



The human resources megatrends of 2025

Host: **David Mallon**, Vice President and Chief Analyst, Insights2Action, Deloitte Consulting LLP

Co Host: **Kyle Forrest**, Human Capital US Chief Marketing Officer, Deloitte Consulting LLP

Guests: **Dani Johnson**, Cofounder & Principal Analyst, RedThread Research
Stacia Garr, Cofounder & Principal Analyst, RedThread Research

David Mallon:

Welcome back listeners to Capital H, and a warm welcome to 2025. It is great to have you with us for today's episode to enter into this new year on the highest of notes. I'm joined by my co-host, the one and only Kyle Forrest. And Kyle and I are joined by our two very dear friends, and I should add long-time researchers of all things HR and human capital, Stacia Garr and Dani Johnson. Collectively, Stacia and Dani are co-founders and principal analysts at RedThread Research, of which I'll let them tell you all about in just a minute. First, just before this past holiday season, RedThread introduced a new report detailing mega trends for 2025. There's so much there, but we'll dive into a couple of these trends and you can

find a link to access the full content on this episode's Capital H Podcast page on I2A. That said, let's bring in our guests. Dani and Stacia, welcome to Capital H. Take a moment, introduce yourselves to our listeners, and share a bit about what you do at RedThread.

Dani Johnson:

Yeah, so I'm Dani Johnson. As you mentioned, David, I'm co-founder and principal analyst at RedThread. We have been in business for about, just about seven years. Is that right, Stacia?

Stacia Garr:

That's right.

Dani Johnson:

Yeah. And we are long-time friends of David because we, we used to work with him at Deloitte, so we're Deloitte alum as well. We focus on all the interesting parts of human capital, we like to say. That includes learning, skills, talent management, people analytics, and then all of the technology that underpins that stuff. And we absolutely love it. Stacia, you wanna introduce yourself?

Stacia Garr:

Yeah, sure. So basically everything that Dani said (laughs). Worked with David and the broader team for eight years. And so it's really fun to get a chance to come back and, and share some of what we've been doing for the last few years. And before that,

I was with CEB, now Gartner. So long-time researcher in this space.

Kyle Forrest:

Awesome. Well Dani and Stacia, thank you again for, for joining us today. David and I are thrilled to have you here to kick off 2025. And so, so let's, let's dig in. Uh, in your 2025 mega trends report, RedThread had identified five big themes, uh, which as David said, we're not gonna cover all today. But, but those themes were increased geopolitical disruption, more growth and less people focus, power struggles continue, increasing population and skills—but a skills mismatch—and more AI use cases, fewer experiments. So can you maybe share a little bit to start with our listeners for how collectively RedThread, you know, did research and came up with these mega trends?

Stacia Garr:

Yep. Yeah, absolutely. So what we do is, come November, we start to look out at, at what's happened in the year. And actually the very first thing we do, and I don't know if everybody does this, but we go back to our old mega trends from the previous year to see what we got right and what we got wrong, and what has changed over the last year. And then what we do is, is we really go out and we scour the various business publications, the HR publications, see what others are saying, and ultimately bring that back to the interviews and the conversations we're having. So it's kind of a, a massive consolidation of information and trends in what we're seeing. And then Dani and I get on a call and we hotly debate what we think

Dani Johnson:

(Laughs).

Stacia Garr:

...are the big issues of right now.

And, and we try to focus at really what's happening broadly. So not just like in HR, you know, employee experience is a big deal. Yes. Okay. But why? So what's happening within society? What's happening within business? And what are the HR implications for organizations and, and what should they do? Not just like, hey, this is a big thing, but how might you think about this and what are the critical questions you need to be asking

yourself as you look at your plans for the coming year? So that's how we end up with these five trends.

David Mallon:

It makes me think, so we obviously have our, our global human capital trends as well. And it sounds like it's, it's, you know, sort of a similar process, maybe a little bit more drawn out. When I go out and talk in the world about them, I often use this, the metaphor of sort of currents.

We've all had that experience of standing in a river or standing in the ocean and you get pushed somewhere. It's fun to talk about predictions, but as human beings, we're not particularly good at predicting the future. So that's kind of more of an emotional activity. For this to be useful, for us to be able to help the clients we work with actually, you know, do something useful, it's better, I think, to talk as you, you all are focusing on, to sort of focus on the *now*, like what are those currents, what are those things that are pushing us somewhere?

And if we can give them names so we can tell stories about them, then we can not just react to them. We can figure out how to harness them, which I think is very much part in parcel it sounds like, of how, of what you're trying to accomplish as well. So now that we've kind of dug into this process a bit, as much as we would like to, I think I, I would love to hear the backstory of all five of those things. Let's, let's dig into a couple and, and we're gonna start with the one that's obviously sort of on every front page, sucking all the oxygen out of the room, which is AI.

In the mega trends, you lay out that you expect there to be more use cases, but fewer experiments. Now, I'm reading that to mean maybe more focus on sort of functional, low-hanging-fruit sort-of value and less exploration just for exploration's sake. Am I reading that right? There's obviously implications there for the world of work. Maybe walk us through some of those that are specific for HR. Where do we go from here?

Dani Johnson:

Yeah, I think one of the things that Stacia and I have both been seeing is exactly

as you said, David. Uh, AI is growing up a little bit and the business case for AI in an organization is becoming important. Just like an investment in anything, we need to see some results. And so whereas in the last two and a half to three years, lots of organizations have just been going, you know, "Put it on your desktop, play with it. You need to understand what it can do." We're seeing less of that and now much more deliberate actions taken to professionalize AI in the workplace. We've been seeing this for a while.

We've run a CHRO cohort. We've done three or four meetings where we're talking specifically about how to professionalize AI and what a road map looks like and what investments look like, and how you determine whether or not you're getting value out of it and all of those types of things. Whereas in the past, we did not see that.

Kyle Forrest:

Dani, one of the things that I agree with your statement around kind of the grow up, the professionalize is now maybe a bit more clarity for organizations on, on who should be the owner, right? And I think, everyone's got an opinion on, especially I think this week, seeing some provocative statements out in the market. Did, did you see any kind of trends, or even from the CHRO cohort, good examples to share around collaboration with the ownership? Because, uh, I think what David and I have seen in, in some of the, the Deloitte research as well would, would indicate true ROI has to come through partnership across the functions or across the business.

Dani Johnson:

Yeah. And I think one of the biggest conversations we heard that sort of a hint toward that is the idea of data and the necessity of good data in order to make AI broader, and, and work more broadly. And so, AI was introduced to organizations and it was very sort of personal, right? Use this to make your work smaller or to do some of the work on your desk to get it off your desk. But as organizations think about what AI can actually do, they also realized that AI is only as good as the data that it has, and so understanding how to make sure that the data structure you have in your organization

is sound and correct, or at least directionally correct, so that some of those things can happen the way that we imagine that they could happen is really key.

And, and we started talking to CHROs, but you know, people analytics folks are coming in and learning folks are coming in and not just in the people space, you know, but more broadly. Operations that are coming in. We're starting to actually take data really seriously because AI is going to depend on it in order to be helpful to us.

Kyle Forrest:

Yeah. It it's definitely almost like, the data folks and the analytics folks are having that increased moment in the sun because of, if you're, if you are gonna do something with AI and you want good output, the input has to be high quality.

Dani Johnson:

Yeah, for sure.

David Mallon:

I wonder though if it's as much about the data that we have or had and that we're using to train, but the data that we're gonna collect from here forward to know, in this sort of grown-up use of AI, what value we're actually creating is. We talked in last, in our human capital trends last year around this notion of getting beyond productivity, that maybe in this world of work in which we're in, productivity, that traditional economist measure of inputs and outputs of efficiencies of are we getting more work from less people or less input or less whatever. That notion of productivity, it's useful, but maybe not—it's no longer sufficient to capture all the value that humans bring in work. And especially as AI starts to help those humans, and we start to essentially produce more bottom-line value than top-line input, productivity may not be the sufficient to describe that. To describe the invention, the creation, that sort of, the potential value that comes out of the intersections of humans and machines. So, and one of the things we're focused on this coming year is taking that next level, how do we change the work? How do we not just drop AI in the organization and sort of incrementally hope that it's going to help you do a few more things off the side of your desk, but to actually truly change the

work so that there's greater value there than essentially the sum of the human and the machine parts. Does that make sense?

Dani Johnson:

Oh, yeah. And, and I totally agree. I'm just wondering how long it's gonna take to change the mindset in order to be able to do that. And I think, you know, of, of the GDP and the way that we calculate all these big things and how we think about ahead and all of these things that are, have quite a bit of momentum in organizations and in society. I am totally behind what you're talking about, David. I just don't know how quickly we're gonna be able to do it.

David Mallon:

And I think what I've noticed in terms of, I'm curious, going back to your mega trend about this year, about sort of more use cases, more grown up, that the executives that pushing the button to implement, do they have the patience and the and the appetite for the sort of, I think Ethan Mollick talks about it as sort of the internal R&D that have to happen to change the work?

Dani Johnson:

Yeah.

Stacia Garr:

Yeah. I would argue most of them probably don't.

Dani Johnson:

Yes.

Stacia Garr:

So if you combine this with our, our second trend, which was, I think we called it more growth, less people focus. And really what that is, is a calling out of the now *years* of efficiency that we are seeing CEOs focus on within organizations. And the thing that's kind of funny is we're saying, "Okay, we need to be more efficient, we need more growth, et cetera, but we also want you to experiment." And, you know, as, as we all know that those are, are kind of difficult things because experimentation doesn't always equal results. You're learning. You know, it's not an efficient process. And so what I think will happen certainly in 2025 is we're gonna go after the CEOs and probably HR leaders will go after some of the quote, "low-hanging fruit," uh, one of my least

favorite phrases. But (laughs) the, the easy things that will drive efficiency. And then, and, and those will be the use cases that they go hard on right now.

And then I think the more sophisticated organizations will do exactly what you're talking about, David. They're gonna spend time thinking about how do we actually redesign work? How do we quantify in different ways what people bring versus what the machines bring? And those are the organizations that two, three, four years from now will probably dramatically leapfrog those who are just focused on efficiency. But when you are living quarter to quarter by, by your, your financial numbers, it's hard to make that investment unless you have a long-term vision. And right now, a lot of folks don't have a long-term vision.

Kyle Forrest:

Yeah. Stacia, part of what really resonates with me about what you just said is this current moment in time really requires some folks to be willing to stick with something beyond a quarter or a half a year, or, or a year, right? Whether that's because of some of the other trends you noted, like the geopolitical disruption or whether it's the technological advances or some of the other topics I've seen popping up tied to generations in the workforce, aging workforce, et cetera. There's no "easy button" right now.

Stacia Garr:

No.

Kyle Forrest:

And it's gonna require just some focus and willingness to see things through for two or three years. And the people who take that time and make that investment in, in a number of categories, you know, talent, really rethinking work, et cetera, are those who, you know, three, four years from now, we're all gonna be looking at and studying and kind of doing the interviews and articles and saying, "How did you do it?" Right?

Well, their journeys are starting now.

Stacia Garr:

Yeah, absolutely. You know, one of our collectively former Deloitte colleagues, Ashley Goodall, wrote a book this past year

called “The Problem with Change.” And if you all, or if folks who are listening haven’t read it, I strongly recommend reading it. And one of the things he talks about is how, you know we always rush after these new and shiny objects, and in the process we often break the things that are working or break our focus on the long-term objectives. And to be clear, he’s not arguing that we shouldn’t change. We, we should change, but that we need to be thoughtful about what are we keeping our long-term intentions with, and what are, and in what ways are we making change and how deliberate and intentional are we about it? But I think with AI, those who are deliberate and intentional right now, particularly with regard to the redesign of work, as you said Kyle, they’re the ones we’re gonna be studying in a few years.

Kyle Forrest:

Absolutely. Dani, one thing that, that I’d actually be interested in, in your, your quick take as well. Because of the data topic as an important to AI, if I just extrapolate to data more broadly with some of your other trends, how are you seeing organizations think about sensing, using data for things like the geopolitical disruption or, the other trends that you looked at? Were there kind of new and novel ways that you saw organizations just learning to leverage data and sense and inform decisions?

Stacia Garr:

Yeah, I’ll take that one. At least from the, the people analytics side. And Dani, if you have something, go ahead and jump in. But yes, so, for as an example, we were speaking with with a people analytics leader a few weeks ago about how they’re thinking about future workforce planning. And so they’re using their understanding of what’s happening in different markets and also looking at the geopolitical risk in those markets to make decisions about where they’re going to be siting future work hubs. And they call ‘em hubs, which was interesting. So not just an office location, but kind of a group of people who are working together, maybe from home, but kind of are, are in a, a group in a particular place.

They’re using that data in collaboration with geopolitical data to understand where are the best places from a stability perspective,

from a skills perspective, from a, a cost obviously perspective. So that’s one way that we’re seeing it. Other ways are certainly through things like, more sophisticated analysis of latent data that exists within the system. So understanding, you know kind of how work habits are changing, particularly when times of stress, and using some of that to then feed into the ways that they’re thinking about remote work, thinking about connectivity and thinking about productivity. Dani, do you have any others you’d like to add?

Dani Johnson:

I mean data is becoming very important, so we’re becoming more intentional about gathering it. So I completely agree with you on the latent data and trying to minimize the lift on the organization, but we’re also just getting better at asking people. So when I think about the skills movement for example, and all of the technology that exists to help organizations understand the skills that people have, which goes into the workforce development discussion you were just talking about, as well as the AI discussion that we were talking about a little bit earlier, we’re just getting better at understanding the importance of data and going after it however we can get it.

Kyle Forrest:

Fantastic. I appreciate the insights from both on that.

Let’s hit one more mega trend during our time together today.

Power struggle’s continuing, really because the solution to potentially this power struggle that you all found reminds me of a theme that we touched on in our 2024 Global Human Capital Trends report—really looking at where organizations can focus on business and human outcomes together, not one or the other, kind of at the cost of one or the other. And so, Dani and Stacia, can you walk us through kind of what your mega trend around power struggles entails and, and the implications it has for HR?

Dani Johnson:

Yeah, I’ll take this one since I took it in, (laughs) in the webinar. This is the scariest one that we talked about, and it’s scary because it’s pretty politically charged. Just

a little bit of background that we probably all know, many organizations have backed off on things like DEIB and equality and, and those types of things, given the change in the political climate, at least in the United States, and some of the backlash of the last few years. And so last year power struggles also showed up. There was a you know during the pandemic and shortly after, employees had a lot of power. And there was a sort of like, we’re not taking any of your bull, organizations. You know, we wanna work from home. We want these things. But that’s shifted again with the economy and with, with some of these other bigger things that’s shifted.

And so a lot of the power between the employer and employee resides with the employer again. And so when we talked about this last year, our advice to HR professionals and people professionals was do the right thing. Like, you all know what the right thing is for the individuals and the people in your organizations. Do it. It might be a little bit hard, but you should do it. And our advice has sort of changed this year, because the climate continues to change. Our advice this year is much more bring all the people together and figure out something that works for everybody. So instead of pushing a particular agenda, we all have to work together to make sure that, as you mentioned, Kyle, the people are good and the organization is good, and we’re all working together. So that’s kind of where we stand on that one. It is a weird-

Kyle Forrest:

Yeah. And it kind of goes a little bit to the conversation earlier as well, around organizations who are able to commit to something beyond a quarter, right?

Dani Johnson:

Yeah.

Kyle Forrest:

They’ll probably get trust, right? Trust between the workforce and the organization that, that they are in it together and they’re in it together for the long haul.

Dani Johnson:

I think that’s a, a beautiful sentiment. And I’m usually not a pessimist (laughs). I’m usually fairly optimistic, but in this particular case

we're not seeing a lot of that.

Kyle Forrest:

Yeah.

Dani Johnson:

We're seeing a lot of people sort of adjust what I would consider down, to pay attention to the climate.

David Mallon:

It's interesting though, so in this particular week, we saw, the World Economic Forum just put out their latest research, basically said something like 98% of companies based in North America still have DEI programs and are still investing in them. The data would basically say it's under the radar. It's maybe being called different things, but it's still happening. And you have very famous cases in the last few weeks. A retailer that we would all know, basically pushing back hard against activists trying to convince them not to invest in DEI, and basically saying, "Look, no, it's actually good for our business. It's why we are delivering the results we're delivering, so we're gonna continue to do it whether you want us to or not." I also think of a well-known CEO of a financial services firm that in their annual letter basically said, "Look, we'll tell you when we're doing it for altruistic reasons, but more often than not, we're doing it because it's just better for the business."

Dani Johnson:

Mm-hmm.

David Mallon:

That's why I think this conversation is sort of shifting, is in many ways I kind of harken back to your first mega trend about AI growing up. I'm with you. I try not to be too optimist/pessimist in this conversation, but I think what's happening is a sort of, a focus on things like DE and I and equity questions, not through a lens of is it good or bad, altruistic or selfish.

Dani Johnson:

Mm-hmm.

David Mallon:

But is it actually going to help our organization be more successful and achieve its outcomes?

Dani Johnson:

And I agree with you. I mean the research is pretty clear that it does, David. But two things. The first thing is you've provided some excellent case studies of, of where organizations are sort of digging in and saying, "No, no, no, this is good for the business," and there are many others that have-

David Mallon:

I know.

Dani Johnson:

...publicly backed off. You know what I mean?

David Mallon:

Yep.

Dani Johnson:

And so there seems to be a little bit of, of polarization with respect to that. And the other thing that that keeps on hitting me in the *back* of my head is I agree if you can hold on for five or six years, or even two or three years to see these things come to fruition so you have proof, it's awesome. But CEOs don't stay in place very long, and their budgets aren't necessarily tied to-

David Mallon:

Sure.

Dani Johnson:

...you know, five-year whatever. And stakeholders and shareholders want immediate results and all of those things, do they, do they actually help us make that two- to three-year commitment or are they fighting against it?

Stacia Garr:

One thing I'd like to offer here is, one way to think about this is in the context of just what's happened, right? We went through the pandemic and you know, we like to, if you all remember at the time we said that the, you know, 2008 recession was the CFO's crisis, and the pandemic was the CHRO's crisis, because there was such an opportunity for the head of HR to make an impact on the people in the organization. But the implication of that also was that it was up to businesses to take care of the people. And that's really kind of the mindset that many have been in. And I think what we are seeing is a reversion or a move

away from that. And again, I'm not calling it good or bad. Like, I've read enough things about, you know, company towns (laughs) to be scared of businesses being solely responsible for caring for people.

But I think we're seeing a reversion from that mindset back towards, okay, like a business's purpose primarily, at least as historically defined by our friend Milton Friedman, is to deliver value to its shareholders. And so I'm just, I feel like we're just trying to find a new balance. We've got a chart in the report that's the mention of DEI in quarterly earnings calls, and while it has dramatically declined since 2020, it's still a lot higher than it was in Q1 2020.

So we may just be finding a new balance.

Kyle Forrest:

Yeah. I like that. I like that.

David Mallon:

Dani and Stacia, first off, thank you so much for joining us today. Any final closing thoughts you'd like to share with our listeners?

Dani Johnson:

I think when Stacia and I were putting this together we stopped halfway through this and we said, "Well, where's the good news?" And it was kind of hard to see it in the moment (laughs). But as I've reflected for the last month and a half, there is good news. There's good news about all of these things and opportunities for all of these things that I think can really take us far if we have the right mindset about them.

Stacia Garr:

Yeah. And you know, one of the favorite corporate phrases is never waste a crisis, right?

Dani Johnson:

(laughs) Yeah.

Stacia Garr:

Well, never waste a shift in the situation, right? This is, I think to Dani's point, a real opportunity for leaders who are visionary to differentiate their companies and to set 'em on a path that was meaningful and will deliver better results in the long run. Just have to be willing to commit to that slightly

longer vision than maybe some of the current pressures are encouraging you to do.

Kyle Forrest:

Love that.

David Mallon:

Yep. And that will do for today. Dani and Stacia, always a pleasure to get a chance to have a little intellectual back and forth with you. I look forward to doing it again soon. Of course, thank you to Kyle and you listeners for joining us today as we engaged with these key mega trends shaping the world of work and how businesses can adapt. We hope you'll be back with us next time on Capital H. Be sure to like us and subscribe wherever you find us. And of course, look us up on social media. We'd love to hear from you. Until next time.

This podcast is produced by Deloitte. The views and opinions expressed by podcast speakers and guests are solely their own and do not reflect the opinions of Deloitte. This podcast provides general information only and is not intended to constitute advice or services of any kind. For additional information about Deloitte, go to [deloitte.com/about](https://www.deloitte.com/about).

About Deloitte


Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States, and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.


Copyright © 2025 Deloitte Development LLC. All rights reserved.



Learn more

 Visit the [Capital H podcast library](#)

 Explore our [Capital H blog](#) for additional insights

 Join the conversation on Twitter [@DeloitteHC](#)