

# HR TRENDS 2024 RESEARCH REPORT

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# Welcome!

Welcome to our exploration of the ever-evolving landscape of Human Resources in New Zealand. In a world where the only constant is change, it's crucial to stay ahead of the curve, especially in the dynamic field of HR. This report is born out of a genuine desire to delve deep into the unique HR trends shaping workplaces across New Zealand. Unlike the broad strokes painted by global studies, our focus is on providing insights that are specifically relevant to Kiwi organisations.

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In an effort to uncover these insights, we have engaged in extensive conversations with 41 senior HR leaders from a diverse range of industries across New Zealand. Their invaluable perspectives form the backbone of this report, offering a comprehensive look into the strategies, challenges, and innovations that are currently at play in the HR sector. Our aim is to be informative but also engaging and accessible to all stakeholders within the HR ecosystem.

This report is designed for HR practitioners, business leaders, and anyone with a keen interest in the future of work in New Zealand. Whether you're looking to benchmark your practices, gain new perspectives, or simply satisfy your curiosity about the state of HR in our country, we hope you'll find this report both enlightening and inspiring.

Thank you for joining us on this journey. Let's dive into the insights and trends that are shaping the future of Human Resources in New Zealand.

# Methodology

The methodology for this research was designed to capture a deep understanding of human resources trends across New Zealand. In our pursuit to gather rich, qualitative data, we adopted a multi-faceted approach that involved selecting a diverse range of companies and conducting in-depth interviews with Senior HR leaders.

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## Selection of Companies

Our research targeted a broad spectrum of companies across New Zealand to ensure a well-rounded representation of the industry landscape. Companies were selected based on various criteria, including size and industry sector. This strategic selection enabled us to explore the nuances of HR trends in different organisational contexts, from small start-ups to large multinational corporations, and across industries ranging from technology and finance, to healthcare and manufacturing.

## Participants

Participants in this study were Senior HR leaders who play a pivotal role in shaping and implementing HR strategies within their organisations. Recognising the value of their insights, we sought to engage with these leaders directly. Our participants were approached through a combination of networking, referrals, and direct outreach, ensuring a diverse and knowledgeable pool of interviewees.

## Interview Process

The core of our methodology revolved around conducting face-to-face interviews with Senior HR leaders, with some interviews conducted remotely to accommodate geographical constraints and preferences.

Each interview was structured around a standardised set of questions designed to probe into the core aspects of HR practices, challenges, and innovations. However, the interview format was intentionally flexible to foster a conversational tone and encourage participants to share in-depth insights, thoughts, and feelings.

This approach allowed us to not only gather factual data but also to delve into the qualitative aspects of HR management that often remain unexplored in purely quantitative research. Through these conversations, we aimed to uncover the underlying motivations, perceptions, and experiences that shape HR strategies and their implementation.

The questions were crafted to prompt discussion on a wide range of topics, including but not limited to work trends, employee engagement, diversity and inclusion efforts, and the impact of technology on HR practices.

By maintaining a consistent set of questions across interviews, we ensured comparability of data while allowing the flexibility for participants to elaborate on areas of particular significance to their organisation or industry.

## Data analysis techniques

### Qualitative

The data underwent a rigorous coding process, where responses were categorized based on recurring themes, concepts, and patterns. This thematic analysis allowed us to systematically organize and interpret the data, facilitating a deeper understanding of the underlying issues, trends, and perspectives related to HR practices in New Zealand.

### Quantitative

To complement the qualitative insights, the quantitative data analysis aimed to provide empirical evidence supporting the trends and themes identified through the interviews.

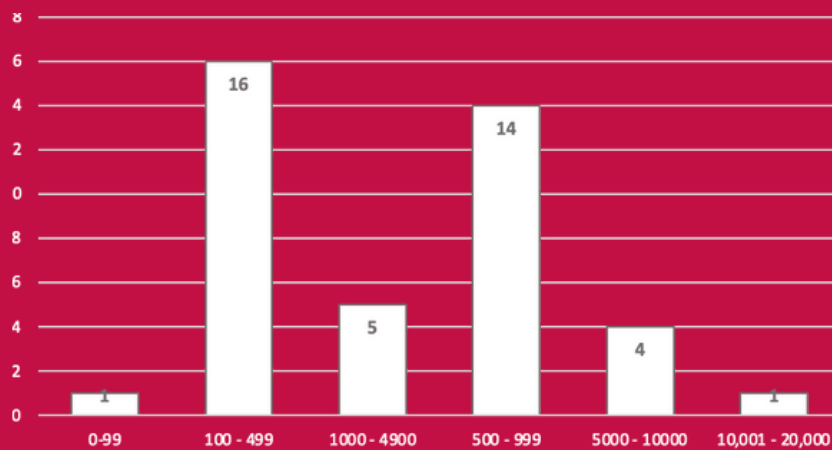
By integrating quantitative findings with qualitative narratives, our research presents a comprehensive picture of the HR trends in New Zealand, highlighting both the statistical trends and the deeper, experiential insights shared by HR leaders.

# Participant Overview

Our participants were selected from companies that represent a broad cross-section of the New Zealand economy, ensuring a balanced perspective that spans various industry sectors. To accurately reflect the diversity of the business landscape, companies were categorized according to New Zealand's industry standards and were further segmented by size groups, including:

- Micro enterprises (0-100 Full-Time Equivalents [FTE])
- Small enterprises (100-499 FTE)
- Medium enterprises (500-999 FTE)
- Large enterprises (1,000-4,900 FTE)
- Very large enterprises (5,000-10,000 FTE)
- Mega enterprises (10,000+ FTE)

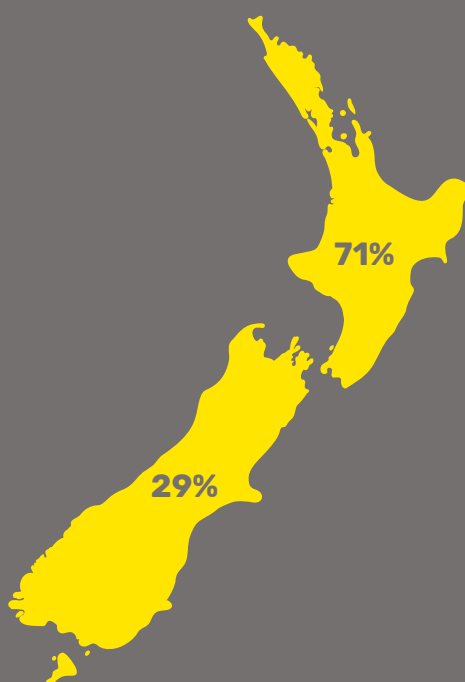
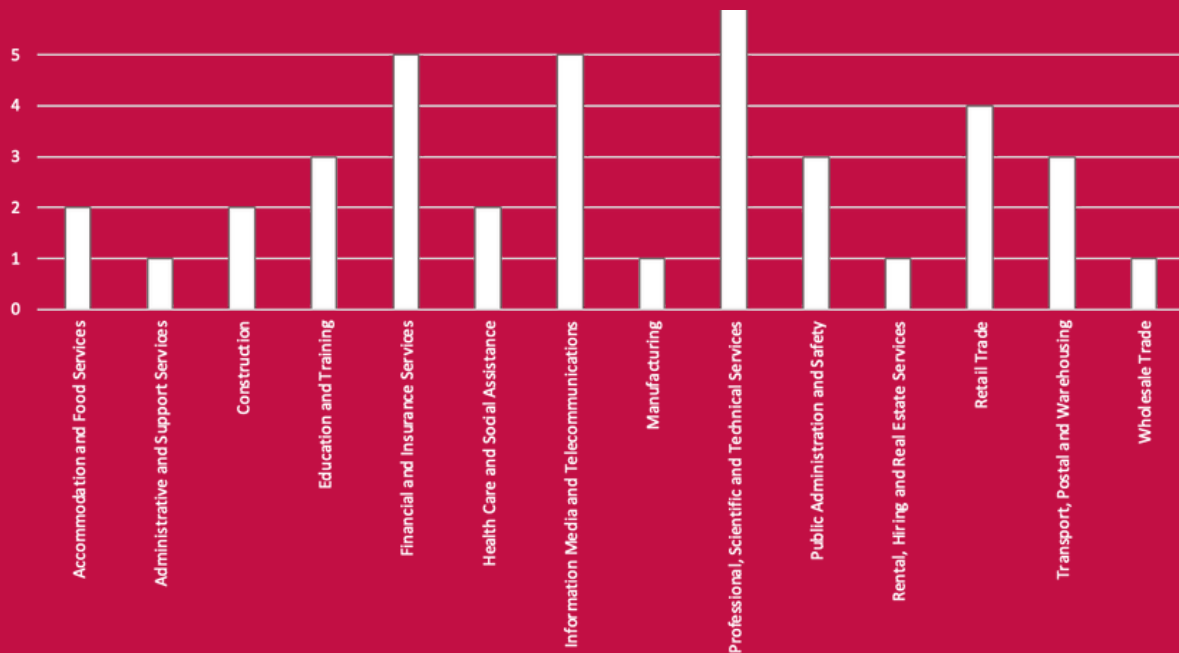
## Companies Interviewed by FTE Size



## Industry segmentation

The research team aimed to cover a cross-section of New Zealand industry groupings to ensure there was no bias towards a particular “work-type”. Companies were categorised based on the standard NZ Business Industry Classification code.

### Companies Interviewed by Industry



### Locations

71% of the interviewees were based in Te Ika-a-Māui with the remaining 29% in Te Waipounamu.

# The “HR” Team

This set of questions was firstly, to see if there was a common terminology used to describe the “HR function” with business as well as to understand how well resourced this function is.

Unsurprisingly there is a large variation of HR to Employee ratio within NZ business. The impacts of an under-resourced HR team are large and strongly felt by HR leaders.

## Questions

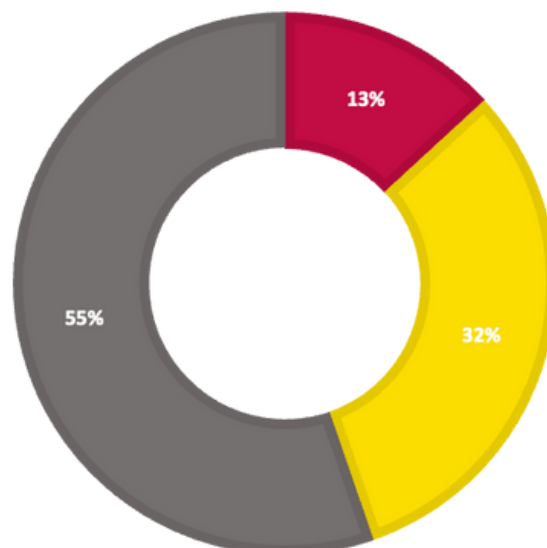
1. What do you call the HR/People function in your organisation?
2. Do you believe your HR function is properly resourced for your organisational size?
3. How many people are there in your HR function?
4. Is the HR function respected in your organisation?



### Side Note:

When interviewing and preparing this document, the research team are referring to the “HR function”. As there is large variation in what this function is called in different organisations, this is the easiest way to achieve some consistency.

Is your HR Team properly resourced?



Yes

No

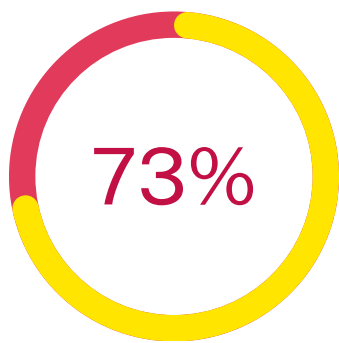
Maybe



# “What's in a name?”

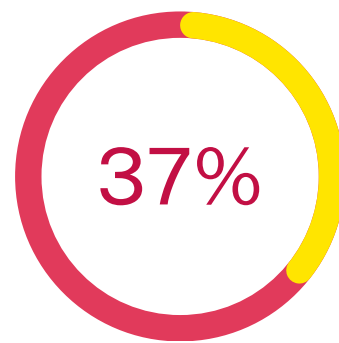
One of our questions covered the topic of what the HR function is calling itself. Unsurprisingly, over 73% of respondents use some variant of “People Team”, with the most common being “People & Culture”.

Interestingly, over half the respondents with “People” in the function name, admitted that in the business, they are still referred to as HR. What we didn't see was any teams following the overseas trend of moving to “People Experience” or “People Ops”. Perhaps this trend is still to come? We certainly have seen PX teams within the wider People teams in NZ.



“People ”

vs



“HR”

“People Team”

“People & Capability”

“HR”

“People & Culture”

# HR Team Size

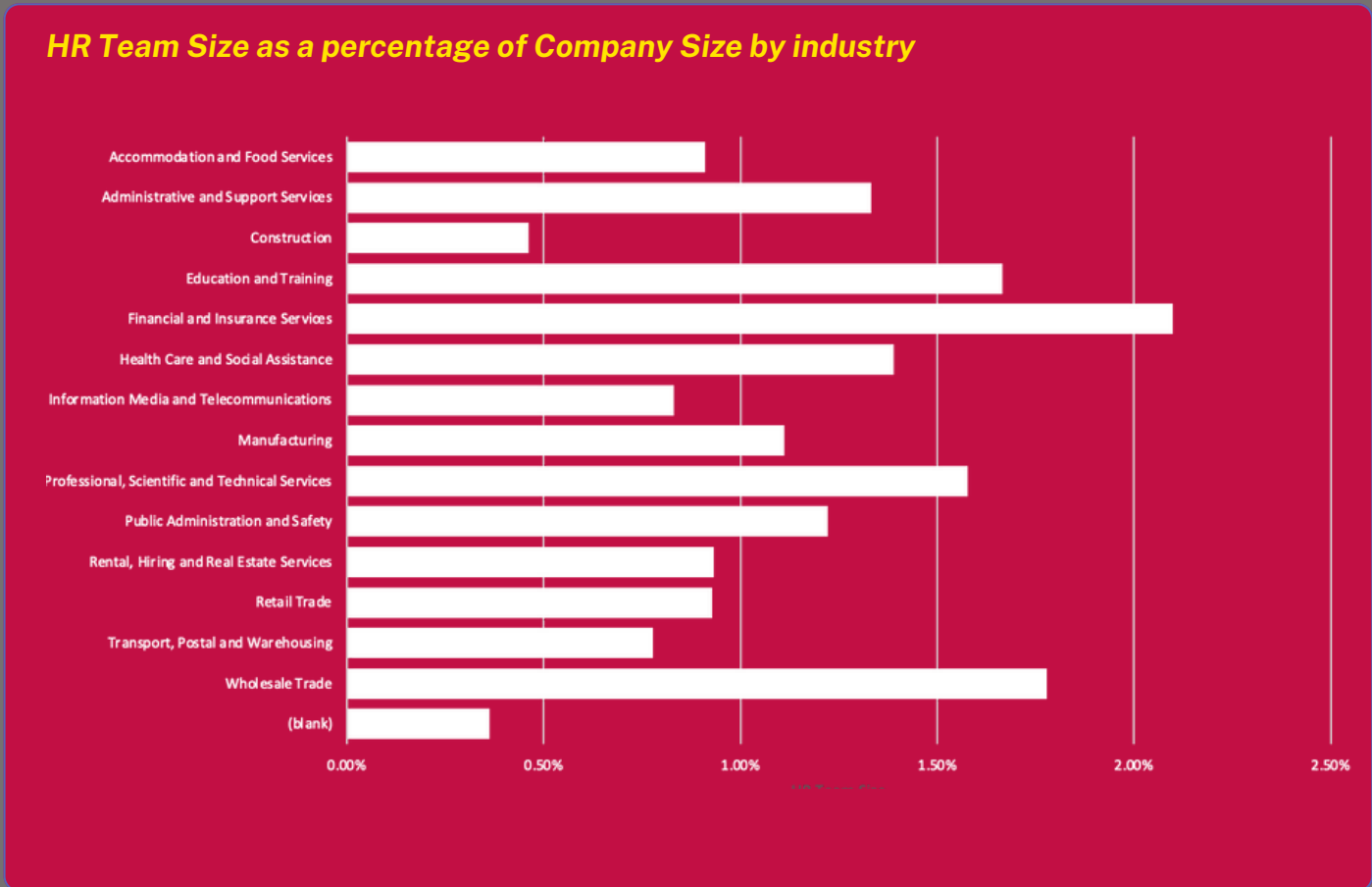
Average HR Team Size

# 1.2%

or 1.2 HR people for every 100 staff

The size of an HR team, and whether that team is appropriately resourced was an emotive topic! There were strong industry trends here, with the more traditionally corporate organisations such as Financial Services and Professional Services showing higher ratios of HR people to those with a stronger “blue collar” workforce such as Manufacturing and Transport.

Overall our NZ average HR team size ration of 1.2% lines up exactly with the PwC Global benchmark from 2022 of 1.2%.



# Trends Shaping the Future of HR in New Zealand



The landscape of Human Resources is vast and varied, yet through our conversations, four dominant trends have surfaced as key areas of focus in 2024. These trends are not just buzzwords; they are the driving forces behind a transformative shift in the workplace.

**Wellbeing:** At the forefront of our findings is the undeniable emphasis on employee wellbeing. In an era where work-life balance is increasingly blurred and times have been tough, this topic is more crucial than ever. This trend underscores the shift towards a more holistic view of employees, recognising them as individuals with diverse needs and aspirations.

**Manager Development and Upskilling** The role of managers in fostering an engaging and supportive work environment cannot be overstated. Our insights reveal a growing recognition of the need for continuous development of managerial skills, ensuring leaders are equipped to navigate the complexities of the modern workplace and the shifting market demands. This trend highlights the move towards empowering managers to become catalysts for positive change within their teams.

**The Way of Work:** The very nature of how work is conducted is undergoing a transformation. From remote and hybrid models to flexible hours, New Zealand workplaces are redefining what it means to be 'at work'. But are we moving backwards?

**HR Technology:** Technology continues to be a game-changer in the HR space, with tools and platforms enabling more efficient and effective management of HR processes. Our findings point to an increased adoption of HR technology in New Zealand, driven by the desire to enhance decision-making, improve employee experience, transform the way we work and streamline operations.

As we explore each of these trends in detail, we invite you to consider how they resonate with your own experiences and how they might influence the future direction of your HR practices. Our aim is to provide you with insights that are not only reflective of the current state of HR in New Zealand but also inspire action and innovation within your organisations.

# Prioritising Employee Wellbeing: A Strategic Necessity

“In your opinion what us the biggest challenge facing organisations into 2024?”

**73%**

RESILIENCE &  
WELLBEING

In the ever-evolving landscape of the workplace, the importance of employee wellbeing has never been so key.

Our research underscores a pivotal shift towards prioritising the mental, physical, and emotional health of employees. A staggering 73% of respondents identified Employee Wellbeing as one of the biggest challenges for 2024, with 41% ranking it among their top three focus areas.

This consensus highlights a collective acknowledgement within the HR community of the critical role wellbeing plays in the overall health of an organisation. And what's glaringly obvious from our research, our HR teams are in the frontline of the wellbeing crisis.

“People are just doing it so tough”.

“I’ve never had so many people in tears as I did in 2023 - something has to change”

“How can we retain people when the cost of living is so high? They leave to go somewhere that will pay them another \$1 an hour and we can't keep up. But I get it, I really do.”

“Resilience in our organisation is at an all time low”

As we delve deeper into the trend of Employee Wellbeing, it becomes evident that the shift towards prioritising this aspect of the workplace is both a reflection of changing societal values and a strategic response to the challenges of the modern work environment. By aligning with global trends and leveraging insights from across the globe, New Zealand organisations are positioning themselves at the forefront of this crucial movement, acknowledging that the wellbeing of their employees is not just a trend but a fundamental component of their success.

The focus on wellbeing is a response to the increasing recognition of its impact on employee engagement, retention, and performance. Research from the World Health Organisation and the Harvard Business Review consistently highlights the return on investment in wellbeing programs, noting improvements in employee satisfaction, reduced absenteeism, and lower healthcare costs. These benefits underscore the value of investing in wellbeing initiatives, not just as a moral obligation but as a strategic imperative.

In New Zealand, organisations are taking innovative steps to address this challenge. Initiatives range from comprehensive mental health support and flexible working arrangements, to physical wellness programs and financial wellbeing assistance. The goal is to create a supportive ecosystem that addresses the diverse needs of the workforce, recognising that wellbeing is a multifaceted concept that requires a multifaceted approach.

As organisations continue to navigate the complexities of the modern workplace, the commitment to fostering a culture of wellbeing will undoubtedly play a pivotal role in shaping the future of work.

# Navigating the New Norms: Balancing Flexibility and Mandated Returns to the Office

Unsurprisingly, the where and how teams work is still top of the agenda. The balance between the desire for flexibility and the push for a mandated return to the office. This tug-of-war not only underscores a fundamental shift in the 'ways of working' but also highlights a common pain point: the disconnect between the wants of senior leadership and the preferences of employees.

**61%**

Are struggling with post-pandemic working

**39%**

Have mandated some "in-office" days

**15%**

Are fully flexible

**7%**

Are entirely "office" based

One of the common pain points in this topic, is the disconnect between what senior leadership/c-suite want versus the want of the employees. **'Our CEO is pushing everyone in the office fulltime but almost all our employees want more flexibility. It's creating so much tension,'** reflects the sentiment resonating across numerous organisations. This tension is not just a byproduct of the pandemic-induced remote work era but a manifestation of deeper questions about productivity, engagement, and organisational culture in the face of changing work paradigms.

The inclination towards mandating office attendance, at least partially, is becoming increasingly prevalent. Our research reveals that nearly 40% of organisations interviewed are enforcing some level of office presence, with two or three days in the office emerging as the most common requirement. This hybrid model attempts to strike a balance, offering a semblance of flexibility while fostering the collaboration and cohesion that physical office spaces are traditionally believed to encourage.

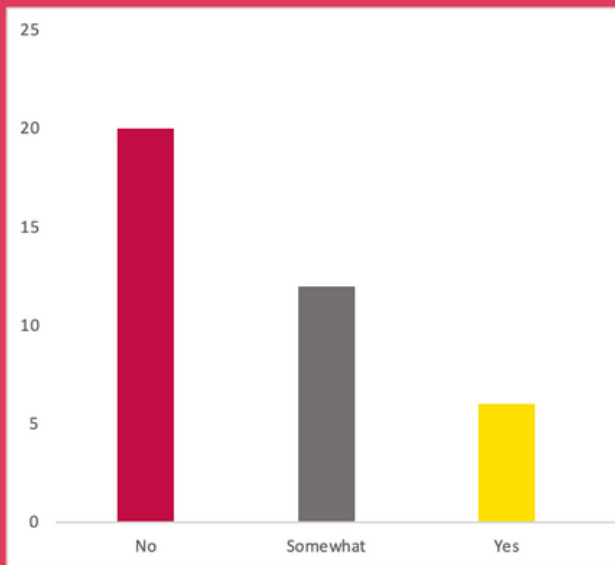
Despite this trend, the landscape remains varied. Very few organisations have reverted entirely to pre-pandemic in-person ways of working. Conversely, only a singular entity among those interviewed has embraced a fully remote model. This diversity in approaches underscores the complexity of defining 'optimal' working conditions in a post-pandemic world. It highlights the need for organisations to navigate these decisions with a keen awareness of their unique cultural and operational dynamics.

The mandate for office attendance raises critical questions about the future of work. How do organisations reconcile the C-suite's vision with employee expectations? How can they leverage the benefits of physical office spaces while acknowledging the demonstrated productivity and satisfaction associated with flexible work arrangements? The answers lie in fostering open dialogue, leveraging data to inform decisions, and adopting a flexible approach to policy-making that can adapt to the evolving needs of the workforce.

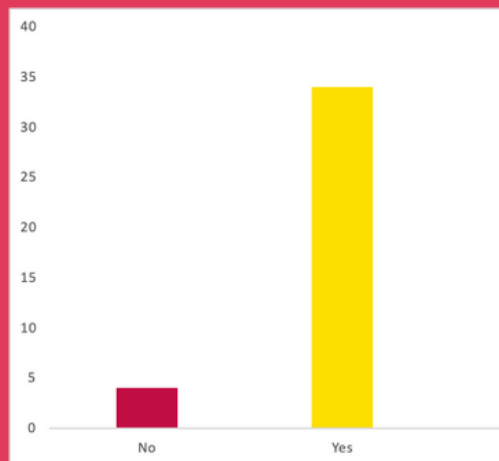
As we delve into this trend, it becomes clear that the future of work is not about choosing between absolute flexibility and a complete return to the office. Instead, it's about crafting a work environment that aligns with the strategic goals of the organisation while respecting and accommodating the diverse needs and preferences of its employees. By embracing this challenge, organisations can navigate the tensions between senior leadership and employees, paving the way for a more adaptive, resilient, and inclusive workplace.

# Elevating Leadership: Manager Development and Upskilling

Do you believe Managers/Leaders in your business have the skills required to lead their teams?



Are you planning any Manager/Leader development programmes in 2024?





In the shifting landscape of today's workplace, the role of managers extends far beyond traditional supervisory duties. Managers are now pivotal in driving employee experience, fostering a positive work culture, and navigating the complexities of hybrid work environments. However, our research unveils a concerning gap: over half of the interviewees expressed doubts about their managers possessing the requisite skills to effectively lead in the modern workplace. This discrepancy underscores an urgent need for focused manager development and upskilling programs.

*“Our managers are good “technical” leaders - they know how to do their jobs well, but they don't know how to lead their people. We promote people into Team Leader roles and expect them to know how to manage, But they don't.”*

The findings are clear and compelling: 88% of organisations are planning to implement manager development initiatives within the year. This highlights the recognition of manager development not just as a necessity but as a strategic investment in the organisation's future. The aim of these programs is multifaceted: designed to enhance leadership skills, improve communication, and equip managers with the tools they need to support their teams' wellbeing and productivity.

The push towards manager development comes at a crucial time. As organisations navigate the post-pandemic landscape, the ability of managers to adapt, lead with empathy, and drive innovation will be key determinants of success. Effective manager development programmes are thus designed to be comprehensive, covering aspects such as emotional intelligence, conflict resolution, performance management, and strategic thinking. Moreover, these programs often incorporate experiential learning, coaching, and mentoring, ensuring that managers can apply their new skills in real-world contexts.

Despite the clear demand for enhanced leadership capabilities, the path to effective manager development is not without challenges. Businesses must commit the necessary resources, including time, budget, and expert guidance, to ensure the success of these initiatives. Furthermore, there must be a continuous feedback loop, allowing for the refinement of programs based on outcomes and evolving needs.

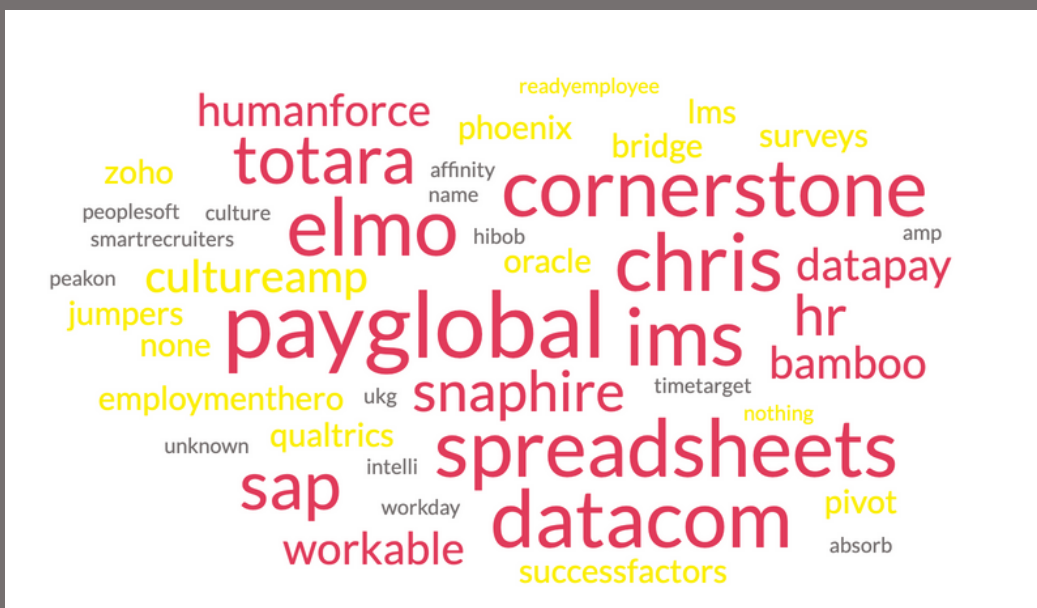
As we delve deeper into the necessity of manager development and upskilling, it becomes evident that the future of work demands leaders who are not only skilled in the technical aspects of their roles but also adept at navigating the human dimensions of management. By prioritising the development of these crucial leadership competencies, organisations can create a strong foundation for growth, innovation, and resilience.

# Bridging the Gap: The Quest for Strategic HR Technology Solutions

In today's rapidly changing business environment, the role of HR technology in driving organisational effectiveness and strategic alignment has never been more critical. Yet, our research found that a staggering 90% of HR leaders acknowledge that their current HR technology does not adequately support their business and strategic objectives.

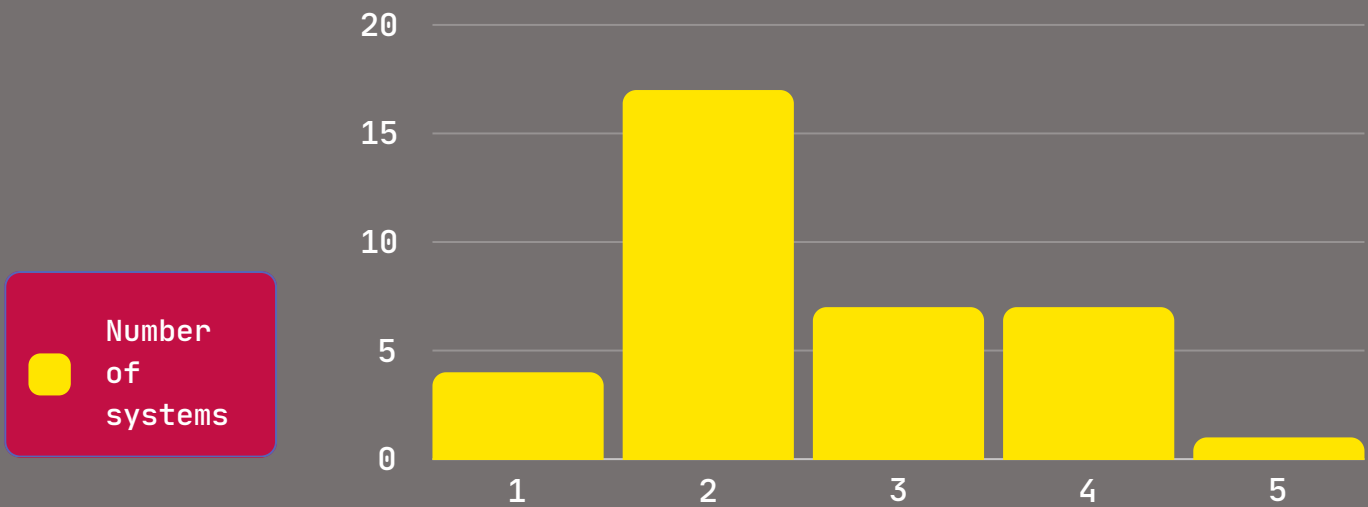
So, what's driving this significant gap? Several respondents pointed out the difficulty of securing budget for HR technology, especially when competing with other departments for financial resources. There's also the challenge of demonstrating the clear return on investment that such technology brings to the table. Despite these hurdles, with nearly half (49%) of our respondents planning to update or introduce new HR technology in 2024, it's evident that HR professionals are keenly aware of the importance of these systems and are determined to make a case for them.

## What HR technology platforms are NZ businesses using?



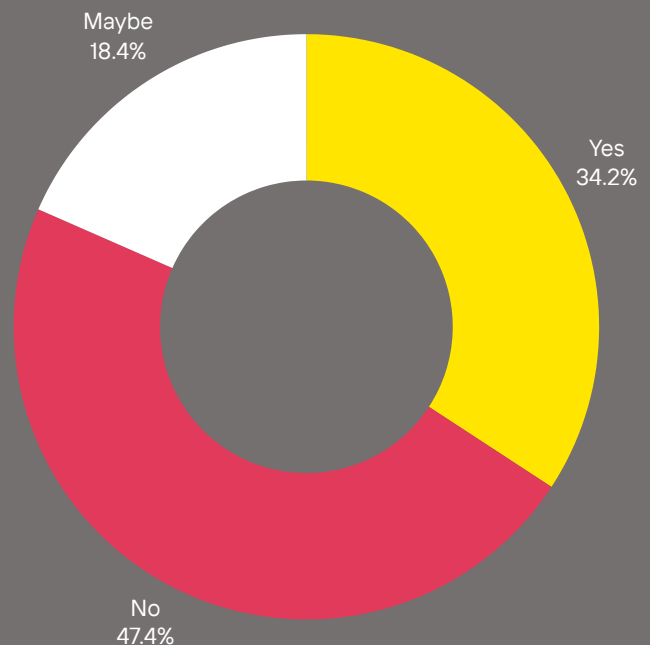
We observed a wide variety of technology platforms in use across the board. Interestingly, a significant portion (35%) relied mainly on platforms centered around payroll as their sole HR technology solution. It was hardly surprising to find that "spreadsheets" were often mentioned as the go-to HR tool for many organisations!

## How many different HR systems do you use?



Another trend we noticed was that the majority of organisations use two or more systems to support their HR functions. The composition of these systems varied widely, with no clear pattern emerging based on the organisation's size or industry. This diversity underscores the fact that there's no universal solution that fits every organisation's needs.

Are you planning on introducing AI to your HR function in 2024?



Reflecting on our findings into HR technology, it's clear that the landscape is as diverse as it is complex. A striking 90% of HR leaders feel their current tech doesn't quite hit the mark in aligning with their strategic goals, signalling a widespread recognition of the need for a tech overhaul. With a broad array of platforms in use, from payroll-centric solutions to the ever-reliable spreadsheets, it's evident that organisations are making do with a mix of tools to support their HR functions.

Interestingly, a significant chunk of organisations (49%) are gearing up to introduce or switch up their HR technology come 2024, reflecting a proactive stance towards enhancing their HR operations. Yet, the cautious approach towards adopting AI suggests there's still some hesitation around diving into the deep end of advanced tech solutions.

This journey through the HR tech realm reveals a couple of key insights: securing funding and demonstrating ROI remain significant hurdles, yet there's an unmistakable appetite for tech that truly aligns with organisational needs. The diversity in system usage, with no clear one-size-fits-all solution, highlights the unique challenges and priorities different organisations face.

As we look ahead, the quest for the right HR technology seems less about chasing the latest and greatest and more about finding practical, strategic fits that genuinely support and drive forward HR's evolving role. It's an exciting time for HR tech, with plenty of opportunities for innovation, improvement, and most importantly, strategic alignment to help HR leaders meet their goals more effectively.

# Conclusion

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This research has been quite the journey through the shifting landscapes of wellbeing, ways of working, manager development, upskilling, and the pivotal role of HR technology. Each trend we've uncovered paints a picture of an HR community that's not just reacting to changes but actively shaping the future of work in innovative and thoughtful ways.

We've seen a strong push towards prioritising employee wellbeing, a nuanced debate around the return to office mandates, a critical eye on the need for manager development, and a candid look at the challenges and opportunities within HR technology. It's clear that HR professionals across New Zealand are not only keenly aware of the hurdles ahead but are also embracing these challenges with both hands, ready to steer their organisations towards success.

Yet, as much as we've covered, there's always more to the story. The insights shared here are just the tip of the iceberg, and the conversation around these trends is far from over. If you're intrigued by what you've read and are eager for a deeper dive into the data, or if you have questions, thoughts, or insights of your own to share, don't hesitate to reach out. I'm here to continue the dialogue, exchange ideas, and explore how we can navigate the evolving world of HR together.

To the 41 amazing leaders who gave their time and energy to talk with us, we simply can't thank you enough!

There were laughs, tears, frustration and enthusiasm. It was a fantastic experience to be able to spend the time with you all. This simply wouldn't be possible without you!



# About the Author:

Jane is the founder and CEO of Tomorrow's People.

Her early career experience in HR, combined with her nerdy passion for the latest technologies made for a natural progression into establishing New Zealand's first specialist consultancy in HR Tech.

Jane has extensive experience in ensuring the successful selection, implementation and ongoing operation of processes and systems to support HR and Payroll - with the strong generalist HR knowledge necessary to understand key business needs. She has worked with a wide range of technologies and industries. Jane's experience, thought leadership and independence in the HR technology space set her apart.

Jane is passionate about providing and enabling flexible and part-time work and living and breathing a truly modern approach to work.

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