Future- Ready
HR Skills Report

*Benchmarks and insights
for HR leaders*

AIHR | ACADEMY TO INNOVATE HR

About this report

Organizations look to HR to drive transformation, enable business agility, and shape how to navigate uncertainty and change. But over **50% of HR teams** say they're not confident they can deliver on business expectations.

HR plays a central role in business success. But to fully deliver on that promise, we need to build capability with intention and focused on the skills that will shape relevance in an increasingly AI-enabled world.

This research draws on insights from **over 13,000 HR professionals** to understand both what skills matter and how they show up in practice. The result is a sharper, more practical lens on what it takes to build future-fit HR teams.

Dr Marna van der Merwe

Lead Subject Matter Expert

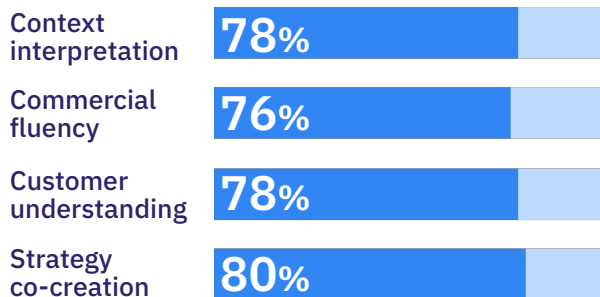**Dr Dieter Veldsman**

Chief HR Scientist

Understand the business, influence the strategy

Most HR professionals say they have it. But our data reveals a hidden gap: **commercial fluency is consistently the weakest subskill.**

Business acumen is about connecting people decisions to how the business creates value, including interpreting financials, anticipating market shifts, spotting customer needs, and co-creating strategy.

73%
of HR professionals feel confident in their business acumen

Overall score per dimension

Context interpretation	**78%**
Commercial fluency	**76%**
Customer understanding	**78%**
Strategy co-creation	**80%**

What the data tells us

1. Confidence doesn't equal **capability**.

2. Commercial fluence scores lowest across all subdomains, suggesting HR still struggles to **connect talent priorities with business outcomes**.

3. **HR needs experience and exposure** to develop business acumen. Roles with direct access to strategy (e.g., HRBPs in transformation teams) score far higher than HR service roles.

4. Business acumen links closely with both Execution Excellence and People Advocacy, reinforcing that **strategy without delivery—or without empathy—falls flat.**

Where to focus your development efforts

➔ Diagnose commercial fluency - don't rely on assumed confidence

➔ Provide early-career HR professionals with hands-on exposure to business challenges

➔ Build commercial fluency by embedding financial and customer insight into strategy work

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9-Step HRBP Capability Framework

Use this framework to develop the business acumen your HR team needs to drive real business impact.

Download here

From metrics to meaning

HR has more people data than ever before, yet most teams don't know what to do with it. Translation and storytelling remain the weakest areas, even among seasoned professionals.
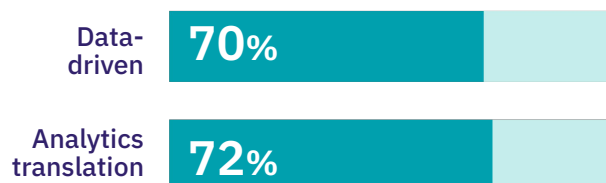
Data literacy is more than pulling reports. It's the ability to interpret data, spot trends, translate insights into action, and communicate findings that influence decisions. This is HR's key to becoming a true strategic, insight-driven partner.

What the data tells us

1. Storytelling and translation score lowest across the board.

2. Unlike business acumen, experience has only a modest impact. Growth in this skill is inconsistent and largely limited to the extremes of experience.

3. Data literacy strongly correlates with digital agility. When one is present, the other tends to follow.

4. Data literacy also depends on roles. Strategic roles perform moderately well; service roles consistently fall behind.

60%
of HR professionals feel confident in their ability to understand and translate data

Overall score per dimension

Data-driven **70%**

Analytics translation **72%**

Where to focus your development efforts

➔ Build skills early. Data confidence doesn't grow on its own.

➔ Prioritize scenario-based learning. You can start with dashboards, but focus on interpreting data in real-time business contexts.

➔ Focus on translation, not just analysis. Insight without action is just noise.

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HR OKR Playbook

Take a data-driven approach to ensure your team is laser-focused on your most important priorities.

Download here

Tech isn't optional

This is HR's weakest link. Most professionals don't know how to select or apply the right tools, and seniority doesn't help either.

Digital agility is knowing how to use the right technology to solve the right problem—streamlining processes, enhancing employee experiences, and enabling strategic decisions.

39%

of HR professionals feel confident in using digital tools—the lowest-rated skill

Overall score per dimension

64%
Digital adoption

70%
Digital aptitude

62%
Technology empowered

What the data tells us

1. Skill levels are just as low among senior professionals as among juniors.

2. HR struggles the most with choosing the right tool for the job.

3. Business Partners and HR Service roles lag, despite daily exposure to tools. Strategy-facing roles do better when digital systems are part of the decision-making process.

4. Mastering digital agility has the potential to elevate AI to a problem-solving companion

Where to focus your development efforts

➜ Create opportunities for HR teams to use digital tools in solving real business problems; not just to complete tasks.

➜ Build confidence by encouraging experimentation with new platforms, rather than waiting for formal training.

➜ Emphasize the "why" behind technology use. Link tools to business outcomes, not just system functionality.

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An HR Leader's Guide to Building AI Competencies

Get access to this step-by-step process to determine the most effective way to develop critical AI skills in your team.

An **HR Leader's** Guide to Building AI Competencies

A process to build impactful AI competencies for HR teams

Download here

Lead with values, deliver with impact

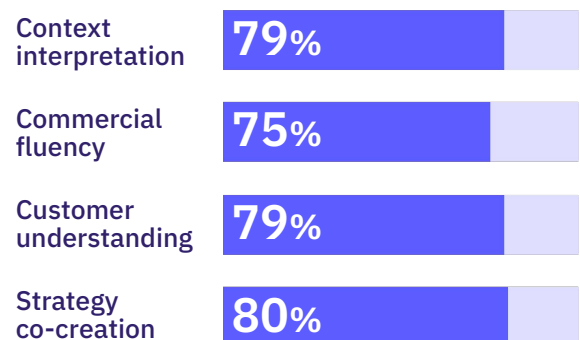*HR's ability to drive inclusion, fairness, and culture is its **strategic advantage**.*

People advocacy blends empathy with influence. It includes navigating change with integrity, advocating for ethics, and building a culture that prioritizes wellbeing and performance.

What the data tells us

1 HR professionals score the highest in wellbeing and culture but fall behind in areas like ethics and risk navigation.

2 The skill grows steadily with experience, especially from the 5-year mark onward. Real-world exposure helps shape depth. That's why advisory and coaching-based roles score the highest, while service roles fall behind.

3 People advocacy reinforces execution and business acumen. HR professionals who lead with values tend to deliver better and align more effectively with strategy.

74%
of HR professionals feel confident leading with values

Overall score per dimension

Context interpretation **79%**

Commercial fluency **75%**

Customer understanding **79%**

Strategy co-creation **80%**

Where to focus your development efforts

➜ Position this as a capability, not a value. Show your team you expect to see it in everyday decisions, not just policies.

➜ Use exposure to complex situations to deepen skills.

➜ Pair advocacy with influence: coaching, listening, and cultural navigation.

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Soft Skills Hub

Supercharge your team with essential HR soft skills to navigate every situation with ease.
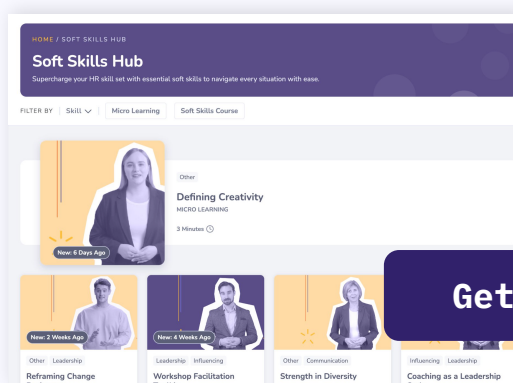
Get a demo

Deliver outcomes, not just intentions

HR professionals are highly confident in their execution. But there's a hidden gap.

Execution is about making strategy real. That means managing complexities, solving problems, and sustaining momentum across changing environments.

82%
of HR professionals feel confident in their ability to execute

Overall score per dimension

80%
Taking action

79%
Problem-solving

82%
Interpersonal skills

What the data tells us

1. HR excels in interpersonal engagement but falls behind in analytical problem-solving.

2. Experience helps, with steady growth even beyond 15 years.

3. Exposure also plays a role. Strategy and solutioning roles score the highest, while HR service roles lag behind as they often have more transactional responsibilities.

4. Execution links tightly with people advocacy and business acumen. When HR understands the business and leads with trust, execution is strategic and effective.

Where to focus your development efforts

➜ Increase HR's strategic value by linking execution to meaningful outcomes

➜ Invest in developing analytical problem-solving and proactive troubleshooting. This is often where many strong executors fall short.

➜ Reinforce relational engagement and influence as the levers that drive real execution in complex environments

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## HR Service Delivery Model Canvas

Drive internal HR alignment and showcase HR's value and contribution to business success using this canvas.
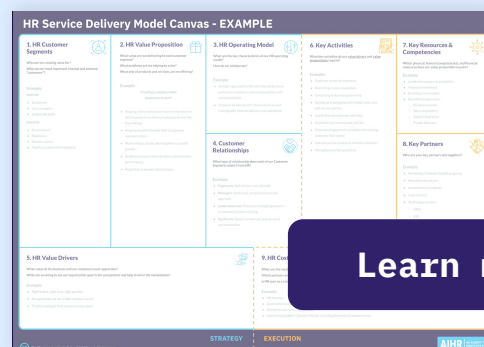
Learn more

4 development priorities for HR
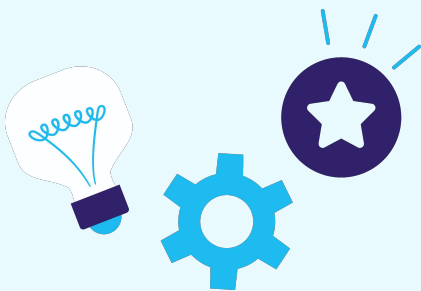
Skills gaps aren't random. **They are patterned, predictable, and fixable.** *To meet the demands of a more digital, data-driven, and business-integrated future, HR needs to move from broad learning to targeted capability building.*
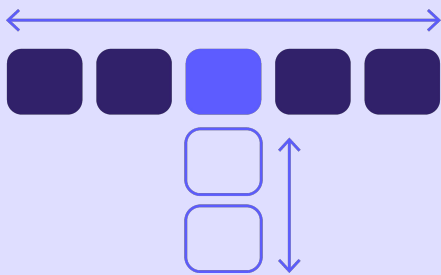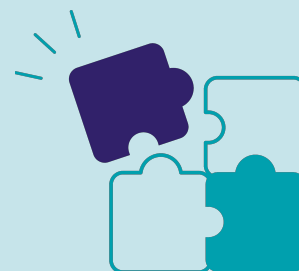
Build broad and deep skills

Focus on fundamentals

Design learning with exposure in mind

Understand your team's real capability

Build broad and deep skills

Beyond deep expertise in one function, HR professionals also need broad fluency across core areas: business acumen, data, tech, people, and execution. These capabilities are highly integrated, meaning that professionals strong in one area are often better across others.

How to lead this change

Make breadth a design principle in your development strategy. Instead of training for roles in isolation, equip your team to flex across domains, collaborate cross-functionally, and connect their work to bigger business outcomes.

Focus on fundamentals

Confidence doesn't equal capability. Our data shows that many professionals rate themselves highly but lack core proficiency in areas like commercial fluency, analytics translation, and digital decision-making.

How to lead this change

Focus development efforts on what's essential, not just advanced. Skills like interpreting data, using tech to solve problems, or connecting people initiatives to business drivers aren't "nice to have", they're the baseline for strategic HR.

PRIORITY 3

Design learning with exposure in mind

Experience alone doesn't build skill. Even senior HR professionals might not grow their digital agility and data literacy (two of HR's most underdeveloped capabilities) over time. What makes the difference is exposure, not tenure.

How to lead this change

Move away from generic content and create learning experiences tied to real work, like cross-functional projects, applied analytics, or scenario-based training. Your team grows when you expose them to the decisions, tools, and conversations that stretch them.

Design these priorities to work together. A shared foundation builds confidence. Exposure accelerates growth. Breadth increases agility. And clarity on real capability ensures you're focusing on what matters most.

PRIORITY 4

Understand your team's real capability

Skills don't develop evenly. Our research shows that capability varied more by persona (how someone works) than by job level or function. Strategist consistently outperformed while Service Champions trailed across domains. Assumptions based on seniority or role tend to hide many gaps.

How to lead this change

Diagnose the real capability of your team by going beyond job titles and examine how people think, act, and contribute to their roles. This gives you a sharper focus and a better return on your development investment.

HR teams are only as successful as their skills are relevant. With engaging in-depth training and resources, AIHR helps HR teams become better at what they do and drive more business value.

Learn more at **AIHR.com** →

You might also like

T-shaped HR Competency Framework

Discover the five core competencies of T-shaped HR professionals and get a template for what the ideal HR organization looks like.
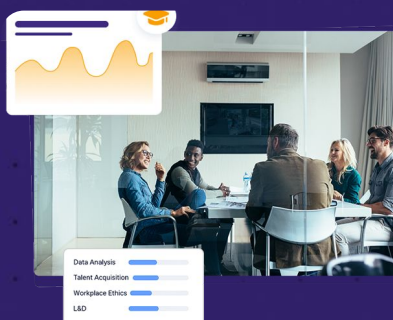
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