path is pursued, leaders need a clear plan for the leading-edge CHRO to achieve mastery of the entire HR function.

## When & why to hire internally or externally

One of the biggest decisions for boards and CEOs when choosing a new CHRO is whether to hire internally or externally. Notably, our analysis found that top companies hire internally more often than not: 70.6% for Forbes World's Best Employers, 68.1% for LinkedIn's Best Places to Grow Your Career, and 69.7% for Forbes America's Top Private Companies, with Forbes Most Successful Mid-Cap Companies at 40.7% as the exception.<sup>26</sup>

<sup>26</sup> N2Growth analysis.

Success often comes from within



The advantages of internal promotion are clear. As Ivory Harris, SVP and Chief Human Resources Officer at AGCO, explains, “Internal promotion can provide speed of acceptance, culture navigation and agility, organizational awareness and wisdom, and network support, all of which are critical for the journey that a CHRO engages in the short and long term.”<sup>27</sup>

Given the increasing remit of the CHRO, boards and CEOs should think broadly about which internal leaders can bring the right combination of cross-functional business and HR experience. Internal candidates can include those outside the HR function, too. Conversely, anyone within the HR function being considered for the CHRO role should have demonstrable experience working cross-functionally.

“

Historically, when a new CEO arrives, the incumbent CFO is the most likely candidate for C-suite turnover and the CHRO is the second most likely leader to be replaced, which reflects capital and people as the two most important levers a CEO has to pull on to lead an organization. The CHROs who survive multiple CEO transitions tend to be those whose reputations clearly signal ‘company first’ loyalty: They are trusted confidants to the CEO, but they earn a reputation for having their deepest commitments aligned with the institution’s long term health. When a change does happen, internal successors are most often chosen when the people function is already performing strongly and there is a credible succession plan; when the function is underperforming, boards and CEOs almost always look externally, which means current HR leaders’ performance is a prerequisite not just for keeping their own roles, but for preserving their teams’ future prospects as well.



**Brian Greer**  
Senior Director, N2Growth  
Raleigh, NC

Even when there are viable internal candidates, boards and CEOs should include external candidates in their searches, for, as Harris puts it, “External promotion can provide the needed objectivity, status quo challenge, best practices from other industries, change agility, and refreshed insights that are sometimes missing with an internal successor.”<sup>28</sup>

<sup>27</sup> “AGCO’s Ivory Harris on the path to CHRO,” N2Growth, December 4, 2025.

<sup>28</sup> Ibid.

“

**External promotion can provide the needed objectivity, status quo challenge, best practices from other industries, change agility, and refreshed insights that are sometimes missing with an internal successor.<sup>29</sup>**

Ivory Harris  
SVP, Chief Human Resources Officer, AGCO

When boards and CEOs do hire external candidates, however, it is often not primarily because they have prioritized an outside perspective, but because they do not believe that there is a viable internal candidate. This may either be because they do not believe any internal candidate is ready, or because the board and CEO are looking for a specific set of skills, abilities, or values that are only found in an external hire.<sup>30</sup>

The standard of care is for current CHROs to identify and prepare one or more internal, external, and emergency candidates to succeed them. Boards and CEOs should measure CHRO success in part by how well they are preparing others to take on the role (see our [succession planning](#) section below).

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<sup>29</sup> “AGCO’s Ivory Harris on the path to CHRO,” *N2Growth*, December 4, 2025.

<sup>30</sup> Patrick Wright, Donald Schepker, Anthony Nyberg, Adam Steinbach, and Ritesh Yadav, “The CHRO Role in 2024: Current Status and Preparing a Successor,” *Darla Moore School of Business, Center for Executive Succession*.

## Data breakdown

### Do internal candidates have longer tenures than external candidates?

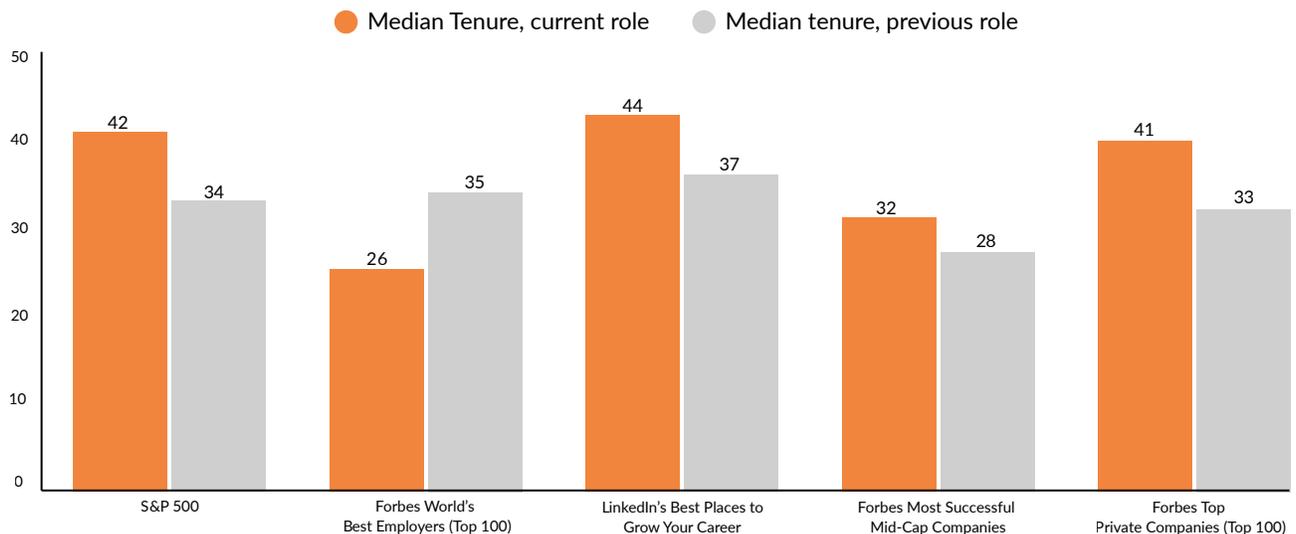
There is no statistically significant difference in current tenure for internally appointed CHROs versus externally appointed CHROs in the S&P 500: current median tenure for internally appointed CHROs is 3 years and 6 months; current median tenure for externally appointed CHROs is 3 years and 5.5 months.<sup>31</sup> If boards and CEOs are worried about externally appointed candidates potentially having shorter tenures, they should put those worries to rest.

### Median tenure: current and previous roles

The current median tenure for CHROs in the S&P 500 is 42 months. These CHROs had a median tenure of 34 months in their previous roles. Multiple factors affect current tenure and the significance and weight of tenure in previous roles, including the seniority level of the previous role and if it was an internal or external position.

#### CHRO median tenure (in months)

A comparison of median CHRO tenure in their current and previous roles across 5 indices of leading companies.



### External hires: industry insiders vs. cross industry talent

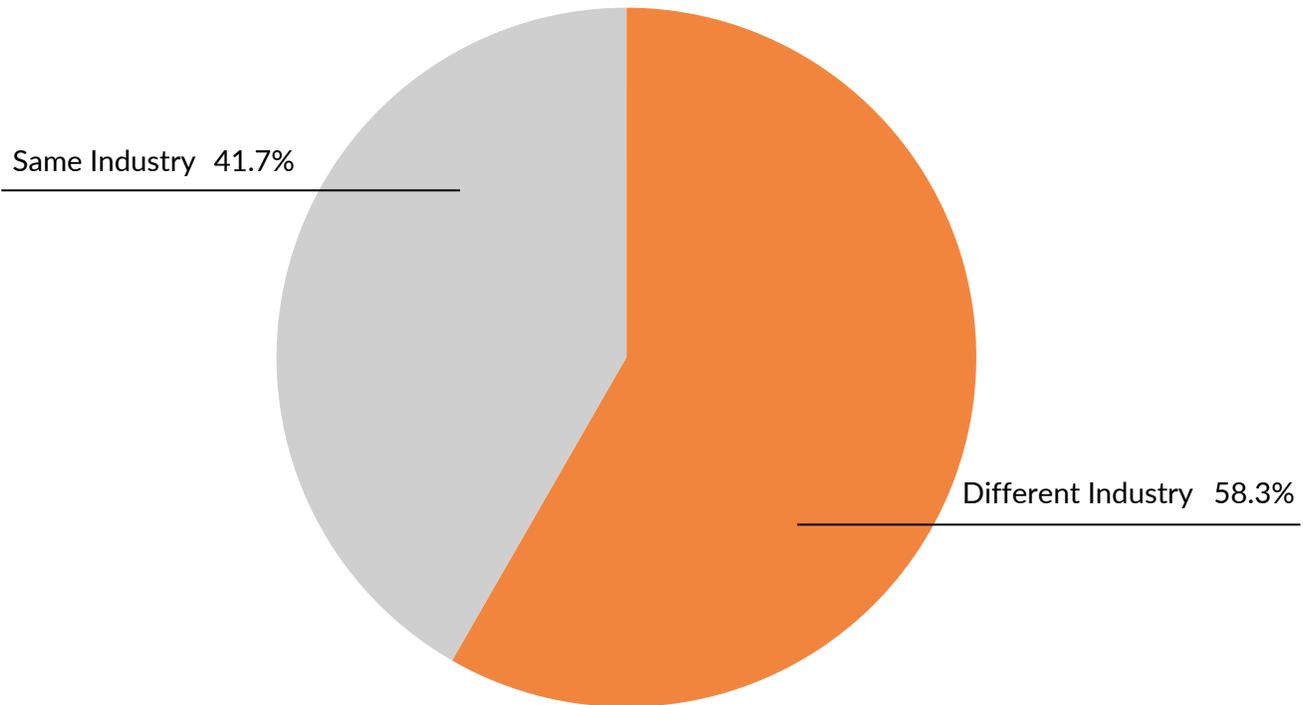
Boards and CEOs do not consistently prioritize industry experience when hiring externally. In the S&P 500, 58.3% of externally appointed CHROs come from a different industry, making cross-industry hires more common than in-industry ones.<sup>32</sup>

<sup>31</sup> N2Growth analysis.

<sup>32</sup> Industries classified according to the 11 GICS sectors.

### How often do externally appointed CHROs come from an organization in a different industry?

More than half (58.3%) of externally appointed CHROs in the S&P 500 came from a different industry from their current one.



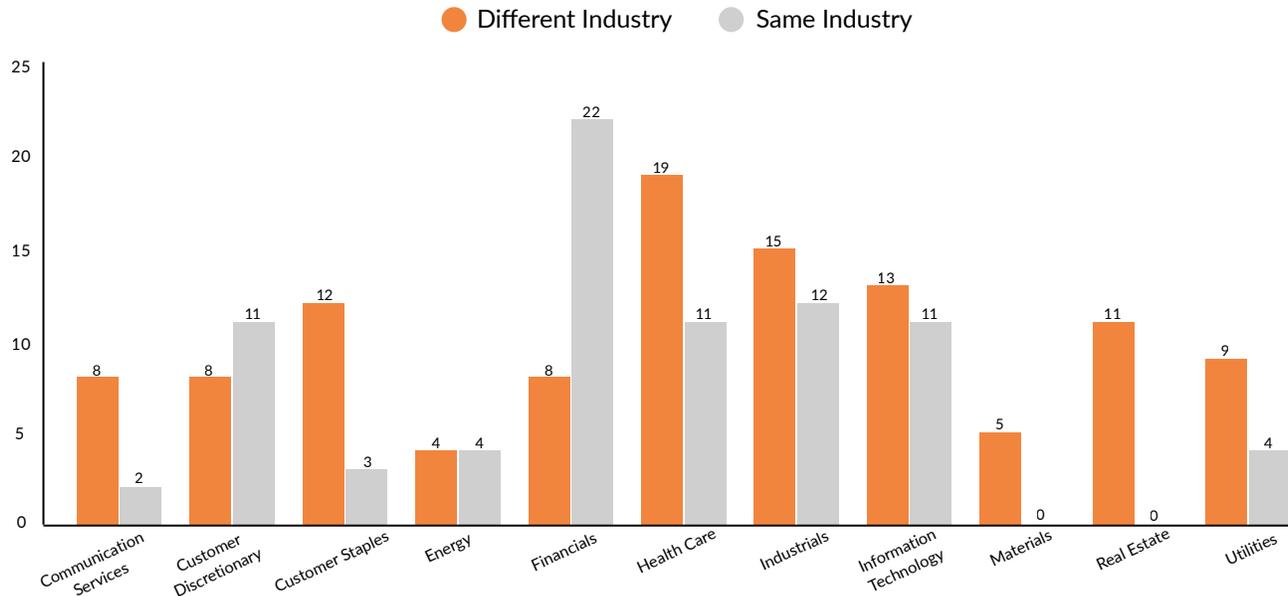
When boards do go out of industry for a CHRO, 'technology' is the most commonly sought background, reflecting both the higher valuation multiples of 'prefix-tech' companies—fintech versus financial services, healthtech versus healthcare—and a desire to credibly tell shareholders, 'we are a technology enabled business.' There's also a pervasive belief, sometimes justified, sometimes not, that tech veterans will naturally run a more innovative people function. Our insight is that while cross-sector tech experience can be valuable, some of the most innovative HR functions sit in seemingly sleepy industries, so the real question is whether the candidate has built a truly innovative function, not whether they carry a tech label.



**Tony Morales**  
Co-Chairman, N2Growth  
Chicago, IL

### Cross-industry hiring for externally appointed CHROs, S&P 500

“Different industry” = externally appointed CHROs whose previous stop was in a different industry than their current organization’s industry; “same industry” = externally appointed CHROs whose previous stop was within the same industry as their current organization.



Companies in financial services have the strongest preference for hiring CHROs from within their own industry, while healthcare, real estate, and materials, are most open to hiring CHROs outside of their respective industries.

### Age at appointment



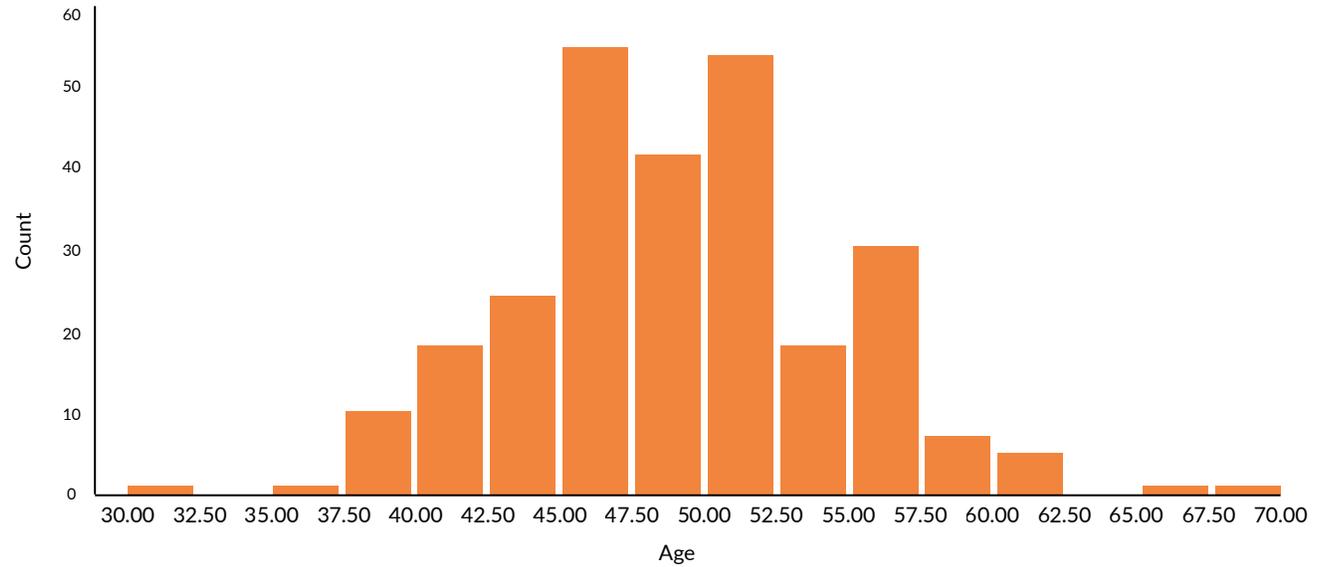
In today’s CHRO market, age is a poor proxy for readiness; what unites the most effective leaders is their impact and underlying human qualities. Consequently, CEOs are decreasingly interested in whether someone has logged a ‘requisite’ number of years in a set sequence of roles, and far more interested in the skills, abilities, and values they bring to the table. In our view, age is a weak predictor of capability; what matters is whether the candidate has demonstrated the intangibles needed to lead the people function into its future.



**Alberto Herrero**  
 Managing Partner, N2Growth  
 Madrid, Spain



### Age at start of current tenure, S&P 500





# How do leading-edge CHROs manage their time?

As the CHROs increasingly shift from people function-focused to business-wide, their time is spread ever thinner. In the past, the CHRO would dedicate most of their time to leading the HR function, from HR operations, systems, and compliance to recruiting, learning and development, and total rewards. They now have to allocate significant time to business unit partnership, cross-functional collaboration, AI and technology, and board/CEO advisory and governance.



### How leading CHROs allocate their time

	0-1 hrs	1-2 hrs	3-5 hrs	6-9 hrs	10+ hrs
HR core (e.g., operations, compliance, talent operations)	25.7%	22.9%	31.4%	14.3%	5.7%
Business P&L Leadership (e.g., BU reviews, revenue decisions)	5.9%	11.8%	38.2%	32.4%	11.8%
Functional Partners (outside HR)	8.6%	8.6%	40%	20%	22.9%
Enterprise transformation & M&A	0%	22.9%	48.6%	8.6%	20%
AI & technology (e.g., people/HR tech, automation, analytics)	11.8%	26.5%	38.2%	17.7%	5.9%
CEO /Board advisory & governance	2.9%	25.7%	22.9%	37.1%	11.4%
External stakeholders (investors, regulators, community, unions)	20%	45.7%	25.7%	5.7%	2.9%
Leading the HR function (e.g., org design, leadership)	0%	11.4%	17.1%	34.3%	37.1%
Other	15%	20%	30%	15%	20%

Boards and CEOs should probe time allocation explicitly when interviewing CHRO candidates, and current CHROs should regularly evaluate how to allocate their time to ensure that they're able to lead impactfully, plan for the future, and advise the board and CEO.



# Anita Graham

EVP, Chief Human Resources Officer



We sat down with Anita Graham to discuss strategic time management.

**For new or aspiring CHROs, what pitfalls would you warn them about in allocating their time? Where are CHROs tempted or forced to spend too much time, what gets missed when they do, and where would you advise they focus instead? Any “do this, not that” advice or early signals to watch?**

The biggest pitfall is not being intentional. Sit down and think about where the business is in its strategy, needs, and challenges, and therefore where you should lean in most heavily. Consider where your function is in terms of maturity and needs, and the strength of your team. Be deliberate and thoughtful so you understand context: where the organization is, where the business is, where your function is, and where your CEO and peer set are. Actively engage and set expectations so you are not whipsawed into different things or working on items the business does not value. You may need to take the business through that journey, but know space and time so you can impact the right things and then set deliberate time toward them.

Where CHROs get pulled off course: a breakdown inside HR. You start getting questions from peers or the CEO, and if you do not have a strong team or you do not trust what is happening, you feel the need to go deep. Sometimes you must go deep, but strong prep work and planning reduce the frequency and impact. Mistakes will happen. Be playful, empower your teams to fix issues, and get to the root cause of what happened.

**Read the full interview with Anita Graham by clicking here.**

Anita Graham is EVP, Chief Human Resources Officer for Labcorp. She has led human resources through major business transformation in previous roles and currently holds board-level roles in several professional organizations including the CHRO Association (formerly HRPAs), the Center on Executive Compensation and the Center on Executive Succession. She also serves on the National Board of Trust for Public Land.

Labcorp is a public company with nearly 70,000 employees across the globe.

## Leading-edge CHROs plan their time intentionally

1

**Be proactive:** Set goals for strategy, people, peers, and governance; review quarterly. When HR was primarily an administrative function, the main goal of the head of HR was to set up the right systems and processes to handle administrative demands. Now, the CHRO must proactively set strategic priorities to grow not only the HR function, but also to guide the business, whether on the future of work, people and culture strategy, or integrating AI.

2

**Mature the HR function and the team:** Install operating mechanisms and empower leaders to free capacity for enterprise level work. Building the HR function and a great team is the key to enabling organization wide leadership. “Build a star team,” Anita Graham, EVP, Chief Human Resources Officer at Labcorp, advises, “that effectively leads the HR function with you. You need to be the function leader for your team, but you are also the HR leader for the whole company and its people, and a partner and advisor to the C-suite, the board, and the CEO. You can only do this effectively and sustainably when you have a great team.”<sup>33</sup>

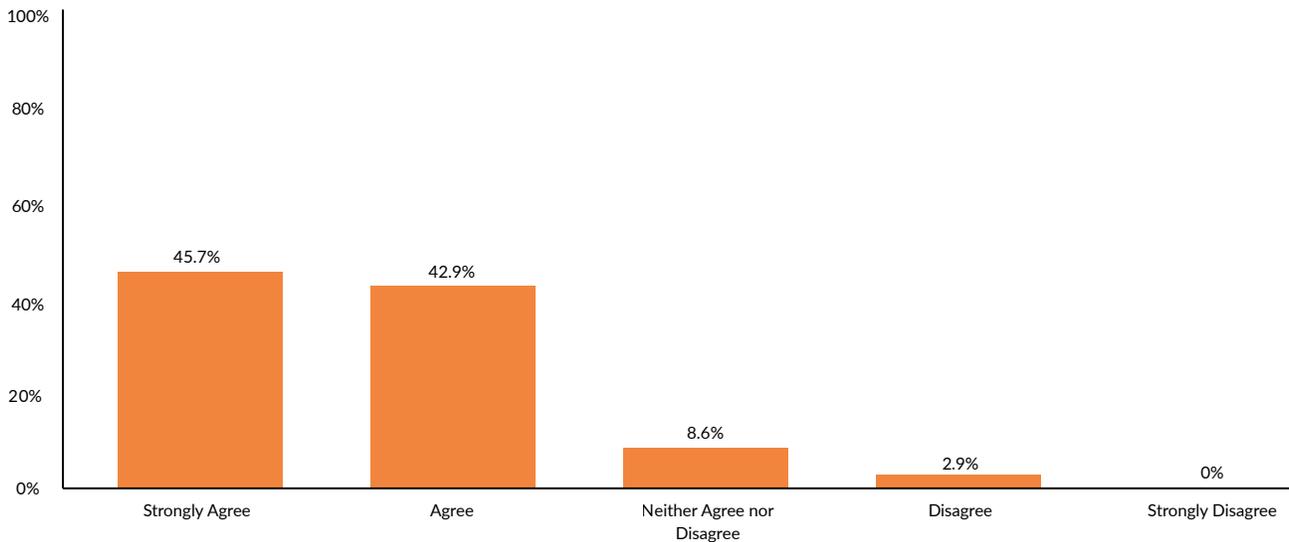
3

**Partner across the C-suite:** Co-lead financial and change management initiatives with the CFO/COO and co-design technology and workforce shifts with the CTO/CIO. CHROs of the past may have been largely siloed, but they are now strategic partners, especially with the CFO and COO, to plan the future of work, and, with the CTO or CIO, to integrate AI into the workforce.

<sup>33</sup> “Labcorp’s Anita Graham on strategic time management,” N2Growth, December 4, 2025.

## Leading-edge CHROs are spending more time with C-suite peers

“Compared with 5 years ago, CHROs spend more time advising C-suite peers.”



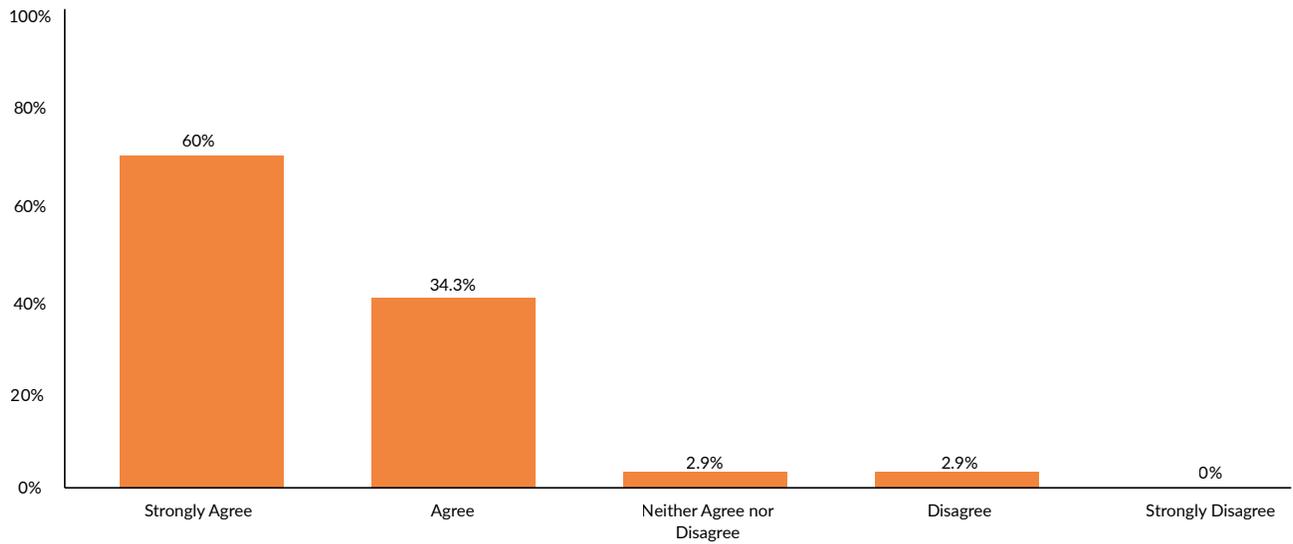
# 4

**Align with the board and CEO:** Run a regular cadence to confirm priorities, socialize the time utilization, and maintain no-surprises updates. The leading-edge CHRO confirms priorities regularly, calibrates focus, and ensures alignment with the CEO’s agenda, while surfacing people, culture, and organizational health realities visible only from the CHRO vantage, and pressing for action. “Align with your CEO on where you are spending time. I consistently ask, ‘This is what I am doing and where I am focused. Are you aligned with that?’ Alignment matters” Graham tells us.<sup>34</sup> The same applies with the board. Whether working on committees or giving updates, leading-edge CHROs know that relationships with board members are not only important for the role, but for the organization overall. Leading-edge CHROs proactively engage with board members and the CEO. They protect time for building relationships with the top of the organization.

<sup>34</sup> “Labcorp’s Anita Graham on strategic time management,” N2Growth, December 4, 2025.

### Leading-edge CHROs are spending more time with the board and CEO

“Compared with 5 years ago, CHROs spend more time advising boards and CEOs.”

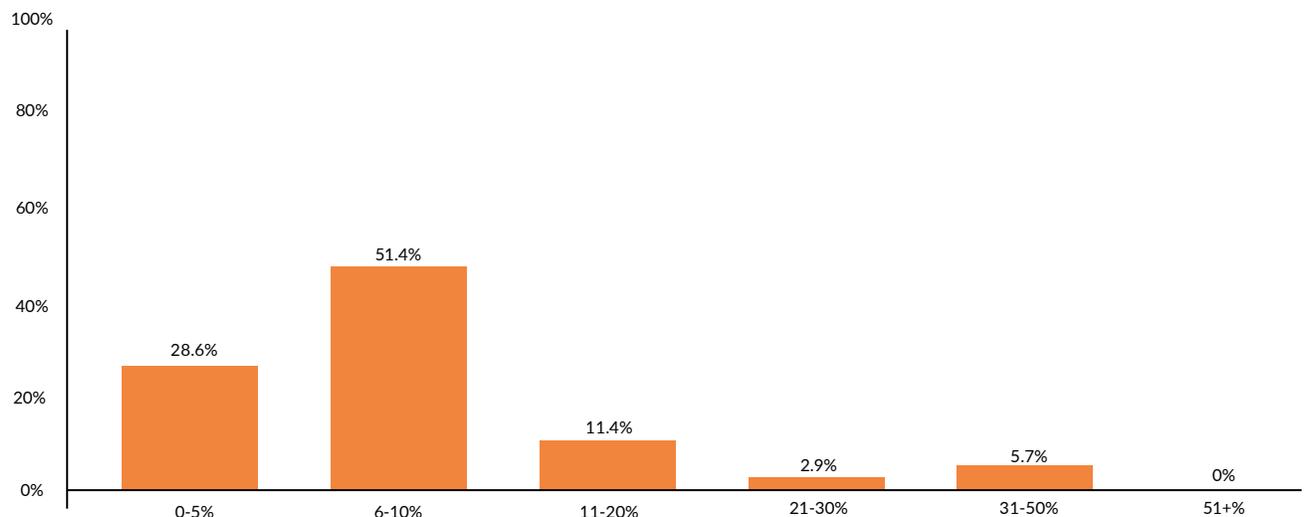


# 5

**Make the future:** Protect weekly time for white space, scenario planning, and roadmaps (AI, talent, operating model) to prepare for high-, medium-, and low-disruption futures. At this critical moment, amid AI, geopolitical shifts, and rapidly changing demands from the workforce, CHROs must anticipate and plan ahead. Set aside time to plan and create the future the organization needs.

### Leading CHROs balance AI initiatives with enterprise priorities

“Approximately what percentage of your typical workweek is currently dedicated to AI?”





# What is the future of the CHRO?

Over the next five years, the CHRO will be one of the three most critical roles in the C-suite. They will sit at the intersection of strategy, growth, risk, and execution, and be the voice in the room connecting people and culture to high stakes decisions where value is created or destroyed. Boards and CEOs who fail to fully leverage their CHRO may leave long term performance and enterprise value on the table.

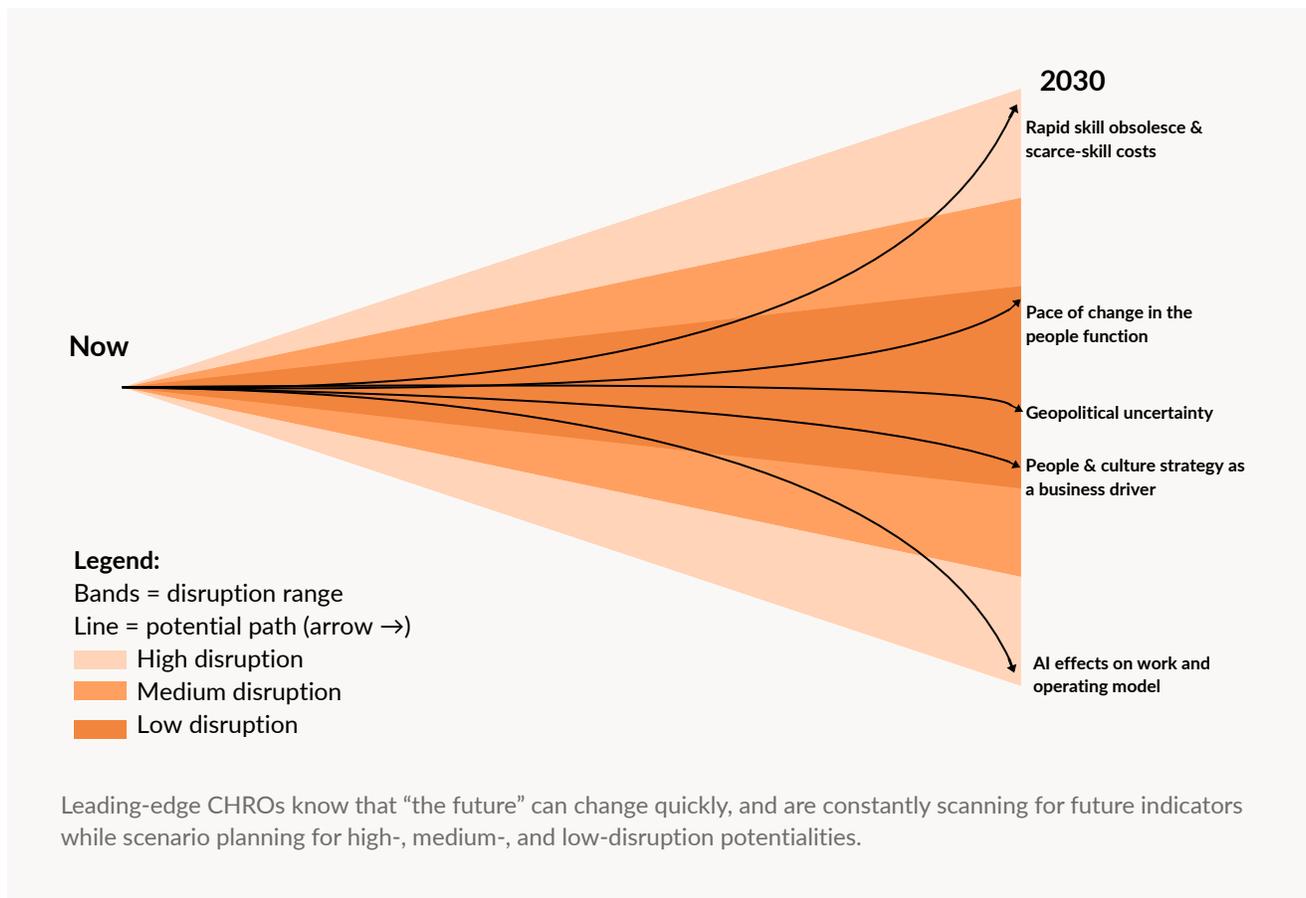
This enterprise-critical future of the CHRO is tied to the 5 drivers we identified above: the increasing role of people and culture strategy in determining business outcomes, rapid skill obsolescence and scarce-skill costs, escalating geopolitical uncertainty, the effects of AI, and the fast changing future of the people function itself.



### Five disruption drivers: cones of possible futures (2025-2030)

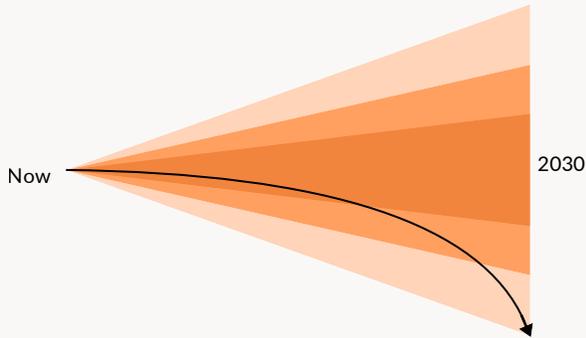
The cones show possible low-, medium-, and high-disruption futures for each of the five drivers—light orange for high disruption at the edges, dark orange for low in the center.

The lines are not forecasts, but a set of scenarios for CHROs to watch.



Scenario bands by driver (2025 → 2030)

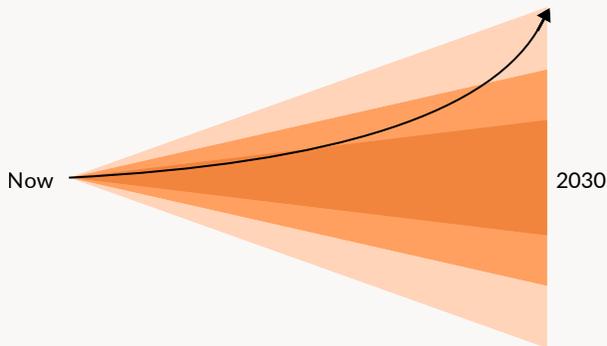
AI effects on work & operating model



High disruption scenario:

- Enterprise workforce transformation program launched
- Entry-level hiring rebalanced for AI impact
- Productivity ROI at scale still unresolved

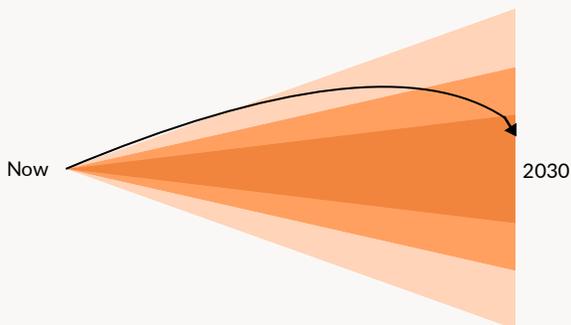
Rapid skill obsolescence & scarce-skill costs



High disruption scenario:

- Skill half-life < 24 months
- Scarce-skill premiums; volatile AI requisitions
- Reskilling talent marketplace at scale

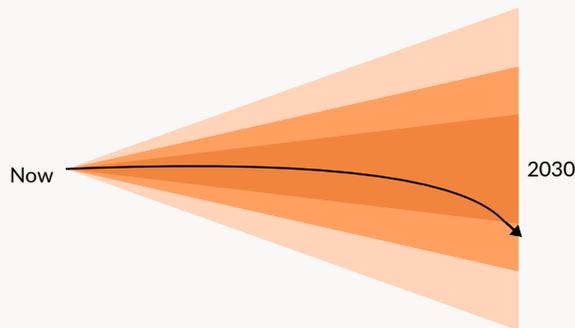
Pace of change in the people function



Medium disruption scenario:

- AI automates  $\geq 50\%$  steps in TA & internal mobility
- CHRO–CTO joint governance for people-tech
- HR tech stack modernization & agent integration

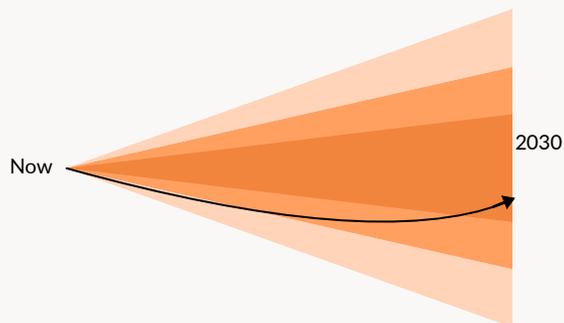
### People & culture strategy as a business driver



#### Medium disruption scenario:

- Culture → value linkage demonstrated (engagement ↔ revenue/NPS)
- Leadership model refresh & cascade
- Manager capability uplift (coaching/teams)

### Geopolitical uncertainty



#### Low disruption scenario

- Trade policy shifts reshape footprint
- Immigration/regulatory changes drive workforce moves
- Supply-chain refootprint & compliance complexity

Each factor can move independently or in complex causal relationships with other factors. Leading-edge CHROs keep the big picture in mind while also tracking each driver separately, envisioning potential impacts and opportunities.

These shifts are already underway. A leading-edge CHRO, however, is not solely focused on how these drivers are affecting the business currently. They are already envisioning and planning the future. They do not just see disruption. They see value opportunities and are eagerly imagining, testing, and sequencing moves to shape the future.

**Where others might see challenges and hurdles, the leading-edge CHRO sees prime opportunities for driving business outcomes.**

**Boards and CEOs should embed and empower their CHROs in enterprise strategy formation, not just post-fact resourcing.**



# Diane Johnson May

## EVP, Chief People and Culture Officer



We sat down with Diane Johnson May to discuss the ongoing transformation of the HR function.

**Looking ahead five years, what does effective CHRO leadership look like in a high-disruption environment where AI integration, fast-moving regulation, and diverse workforce expectations collide? How do you balance work redesign with technology adoption? What is the right mix of capability building, upskilling, and speed?**

In a high-disruption world, AI isn't just top of mind, it's reshaping the very nature of work. The real challenge isn't just adopting new tech, but sequencing it right: do we redesign the work first, or let the tech lead? The answer is both. The future belongs to organizations that can reimagine work and integrate technology in tandem. That's why we're doubling down on upskilling and reskilling our people while bringing in new digital capabilities.

In our industry, the regulatory environment moves fast. Companies need to move faster. Navigating change means having the right talent in place to lead through complexity. At the same time, we're managing a multi-generational workforce with diverse expectations. Success depends on understanding what unites them, what sets them apart, and creating a workplace that speaks to both.

Status quo isn't an option, not today, and certainly not in the future. The CHRO role is defined by constant change. What sets leaders apart is how they respond. Agility isn't a skill. It's a mindset.

**Read the full interview with Diane Johnson May by clicking here.**

Diane Johnson May is EVP, Chief People and Culture Officer for The Campbell's Company and a member of Campbell's operating committee. She leads the human resources function, including talent acquisition and management, organizational effectiveness, compensation and benefits, and inclusion and diversity, to focus on building a winning team and culture that helps every employee reach their full growth potential.

The Campbell's Company is a public company with net sales of \$10.3 billion in fiscal 2025 and 14,400 employees across North America.

## AI, 5 years out: a very different HR function

The HR function is on the precipice of dramatic change. Today, AI is just getting started: less than 10% of leading CHROs report having AI automation in place for 50% or more of processes in most categories, with the exception of (1) HR service delivery and frontline productivity (25.7%) and (2) people analytics, risk, and reporting (17.1%).



### Most HR processes will be 50%+ automated within 5 years

“Do you expect that 50% or more of process steps are currently or will be AI-automated in your organization within the timeframes shown?”

	Today	Within 12 months	Within 5 Years
Talent acquisition & internal mobility	8.6%	31.4%	94.1%
Workforce planning & skills intelligence	5.7%	22.9%	82.9%
Performance, learning & leadership enablement	5.7%	45.7%	88.6%
HR service delivery & frontline productivity	25.7%	68.6%	94.3%
People analytics, risk & reporting	17.1%	51.4%	91.4%
Total rewards & workforce cost optimization	8.6%	22.9%	74.3%
Employee & labor relations	8.6%	17.1%	42.9%

Of the leading CHROs we surveyed, a striking 70%+ report expecting 50%+ of processes to be automated across major HR processes within 5 years (close to or over 90% expecting 50%+ automation for many core processes). Only employee & labor relations comes in below 50%, and even that number (42.9%) is high compared to usage today or even within 12 months for most categories.<sup>35</sup>

<sup>35</sup> “2025 leading-edge CHRO survey,” N2Growth.

“

**AI isn't just top of mind, it's reshaping the very nature of work.**<sup>36</sup>

Diane Johnson May

EVP, Chief People and Culture Officer, The Campbell's Company

## What will the HR AI transformation look like? Seven potential use cases across core HR processes

**Talent acquisition & internal mobility** (e.g., sourcing, screening, matching, scheduling; recruiter and manager copilots; offer, requisition automation; internal matching)

AI could serve as a talent-intelligence layer that continuously scans internal and external pools, automatically screens applicants, and orchestrates end-to-end scheduling, notetaking, comparison, and analysis so recruiters and managers can concentrate on the highest-leverage candidate interactions and decisions. Recruiter and manager copilots could surface predicted performance, mobility options, and market benchmarks at the point of decision, while automated offer and requisition workflows enforce policy, reduce bias, and materially compress time-to-fill for critical roles.

**Workforce planning & skills intelligence** (e.g., skills taxonomy; role redesign; capacity, forecasting, redeployment, reskilling velocity, scenario modeling)

AI could maintain a live, enterprise-wide skills graph that infers capabilities from work outputs and maps them against strategic demand, highlighting structural shortages, pockets of surplus, and redeployment opportunities. Executives could revisit earlier attempts to integrate agent-based modeling techniques through use of AI-driven scenario modeling to test alternative portfolio, automation, and

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<sup>36</sup> "The Campbell's Company's Diane Johnson May on the future of the CHRO role," N2Growth, December 4, 2025.

location strategies in minutes, quantifying implications for capacity, reskilling velocity, and cost before committing to major organizational moves.

**Performance, learning & leadership enablement** (e.g., goal, feedback drafting, performance summaries; learning personalization; manager or leader coaching nudges)

AI agents could draft strategy-aligned goals and concise performance summaries by synthesizing data from systems of record, collaboration tools, and customer outcomes, allowing managers to focus on calibrating and delivering the message, not wrestling with forms. In parallel, AI would continuously personalize learning pathways and push targeted coaching nudges to leaders, such as when to recognize a team, address a pattern of behavior, or assign a stretch role, raising the overall quality and consistency of performance and leadership practices across the enterprise while creating previously unseen levels of executive line of sight for senior decision makers to understand their organizations.

**HR service delivery & frontline productivity** (e.g., case or chat deflection; knowledge search, self-serve, forms or doc generation; workflow automation; frontline scheduling, shift optimization, overtime control)

AI agents could resolve the majority of employee and manager requests through intelligent case management, knowledge search, and automated forms and document generation, triggering downstream workflow automation with minimal human touch for standard transactions. For frontline workforces, AI scheduling engines could continuously optimize shifts and overtime against demand, skills, and compliance constraints, giving line leaders a clearer line of sight to productivity, cost, and employee experience trade-offs.

**People analytics, risk & reporting** (e.g., attrition, engagement risk, quality of hire, skills gaps; listening, sentiment; human-capital, ESG disclosures, pay-equity analytics, audit trails)

AI could continuously monitor workforce data to flag emerging risks, such as rising attrition or declining engagement in specific segments, and attribute them to drivers like manager behavior, workload, or skills mismatches, pushing targeted insights directly to accountable executives. The same platform could auto-generate human capital and ESG disclosures, pay-equity analyses, and audit-ready trails, shifting effort away from manual report production toward interpretation, governance, and proactive risk mitigation at board level.

**Total rewards & workforce cost optimization** (e.g., pay structures, bands, pay-equity remediation; incentive simulations; staffing-mix optimization; productivity per FTE)

AI engines could regularly recalibrate pay structures and bands to external markets and internal equity, recommending precise pay-equity remediation actions and incentive design adjustments that align cost with value creation, integrating real-time feedback while challenging norms around frequency of compensation analyses. Scenario tools could let executives test alternative staffing mixes and productivity assumptions (e.g., by role, location, or automation level) and see immediate impacts on total labor cost, productivity per FTE, and critical talent segments to support more disciplined capital allocation and workforce decisions before implementing structural changes.

**Employee & labor relations** (e.g., case intake, triage; investigations, grievance handling, corrective-action letters; policy interpretation; works council consultation; bargaining prep)

AI could standardize case intake and triage, automatically classifying issues by risk, applying policy logic, and drafting investigation plans and corrective-action letters that are consistent with precedent and tone. In unionized or works-council environments, AI assistants could synthesize historical agreements, external comparators, and financial scenarios into bargaining preparation dossiers, enabling leadership teams to negotiate from a position of clarity on constraints, trade-offs, and long-term workforce implications while maintaining trust, fairness, and compliance as explicit design constraints.

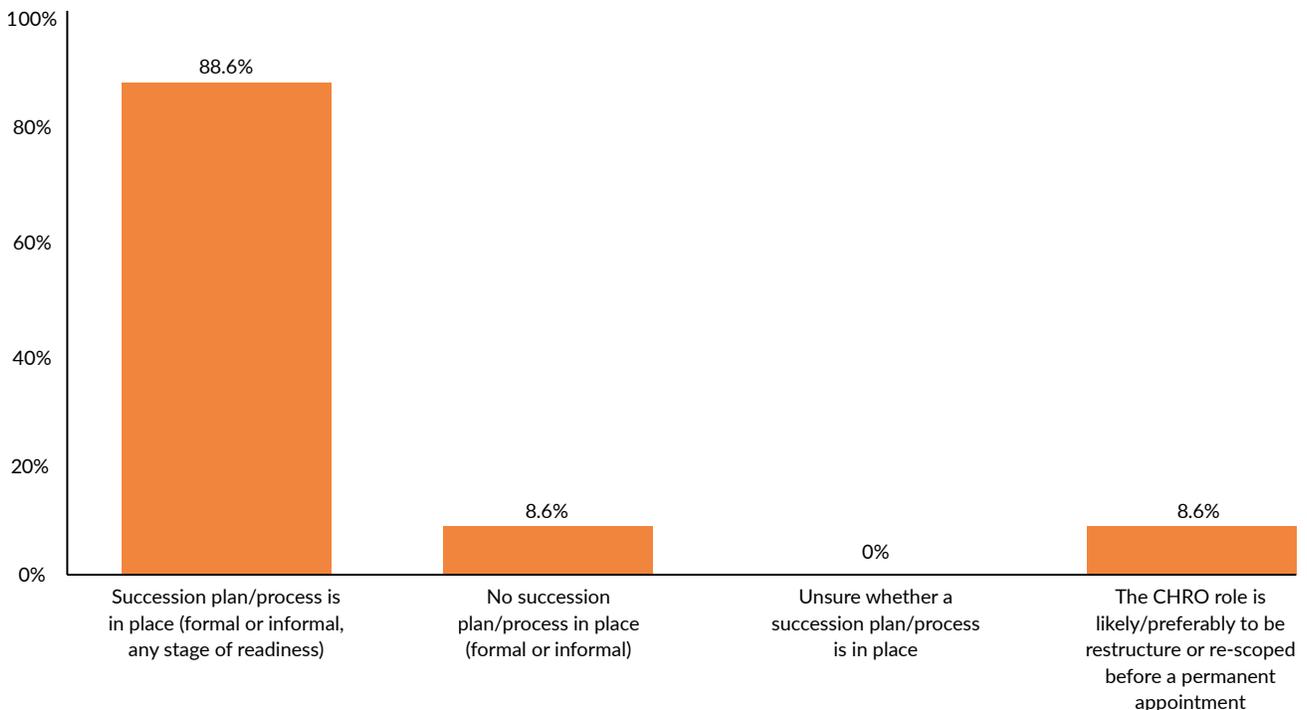
This type of transformation will be unlike anything most executives have seen or led through. Boards and CEOs need forward thinking CHROs to lead through uncertainty, pivot quickly, and envision how to practically and efficiently lead the HR function through AI transformation that is already underway and still coming.

## Succession planning

Having a successor ready and able, whether in an emergency or for a long-planned retirement or external move, is an essential part of the CHRO role’s mandate of planning for the future and managing risk.

### Leading CHROs have a succession plan in place

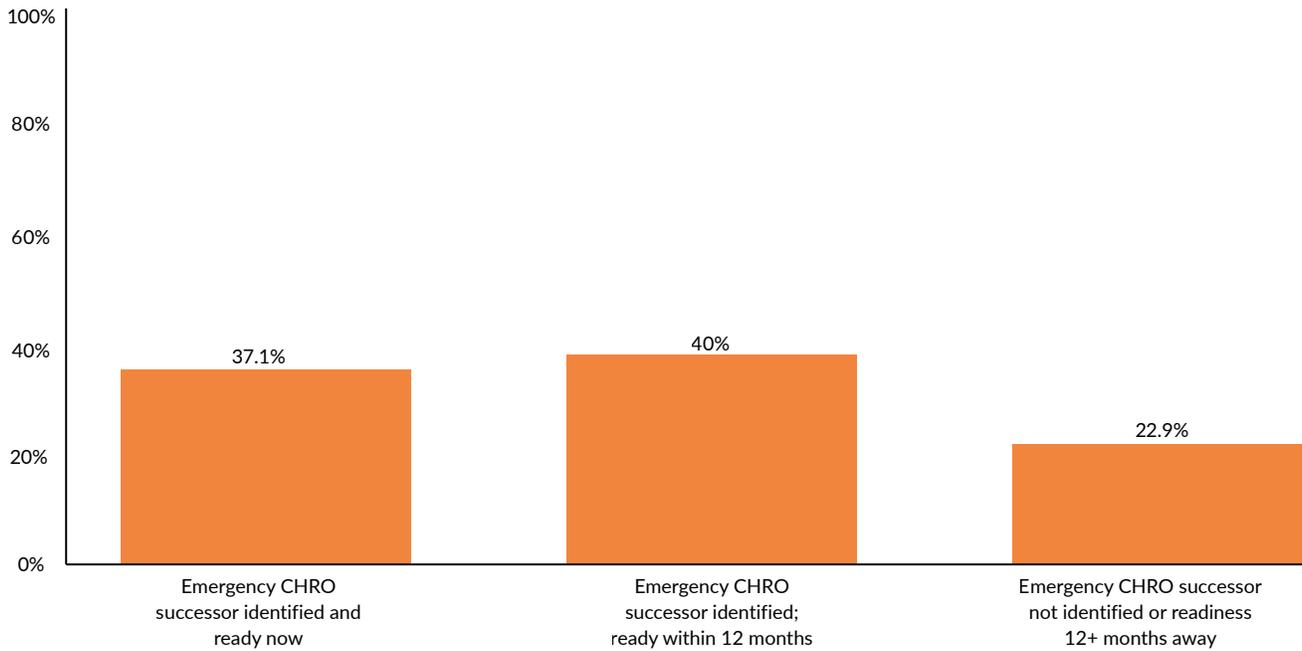
88.6% of CHROs report that a “succession plan/process is in place (formal or informal, any stage of readiness).” (Totals may exceed 100% as respondents were permitted to choose multiple responses.)



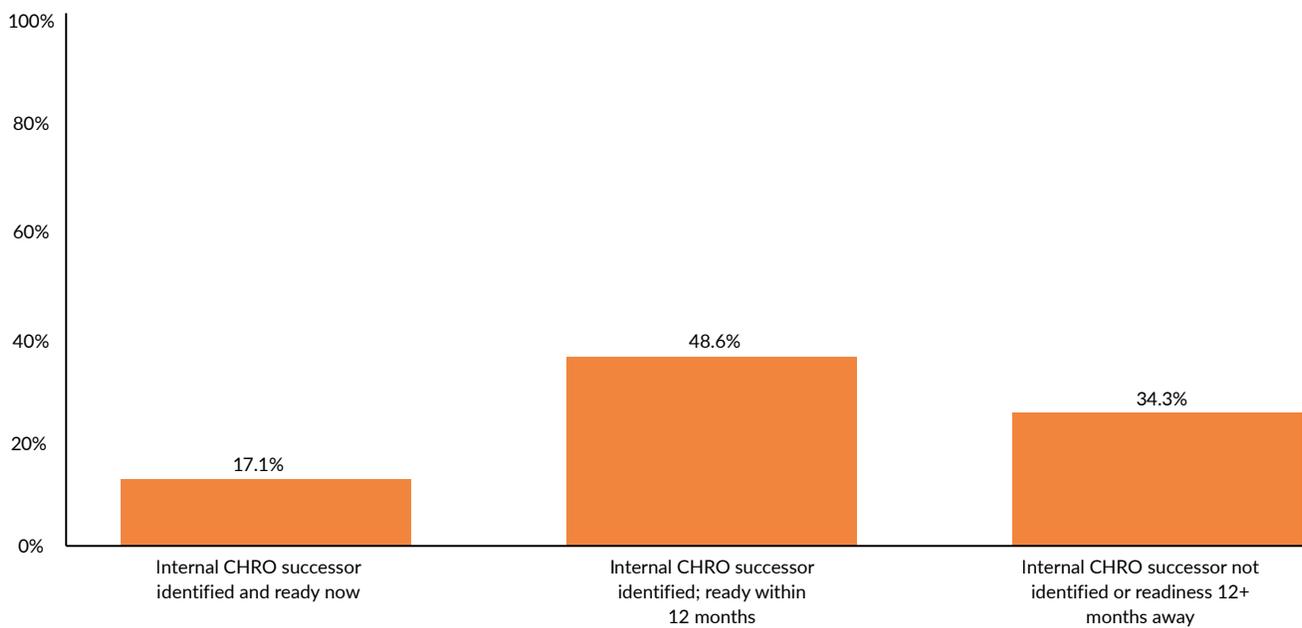
To be best prepared for the future, a leading-edge CHRO will have 3 types of successors identified and ready: (1) an emergency/interim CHRO, (2) an internal CHRO, and (3) an external CHRO successor.



### Leading CHROs have an emergency successor ready immediately or soon



### Leading CHROs have prepared internal successors who have already been identified



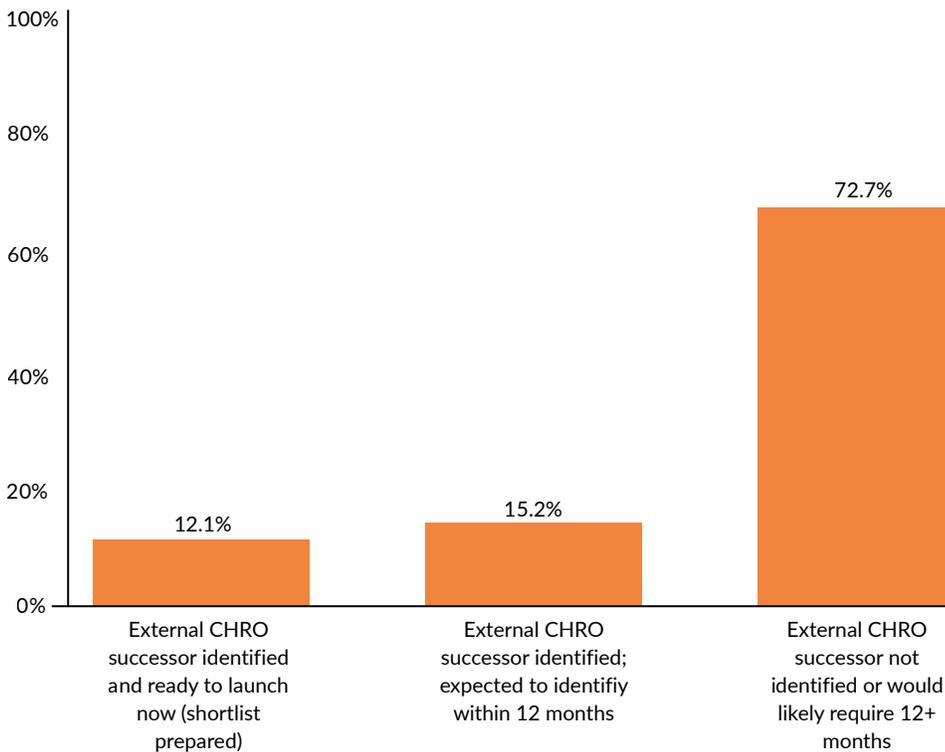


Succession used to mean looking down to find the next best person in line. As stakes for getting it right have increased, so too have succession expectations. A growing number of boards are requiring emergency, internal, and external succession candidates—not just the role of CEO, but for the entirety of the C-suite. The CHRO role is no exception.



**Mónica Varela**  
Senior Director, N2Growth  
Mexico City, Mexico

### Leading CHROs should consider having an external successor identified



# What is next?

## Action items for finding the leading edge

### For boards & CEOs

- 1** Empower the CHRO to shift from advising on strategy, transformation, and operations to leading those enterprise-critical domains as a true business owner.
- 2** Leading-edge CHROs believe that a majority of HR function processes will be AI automated within 5 years. Expect and position your CHRO to lead that transformation, and then use the insights and capabilities built there to guide AI-enabled change across the enterprise.
- 3** Develop your CHRO succession candidates by building their P&L, technology, and AI fluency, giving them opportunities to co-lead enterprise scale initiatives, and providing external exposure through boards, peer forums, and cross-industry benchmarking.
- 4** When selecting a successor CHRO, prioritize demonstrated impact, learning agility, and influence over a narrow HR checklist. Evaluate candidates' approach to leading people and culture, AI-enabled workforce transformation, and CHRO succession.

## For current CHROs

- 1** Benchmark your time mix against leading-edge CHROs to consider new ways of working. Use our time-allocation patterns as a reference point, then test for alignment between how you use your week and your stated priorities. Particularly consider your time investments with the CEO, C-suite peers, and the board on enterprise strategy, operating model, and AI-enabled workforce roadmaps.
- 2** Treat HR as a core business function by building a star HR leadership team of prospective succession candidates and modern, increasingly automated core processes so that day-to-day operations run reliably, freeing yourself to focus on enterprise-level priorities such as value creation and long-term organizational health.
- 3** Deepen your fluency in finance, technology, and AI so you can explain people and culture choices in P&L terms and credibly co-lead AI, digital, and large scale transformation initiatives with your C-suite peers.
- 4** Act as the chief futurist for work by running regular scenario planning on AI, skills, geopolitics, and regulation, and put succession at the center of your mandate with clear emergency, internal, and external options for critical roles.

## For aspiring CHROs

- 1** Demonstrate the skills, abilities, and values boards expect from leading-edge CHROs, such as enterprise and business unit strategy, portfolio workforce planning, and operating model and organization design; seeing the whole system, connecting external trends to internal implications, and influencing the board, CEO, and C-suite peers; an enterprise-first mindset, long-term stewardship, and disciplined, evidence-based thinking.
- 2** Invest early in a market-facing perspective on AI, people capabilities, regulation, and the future of work so that when you arrive in the CHRO seat you can immediately operate as an externally capable advisor to the board and CEO.
- 3** Seek assignments that stretch you beyond HR, including finance secondments, business unit or country leadership, digital and AI initiatives, and large scale change programs where you help shape enterprise outcomes.
- 4** Aim past today's CHRO and toward the role at the leading edge. Prepare to be the "Chief Agents Officer." Since the future of work is no longer just human, you need demonstrated experience leading a workforce of people and AI agents, and owning how those agents are deployed, governed, and measured.

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