

Key trends for HR professionals in 2025

From AI preparation to new employment rights, financial wellbeing and global recruitment, here's what HR professionals need to know for 2025



Introduction

In HR, change isn't just constant – it's relentless. As 2025 approaches, it's time to zoom out, identify the critical trends and consider strategies that will prepare HR for the big issues facing organisations in the year ahead.

Let's look at the key trends shaping HR in 2025.

1 Artificial intelligence

Artificial intelligence (AI) will likely continue integrating into HR and across most organisational departments. It is transforming HR by automating tasks like interview scheduling and data entry, allowing HR teams to focus more on initiatives that add real value for employees, such as developing diverse cultures, offering tailored development and increasing engagement.

"As we enter 2025, tools like Microsoft's Copilot and advanced generative AI systems will further enhance HR's capabilities, offering real-time insights, automating complex tasks and assisting in decision-making," says Toria Walters, chief people officer at digital transformation company ANS.

In 2025, AI is poised to have a significant impact on recruitment. One key area is candidate sourcing, where AI can efficiently gather candidates from numerous job boards, covering a range of histories, experiences, backgrounds, and education. Chetan Dube, founder and CEO of Quant, suggests that by leveraging AI for this task, recruiters can focus their efforts on reviewing

CVs and screening candidates, ultimately creating a stronger final candidate pool.

However, there are ongoing concerns about the potential biases in AI-driven decisions, so it's essential that the human element remains, says Carolyn Miller, UK head of HR at Capgemini. She recommends HR professionals keep people at the heart of their operations to ensure meaningful connections and avoid over-reliance on technology.

HR will also need to consider AI's impact on other parts of the business and ensure staff are prepared. "People leaders need to fully recognise that AI is a foundational technological change rather than an incremental one," says Lynsey Whitmarsh, CEO at talent development provider Hemsley Fraser. As a result, she believes it will be implemented right across organisations and advises HR leaders to prepare their workforce for this change by boosting employees' human skills and capabilities, such as emotional intelligence, interpersonal skills, complex problem-solving, innovating, and creating and collaborating with purpose.

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2 Recruitment

Most organisations will find they need to hire in 2025, whether to replace people who have left or retired, meet new demand or bring in additional skills. However, with talent shortages continuing, organisations may need to rethink traditional recruitment strategies and explore creative approaches.

To secure the talent needed, employers should focus on broadening their recruitment strategies. This includes tapping into more diverse talent pools and, where appropriate, offering remote work options to expand geographic reach. Evans advises against relying solely on past hiring patterns, which often focus on replicating previous roles. Instead, he stresses the importance of creativity in identifying transferable skills and behaviours from other industries to build a more dynamic workforce.

One option for organisations is to hire remote candidates from overseas to create a more global workforce. In this scenario, HR has a crucial role to play.

"HR must act as a strategic partner, understanding the business objectives and aligning people strategies to support them,"

says Katherine Loranger, chief people officer at Safeguard Global. "By fostering inclusive engagement efforts, leveraging flexible and agile policies and integrating tools that enhance collaboration, HR can become the glue that binds global teams together. This enables organisations to adapt seamlessly to workforce changes and maintain a cohesive culture."

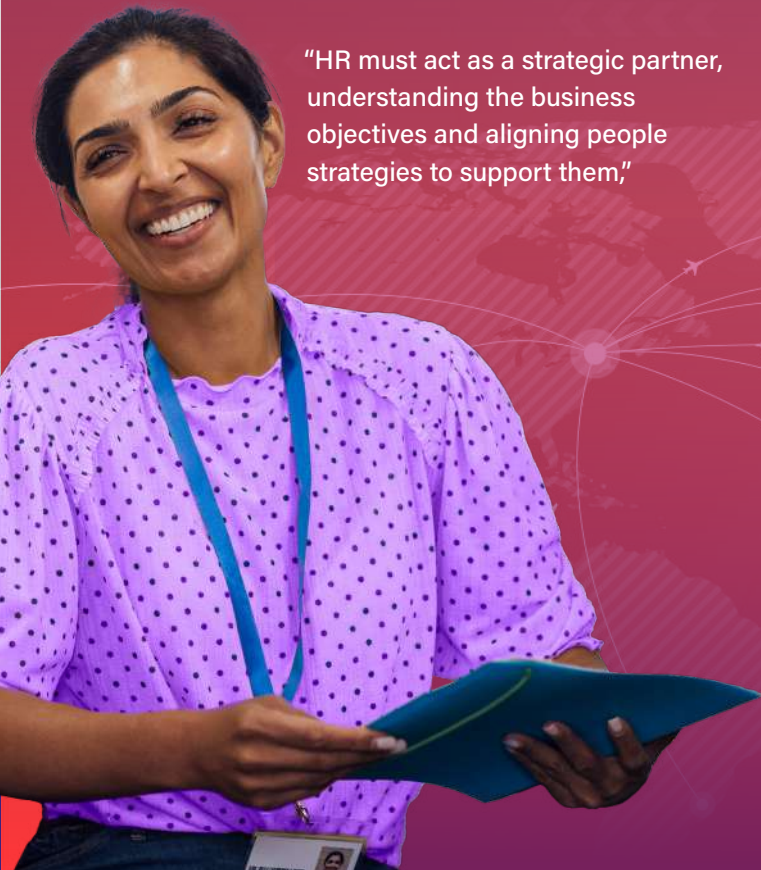
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This means fostering communication through robust collaboration tools, creating inclusive engagement initiatives and emphasising outcome-based rather than task-based management. "Leveraging flexibility in work arrangements ensures employees feel supported, and creating cross-functional opportunities promotes connection and shared purpose across the organisation," says Loranger.

As organisations seek fresh sources of growth for 2025, many will likely seek to start operations in entirely new markets. For organisations looking to expand into new countries, it may make sense to set up an employer-of-record (EOR) arrangement as an alternative to establishing legal entities, particularly if time-to-market is tight or there needs to be more knowledge around local markets.

"EORs have already done the costly and arduous work of setting up entities around the world, including banking, insurance, tax, HR, facilities and contract requirements," says Bjorn Reynolds, CEO at Safeguard Global. "They abide by local employment laws to create an infrastructure that allows companies to employ and pay local workers without needing to establish a local entity."





3 Employee health and wellbeing

Health and wellbeing have been an increasing focus for many organisations in recent years and will remain a priority in 2025.

This will see a shift towards more proactive health monitoring, predicts Miller. “Preventive health support, like regular health assessments, will help catch issues early, ensuring a healthier and more productive workforce,” she says. “It’s important to build wellbeing programmes that are inclusive and cater to diverse needs such as menopause support and access to fitness. It’s all about making sure every employee feels supported and valued.”

With the NHS under significant pressure – **mental health services received a record 5m referrals in 2023, a 33% increase from 2019** – employers may need to provide help to those who might be struggling, says Jane Hulme, UK HR director at Unum. “This might include access to health screenings, fitness benefits and mental health support,” she says.

“A key part of this will be offering vital preventative services that aim to intervene early and either prevent poor mental health entirely or catch a

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problem before it spirals into something much larger,” she adds.

Emma Rainbow, HR director at digital customer experience firm Brandwidth, suggests organisations need to look at other aspects of wellbeing, such as social, developmental and financial health. According to Rainbow, businesses need to recognise that the pillars of wellbeing are interconnected. She emphasises that neglecting financial concerns can negatively impact an individual’s overall health and wellbeing and highlights the importance of supporting all these pillars in 2025.

4 Employee retention

Over the next 12 months, more employees are expected to seek empowerment from their employers, according to Laura Bunn, HR director and board member at Roadchef. She highlights how combining technology with community engagement can bring pride and purpose to the working day, while flexible working will remain vital for fostering inclusivity and attracting a diverse workforce.

Talented individuals increasingly expect personalised career paths and robust learning and development plans. Jonathan Evans, CEO of business consultancy Discovery, notes that the lack of career development opportunities is a significant driver of workforce turnover. He explains that offering structured career

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plans, regular skills assessments, and tailored learning programmes signals a commitment to employee growth, leading to higher retention. By aligning upskilling initiatives with both individual aspirations and organisational goals, employers can meet employee expectations for clear growth trajectories.

Proactive skills development is also crucial as businesses prepare for the future. Miller stresses that the skills in demand today will differ from those needed in five years, making forward-thinking workforce planning essential. Regularly updating training programmes to address future skills requirements helps employees become more resilient and adaptable while ensuring the workforce stays aligned with evolving industry trends.



5 New legislation

As always, new regulations are on the horizon and HR professionals need to ensure they are aware of these and prepared for their introduction.

The Employment Rights Bill, passed in October 2024, introduces significant changes to employment law that organisations must be prepared to address.

While the main elements of the Employment Rights Bill aren't set to take effect until 2026 at the earliest, HR teams need to keep these developments on their radar. The uncertain nature of the government's proposals and their implementation makes it crucial for HR professionals to stay informed, explains Ian Abel, a senior associate at law firm Knights. He highlights that the primary concern for employers is the introduction of the day-one unfair dismissal right.

This means businesses will need to consider how robust their hiring processes are, so they are less likely to become caught up in litigation. "A greater investment in recruitment will help to ensure only the right candidates are offered employment, reducing the risk of a potential rise in unfair dismissal claims," says Sarah Tahamtani, partner and head of employment at law firm Clarion.

"Businesses should begin to implement comprehensive training for managers surrounding fair hiring practices, and establish clear, documented policies on conduct and performance management from the outset of employment, to provide greater protection and defensibility against potential claims."

The bill also proposes to end 'exploitative' zero-hours contracts, giving all workers the right to a contract that reflects the number of hours they regularly work over a 12-week reference period, as well as reasonable notice of any changes in shifts or working time, and compensation for cancelled shifts. >>



5 Upcoming changes will require employers to offer guaranteed hours, creating a need for systems to track the regularity of untaken hours by workers. Tahamtani notes that this could present operational challenges for employers who rely heavily on flexible contracts, as they will need to incorporate a greater degree of planning into their workforce management.

Something else to keep an eye on is the growing push towards enshrining flexible working rights in law, she adds, following the introduction of the Employment Relations (Flexible Working) Act in April 2024, which boosted the rights of employees requesting to work flexibly.

"Changes to legislation on flexible working arrangements have put conversations around work-life balance into the spotlight, and this is only likely to continue in the coming year," says Tahamtani. "The proposed introduction of a 'right to switch off' and discussions around a four-day working week indicate that the government plans to strengthen rights to flexible working arrangements, further reinforcing the importance of work-life balance in preventing employee stress and burnout."

Another major legislative change employers need to be aware of is the amendment to the Equality Act 2010, which came into effect in October 2024. "This now creates a proactive duty for employers to take reasonable steps to prevent sexual harassment in the workplace," says Abel. "The amendment also gives employment tribunals the power to increase the compensation awarded for sexual harassment by up to 25% where an employer is found to have breached the new duty to prevent sexual harassment of its employees.

"It is important that employers review and ensure they have an effective anti-harassment policy in place. Employers must take steps to reduce any potential harassment through measures such as easier reporting mechanisms, frequent training on the topic, and clear documentation of these efforts."

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