

*MindEdge & HRCI Present: HR's Role in the Changing Workplace*

# **HR Professionals Want a Larger Business Role for HR; Many Worry About Underfunding and Understaffing**





## OVERVIEW

Four years after the COVID-19 pandemic triggered major changes in the American workplace, HR professionals have adapted to the “new normal.” They are managing their organization’s remote workers, and they are handling many of their own HR functions remotely – albeit with varying degrees of success. And, even as they express concern about underfunding and a lack of adequate staffing, they are looking for HR to play a larger role in their organization’s business operations.

HR’s Role in the Changing Workplace – the fifth annual study of HR issues conducted by MindEdge Learning and the HR Certification Institute (HRCI) – surveyed 1,044 HR professionals who hold certifications from HRCI. The survey’s top finding: close to half of HR professionals feel that higher-ups do not see HR as an integral part of the organization’s business operations. And they overwhelmingly feel that HR should move beyond its traditional role of managing employee-related issues and become more actively involved in “the business side.”

Other survey results indicate that attracting and retaining top talent remains a major challenge for HR professionals, and that employee burnout is still a significant concern, as well. But most respondents do not see the transition to remote work as a significant problem. And, as the labor market has cooled a bit, employee turnover has started to recede as a top-tier issue for HR.

Respondents express mixed reactions to the advent of remote HR. By modest pluralities, they feel that remote recruiting and interviewing can be useful. But many continue to see remote onboarding as problematic.

**“HR professionals overwhelmingly feel that HR should move beyond its traditional role of managing employee-related issues.”**

## HR professionals feel strongly that HR should play a larger role in business operations.

Many respondents feel that HR plays too narrow a role in their organizations.



A bare majority **51%** of respondents say that their organization's leaders "see HR as an integral part of the organization's business operations."



But almost as many – **44%** -- think leaders "see HR as a department that performs an important but narrow function."



Respondents who work in Financial Services **56%** and Retail **56%** are most likely to say that leaders see HR as an integral part of the organization's business operations.



Among those who work in the Technology sector, a majority **51%** say that leaders see HR as performing a narrow function.



HR professionals overwhelmingly say that HR should play a more active role in the organization's business operations.



Fully **88%** say that HR should play a more active role.



Only **8%** think HR "should stick to its traditional role of managing employee-related issues."



Respondents who live outside the United States are almost unanimous in saying that HR should play a more active role in business operations.



Respondents aged 65 and older are somewhat more likely to agree that HR should stick to its traditional role **20%**. Still, **73%** of these respondents agree that HR should play a more active role.



## Respondents express confidence in the short-term economic future, but many still worry that HR departments are underfunded and understaffed.

HR professionals express confidence in the U.S. economy and believe their organizations will earn sufficient revenue in the coming year.



A majority **54%** of respondents say they are confident in the strength of the U.S. economy, as it affects their organizations. It is important to note that these figures were recorded before November's presidential election.



Confidence in the national economy is strongest among respondents in the Financial Services sector **64%** and lowest among those who work in Education **46%**.



Three-of-five **60%** respondents are confident that their organization's revenues will be enough to meet its goals in the coming year.



Respondents who work in the Financial Services sector are very confident **75%** in their organization's revenue outlook. Confidence is lower among those who work in Education **49%**.

Understaffing is also a problem in the eyes of many HR professionals.



Just under half **49%** of respondents say that their organization's HR department was adequately staffed in the past year – but almost as many **47%** say their department was understaffed.



A majority of respondents who work in Financial Services **58%** and Retail **53%** say that their HR departments were adequately staffed.



Most respondents who work in Education **55%**, Technology **52%**, and Healthcare **51%** say that their HR departments were understaffed.



Among those who live outside the U.S., **57%** say their HR departments were understaffed and only **38%** say they were adequately staffed.

Fewer than half of HR professionals say that their departments had sufficient funding in the past year.

**45%** Only **45%** of respondents say their organization's HR department received enough funding in the past year to do a good job. The same proportion **45%** say their HR department was underfunded, while another **10%** are unsure of this point.

**55%** Financial Services is the only sector in which a majority **55%** of respondents say that HR was sufficiently funded.

**52%** Among respondents who live outside the U.S., a majority **52%** say their department was underfunded.

## The top challenges for HR professionals: attracting and retaining talent. But burnout is also a significant concern.

When asked to name their top one or two concerns, survey respondents single out *retaining employees* and *attracting talent*.



Choosing from a list of seven pre-selected issues, **42%** of respondents identify *retaining employees* as one of their top one or two concerns.



Almost as many – **40%** -- cite attracting talent as one of their top two issues.



*Employee burnout* ranks third on the list, at **36%**, followed by:

<i>The skills gap</i>	<b>28%</b>
<i>Employee health and wellness</i>	<b>12%</b>
<i>Managing remote work</i>	<b>11%</b>
<i>Lack of diversity</i>	<b>8%</b>



Significantly, *managing remote work* does not emerge as a top-tier problem in any sector of the economy – an indication that HR professionals have made a relatively smooth transition to remote and hybrid work arrangements.



*Retaining employees* is a particularly acute issue in the Healthcare **57%** and Retail **53%** sectors.

Consistent with past survey findings, *employee burnout* continues to be a significant concern for HR professionals.



While *employee burnout* ranks third among the concerns of all survey respondents, it is the number one issue for those who work in the Technology sector **45%**.



Fully **23%** of respondents say they have seen a *major increase* in burnout.







In responses to a separate question, **74%** of HR professionals say they have seen an increase in employee burnout at their organization – up from **68%** last year.



While *employee burnout* ranks third among the concerns of all survey respondents, it is the number one issue for those who work in the Technology sector **45%**.

## Concern about turnover continues to decline

As the job market loosens a bit, HR professionals are seeing less employee turnover than they did in years past.

-  One-of-three **34%** respondents say that their organization is experiencing higher employee turnover than it did before the COVID-19 pandemic.
-  This figure is lower than we saw last year **40%**, and much lower than we saw in 2022 **67%**.
-  Two-of-five **40%** respondents say that turnover is the same as during the pandemic, and only **9%** say that turnover is lower.
-  As we have seen in past surveys, turnover is highest in the Education **47%** and Healthcare **46%** sectors.



Consistent with their concerns about attracting and retaining talent, HR professionals report considerable difficulty in finding replacements for departing workers.

-  **65%** of respondents say it is difficult to replace workers who leave – essentially the same figure that we saw in our 2023 survey **67%**.
-  But only **11%** say that finding replacement workers is *very difficult* – down from **17%** a year ago.
-  Finding replacements is toughest in the Healthcare **80%** and Manufacturing **73%** sectors.

# The American workplace has found its “new normal.” In-person work is the norm – barely – but remote and hybrid work arrangements are here to stay.

In-person work is back...



**52%** of respondents say that most employees at their organization are now working in-person – consistent with the figure we saw in 2023 **55%**.



One-of-seven **14%** say that most employees work remotely.



One-of-three **33%** say that most workers are on a hybrid schedule.



In-person work is most common in the Manufacturing **79%**, Retail **71%**, and Healthcare **69%** sectors.

...But remote and hybrid work arrangements aren't going away.

**78%** Remote work is the norm in the Technology sector: **78%** of respondents say that employees are either fully remote or on a hybrid schedule.



**86%** Among organizations where most employees work remotely or on a hybrid schedule, **86%** expect these work arrangements to remain in place for the foreseeable future.



**8%** Only **8%** expect that their organizations will return to in-person work in the future.



## HR professionals say their workplaces have returned to “normal.”

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**58%** of respondents say their workplaces are at least “mostly back to normal” – basically the same figure we saw in 2023 **60%**.



Respondents who work in Manufacturing **68%** and Education **66%** are most likely to say their workplace is back to normal.



However, only **22%** of respondents say that “almost everything is like it was before the pandemic.”



Another **26%** reports that their organization is fairly different or extremely different from what it was like before the pandemic.

There is no consensus on whether the “new normal” is better than the “old normal.”

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**32%** of respondents say that conditions at their organization are better than they were before the pandemic.



**16%** say that conditions are worse.



**28%** say that conditions are about the same as before, and **21%** are not sure or were not at their current organization before the pandemic.





## HR professionals are very interested in online learning as a way to augment their professional skills.

HR professionals embrace the idea of continuous learning:



**79%** of respondents say their organization offers continuous learning to employees. This figure is down a bit from last year's finding **85%**, but it is still quite high.



**75%** of respondents report that they take courses on specific HR topics, outside their general certification.



Respondents who do not have a bachelor's degree are especially likely **83%** to take courses on specific HR topics, outside their general certification.



Among respondents who do not live in the U.S., **82%** say they take courses on specific HR topics, outside their general certification.

Respondents are strongly interested in taking online courses to earn issue-specific HR certificates:



**82%** say they would be interested in taking online courses to earn a certificate in an HR topic outside their general certification.



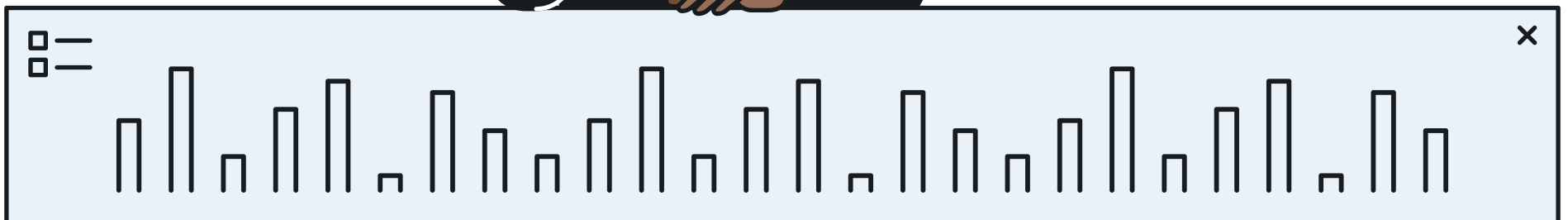
**42%** say they would be *very interested* in doing so.



Respondents would be most interested in an HR Leadership **83% interested** certificate.



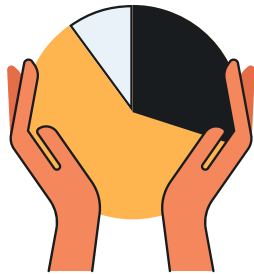
There is also strong, majority-level interest in Workplace Wellness **68%** and Talent Acquisition **60%** certificates.



## Remote HR also appears to be here to stay – and HR professionals are starting to warm up to it.

Many organizations continue to perform key HR functions remotely:

**40%** 40% say their organization conducts HR functions remotely “all” or “most” of the time – exactly the same figure we saw in 2023.



**34%** Another 34% say they practice remote HR some of the time.



**24%** One-of-four 24% do not perform any HR functions remotely.



HR professionals are less likely than a year ago to say that remote recruiting and interviewing are problematic:



**35%** of respondents say that remote recruiting is easier than in-person recruiting, and only **16%** say that it is harder.

- ▶ A year ago, **52%** said that remote recruiting was harder than recruiting before the pandemic, and only 8% said that recruiting was easier.



**29%** indicate that remote interviews are more productive than in-person interviews, compared to **25%** who say they are less productive.

- ▶ A year ago, **30%** of respondents said that remote interviews were less productive than in-person interviews, and only **24%** said they were more productive.



But remote onboarding remains problematic: **34%** say that remote onboarding is harder than in-person onboarding, and just **22%** said that remote onboarding is easier. These figures have not changed much from last year’s findings **35%** harder, **17%** easier.

## Conclusion

HR professionals are adapting successfully to the changed American workplace. They have navigated the transition to remote and hybrid work arrangements, and they are performing many of their own HR tasks remotely, as well. With the cooling of the labor market, they are seeing less employee turnover – but the need to attract and retain top talent is still their biggest concern. Employee burnout remains a major issue, as well. Survey respondents are also very open to the idea of taking online courses to augment their professional skills. And, as the American workplace continues to evolve, HR professionals feel strongly that HR should play a larger role in their organization's business operations.

## About the Methodology

MindEdge/HRCI's 2024 HR's Role in the Changing Workplace survey was conducted online from October 18 through 29, 2024. The survey probed the attitudes of 1,044 HR professionals in the United States who are 18 years or older and hold one or more certifications from HRCI.

## About MindEdge Learning

[MindEdge's](#) mission is to improve the way the world learns. Since its founding in 1998 by Harvard and MIT educators, the company has served some 4 million learners. With a focus on digital-first learning resources—from academic courseware to professional development courses—MindEdge's approach to best practices in online education focuses on learners' needs across the spectrum of higher education, professional development, skills training, and continuing education.

## About HRCI

HRCI, headquartered in Alexandria, Virginia, is the premier credentialing and learning organization for the human resources profession. For over 45 years, we have set the global standard for HR expertise and excellence through our commitment to the development and advancement of businesspeople in the people business. HRCI develops and offers world-class learning, as well as the administration of eight global certifications and is dedicated to helping professionals achieve new competencies that drive business results. Learn more at <https://www.hrci.org/>.