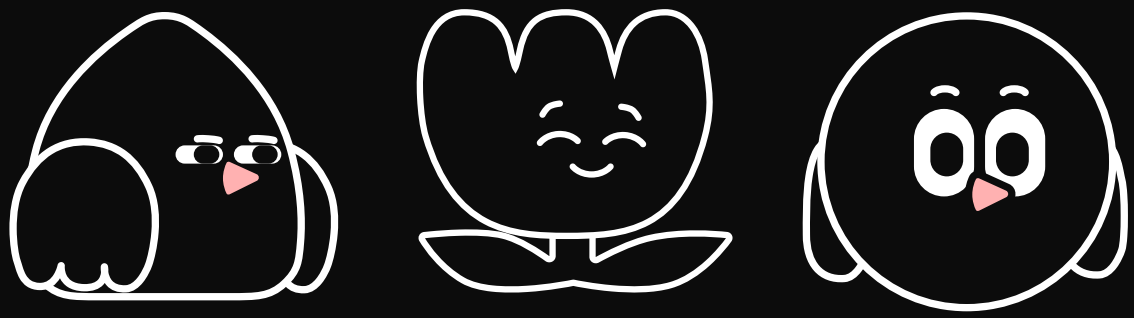
HR Report 2025

Between vision and everyday reality



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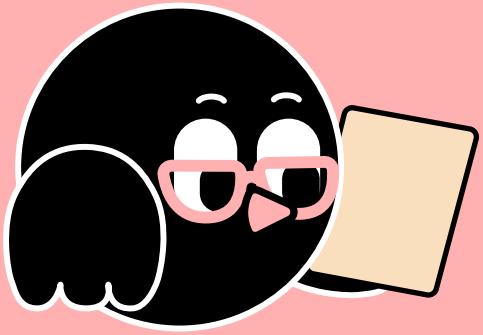


5 insights that stand out in 2025

1. HR gives themselves 7.5 out of 10 in appreciation from the organisation and 89% experience that they have management's support.

2. 64% say they have already implemented AI in their HR work – but is it in HR processes or ad hoc?

3. 42% spend more than one-third of their working time on regulations. At the same time, it is precisely compliance that is driving digitalisation and new ways of working.

4. 98% respond that they seek support or knowledge exchange from other HR people outside their own organisation.

5. In companies with fewer than 100 employees, the HR function is run by one person in 70% of cases.

Introduction

This report was created by us at Hailey HR. No matter the context – whether in customer conversations, events, or workshops – we keep hearing the same thing: HR faces no shortage of challenges. The function is often small, with few team members, or you may even be the only HR manager. Yet the ambition to make a real difference for the organisation is always there.

That's why we created this report

We want to shed light on HR's current situation and offer insight into the challenges – but above all, the solutions and future plans – of HR professionals across industries. In this report, you'll hear from more than 200 HR managers, business partners, and generalists who share how they view and work with HR as a whole.

Discover the answers to some exciting questions: What is HR's most important role in the organisation? What major initiatives are planned for the next 12 months? How has AI contributed to HR work so far? And much more.



You who read the report will get:

- A snapshot of today's HR landscape – what professionals focus on, struggle with, and prioritise.
- Perspective on how AI, compliance and new requirements affect HR work.
- A foundation for discussion and development within your own organisation.

01.

When HR becomes a function

The breaking point at 100 employees

The first and perhaps clearest insight in the report is how HR work changes as the organisation grows. At around 100 employees, we can see several important shifts in the HR function's way of working.

The department grows

In companies with fewer than 100 employees, the HR function is run by one person in 70% of cases. These people describe their mission as broad and that their most important task is to care for the relationships within the business.



What do you think is HR's most important task in your organisation?

"To care for the people in the organisation. For me, that means creating safe and sustainable conditions for each employee to feel good, develop and contribute in a meaningful way. When we take care of people, we also take care of the organisation's long-term success."

At the same time, many feel frustrated about working alone. Several describe how the most time- and energy-consuming part of HR work is the heavy responsibility that can't be shared with a colleague. Some even turn to AI as a stand-in for an HR teammate — using it as a sounding board for ideas or for quick feedback (more on that later!).

At companies with more than 100 employees, 73% of HR departments consist of two people or more. Here, HR's roles become more defined and focus shifts towards processes and strategies.

From jack-of-all-trades to expert



What do you think is HR's most important task in your organisation?

"To link visions, goals and values to a People strategy that can be broken down into both basic processes, long-term strategies and other projects."

In smaller organisations, HR is often seen as a general problem solver. When asked how their organisation defines their role, many respond with phrases like “make everything work” or “everything related to employees.” Many HR professionals express a wish for more time to focus on manager development, leadership, and organisational planning.

In companies with more than 100 employees, perceptions of the HR function remain divided – but there’s a clearer focus on supporting managers, as they are expected to take on more of the operational responsibility.

Around the 100-employee mark, compliance also becomes a significant part of HR’s work. Nearly half of respondents say they spend more than 30% of their time on compliance-related issues, and the work tends to shift from being relational to being more process- and strategy-oriented.

02.

HR's position within the organisation

HR's own reflection shows that they experience strong support in the organisation. On the question "How appreciated do you feel that HR work is in the organisation?" they gave an average of 7.5 out of 10. Management's engagement in HR issues receives almost as high a rating – 7.3 out of 10.

The confidence is further proven in the statistics:

68% sit in the management team.

89% assess that they have management's support for planned HR initiatives

74% describe their role as both strategic and operational.

Earlier, we quoted an HR manager who said HR's most important task is "creating safe and sustainable conditions for each employee to feel good, develop and contribute in a meaningful way."

The same manager added: "I perceive that the organisation primarily sees HR's task as solving operational issues around recruitment, contracts, and the work environment, rather than being a strategic partner in the development of culture, leadership, and competence."

Interestingly, HR sees itself as more digitally mature than the rest of the organisation – a topic we'll explore further later in the report.

03.

HR's challenges

Despite HR’s strong position in the organisation, there are still recurring challenges. The answers clearly show where the everyday struggles are.

Unclear goals and roles

47.6% experience that HR's goals are linked to the organisation's overall goals. For their own mission, the figure is even lower – only 32.5% consider that their mission is clearly formulated in the organisation.

Time is insufficient

In response to the question, “To what extent do you feel you manage what is expected of you in your role?” HR professionals gave an average score of 7 out of 10. But managing what’s expected and spending time on what you truly want to focus on are two different things.

30% spend more than a quarter of their time on tasks that do not require HR competence.

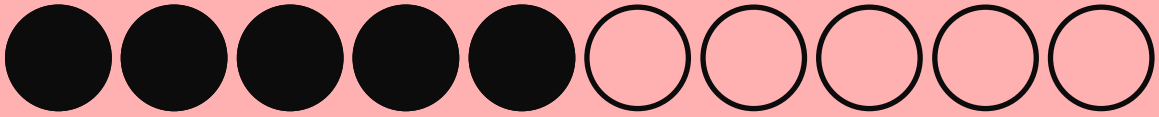
48% assess that it is time that is lacking for HR to be able to increase its impact within the organisation.

The reality is that HR often ends up doing work that doesn’t really require HR expertise – tasks that could and should, be handled elsewhere in the organisation.

To understand what those tasks are, we need to look at who HR actually collaborates with.

Managers don't take their responsibility

Management and line managers are ranked as HR's most important partners within the organisation (72%). In practice, however, line managers are responsible for only half of the HR processes (53%) – the rest end up on HR's desk.



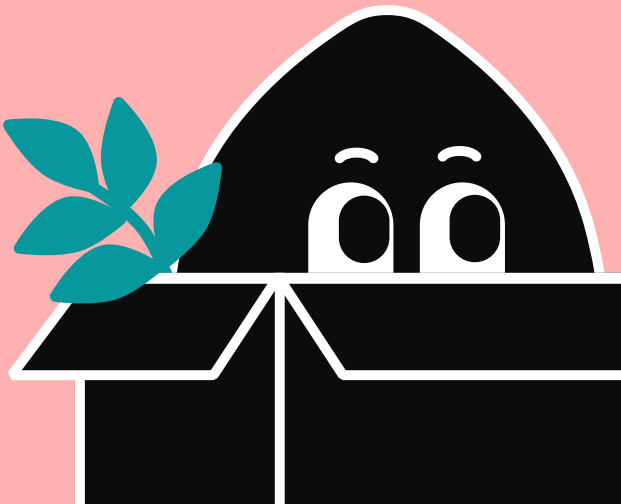
This means that HR often steps in to handle issues that are actually the managers' responsibility – leading to time constraints and less room for strategic work.

Is HR data used too little?

On the question: "How much is data and analysis used in HR decisions within your organisation?" it turned out that as many as **80.1% use data sparingly** in HR decisions and **only 2.4% use data to a very high degree.**

The low usage raises questions. Is it that HR data is difficult to use in practical decisions, or that HR has not yet progressed far in its data-driven approach? Interest in data definitely exists among respondents, however, as does the desire to analyze data more easily with the help of AI.

At the same time, the sensitive nature of HR data creates challenges. As one of the most sensitive data types in the organisation, it is difficult to analyze HR data through AI tools without risking violations of GDPR, among other regulations.



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HR's most important task

What HR themselves see as most important

"We exist to create conditions for people to thrive, develop and perform by building a strong culture, clear structures and sustainable leadership."

Four main categories emerge when HR describes its most important task:

Manager support (21 %)

Support, develop and coach managers.

Strategic partner (15 %)

Translate business goals into people strategies.

Competence maintenance (14,5 %)

Attract, recruit, develop and retain.

Employee wellbeing (14,5 %)

Create security and a good work environment.

What the organisation expects

When HR describes what they believe the organisation sees as their most important task, a gap between the two perspectives becomes apparent. The responses help explain why only a third feel that their mandate is clearly defined within the organisation.

Common expectations from the organisation:

- Create a positive and enjoyable workplace
- Handle employment contracts and GDPR-related matters
- Assist with rehabilitation, transitions, and labour law issues
- Manage recruitment and staffing
- Support managers and employees in day-to-day matters
- Conduct difficult conversations and resolve conflicts

What does HR want to do more of?

When asked "What would you like to do more of in your HR work?" the answers are easy to connect to what HR themselves see as their most important task.

31% Strategic work
"Get time to work more long-term and have time to plan."

13% Manager development:
"Work with leadership development and competence-raising activities."

12% Organisational development
Less administration and more focus on the whole."

HR's ambitions are clear. They want room to work more long-term and to plan strategies that lift both employees and the organisation as a whole. They don't want to get stuck in what can easily be labelled administrative work, or be drawn into processes when managers fail to take responsibility – that's not how they want to support their leaders.

Instead, they want to develop leadership and, in turn, improve wellbeing across the organisation. The fact that as many as 82% say they have good opportunities to influence both the work environment and the employee experience sends positive signals about HR's ambition to strengthen its role within the organisation and increase its impact.

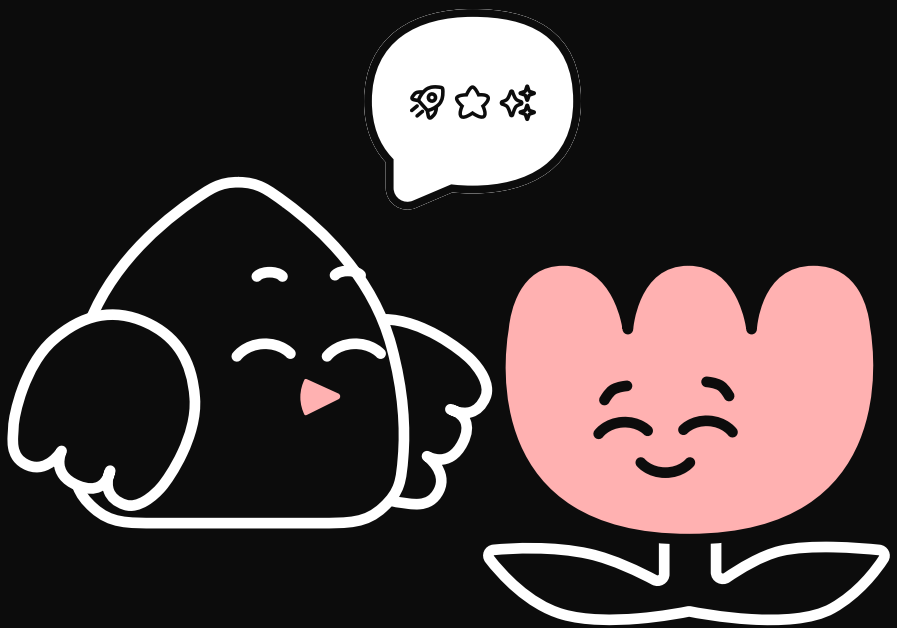
Networking is key

Almost all (98%) answered that they seek support or advice outside their organisation to some extent. Experience exchange has become HR's strength and it is in collaboration that the future of HR is shaped.

This is one of the most valuable insights in the report. Many HR functions consist of one or few people, which makes experience exchange particularly significant. HR roles are often difficult to define and the work tasks complex, with expectations to be able to handle a broad spectrum of areas.

Sure, AI can seem like the quickest solution in many situations, but the real insights come from colleagues who have stood in the same situation. They understand the complexity of the challenges in a way that no technical solution can.

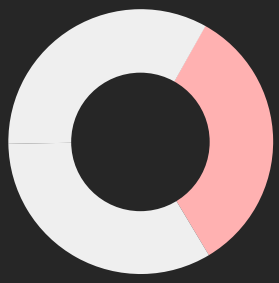
In an industry where each organisation is unique but the challenges often similar, experience exchange is not only valuable but also necessary.



05.

HR & compliance

When asked "how much of your HR work is linked to compliance and regulations?" we can see that:



4 out of 10 in HR spend more than 30% of their working time on tasks related to regulations.

For a full-time position, that corresponds to more than six working days per month, but it is also an important driver for development of new ways of working.

When asked “which of the following compliance areas are you actively working on right now?” we can see that the biggest areas right now are:

- Workplace environment (82.5%)
- Employment forms and labor law (75.2%)
- Pay transparency (64.6%)
- Absence and rehabilitation (61.2%)

Despite being a hot topic for a long time, AI-related compliance has not yet taken over a significant part of HR's daily work (14.6% are involved in it).

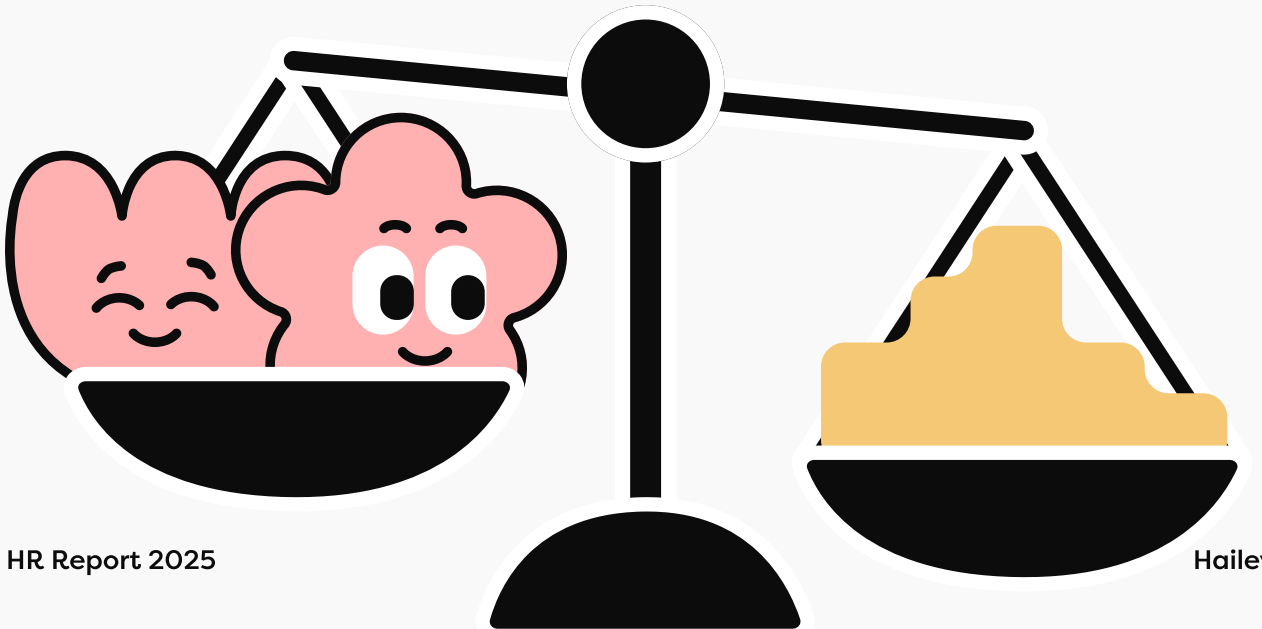
The same applies to CSRD/sustainability reporting, where 22.3% say it is part of their compliance work.

The Pay Transparency Directive – more than a regulation

With 50 mentions, the Pay Transparency Directive tops the list of HR's most complex challenges right now. The challenges lie not primarily in reporting, but in the fact that several of HR's central processes are affected. The directive drives:

- Development of HR and payroll systems
- New job architecture
- Linking performance and remuneration
- Digitalisation of pay processes

The Pay Transparency Directive has started a time-consuming change and digitalisation journey in many companies. The result will, however, create better structure and fairness within the organisation.



Data protection in an uncertain world

Another particularly interesting result concerns HR's attitude to American sub-processors in HR systems:

- 33% only want to work with solutions where as much as possible in the supply chain is European
- 23% prefer to avoid American sub-processors entirely
- 11.5% think it is okay, but prefer European alternatives
- 14% think it is acceptable if the provider follows applicable EU rules
- 18.5% have no opinion

56% want to actively avoid or minimise the use of American sub-processors.

For HR it is about something as simple as protecting employees' privacy at a time when regulations are complex and risks high.

"Given the guidance and developments among European data protection authorities in recent years, I think it is right for HR to take this issue seriously and to focus on it.

The uncertainty we have followed in recent years related to transfers to the US and the mass-surveillance laws that American companies must follow have, time and again, been shown to go against fundamental rights and laws in Europe.

Protecting the privacy of one's employees is always desirable and something I believe every organisation wants to invest in."

-Jakob Iwars, Head of Legal & Bid at Hailey HR

06.

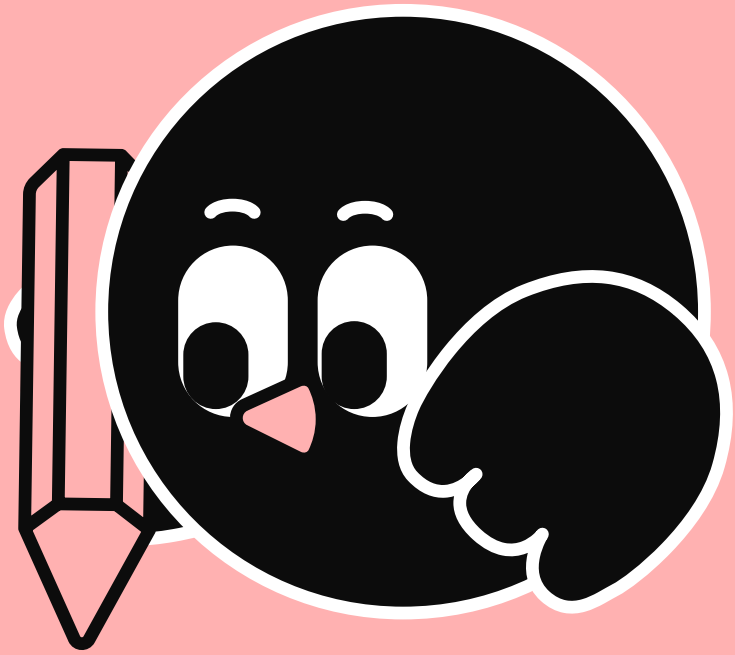
Planned initiatives for HR 2025/26

When we asked HR which major initiatives they are planning for the coming 12 months, we received a clear picture of where the industry is heading.

The major initiatives

Several initiatives top HR's agenda going forward, from systems and digitalisation to culture and leadership.

1. **HR systems & digitalisation (41 mentions)**
2. **Pay transparency & pay work (33)**
3. **Competence development & leadership (29)**
4. **Organisational changes (15)**
5. **AI & automation (9)**
6. **Culture & values (9)**



What major initiatives or projects are you planning within HR over the next 12 months?



"New form for evaluations of employees and managers, leadership programme, pay surveys, description of the link between pay and expectations and requirements."



"Revamp the recruitment process, introduce an HR system, create the employer branding strategy, a competence mapping connected to everything."



"To create an overarching workforce plan and to embed competence development in the everyday work of employees."



"Culture and values work, method for team development, implementation of a new HR system, performance management process 2.0."



"We are setting a new strategy for the whole company where HR is an important part, focusing on culture, leadership and structures that support growth and wellbeing."



"Employer branding – package what we already have and introduce new initiatives in the area. Update our work environment policy."

Why HR systems and digitalisation top the list

To understand why HR systems and digitalisation are such popular projects, we need to look again at what HR wanted to do more of: more strategic work, developing their managers, leaders and the organisation as a whole.

What is it that stops HR from doing more of what they want?

By categorising the answers to the question **"What do you perceive as the most time- or energy-consuming in your HR work?"** we can easily see what steals HR's time from the value-creating work:

- Administration (33%)
- Manager-related work in processes (14%)
- Employee cases/questions (12%)

Digitalisation solves these time thieves. Looking at the answers to the question below, the correlation between the time thieves and the effects becomes clear:

Which are the greatest positive effects you have experienced from using digital HR tools? (Respondents could choose three effects each)

65 %	Reduced administrative work
57 %	More efficient processes
40 %	Better data and analysis
35 %	Improved candidate and employee experience
30 %	Time savings via self-service

Following this line of reasoning to its conclusion, we can see that when the time-thieves decrease, time opens up for the value-creating work HR wants to do more of. It then becomes easy to understand why digitalisation through HR systems is such a clear focus for 2025/26.

The impact of implementing an HR system:

65% say the time thief “Admin” has decreased.

57% say the time thief “Manager-related work” has become a smaller factor as their processes have become more efficient.

30% say the time-thief “Employee matters” has decreased thanks to self-service, where employees find answers to their questions directly in the HR system.

Digitalise your HR processes with Hailey

“We’re most proud that, together with Hailey, we’ve managed to make such a positive difference in how we work with our HR processes — but also in how our employees experience them. From complex and cumbersome to simple and accessible.”

— Gwendoline Lindahl, Business Partner at Fortnox

Discover Hailey - One place for all HR



07.

HR & AI

AI has been the big buzzword in recent years. But behind the hype – how many have actually got started? How is AI being used within HR? What do HR professionals use it for in practice? And what risks does it bring?

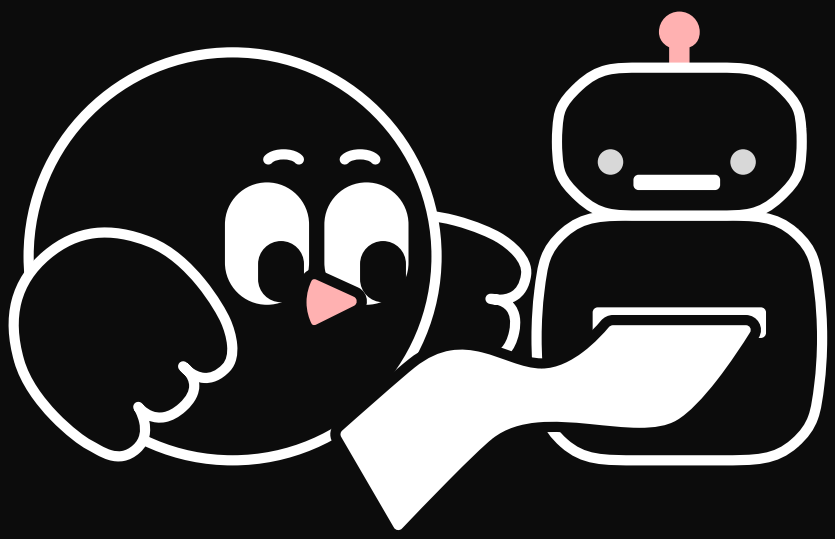
Let's start with the first question: 64% say they have already implemented AI in their HR work. Next, we'll define what "implemented AI" means in practice. But before that, let's look at what's holding back the remaining 36% from using AI in their work.

Why hasn't everyone started?

The third that have not yet started using AI in the HR department say the reasons are several for not having got started:

- Lack of knowledge
- Uncertainty around law/GDPR
- Insufficient tools
- Unclear business value

But the interest is there – 43.8% plan to get started with their AI use within a year and the general attitude towards AI is still predominantly positive.



What drives usage for those who have started?

Pure curiosity is the main reason HR has started using AI – almost four in ten (38.6%) began testing it just to see what would happen. The need for greater efficiency (32.6%) is another strong driver. This is also reflected in HR's AI use cases, where the most common responses were:

Efficiency/Text production (56%) – e.g., documents, policies, templates, procedures and comparisons.

Bouncing ideas & support (10%) – quick input in everyday work, particularly for solo HR roles.

"What was the last thing you used AI for in your role?"

"To develop a new guideline for lone working"

"To adjust training material and get inspiration"

"An AI agent where employees can ask questions related to HR."

"Help to write an announcement to staff before the summer."

"Created a table of holiday pay liabilities"

"Analysis and plan for active measures against discrimination"

"Review of a policy and suggestions for improvements"

"Did a workplace assessment for the Danish operations"

"A recruitment advert and a basic course in labour law based on our collective agreements"

The effect of AI

It's clear that HR recognises AI as a powerful tool – but have they started to see real impact yet? When asked "In which processes has AI been implemented?" as many as 62% answered "No process" – indicating that HR is still only scratching the surface. Today, AI is mainly used for ad hoc tasks such as text writing and brainstorming.

Still, HR is already experiencing tangible benefits. The time spent on text-related work – including templates, policies, and communication – has decreased noticeably. And since time is one of HR's biggest challenges, this shows that AI is already delivering real impact in everyday work.

"What has AI contributed with in your HR work so far?"

"Time efficiency in the production of communication"

"Great help with phrasing for various procedures"

"My new colleague to ask"

"Gather information and get suggestions for improvements to processes"

"Saved time and better outcomes in material and texts I produce."

"Help with analysis and compilation"

Which tools are used?

When HR uses AI, ChatGPT dominates – three out of four (76%) use it as their standard tool. Thereafter comes Microsoft Copilot (30%) and built-in AI functions in HR tools (10%). Almost half indicated that they use more than one tool.

Risks in use

There are many risks linked to HR and AI, but according to our survey most are aware of the risks:

- Legal missteps in e.g., interpretations of labour law.
- Risk of bias and stereotypes.
- GDPR obstacles around sensitive data.
- Lack of a human tone in texts.



"Sometimes gives wrong answers, quite often when it comes to Swedish labour law unfortunately. AI tends to want to be agreeable and would rather answer something than answer correctly, it feels like..."

"When did AI not work well?"

"In the assessment of CVs it can sometimes make rigid assessments"

"Labour law issues connected to collective agreements"

"Can't be fully trusted – needs double-checking"

"When I needed help in calculating pay"

"I have not appreciated AI in interviews"

"With a lack of understanding for human nuances and context, such as in recruitment"



If you have just started exploring AI or are curious to get started, you can feel reassured – most in HR are still at the beginning of their AI journey.

Conclusion

This report provides insight into HR's everyday reality right now, but also serves as a reminder of how quickly the field is changing. We see a function that both keeps the everyday running and is simultaneously expected to drive change. The industry has a tradition of sharing experiences so that together we can take bigger steps forward.

The challenges for HR are clear. Technology forces development and changes in ways of working while compliance is becoming an ever larger area to navigate. But this is also where the opportunity lies – HR becomes more important for the organisation by freeing up time for what creates truly human value, which in turn leads to greater business value.

When HR succeeds in ensuring the right resources and competences, promoting employee wellbeing, developing managers who drive forward and creating understanding within management for the value of the whole "apparatus" – then HR becomes a strategic force that truly makes a difference.

By sharing experiences, we can together cut the time thieves, unleash energy and build HR that creates both human and business value.



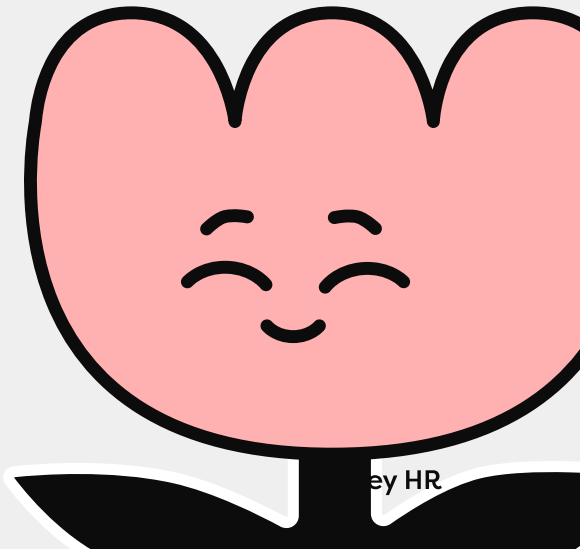
Practical tips

For those who recognise themselves in these challenges – you are not alone. Here are three practical tips that we see help HR based on the responses:

1. **Map your time-thieves.**
Analyse where your time goes and which processes could be improved through digitalisation.

2. **Test AI in small ways.**
Follow your colleagues' lead – start with simple tasks that don't involve sensitive data, such as using AI as a sounding board or for text creation.

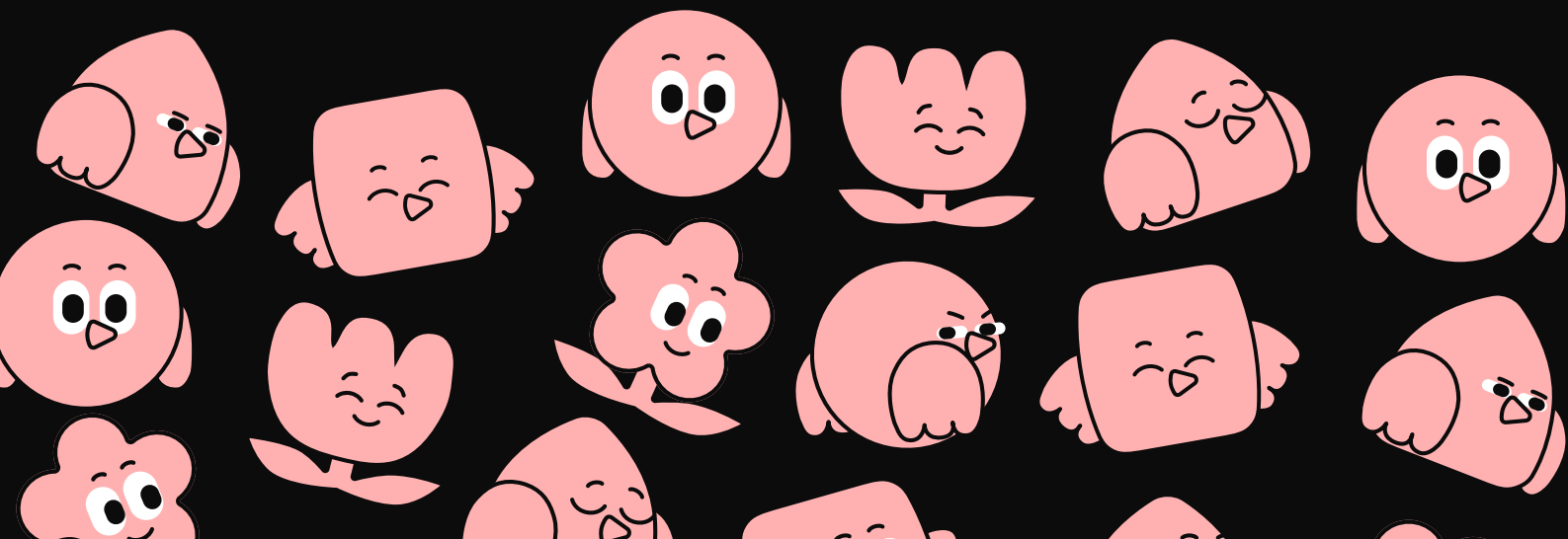
3. **Connect the initiatives.**
Pay transparency pushes technical development and increases the need for system support. Digitalisation frees up time – and time makes strategic work possible. Look at the whole picture when planning for 2026.



Method

The survey was conducted by Hailey HR during June–July 2025. Its purpose was to map HR's everyday work, challenges, and future plans in order to create a snapshot of the HR landscape.

A total of 206 HR professionals from Swedish organisations of varying sizes and levels of maturity participated. Respondents were recruited through Hailey HR's network, newsletter, and social media channels. The survey consisted of an anonymous online questionnaire with both fixed-response options and open-ended questions.



Who participated in the survey?

- **Organisations of all sizes:** 47% from companies with fewer than 100 employees, 33% from medium-sized (100–249) and 20% from larger organisations.
- **Experienced HR professionals:** 66% have more than 6 years of experience in HR.
- **Both specialists and generalists:** 95% work in dedicated HR roles (61% HR managers) and 5% are managers with HR as part of their responsibility.
- **Organisations at different stages of development:** A balanced distribution between growth companies 3–10 years (33%), established companies 10–25 years (32%) and mature organisations 25+ years (32.5%) – which provides perspectives from the entire corporate life cycle.
- **Local and global companies:** The majority (63%) work in organisations operating only in Sweden, while 13% operate in the Nordics and 24% have international operations.
- **New in the job, experienced in the profession:** Almost half (47.6%) have been only 1–3 years in their current organisation, and a further 12.6% are completely new (less than a year).
- **From solo to teams:** 47.6% work alone, 44.7% in teams of 2–5 people, and only 7.8% in larger HR departments.



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