

The strategic CHRO:

Redefining talent leadership for the digital age





As a CHRO, your world is in constant flux. Your roles and responsibilities are increasingly versatile, complex, and critical to your organization's growth. These days, recruiting is just a small part of your job description. [Your focus](#) now involves shaping corporate culture. Nurturing talent. Enhancing diversity. And ultimately, [driving bottom-line growth](#).

Amid the digital revolution, demographic shifts, and economic volatility, you're navigating constant change.

These shifts offer an unprecedented opportunity to reshape your influence – and that of your entire HR function. The challenge to transform HR from a cost center to a competitive advantage [is more urgent than ever](#). And the journey to a more future-focused and influential CHRO role begins with embracing these challenges – and the opportunities they offer.

In this report, we'll explore the key skills CHROs need to thrive in the digital age. We'll dive into the ever-changing role of CHROs as strategic leaders driving transformation across the organization, and dig into skills that modern CHROs need to master for success. Along the way, we'll look at how you can redefine the CHRO role and lead your organization to greater heights. Let's dive in.





Closing the perception gap

It's an open secret that many HR executives struggle with communicating their expansive roles to senior leadership. Many CEOs have a dated view of their CHROs, looking at them as HR administrators who spend their days managing benefits, paperwork, and payroll issues.

Today's CHROs are much more than that. They drive organizational transformation, shape corporate culture, and nurture talent to drive growth – contributions that are often overlooked. And while [89% of CEOs](#) say they want their CHROs to play a key role in driving long-term growth, only 29% have the skill sets and connections they need to successfully shape enterprise strategy.

As executives struggle to keep pace with digital change and economic volatility, they're increasingly turning to CHROs to help them adapt. Today's CHROs are [focused on evolving priorities](#), like developing effective leaders, managing digital transformation, and creating stellar employee experiences.

CEOs are increasingly relying on CHROs as critical partners in shaping business strategy. In 2023, workforce and talent development has become the third-highest priority for CEOs, with [over 30%](#) ranking it as a top business priority. With [93% of CEOs](#) saying they need to evolve their strategy for attracting and developing talent, the message is clear – it's time for CHROs to level up.

These pressures may feel overwhelming, but it's actually an invitation. By bridging the perception gap, navigating the rapidly changing business landscape, and taking on a strategic role, you can be seen as an innovator – and turn each challenge into an opportunity. It might seem like a tall order, but with the right approach, it's entirely achievable. And your organization will be forever changed.

“Organizations that can reallocate talent in step with their strategic plans are [more than twice as likely to outperform their peers.](#)”

– McKinsey, [“The new possible: How HR can help build the organization of the future”](#)



Embracing your role as a strategic business adviser

Fast-growing organizations don't just fill roles. They build an effective talent infrastructure that can deliver the right skills in the right places at the right time. That's where CHROs can use [skills-based talent planning](#) to deliver more value to their organizations.

Research by the World Economic Forum shows that employers estimate that [almost half of all workers' skills will be disrupted](#) in the next five years. With an ever-increasing priority on problem-solving and critical thinking in the workplace, cognitive skills were reported to be growing in importance the fastest.

As a CHRO, this is your opportunity to use data from across the company to guide your organization into the future, leading a wave of reskilling and upskilling to keep your workforce versatile and swift.

Data-driven decision-making is just one way today's HR leaders are embracing change. With more than [70% of companies](#) reporting that they consider people analytics a high priority, you have an opportunity to use your data to drive transformation across the organization. If you want to offer more value as a CHRO, get familiar with the numbers — and use them to shape strategic decision-making.



There is some concern among talent leaders that applying AI and data to talent processes threatens compliance. But developing regulations in New York City and beyond will affect all talent processes and any area where data is used. Organizations will need clear governance in place to make sure they're compliant.

We predict that organizations will have the best chance of compliance by using AI now to help with hiring and other processes rather than having one person manually review thousands of résumés and potentially adding their biases. Adopting and implementing the right technology today will help CHROs stay ahead of the curve.

Additionally, modern CHROs are more than just recruiting directors. They're strategists, playing a key role in decisions that impact revenue and shape long-term profitable growth. For instance, companies with advanced talent management functions grow their revenue [2.2 times](#) faster than those that don't. By aligning talent strategy with the business vision, you can enable your organization to navigate the fluctuating business landscape, extending to the bottom line and driving long-term growth.

As another example, HR professionals are discovering that recruitment is increasingly aligning with marketing. Forward-thinking CHROs know that most candidates research companies on social media before they apply. A strong employer brand can [reduce turnover by 28% and slash cost-per-hire by 50%](#). It's just one more way the strategic CHRO can make a positive impact on the bottom line.

And as CHRO, you have the opportunity to make an impact that extends beyond your organization to society as a whole. By developing policies promoting diversity, equity, and inclusion, you create ripples that extend beyond your organization.

McKinsey found that companies in the top quartile for gender diversity were 25% more likely to have strong profitability than those in the lowest quartile. And companies with culturally diverse teams did even better, outperforming their less diverse peers by 36%. Cultivating an inclusive culture is the right thing to do – and it's great for business.

– [McKinsey, "Diversity wins: How inclusion matters"](#)



8 skills every CHRO must master

To satisfy the demands of the modern CHRO, you'll have to focus on the core skills that will propel you toward a future-proof trajectory. Let's take a deep dive into these skills that set future-focused CHROs apart.

- 1 Data analysis and interpretation**

In the era of big data, the ability to analyze data and use it to shape strategy is an essential skill. Over [70% of CEOs](#) recognize people analytics as a top priority, but only [13% of organizations](#) have effective processes in place to assess the skills of their workforce. You don't need to be a data scientist, but developing strong analytical skills will enable you to offer data-informed insights that give your company a strategic advantage.
- 2 Strategic thinking**

Modern CHROs play an integral role in planning and decision-making within their organizations. They're no longer administrators, implementing policies handed down from above. Today, they're the architects of these policies, driving the strategic direction of their organizations. With strategic management ranking as [one of the most in-demand skills](#) for C-level executives, it's essential to focus on bringing a strategic approach to your work.
- 3 Data-driven storytelling**

In the past, when the CHRO presented to the board, it usually meant trouble: budget cuts resulting in layoffs, a harassment lawsuit, or issues with high employee turnover or low morale. But for future-focused CHROs, presenting to the board is an opportunity to tell a compelling story backed by data. With great data-driven storytelling, you give life to your numbers in a way that helps you get buy-in for your key initiatives. It's an integral part of persuasive communication – and it'll help you steer organizational strategy far more effectively.
- 4 Leadership**

Over the last 15 years, demand for [outstanding social and leadership skills](#) in the C-Suite has steadily risen, while the demand for operational skills like payroll system proficiency and familiarity with HR management systems has seen a reduced emphasis. Top-performing CHROs are [four times more likely](#) than others to build successful relationships across the entire C-Suite. The CHRO is a pivotal organizational leader, positioned to drive change across the organization.



5

Business acumen

Knowing the business terrain isn't an optional extra for the modern CHRO — it's a necessity. To be a transformative CHRO, it's critical to understand industry trends and market dynamics to align talent strategy with overall business objectives. And developing these capabilities can give you a strong competitive edge, with [41%](#) of CEOs pointing to business acumen as the single most lacking skill they see when sourcing executive HR talent.

6

Diversity, equity, and inclusion

With the most diverse companies now [outperforming their less diverse peers on profitability](#) more consistently than ever, DEI initiatives aren't a "nice-to-have" — they're a business imperative. As a future-focused CHRO, your role is to build a workplace that integrates DEI deeply into the organizational DNA. That means creating an environment where everyone feels valued, where their uniqueness is appreciated, and where everyone has opportunities to grow.

7

Emotional intelligence

As a CHRO, you're tasked with nurturing emotional intelligence throughout your organization. That means building a workplace that values empathy, understanding, and communication — one where employees feel heard, respected, and motivated to perform. Across all job roles, emotional intelligence is growing in importance, with skills like resilience, self-awareness, empathy, and active listening listed among [the most important job skills for 2023](#). Developing these skills at your workplace is one of the hallmarks of an effective CHRO.

8

Strategic planning

Strategic talent planning is a core skill for the future-focused CHRO, elevating the talent function from its old-school role of filling job postings to organizational design and planning. Effective strategic planning aligns talent strategy with business strategy and uses analytics to forecast future needs, nurture internal talent, and source external talent effectively. And the results speak for themselves: companies that practice strategic talent management bring in [26% more revenue per employee](#) than their peers.



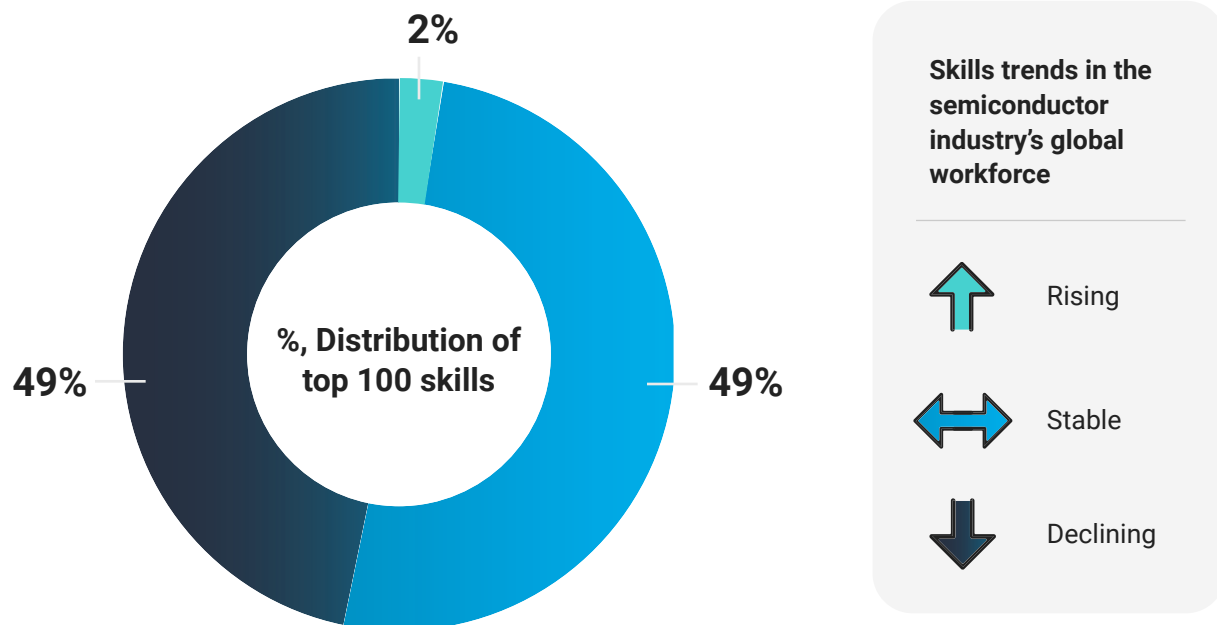
The CHRO's challenge:

A look at the proportion of rising and declining skills in 3 major industries

Looking at Eightfold data, CHROs have quite a bit of work cut out for them as most industries are lagging behind on upskilling their workforces. Many organizations are struggling to keep pace with advancements in technology and process, leaving CHROs with the challenging task of bridging skills gaps.

For example, fast-changing industries like **semiconductors** are undergoing significant transformation, necessitating a continuous upskilling of employees. The rapid evolution of semiconductors requires a workforce that is well-versed in cutting-edge technologies, including advanced manufacturing techniques.

According to Eightfold data, out of the top 100 skills in the semiconductor industry, only 2% are rising whereas 49% are declining. That presents a major challenge for CHROs at semiconductor companies, where they must develop comprehensive upskilling programs that encompass the needed technical skills, ensuring that these organizations can adequately compete in the aggressive semiconductor landscape.



Source: Eightfold Talent Intelligence Platform

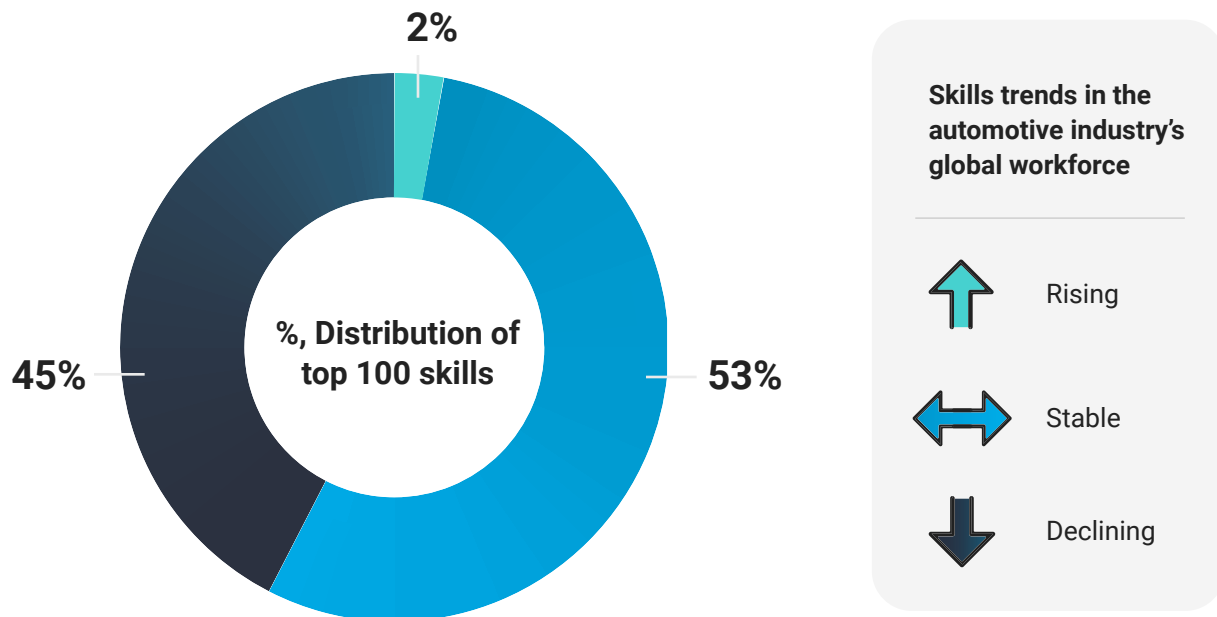


On the other hand, the **automotive** industry is facing the issue of working under outdated practices and management. As CHROs grapple with upskilling challenges in this sector, they must prioritize modernizing the organizational structure and management practices alongside upskilling the workforce.

Recognizing the need for agility, flexibility, and innovation, CHROs should lead the charge in transforming the automotive industry's traditional hierarchical structures into more collaborative and adaptive models. This involves fostering a culture of transparency, open communication, and continuous improvement, where employees at all levels are encouraged to contribute ideas and participate in decision-making processes.

Additionally, CHROs in the automotive industry need to also focus on modernizing their workforce's skills to align with the shifting demands of the automotive landscape. The rise of electric vehicles, autonomous driving technologies, and connected car systems necessitates a workforce that is well-versed in emerging technologies, software development, data analytics, and cybersecurity.

CHROs must identify skill gaps within their organizations and implement targeted training programs to equip automotive employees with the knowledge and expertise required for these new domains. Additionally, fostering collaboration with technology partners and startups can facilitate knowledge exchange and accelerate the adoption of innovative practices. By investing in upskilling, CHROs can position their organizations at the forefront of automotive innovation, enabling them to remain competitive and thrive in the rapidly evolving market.



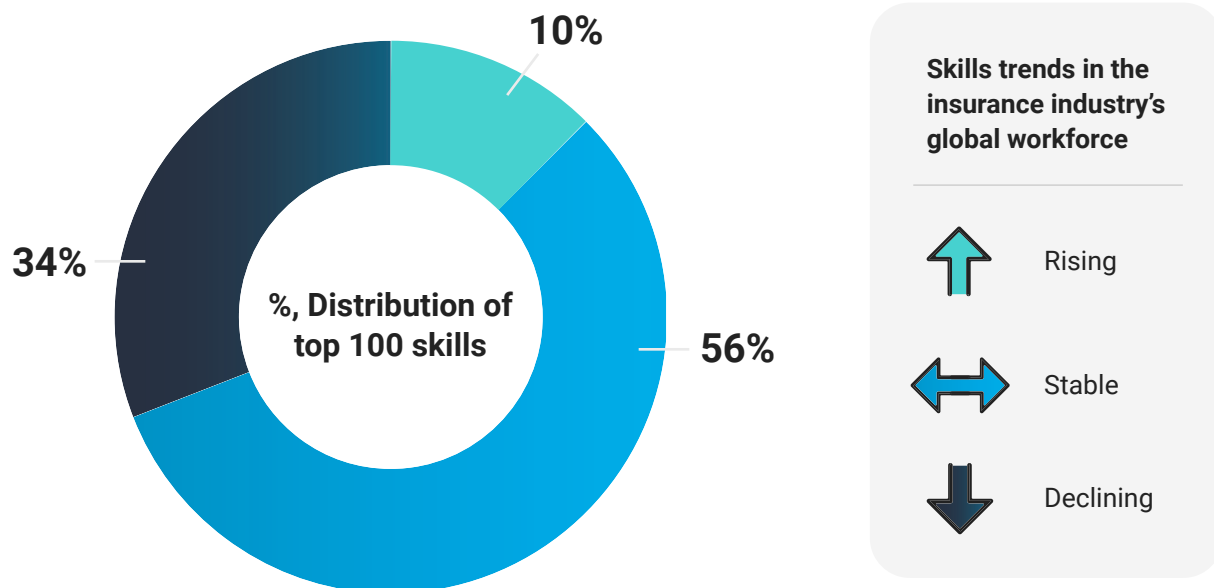
Source: Eightfold Talent Intelligence Platform



Based on Eightfold data, the **insurance** industry demonstrates the highest percentage of growth in emerging skills with an impressive 10%. However, when considering the broader context, the overall progress remains disappointing. The insurance sector has managed to maintain pace with the evolving skill requirements primarily due to its steadfast business model. The industry's stability and long-established practices have allowed it to adapt to changing market demands and incorporate new skills more effectively than other sectors.

However, it is essential for the insurance industry to strive for further improvement, recognizing that the business landscape is continuously evolving. To sustain this positive trajectory, insurance company CHROs must remain vigilant in monitoring emerging trends and proactively identifying the skill sets that will drive future success.

By fostering a culture of innovation, investing in targeted training programs, and collaborating with external partners and newer "insurtech" startups, the insurance industry can strengthen its ability to meet the growing demands of an increasingly dynamic market. This continuous focus on upskilling will not only enable insurance companies to maintain their competitive edge but also drive overall progress in the industry as a whole.



Source: Eightfold Talent Intelligence Platform

Overall, CHROs must foster a culture of continuous education and innovation that encourages employees to embrace lifelong learning and pursue opportunities for professional growth. By proactively addressing the upskilling needs in the semiconductor, automotive, and insurance industries, and other sectors undergoing change, CHROs can empower their workforces to stay competitive and drive organizational success in the face of technological disruption.



Harnessing the power of skills and data for future success

We're experiencing a transformative era in HR — and as CHRO, you're at the forefront. The business world is ever-changing, and with it comes an exciting demand for adaptable, strategic, and data-driven HR leaders. You're no longer managing people — you're shaping the future of work at your organization. Your influence goes far beyond policy creation and talent management. It shapes the organizational DNA at the heart of your company.

But it will require a mindset shift, new skills and insights, and the most powerful AI technology available. You'll need a laser-focused pulse on where your organization's skills lay and which skills you'll need moving forward. You'll need the right financial insights to inform your workforce planning — ensuring you have the right mix of building, buying, or borrowing talent. Pull it off successfully, and your entire organization — including the C-suite — will never be the same.

Unrivaled
talent
visibility.

Extraordinary
HR
performance.

See
Greatness
Everywhere.



Are you prepared to thrive in the era of skills-based work?

Eightfold's Talent Intelligence Platform uses deep-learning AI and one of the world's largest global talent data sets to provide unrivaled insights into your workforce and the industry at large. Recruit talent efficiently, exceed diversity goals, retain top performers, and upskill and reskill your workforce with a single solution for all your talent needs.

Discover how we can assist you in building a future-ready workforce.

[Transform your workforce.](#)

About Eightfold AI

Eightfold AI's market-leading Talent Intelligence Platform™ helps organizations retain top performers, upskill and reskill their workforce, recruit talent efficiently, and reach diversity goals. Eightfold's patented deep learning artificial intelligence platform is available in more than 155 countries and 24 languages, enabling cutting-edge enterprises to transform their talent into a competitive advantage. For more information, visit www.eightfold.ai.