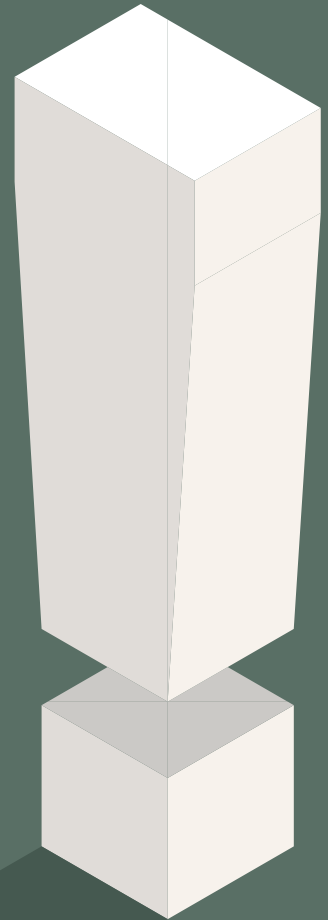


The CHRO and People Leaders *Crisis:*

A Call to Action for CEOs

SUMMER 2024



blu ivy | CHRO
WHITEPAPER

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Intro- duction

Recognizing CHROs as the **unsung heroes** of the past several years is crucial.

In our latest study, *The CHRO and People Leaders Crisis: A Call to Action for CEOs*, we explore the evolving landscape for CHROs and People Leaders across North America.

As a leading employer brand and culture consulting agency, we conducted this research to better understand and support our executive HR and C-Suite clients. Our goal was twofold; first, to understand the biggest challenges that our people and culture leaders are navigating, and second, to uncover what they perceive as the most prominent opportunities to course-correct and reignite the passion and pride in leadership teams and workplaces.

Recognizing CHROs as the unsung heroes of the past several years is crucial. They have stood as the backbone of organizations, guiding them through a global pandemic, fluctuating economic landscapes, and the increasing demands of Human Capital Management.

Despite the appearance of healthy traditional people metrics like retention, overall engagement scores, and volume of job applicants per job, our research uncovered a deeper story that sounds an alarm for CEOs around engagement and commitment from CHROs and People Leaders. CEO's need to balance the near term focus on addressing shareholder & board performance with the emerging human capital crisis to:

- Increase profitability and productivity
- Balance high-performance objectives with people-first cultural performance
- Protect and maximize the investment in their people

METHODOLOGY

Between February-May 2024 we conducted a comprehensive quantitative and qualitative study:

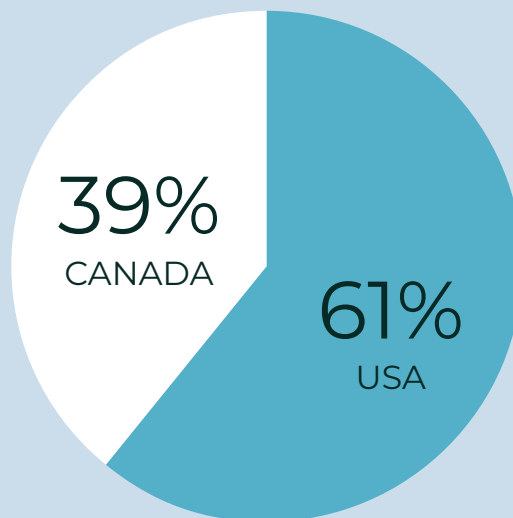
500+

quantitative surveys
with CHROs and
People Leaders across
North America

50+

in-depth, long format
qualitative interviews
with CHROs across
North America

*Geographic
Breakdown*



Executive Summary

What are the biggest
current concerns for CHROs and
People Leaders at Present:

CHROs

- 58% BURNOUT
- 33% ATTRACTION & RETENTION
- 33% ECONOMY & INFLATION IMPACTS
- 30% LACK OF RESOURCES TO DO ROLE
- 27% LACK OF LEADERSHIP DIRECTION/SUPPORT

People Leaders

- 25% QUALITY OF TALENT ON TEAM
- 20% NOT ENOUGH PEOPLE ON TEAM TO DO JOB
- 19% LACK OF LEADERSHIP SUPPORT
- 18% STRESS ONGOING RESTRUCTURING
- 16% WORKLIFE BALANCE

Key Findings:

Burnout and Well-being Crisis

58% of respondents identified burnout, exhaustion, and mental health as their biggest challenge.

The relentless demands of crisis management, restructuring, and increased responsibilities that encompass DEIB, workplace wellness, AI advancements, and navigating the management impacts of the largest multigenerational workforce in our lifetime, has led to significant burnout within the CHRO function in North America. This multifaceted role now demands more strategic oversight and operational execution than ever before, stretching CHROs thin as they strive to balance these diverse and complex challenges while maintaining a healthy organizational culture.

Short-Term Fixes, Long-Term Consequences

43% of CHROs spend less than 10% of their time on strategy due to operational emergencies and immediate issue management.

There is a critical need for organizations to balance short-term crisis management with long-term strategic vision to drive sustained business growth.

The Departure Dilemma

57% of CHROs are considering leaving their roles within the next 8-12 months, posing a significant threat to organizational stability and culture.

Misalignment between personal values and organizational practices, coupled with a lack of recognition and support, is driving this exodus.

Evolving Skill Sets and Technology Integration

CHROs are now required to address complex challenges around employee well-being, mental health, and technology adoption, often without adequate support or resources.

75% of CHROs identified AI solutioning as a critical priority, highlighting the need for strategic investments in technology to enhance HR effectiveness.

The Importance of Employer Branding

Organizations with a compelling Employer Value Proposition (EVP) and employer brand strategy report positive impacts on talent attraction, engagement, and retention.

Today, there is a prime opportunity to craft Leadership Value Propositions (LVPs), that resonate with what leaders value most in their roles. This effort not only boosts pride and reputation, but also establishes the organization as a hub of dynamic leadership. Our research shows that top talent now values leadership quality over brand names when choosing where to work. By focusing on LVPs, and building the reputation of your management teams, companies will drive sustained success, attract top talent, and build a more robust leadership pipeline.



Recommendations for CEOs:

By addressing these challenges, organizations can better support their HR leaders, enabling them to focus on long-term strategies that drive sustained value creation and organizational success. Prioritizing a collaborative and supportive relationship with CHROs is essential for retaining top talent and ensuring long-term stability and growth.

Strategic Partnership with CHROs

Establish a renewed strategic partnership, by taking the time to recognize the critical role your CHROs have played in steering the company through crisis management and organizational change. Explore what roles they need to add or functions they need to outsource to enable them to focus on longer term strategic planning and impact.

Prioritize HR's strategic contributions and explore roles that need hiring or outsourcing support to allow CHROs to focus on long-term planning.

Reprioritizing Responsibilities

Shift some operational and crisis management duties away from CHROs to allow more time for strategic planning and cultural initiatives.

Invest in Technology and Resources

Leverage advanced tools and AI to automate routine tasks and reduce the burden on HR leaders, enabling them to focus on strategic contributions.

Enhance Leadership Effectiveness

Work with CHROs to identify the coaching support and training needed to enable leaders to more effectively handle people management issues independently reducing their reliance on HR for immediate problem solving.

Promote Greater Work-Life Balance for CHROs

Encourage a culture that values balance, ensuring HR leaders are not overwhelmed by constant demands for accessibility and responsiveness.

Listen to Your Employees

CHROs across North America are urging CEOs to adopt a more active listening role with employees and leadership teams. Read the verbatims in engagement surveys, collect insights from active listening workshops. This hands on approach is essential for understanding and addressing the underlying issues that are prominent in your workforce at present, and preventing forward momentum in your growth.

For more CEO insights, see Chapter 10 and learn how to effectively partner with HR (page 31).

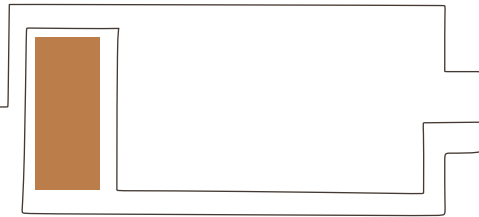




“After COVID, the talent crisis escalated beyond a mere ‘War for Talent.’ It was no longer about finding the right talent, but simply filling positions. In my 30-year career, I’ve never witnessed such a high demand for talent. The hiring frenzy in 2020 and 2021 was unprecedented. The volume and speed of hiring compromised the quality. We are still dealing with the ramifications of that hyper-growth and its impact on culture, productivity, and the competencies required for our company’s success. Our talent expenses were misallocated, severely impacting our bottom line. Many hires had to be downsized, and we are now left with a shortage of skilled talent and an employer brand that needs to be redefined to ensure our success.”

CHAPTER 1

The HR *Burnout* Epidemic



HR leaders are facing an unprecedented crisis of burnout and wellbeing. All while trying to keep up with the relentless asks from the business to put out fires. This crisis within HR is leading to diminishing loyalty for their roles, and if not addressed, will have far-reaching implications on the business.

There is a burnout and well-being crisis within HR

58% of those we researched indicated that Burnout, Exhaustion and Mental Health are the biggest challenges they face at this moment in time.

“There is significant burnout for the HR community. People forget that HR teams are employees too. They need to be engaged, they need to have wellbeing and I think that is forgotten.”

CHROs enter their careers driven by two core motivations: to unlock the potential of talent and build workplaces where people thrive. However, the relentless pace of change, restructuring, and employee well-being issues, coupled with budget and resourcing cuts, have steered them away from focusing on those passions.

The pandemic forced rapid organizational transformations, with CHROs leading remote work transitions, technology adoption, health mandates, furloughs, layoffs, and crisis communications. These added demands intensified their workload.

The #MeToo movement, George Floyd’s murder, and the discovery of unmarked graves at Canadian residential schools for Indigenous children add heightened awareness of systemic racism. HR leaders responded with increased employee support, new strategies, and DEIB commitments, striving to create inclusive and valued workplaces.

#1 CHALLENGE FROM
CHRO INTERVIEWS IS

BURNOUT, MENTAL HEALTH & SLEEPLESSNESS

“I’m utterly exhausted. I also find my patience level is really thin. I am so short. Managing my mood is challenging. I am at my wits end many days.”

As pandemic impacts settled, CHROs navigated changing guidelines and supported employees through unprecedented health challenges and anxiety. During the Great Resignation, they maintained organizational progress, enhancing compensation, recruitment, and culture programs.

Recently, economic headwinds have brought hiring freezes, reduced hours, and layoffs, often shelving the initiatives HR leaders built. These pressures have blurred the lines between personal and professional lives, with many HR leaders working extensive hours and experiencing burnout.

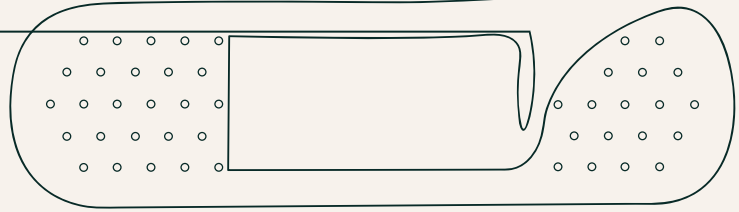
The last 4.5 years, CHROs have demonstrated resilience and the ability to meet both business and talent needs and step up to lead through a multitude of crisis. However, many are now questioning their value within their organizations, and reporting extreme burnout and low morale.

CEOs and executives must reassess their partnership with HR. HR leaders have borne immense burdens, often alone, and played pivotal roles in guiding organizations through unparalleled challenges.

“I had the ability to support talent through the challenges when business was booming. But I’m challenged now as HR costs continue to be cut with shared services being the first to be hit. *It’s hard to feel like you are in control and can look ahead for the business.*”

CHAPTER 2

Short-Term Fixes, Long-Term Consequences



The shift towards HR leading teams through short-term crisis management began at the outset of the pandemic, and now continues to be a heavy day-to-day time demand. The demand for short-term solutioning is overshadowing their long-term strategic goals and impacting overall business growth and stability.

The shift towards HR leading teams through short-term crisis management began at the outset of the pandemic, and now continues to be a heavy day-to-day time demand.

An alarming 43% of CHROs reported spending less than 10% of their time on strategy, creating a gap that hinders their ability to drive productivity for the business. The pace of growth, performance targets, and market shifts have fostered habitual

expectations on how much HR is on call to deal with immediate issues, creating a pressure-cooker environment for many in the field.

CHROs told us that they find themselves disproportionately burdened with operational emergencies and recurring online meetings with international colleagues, leaving little to no time in their days for strategic contributions. Furthermore, the widespread use of internal

27%

OF CHROs SPEND **70-90%** OF THEIR WEEKS DEALING WITH CRISIS/PUTTING OUT FIRES



This focus on long-term objectives is essential for fostering thriving cultures, top-performing talent, and best-in-class leadership. Research shows that firms focused on the long term had 47% higher average revenue and 36% higher earnings.*

Organizations must take decisive action to manage the increasing demands for near-term HR problem solving whilst enabling HR leadership to focus more of their time and energy on long-term strategy.

messaging apps like Slack and Microsoft Teams has compounded this issue, demanding greater responsiveness and adaptability. Many survey respondents in HR leadership felt that they are expected to be constantly accessible, providing immediate feedback and addressing issues for employees as they arise.

At the same time, the complexity and urgency of HR demands for support have increased, with many leaders relying heavily on HR for coaching. In an era of tighter HR budgets and leaner teams, CHROs face a significant challenge: balancing the immediate needs of the organization while maintaining a steadfast commitment to long-term strategic vision.

What CHROs Need Now

97%	Technology/AI
91%	Resources to support our work
70%	Leadership support
45%	Trust and respect
31%	Recognition

What CHROs are focused on matters most within HR

69%	Retention and Engagement
65%	Leadership Development
64%	Talent attraction
55%	DEIB strategy

Where CHROs and Leaders can Invest

Reprioritizing Responsibilities: Shifting some of the operational and crisis management duties away from CHROs to allow them more time for strategic planning.

Investing in Technology: Leverage advanced tools and AI to automate routine tasks and reduce the burden on HR leaders.

Enhancing Leadership Development: Providing training and support to managers to handle more complex issues independently, reducing their reliance on HR for immediate problem-solving.

Promoting Work-Life Balance: Encouraging a culture that values balance, ensuring that HR leaders are not overwhelmed by the constant demand for accessibility and responsiveness.

By addressing these challenges, organizations can better support their HR leaders, enabling them to focus on long-term strategies that drive sustained value creation and organizational success.



CHAPTER 3

Mastering New Skills to Support *Shifting* *Workforce Demands*

Not only has the urgency of HR support shifted over the last few years, the scope of what HR leaders are required to be experts in has become far more complex. Increasingly they are called on to address complex challenges around employee well-being, mental health, and employee relations coaching. Often stepping in as crisis counselors and financial advisors. HR leaders indicate that the volume and frequency of managers reaching out for support and coaching on employee relations and wellness issues has been steadily increasing over the last four years.

At the same time, advances in technology and AI have rapidly become a key priority for CHROs to build a more impactful and efficient future of work. These urgent shifts require HR leaders to make informed decisions about technology investments and training in areas that are altogether new for them, often with no experts on their teams to advise.

There has also been a dramatic shift in terms of how much marketing, branding and social/digital media expertise is required of HR leadership.

The rise of employer branding is proving to drive meaningful results for company culture, talent attraction, and brand reputation; however, many HR leaders are just acquiring, or borrowed a few hours a month of support from marketing teams.

The phenomenon of employees sharing negative experiences about their employers on public platforms like TikTok, Reddit, Glassdoor, X, and Blind has also exploded in recent years. Generation Z values greater transparency, having grown up using social media as a means of communication,

New Demands in the Workplace

Physical health

Mental health

Financial health

Coaching

AI / New Technologies

Stand for Political Issues

DEIB

and are much more willing to hold employers accountable online. In turn, the increased demands on PR and reputation management has exploded as well.

There are now five generations within the workplace, and Gen Z and Millennials are the least satisfied with their workplace. CHROs reported the challenge they have in supporting a generation that has a healthier idea of the relationship of work in one's life compared to the views that executive leaders have. Demographic shifts are a significant issue for HR in the coming years as the working-age population continues to contract at a rapid pace. HR will need to continue to adapt their leadership approaches, ways-of-working, performance management, and DEIB strategies to meet the communication and preference demands of a diverse workforce.

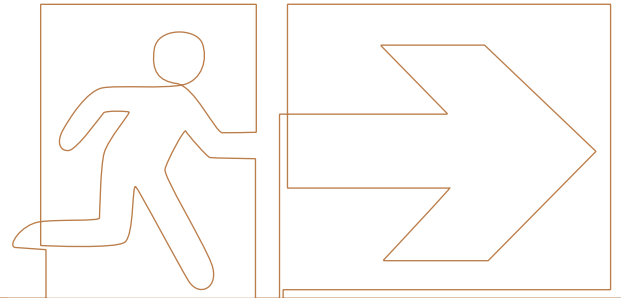
Our research findings are clear: HR leaders feel increasingly challenged to meet the evolving demands of the business, given headcount reductions and agility required. They require adequate resources, budgets, and the organizational backing to empower HR teams to drive meaningful change.

Investing in HR capabilities not only addresses immediate business needs but also enhances the employee and candidate experience, fosters a sense of belonging, and meets the human needs of talent. This holistic approach is essential for building resilient, high-performing organizations in today's complex and fast-paced world.



CHAPTER 4

The Departure Dilemma – *HR Leaders are on the Move*

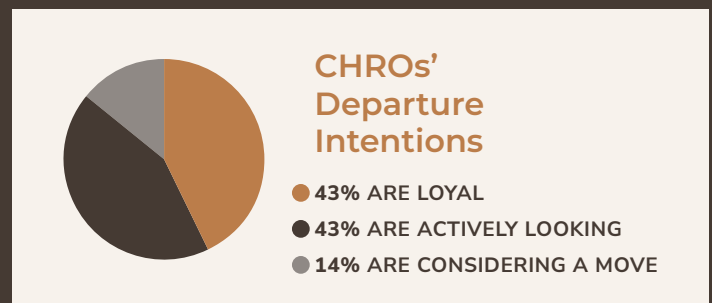


Facing mounting pressures, many CHROs and People leaders are contemplating exits, posing a significant threat to organizational stability. This chapter explores the factors contributing to potential leadership turnover and its potential impacts on the business.

An alarming trend has emerged within the human resources sector: a significant portion of CHRO and executive HR leaders are either contemplating or actively seeking, new opportunities within the next 8-12 months. This impending exodus of HR leadership threatens to drain organizational knowledge, further weaken culture and destabilize productivity. HR leaders shared with us the sentiments and experiences driving them to consider leaving their current roles.

The Stats: A Stark Reality

- 57% of CHROs and HR Leaders indicated they are either openly looking or are now considering making a change in employers within the next 8-12 months.



Aligning Values and Organizational Disconnect

HR leaders express a growing misalignment between their personal values and those of their organizations, this divergence for many has become more pronounced in 2024. Personal

values such as integrity, empathy, fairness, and a commitment to fostering positive workplace cultures are at the core of their motivations. When these values clash with organizational practices that prioritize short-term financials over long-term employee well-being, it leads to a sense of disconnection and dissatisfaction.

The intensifying focus on managing under-performers, addressing talent crises, and ongoing regulatory changes, without adequate support from the C-suite leadership team exacerbates this misalignment. Furthermore, HR leaders stated that the decline in recognition and value placed on their strategic contributions, combined with the ongoing expectations to oversee the “dirty work” of the organization has been demoralizing. HR leaders entered their profession to make a meaningful impact on people’s lives, but the absence of focus and respect of that role is eroding a sense of purpose and fulfillment for many.

One HR leader poignantly described this struggle:

“I need my values aligned with the organizations. Over time, you see the break in the connection. Sometimes in HR, we are dealing with the ugly raw reality of the business and human capital management - No one says, ‘great job’ to HR; everyone says, ‘help me’ (we are like the police). I no longer feel supported by my leadership. If an opportunity arises elsewhere, I will look at it. I want to help people in a more meaningful way.”



Frustration and Fatigue

HR leaders are experiencing a cumulative frustration with how their roles are being prioritized within organizations. The constant turmoil, such as addressing crises, managing cost-cutting measures, and dealing with legal issues, has taken its toll.

Many that we spoke with stated that they entered HR to make a positive impact, however, now find themselves bogged down with less fulfilling tasks. They feel drained by the urgency of issues, workload, and lack of resources, and they feel demotivated by where they are being asked to focus their attention.

“We are looking for calmer, more inspiring waters—five years of dealing with turmoil and challenging times is enough. HR Leaders are craving stable environments and a renewed focus on the workplace culture and human experience.”

Market Dynamics and The Search for New Beginnings


The market for HR leadership roles is becoming more dynamic, with more opportunities opening. This has prompted a wave of movement among HR professionals, who are now more willing to seek new positions where they feel more respected and valued.

57%

of **CHROs** are at risk of leaving their organization in the next 12 months

75%

of **People Leaders** are at risk of leaving their organization in the next 12 months



“Peers are moving. The market is starting to open in terms of jobs for HR leadership, and I think we are going to see a lot of change in the next few months.”

There is also a significant increase in HR leaders transitioning out into coaching roles, or fractional HR leadership roles. These roles offer greater flexibility and allow HR professionals to focus on the strategic initiatives that are more aligned with their skills, vision and values.

“I am witnessing it every day. Many HR leaders that I have worked with over the years, are pivoting out to become coaches, or take early retirement. They have had enough - particularly women. We recognize that there is a stopwatch on life. The vision of the company has been lost after the last few years of doing crisis management and dealing with downsizing.”

We have A Call for Change

With 57% of HR leaders considering a move within the next 12 months, CEOs must act swiftly to address these concerns. By recognizing the strategic importance of CHRO leaders and fostering a supportive environment, organizations are better positioned to attract and retain top tier talent and ensure long-term business performance.

As one HR leader aptly put it:

“We had a moment in the pandemic when HR was really recognized as a critical business partner, but we lost steam in that realm. Perhaps we allowed it to happen, and we really have become a crutch to the business. We need to reclaim what we own and what we are here to do.”

CHAPTER 5

The People Leader Crisis



The issues with engagement and loyalty are not just concerning at the CHRO level, but are mirrored by People leaders. They too feel that they have become increasingly overburdened, undervalued, and lack the key support structures required to help both themselves and their employers thrive.

In our discussions with CHROs, key themes have emerged regarding the pivotal role that managers and directors need to play in shaping and sustaining workplace culture. Their effectiveness is critical, yet most organizations are struggling to support this layer adequately. Below, we analyze and highlight the most frequently mentioned themes based on CHRO feedback.

Critical Role of Management

HR leadership views managers and directors as the primary drivers of workplace culture. They believe they are most responsible for executing the company's strategy, delivering

on the employee experience, and ensuring that values promoted by executives are reflected throughout the organization. However, they are often overburdened and lack the necessary support and resources.

Leadership Development and Support

65% of CHROs indicated that leadership development is a top three priority for the business over the next 12 months. Without proper training and support, managers and directors are struggling to perform effectively, which is impacting both employee engagement and business outcomes.

“We need to elevate leadership to grow and reach that bar. I feel wholly responsible for not being where we need to be with our managers and directors.”

Challenges with Mental Health and Employee Wellbeing

As discussed earlier, Managers and Directors are not adequately equipped to oversee increasing employee relations and wellbeing issues, particularly surrounding mental health. This lack of skill set, which is increasingly needed, is contributing to their own stress, and to a disengaged and unsupported workforce. Furthermore, it is requiring more time and support from HR leadership in the business.

Inconsistent Performance Management

Performance management and providing clear feedback are areas where most HR leaders indicated that management teams are falling short and will need to develop competencies to elevate team efficiencies in the year ahead. This inconsistency affects employee performance and satisfaction, and the culture of the organization.

Impact of Leadership Changes and Technological Shifts

HR leaders believe that changes in organizational structure, including leadership and management reduction has led to fear and trust issues for many. They believe that this shift, coupled with the focus on implementing new technologies, and more performance reporting, has gotten us to a point where the people experience is not a top priority for many in management.

Need for Inspiration in Leadership

75% of people leaders are openly considering moving to a new employer in the next 12 months.

Managers and directors need to be inspired themselves to inspire their teams. The enthusiasm and engagement from higher-level leaders are crucial for managers and directors to model and drive a positive culture. Many CHROs indicated that lower levels of engagement were apparent in engagement surveys and management reviews with HR Leaders.

Our survey with people leaders also highlighted that many feel disengaged. This is highly concerning for the business when we think about the importance these functions have in building and maintaining the culture we envision.

Insights from CHROs clearly indicate that managers and directors are the linchpin in driving workplace culture. Organizations must prioritize leadership development, provide adequate, time, resources, and ensure that managers and directors are equipped to handle mental health and employee wellbeing issues. Inspirational leadership from the top is essential to create a trickle-down effect of enthusiasm and engagement.

What CHRO & People Leader's *are saying*

“For managers and directors to be successful, it’s typically about driving numbers, but they need support to focus on people management as well.”

“Managers and directors are the most important area to develop. They drive the culture but are too busy and burnt out to focus on HR priorities.”

“Execution of the strategy needs to happen with management. However, we need more time and resources for them to enable them to do the work effectively. They are definitely trying.”

“We have a significant focus on leadership to understand our values and how to work with their team. However, we have not supported the growth of managers and directors effectively.”

“Management is not as focused on mental health. They just don’t have the time or the training to focus on it outside of productivity.”

“They are not equipped to deal with some of the employee relations and wellbeing issues emerging.”

“Early career or early in-role leaders have struggled with performance management and providing clear feedback.”

“Managers and directors need to be respectful and give guidelines. Having difficult conversations and making difficult decisions is par for the course, but many are not equipped to manage it.”

“They are focused on getting results, dealing with transformational projects, and restructuring, with no time left for culture.”

“Management needs to be inspired. They need to see excitement from their own leaders to model enthusiasm.”

“You can train until the cows come home, but if managers and directors are not seeing the excitement from their own leaders, it won’t stick.”

CHAPTER 6

What Matters *Most* to CHROs

Understanding what CHROs value most in their roles and employers is crucial for retaining top HR talent. This chapter delves into the key attributes CHROs seek in an employer, such as trust, transparency, respect, and opportunities for strategic impact.



What Your
CHRO Wants

Prioritizing Companies with High-Caliber Executive Teams

It's crucial to understand that today's CHROs are no longer just seeking a seat at the executive table—they are prioritizing companies with high-caliber, collaborative executive teams.

CHROs shared with us that as they look across to their C-Suite peers, they aren't finding the support or alignment required to build the high-performance and people-centric culture they are tasked to build, grow, and sustain.

Is your C-Suite Focused on Culture in a way they need to?

- **47%** Not Aligned as an executive team on its importance
- **30%** No
- **17%** Yes

They emphasize that in today's work environment, executive teams that consistently model positive, inclusive, and high-performance behaviors and values are essential for success. This division and lack of alignment amongst leaders reverberates far beyond the boardroom, undermining the entire organization's culture and efforts. To attract and retain the best HR leaders, CEOs must ensure their executive teams embody these traits.

Trust and Transparency Are Non-Negotiables

The pace of transformation and change management within organizations demands executive teams with high degrees of trust and credibility. When trust is lacking, HR initiatives face significant resistance and slower adoption, hindering overall progress and effectiveness. In an era of declining trust in institutions and widespread corporate restructuring, CHROs prioritize trust and transparency. These attributes are the second most important factors they consider when deciding to stay with or join a new employer. As a CEO, fostering an environment of trust and transparency is imperative to empower your HR leaders



and ensure their initiatives are embraced and implemented effectively.

The Importance of CEO Vision and Reporting Dynamics

For CHROs, reporting directly to the CEO and sharing a vision of cultivating a workplace culture that fosters pride, business results, and an exceptional talent experience is critical. The role now demands deeper partnerships with the broader leadership team to ensure that workplace culture is embraced and promoted with equal vigor. As a CEO, active engagement with the CHRO and commitment to a shared vision is vital. This partnership will drive cultural transformation and ensure alignment with organizational goals.

A Workplace Rooted in Kindness and Respect

The foundation of kindness and respect ranks as the fourth most crucial attribute in an employer's value proposition for HR leadership. CHROs understand that nurturing positive, productive, and legally compliant workplaces hinges on this principle. To craft compelling employer brands that attract and retain top talent, organizations must embody deeply ingrained values of kindness and respect for all employees. Without these foundational values being authentically embraced and honored, performance metrics can overshadow the human-centered objectives HR leaders tirelessly pursue. As a CEO, championing a culture rooted in kindness and respect is essential for unlocking the creative potential and aspirations of your talent.

“To make culture better, our organization needs to embrace that culture and employee engagement is not singularly owned by HR, that everyone has a responsibility.”

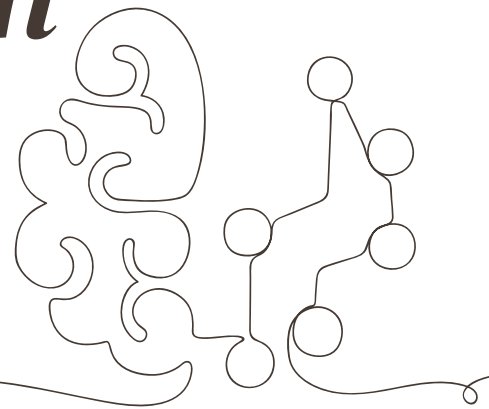
Shifting the Power Dynamic

CEOs must recognize that to attract and retain the best HR leaders—those who understand the value HR plays in driving business results and company performance—is necessary. HR leaders are deeply committed to fostering positive workplaces and driving organizational success through their leadership and influence. They are more than willing to work with the business to drive results, but in turn, they want an executive team of peers equally dedicated to enhancing the human experience. By prioritizing high-caliber executive teams, trust and transparency, a shared vision, and a culture of kindness and respect, CEOs can empower CHROs to lead transformative initiatives that drive business success and performance.



CHAPTER 7

CHROs Want to Pioneer *Talent Transformation* in the AI Era



In 2024, an overwhelming 75% of CHROs have identified AI solutioning as a critical priority for the future of HR and the business. This is more than a trend—it’s a strategic necessity. One CHRO articulated it clearly: “What keeps me up at night is ensuring our readiness to navigate the rapidly evolving technological landscape while attracting and retaining top talent.”

The technological wave we are experiencing is poised to be as transformative as the advent of the Internet. AI will fundamentally reshape HR functions and redefine the skills required for the future. It promises to streamline the employee experience, provide rich data to elevate HR’s impact, and serve as a catalyst to revolutionize HR service models and administration, driving unprecedented efficiency and effectiveness.

The true excitement among CHROs lies in their aspirational role as strategic partners in this transformation. They envision redefining workforce planning and training, and identifying roles within the organization that are best suited for human-centered, creative, and strategic functions versus those that can be effectively managed through technology. This is about more than efficiency; it’s about leveraging AI to enhance strategic decision-making and secure long-term business success.



“As HR leaders, our responsibility will be to steer CEOs and the C-Suite in reshaping work dynamics and employee involvement, transitioning from objective-driven management to cultivating deeper engagement.”

Imagine seamlessly integrating talent personas and employer brand experiences into AI solutions, ensuring a consistently curated organizational culture. This vision involves discerning tasks best suited for technology versus those requiring human expertise, leading to a comprehensive redesign of roles and workflows.

Here are some AI solutions CHROs are most eager to implement:

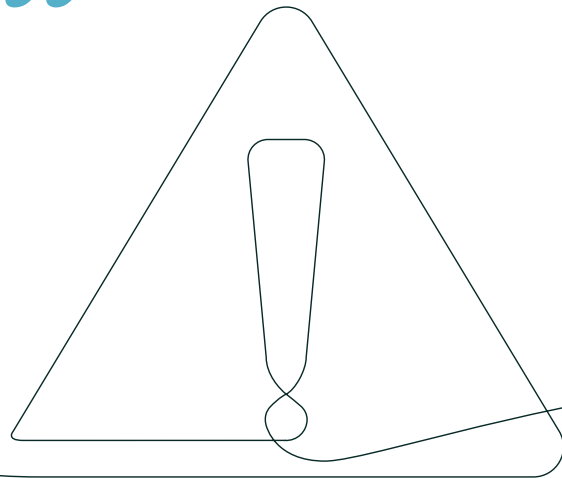
- 1. Efficiency Tools:** Automating repetitive HR and payroll tasks, freeing up valuable time and resources.
- 2. Candidate Matching and Screening Platforms:** Advanced applicant tracking systems to quickly analyze job requirements and candidate profiles, reducing time to fill positions with top talent.
- 3. Onboarding Automation:** Streamlining the onboarding process by automating tasks such as paperwork, orientation, and training.
- 4. Performance Management Systems:** Providing real-time feedback, identifying skill gaps, and recommending personalized development plans for employees.
- 5. AI-Powered Learning Platforms:** Delivering personalized learning experiences and tracking employee progress based on individual needs and preferences.
- 6. Predictive Analytics:** Analyzing data on employee engagement, Diversity Equity and Inclusion, performance reviews, and exit interviews to identify turnover factors and provide real-time insights to enhance company performance and improve retention of top talent.

Engaging your CHRO in this journey is not just about adopting new technologies—it’s about positioning your organization for long-term success. Prioritizing and investing in HR skills and knowledge ensures your business remains competitive. This includes allocating adequate resources, budgets, and organizational backing to empower HR teams to drive meaningful change.

CHROs are eager to shape a future where AI not only transforms HR but also drives your organization towards unparalleled growth and success.

CHAPTER 8

Listen to Your People – *The Engine Light Is Flashing*



A resounding 87% of HR Leaders said the one thing CEOs needed to hear was **“You need to listen to your people now.”**

*“People are the engine of your business. If you’re not putting the right attention into the engine, if you’re not listening, you’re not going to see the performance that you want. Prioritize boosting the people priorities in order to drive the business priorities forward. Low engagement and management trust is an issue for your business.
THE ENGINE LIGHT IS ON.”*

CEOs must go beyond engagement surveys and turnover statistics to understand the deeper, more concerning issues. Ignoring these voices leads to disengagement, mistrust, and underperformance.

Employees feel their feedback is not valued, causing frustration and apathy. While leaders have focused on board and shareholder needs, there is an urgent need to reprioritize cultivating a positive, inclusive culture where employees feel valued and engaged.

“Truly listen to the people in your organization. Do not base your opinions based on your own personal career experience. CEOs have very strong opinions of people and talent from a workplace culture that no longer exists. You need to align to what talent want as a baseline in order to have any success in gaining meaningful support and alignment.”

CEOs must be more present and engaged with their teams, understanding the day-to-day realities of their workforce. HR leaders emphasize being open to ideas and suggestions and recognizing employees' contributions. The past few years' productivity demands have taken a toll on employee well-being, and the pressure for increasing results with fewer resources is reaching a breaking point.

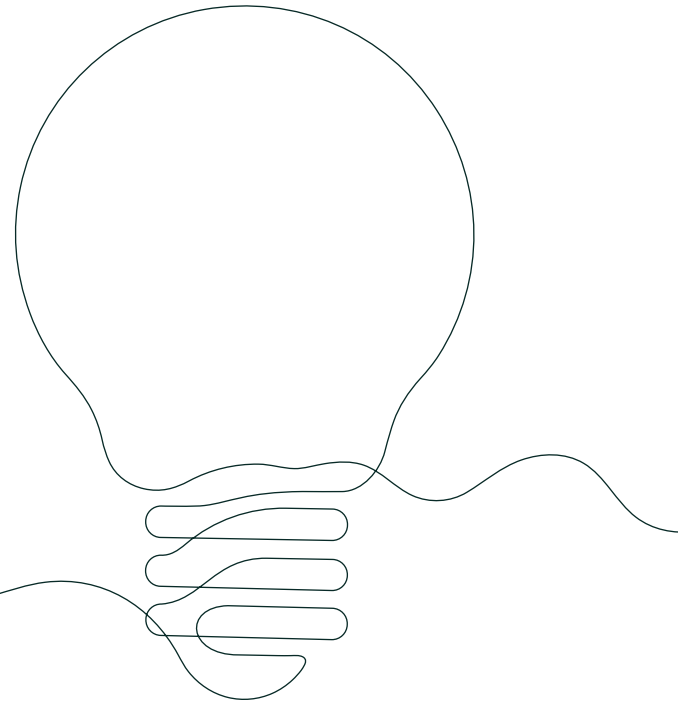
With trust low and apathy high, CEOs should consider partnering with experts in confidential employee listening programs. These professionals can gather honest feedback and provide insights to help make informed decisions, driving long-term success and stability.

By actively listening to your teams and leaders, at all levels within your organization, and supporting them meaningfully, you can prepare your organization to face any challenge. Solicit feedback, create an environment where every employee feels valued and heard, and align your organization with today's workforce's evolving needs and expectations. Transparent communication builds trust and helps navigate turbulent times more effectively, enhancing engagement and productivity and ensuring long-term success.

CEOs must go beyond engagement surveys and turnover statistics to understand the *deeper, more concerning issues*. Ignoring these voices leads to disengagement, mistrust, and underperformance.

CHAPTER 9

Using Employer Branding to Drive Results



When we explored the work being done with Employee Value Proposition (EVP) and employer brand, more than half of the HR leaders that had built an EVP, indicate that it is driving the results they had been seeking.

Do you have an EVP and Employer Brand Strategy



49% HAVE AN EVP & EMPLOYER BRAND STRATEGY



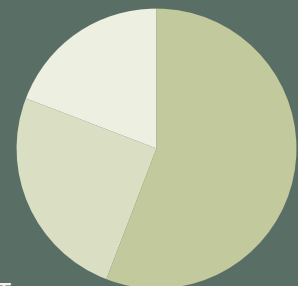
27% DO NOT



24% ABOUT TO BEGIN THE WORK

Is your EVP driving the results you had hoped it would?

- 56% YES
- 25% NO
- 19% NOT LAUNCHED YET



EVP for CHROs

*What matters most**

- 72% SUPPORTIVE LEADERSHIP TEAM
- 63% TRUST AND TRANSPARENCY
- 47% CEO VISION/PARTNERSHIP
- 28% KINDNESS AND RESPECT OF PEOPLE
- 19% BELONGING
- 19% HR INNOVATION AND GROWTH
- 16% TIME TO FOCUS AND DO JOB
- 13% OPPORTUNITY TO LEARN AND GROW
- 13% SUPPORT OR MENTAL HEALTH/WELLBEING
- 9% AUTONOMY
- 6% COMMITMENT TO DEI
- 6% WORKLOAD BALANCE
- 6% FLEXIBILITY
- 3% BRAND REPUTATION
- 3% SUPPORTIVE PEERS

EVP for People Leaders

*What matters most**

- 55% TRUST AND TRANSPARENCY
- 38% FLEXIBILITY
- 37% PERSONAL GROWTH/DEVELOPMENT
- 36% SUPPORTIVE LEADERSHIP
- 25% INNOVATION
- 19% WORKLOAD BALANCE
- 18% SUPPORTIVE PEERS
- 18% BELONGING
- 18% SUPPORTIVE OR MENTAL HEALTH/WELLBEING
- 18% HYBRID WORK ENVIRONMENT
- 14% TIME TO FOCUS AND DO JOB
- 12% FULLY REMOTE
- 10% BRAND REPUTATION
- 7% AUTONOMY
- 7% COMMITMENT TO DEI
- 7% FUN AND LAUGHTER IN THE WORKPLACE

* OUTSIDE OF COMPENSATION AND BENEFITS

Many CHROs said that launching the new EVP and employer brand experience will be a key focus for the business in the next 12 months, with particular attention to aligning the EVP to internal employees and activating the work more internally and externally.

What HR Leaders Say the impact their EVP has driven for the business

Although just 13% felt that they were doing enough to promote the EVP and employer brand since launching it, consistently positive results on the business are being reported.

Impact on Recruitment

A compelling EVP attracts talent, especially when it resonates with what people seek in an employer. Organizations have noticed an upswing in the

quality of talent choosing their organization as a place to work over competitors, underscoring the importance of a well-communicated EVP in recruitment efforts.

82% of those that have activated their EVP and employer brand referenced the greatest impact being on talent attraction. This is not surprising given the nature of its focus over the last 4 years. Many talked about quality of candidates, volume of career site visits and applications, social content marketing and campus recruitment messaging as key positive impacts.

65% feel they have a clear understanding of their unique demographic personas and what messaging and experiences matter most to those personas so that they can better attract and secure top talent.

Positive Cultural Impact

30% of HR leaders shared that engagement scores have made significant shifts, and employee social advocacy has skyrocketed. They also measured a much greater volume of positive sentiment shared on social media by employees, reflecting a culture where talent feel more connected and valued.

28% of respondents indicated that the EVP has been paramount in helping them attain recognition and awards for their workplace, as they were able to articulate a thriving environment.

35% experienced positive impacts on turnover rates, showcasing how a strong employer brand can retain top talent by fostering a culture of trust and loyalty.

More Effective Communications

87% said they consistently use their EVP as a powerful communication tool and the content and communications have elevated since launching their employer brand. From playbooks, to internal storytelling and recognition, onboarding to internal job advertising, the EVP is helping companies amplify what is special about the team, and the company on a more frequent and intentionally authentic and organic way.

Challenges and Focus Areas for EVP in the Year Ahead

Not all employer brand projects were created equally, and for several there were learnings on how it could have driven more results and positive company impact.

1. Leader-Driven vs. Employee-Centric EVP:

Several said that they rushed to get the EVP and did little company wide research and leaned too heavily on marketing. The result was that the EVP reflected more of what leaders wanted in the message than what resonates most with employees. Ultimately, they felt that by not putting employees needs at the center of the EVP, it led to a lack of impact and engagement with the employer brand.

2. Insufficient Activation Budget:

Many utilized their budgets to build a fantastic EVP that does resonate with talent; however, they did not understand or secure the type of budget needed to build the brand creative, do an internal activation launch and ensure that they are able to do brand awareness building in their key markets. The result is a beautiful brand, and strong EVP, but little awareness building and efforts inside and outside of the organization.

3. Exclusion of People Managers and Directors:

EVPs often fail to involve people managers and directors, the key segment responsible for delivering the EVP. This group needs a segmented Leadership Value Proposition to build pride and engagement.

4. Limited Internal Activation:

EVPs managed primarily by Talent Acquisition often do not cross into internal activation, remaining unknown outside of HR. This is an opportunity for senior HR leaders to work cross-functionally with leaders across the organization to embed the EVP into every department and function of the business. To prioritize and implement this work, cross-functional budgets need to be planned and secured with individual functions along with KPIs that hold functions accountable for tactics that reinforce the overall talent & culture strategy and drive bottom line performance.

5. Outdated Due to Changing Work Dynamics:

EVPs built during the mass hiring of 2021-2022 may not align with current hybrid work expectations, company restructuring, and shifting employee priorities. Regularly updating the EVP based on employee feedback will be crucial.

CHAPTER 10

The CEO's Guide to Partnering Effectively with HR



There is a rising concern across the CHRO profession that organizations have over rotated on labor cuts, hiring freezes, with little reduction in the volume of output required. The impact of burnout has now reached untenable levels for many in key roles within companies.

Our study indicates that as many as 75% of leaders, including CHROs, are considering a career move in the next 12 months. Similar warning bells rang before the Great Resignation in 2021-2022. The impact on culture, compensation, hiring, onboarding, and quality of hire was significant because many leaders were unprepared.

As the markets correct, the looming HR and leadership reshuffle will result in some of the talent with the deepest company knowledge and influence, communicating with their feet.

The Impact of *Employer Brand strategy*

“In the cases of organizations that have EVPs, I have seen positive results. This is especially true when people want to be a part of the brand. When the employer brand is powerful, you see, for example, an upswing in individuals accepting offers and choosing that brand. Branding has everything to do with it.”

“Managers are so proud to share the Employer brand when talking with talent. We have beautiful, polished presentations, and recruitment brochures now, with a mini story to share. It is working wonderfully.”

“Our Employer Brand looks beautiful. It has driven a lot of alignment internally and provided us with story to share with employees.”

“Since launching our Engagement scores are over 80%. Our highly engaged demographic has increased since the EVP launch in Q1.”

“We aren’t fully there, but we are close. We still must align our internal policies and procedures.”

“It is currently a work in progress. There is more story to be told and we need to align it more to the internal employee experience.”

“Our EVP is too much what senior leaders want it to be vs. what it really is and what is driving the avg. employee. We are not bringing it to life every day.”

“There is a looming sense that we may have over corrected on managing our resource and talent costs. The turnover alarm is sounding but we may not have the capacity to absorb the impact.”

Our Recommendations for CEOs

1. Establish a Renewed Strategic Partnership with CHROs:

Recognize and appreciate their role in crisis management and navigation.

Listen to their ideas for improving culture, engagement, and pride. Understand how they need better support in terms of resourcing, executive team commitments, and workload balancing.

Ask how you can be a better strategic partner and foster a committed, motivated leadership team. Encourage them to share candidly what isn't working.

2. Prioritize HRs Strategic Contributions:

Explore with CHROs the roles they need to hire, outsource, or get fractional leadership support for, including employee wellness, coaching, PR, recruitment marketing, project management, and leadership development.

Make room for HR budget to cover investment in AI, and resources, so that your CHRO can focus on longer-term planning and strategic contributions to culture, company reputation, and business growth.

3. Understand What Leaders Need and Rebuild Pride and Commitment:

Meet with your CHROs to understand what managers and directors need most. Conduct active listening sessions now, across all levels of the organization and build leadership and employee value propositions so that you understand and can commit to giving more of what your talent is seeking in their daily experience.

4. Formalize your listening strategy

Understanding the deeper issues that are facing your individual contributors, HR Leaders, and People leaders requires collecting and listening to impartial feedback. Being open to ideas and suggestions, as well as recognizing employee's contributions is vital in today's climate.

Prioritizing people initiatives will not only lead to better business outcomes, but also higher trust in leadership and individual engagement.

Reconnect teams to the 'why' versus the 'what'. Work with HR to integrate the employer brand more consistently into the employee life cycle by providing leaders with the events and tools to build more moments of pride, recognition and celebration for what your teams are achieving together.

If CEO's can provide greater support for HR leaders, it will result in an enhanced workplace culture and drive long-term organizational success in an increasingly dynamic and competitive business environment.

Conclusion

For us what is really compelling is that for CHROs right now, despite experiencing significant burnout and being overworked, they remain highly motivated by the prospect of building an engaged and high-performing workplace culture. This desire to build the business alongside a supportive, aligned, and collaborative leadership team outweighs their concerns about workload and burnout. They are energized about what AI, listening, and internal employer branding can do for the business and the human-centered experience.

There is an opportunity for CEOs to course-correct on the people impact that cost-cutting and layoffs have created in 2024. Employment growth is forecasted to heat up again in 2025 and beyond, and CEOs should be mindful of the lessons we learned in the hot job market during the pandemic. Prioritizing a collaborative and supportive relationship with your CHRO will unlock retention strategies for your talent and broader leadership team, as well as directly address the burnout in HR. The first steps for CEOs towards these goals are making your CHRO feel that their values align with organizational practices, that their contributions are recognized, and that they have a genuine commitment from the entire executive team.

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For more information about this report, employer brand best practices, or general inquiries on getting the most from your employer brand work, talk to one of our Managing Directors today.

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