ARTICLE

Chief people officer focus: 2026 agenda—becoming an enterprise CPO

Leading CPOs suggest four priorities for building executional excellence and strategic influence in 2026.

Enterprise CPO:

A leader who understands and advances core business goals, shapes financial outcomes, and acts as an enterprise strategist in addition to being the head of HR operations.

Only 22% of CEOs view their CPO as an Enterprise CPO.

Chief people officers' core job is making sure their organization has the talent it needs to deliver. CPOs think their functions are moderately successful at both traditional HR activities and strategic influence, according to a recent survey and insights from nearly 75 leading CPOs worldwide. Yet they are equally clear that "moderately successful" will not be enough going forward. Strong functional execution is necessary, but it is no longer sufficient. There are two reasons: labor markets, technology, and business models continue to change at unprecedented speed; and CEOs and boards increasingly see leadership as a material influence on valuation. This means that CEOs and board members require an enterprise CPO: a leader who understands and advances core business goals, shapes financial outcomes, and acts as an enterprise strategist in addition to being the head of HR operations.

Twenty-two percent of CEOs and board members say their CPO is currently operating at this level. Our research and ongoing discussions with CPOs highlight four priorities CPOs can focus on in 2026 as they reshape themselves and their functions to become enterprise CPOs.

The HR function today

A recent survey of 600 CPOs[1] finds that many of them still see their function primarily as a utility: keeping costs under control, delivering services reliably, and achieving operational excellence. Most CPOs know that this playbook, often modeled on "academy" HR companies, no longer suffices.

At the same time, CPOs know the path forward is not as simple as "be more strategic." CPOs can't elevate their strategy if the basics, such as hiring, pay, and engagement are broken. But they also know that waiting for perfection in those basics before stepping into strategic work is a trap. Perfection will never arrive and chasing it will delay influence indefinitely. The reality for 2026 is that effectiveness and influence must be built in parallel; an enterprise CPO must deliver both.

Despite rising expectations, most CPOs don't expect significant budget increases. Many organizations reduced talent investments after the 2008 financial crisis, and some never returned to prior levels. For half or more of most CPOs' careers, they have operated in cost-constrained environments even as expectations have grown exponentially. Today, HR budgets typically range from 0.35% to 0.75% of revenue, averaging just 0.61%, a modest share given the complexity and strategic demands now placed on the function.

The path forward: Key strategies for becoming an enterprise CPO

Today, CPOs face a broader remit, no clear starting point, and no more budget. Nonetheless, our research and ongoing discussions with leading CPOs suggest the following set of personal and organizational strategies that CPOs should pursue to become enterprise CPOs in 2026 and beyond:

Enhance their personal effectiveness

Design the HR function of today

Make senior-leader and CEO succession a core strategic priority

Embrace an AI-enabled workforce

1   Heidrick & Struggles survey of global chief human resources officers, 2025, N=600

Enhance their personal effectiveness

Enterprise CPOs are re-examining their decision-making approach, who they spend time with, and the role they play as leaders in their organizations. Our research suggests several tips enterprise CPOs can implement to further enhance their personal effectiveness.

Make decisions with courage, business acumen, and first-principle thinking

An enterprise CPO sits at the intersection of influence and effectiveness, building both simultaneously, not in sequence. CPOs know they must deliver consistently strong results on core responsibilities, such as talent attraction, development, retention, and learning, and they must explicitly connect those results to revenue, margin, innovation, and risk.

Improving on these deliverables requires a deeper leadership toolkit than traditional HR training alone provides. CPOs need a practical understanding of the business: how products and services are built, how money is made, what parts of the business are the most profitable, how business units differ, and what the competitive threats look like. They also need a clear view of the global talent landscape, of where to source cost-effective, high-quality talent, and of how global workforce models are changing to enable a broader range of employment models.

> CEOs increasingly look for CPOs who demonstrate first-principle thinking: leaders who start from data, question assumptions, and analyze root causes rather than simply applying legacy HR playbooks.

CEOs increasingly look for CPOs who demonstrate first-principle thinking: leaders who start from data, question assumptions, and analyze root causes rather than simply applying legacy HR playbooks. Technology and AI fluency are now essential, not because CPOs must be engineers, but because leaders who use AI effectively and can ask informed questions of engineers will replace those who don't. An enterprise CPO must be able to identify where AI can augment or replace tasks and what that means for roles, skills, and structures.

Finally, the differentiator is courage: the courage to challenge outdated norms, push for talent decisions that support strategy, intervene when cross-functional dynamics are broken, and lead through ambiguity. Judgment, clarity, and conviction are now core leadership capabilities for the CPO.

Ensure the connective tissue of the AI leadership team

CPOs and their teams must shift their center of gravity upward and outward. More time must be devoted to the CEO and board, where enterprise priorities are shaped and where HR can influence decisions about strategy, operating model, and leadership allocation.[2]

But there is also a new set of relationships that the CPO needs to build. Most often, CPOs, CFOs, and technology leaders are working together, alongside chief data officers and chief AI officers, when companies have those roles, to redesign work in a context where success increasingly depends on the integration of clean, governed people data and the deployment of AI solutions that require trust, adoption, and behavioral change. These leaders must closely align on which tasks have the potential to be automated, augmented, and scaled, and on the opportunities and risks for the business and the workforce that are created. They must also work together to ensure that roles, skills, and behaviors evolve to enable success for the chosen initiatives.[3] Strengthening those relationships often requires spending less time on internal HR processes and far more time tackling cross-functional issues.

2   Jeffrey S. Sanders, Laryssa Topolnytsky, PhD, and Jennifer Wilson, "Chief people officer focus: How leadership planning can be a foundation of stronger relationships between CPOs and boards," Heidrick & Struggles, December 15, 2025, Heidrick.com.

3   Ryan Bulkoski, Jaimee Eddington, Katherine Graham Shannon, and Brad Warga, "AI and leadership: How finance, HR, and technology leaders are collaborating to make the most of AI across the enterprise," Heidrick & Struggles, September 3, 2025, Heidrick.com; and "How functional leaders are using AI—and barriers to progress," Heidrick & Struggles, April 8, 2025, Heidrick.com.

Step beyond the HR lane and own enterprise-level priorities

Courage will be necessary as enterprise CPOs must intentionally step beyond the traditional HR lane and take on responsibilities that matter directly to the CEO, board, and enterprise strategy. This means making it their business to understand what the CEO and board are focused on, familiarizing themselves with the quarterly and annual agendas, and understanding which issues pose the biggest risks to growth and value creation. As one leading CPO told us, "When you have greater credibility, when the CEO wants you in the room all the time, when they're talking behind closed doors about the value your function is adding, then the board reaches out to you."

The most influential CPOs take accountability for enterprise KPIs and volunteer to lead or co-lead initiatives that shape performance, culture, and risk. They step into cross-functional problems, such as misaligned product and GTM teams, ineffective operating models, or recurring execution failures, because they understand that many performance issues are, at their root, people and leadership issues.

When a CPO consistently shows up as the person who can stabilize a crisis, align senior teams, and unblock execution, they become the executive the board and CEO seek out for insight, not simply the person presenting HR topics.

When a CPO consistently shows up as the person who can stabilize a crisis, align senior teams, and unblock execution, they become the executive the board and CEO seek out for insight, not simply the person presenting HR topics. Condoleezza Rice, former US Secretary of State, highlighted at our recent CPO Summit that it is particularly crucial for modern CPOs to be ready to act as highly visible leaders in moments of crisis: quickly clarifying the facts, driving alignment, and moving with conviction. Influence is earned by solving real enterprise problems.

Design a modern HR function

As CPOs take on these broader remits, proving strategic value requires new ways to measure impact and to run the HR function itself. Enterprise CPOs can incorporate the following strategies to modernize their function.

Redefine the HR scorecard to show strategic value

A major barrier to CPO impact is the continued reliance on traditional HR metrics that do not fully reflect enterprise value creation. Yet 93% of CPOs still say they should primarily be evaluated on metrics tied to traditional functional priorities. Even among the small minority of CPOs who believe different metrics would work better, their alternatives often remain rooted in HR activity rather than business outcomes.

This is understandable—many CPOs have spent their entire careers in HR, with limited exposure to financial modeling, valuation, or the language that boards use to assess performance. But today's expectations also offer them an opportunity: no one else has a fully connected business, HR, and metrics strategy either, leaving the door open for the CPO to define a new scorecard. And, as much as CPOs want to step up in situations like those above, until they have metrics that assess and reward achievement in those areas, most will find it hard to make sustained progress.

In 2026, enterprise CPOs are experimenting with metrics such as talent density, leadership bench strength, leadership risk, time to capability, and the revenue, or EBITDA*, impact of people-related failures. For example, one CPO who responded to our survey told us that at their organization, "Quarterly board meeting agendas focus on strategic priorities tied to [financial] goals, with pre-socialized feedback ensuring efficient decision-making." When these metrics are incorporated into dashboards and discussed with the board, HR is increasingly understood as a driver of long-term value, not just a cost center.

By explicitly linking HR outcomes to revenue, innovation velocity, customer outcomes, risk, and resilience, CPOs can reposition the HR function as a strategic engine.

CEOs are also turning to CPOs for economic perspective, especially as value creation shifts from physical assets to human capital and intellectual property. By explicitly linking HR outcomes to revenue, innovation velocity, customer outcomes, risk, and resilience, CPOs can reposition the HR function as a strategic engine. Redefining the HR scorecard is one of the fastest levers a CPO can pull to elevate their role.

Build a future-ready HR function through role design, agility, tech fluency, and risk leadership

To sustain impact, enterprise CPOs must build HR functions that run at the pace of the company. The fundamentals, such as filling critical roles, maintaining an effective HR operating model, and sourcing talent globally, remain non-negotiable. But AI and other technologies are reshaping how those fundamentals are delivered. Most HR leadership teams were built for a pre-AI world where scale was achieved through service delivery models, not technological transformation. Now, HR must add new capabilities to support scale through automation, augmentation, and intelligent workflows.

Our research points to three attributes of a future-ready HR function that strongly predict both effectiveness and influence:

- **Agility** – the ability to move quickly, pivot, and adapt as business conditions change.

- **Technology fluency** – the ability to identify, implement, and scale new tools (including AI) across core HR processes.

- **Risk leadership** – the ability to play a central role in identifying and managing material workforce risks, from leadership gaps and skills decay to burnout and succession vulnerabilities.

Fewer than half of CPOs strongly agree their function excels in these areas today. Closing that gap requires new talent profiles inside HR: people who understand how roles evolve when tasks are redistributed between humans and AI, who know how to oversee AI agent governance, and who can optimize the mix of agents and employees to create the best possible outcomes for all stakeholders. These skills are often found in people with backgrounds in consulting, analytics, technology, operations, and global business. People with these types of experience can help HR design an operating model capable of running at business speed. And when HR becomes an early adopter of AI in its own workflows, it not only gains credibility but also demonstrates the new behaviors the rest of the enterprise must adopt.[4]

Designing positions that sit at the intersection of AI and the workforce, such as leaders responsible for AI agent governance, workforce AI enablement, and people-data risk, is helping at many companies.

In terms of roles, designing positions that sit at the intersection of AI and the workforce, such as leaders responsible for AI agent governance, workforce AI enablement, and people-data risk, is helping at many companies. Some CPOs are adding roles such as VP of AI and Workforce Transformation—someone who sits at the intersection of the human and AI agent workforce. This kind of role positions HR to lead, not follow. Some companies have already begun experimenting in this context. For example, Microsoft has given its AI agents employee IDs as it builds a talent management infrastructure for AI as a potential first step toward creating an AI-agent talent management infrastructure.

4   Dorothy Badie, Ryan Bulkoski, Christina Cary, Dr. Regis Chasse, "CPO focus: Leadership essentials for an AI-enabled HR function," Heidrick & Struggles, May 21, 2025, Heidrick.com.

Make senior-leader and CEO succession a core strategic priority

Among traditional HR domains, senior-leader and CEO succession remains the most powerful lever for enterprise impact. Succession quality is increasingly linked to market performance: CEOs and board members who are confident in their succession planning practices are 50% more likely than others to report stronger financial performance, and 61% of all CEOs and board members expect their practices to have an increased effect on valuation over the next five years.[5] And CPOs, of course, are involved not only in CEO succession planning but in the attraction, retention, and development of the executive team that creates the pool of potential internal successors—and nearly 63% of CEOs are promoted internally. Yet succession management remains one of the least consistently executed and most siloed processes in many organizations.

Enterprise CPOs treat CEO and executive succession management as a strategic, continuous process rather than an episodic or reactive event. They clarify the leadership profile required for future strategies in many scenarios, map current and emerging leaders against that profile, identify gaps early, and accelerate development for high-potential leaders. They do not treat the current leadership structure as fixed; instead, they consider on-demand and interim talent solutions when internal capability is missing or when needs are transitory.[6]

Crucially, they build strong, trust-based relationships with both the CEO and key board members. This allows them to lead alignment conversations, navigate competing views, and design an approach that balances performance, potential, readiness, and risk. In doing so, they become central to shaping the company's long-term leadership portfolio—and are increasingly seen as architects of the organization's future, not just guardians of process.[7]

Embrace an AI-enabled workforce

As AI reshapes how work gets done, CPOs must take the lead in accelerating organizational adoption, defining a culture that supports employees through uncertainty, and reinventing the roles that sit at the center of execution. Ultimately, an enterprise CPO sits in the space between these two truths: AI must be implemented boldly, and people must be supported deeply. Lean too far toward the technology and you get tools without adoption; lean too far toward reassurance, and you get culture without progress. The organizations that will win are those whose CPOs can hold both ideas at once—treating AI as a catalyst for performance while treating people as the engine of that performance.

Accelerate the metabolism of the organization to the speed of AI

In nearly every boardroom, someone is asking, "Why aren't we seeing more value from AI yet?" Expectations are high, vendors promise dramatic productivity gains, and analysts project significant revenue uplift, but actual returns have often been underwhelming. Research suggests that most AI projects have yet to deliver positive ROI.[8]

One reason for the lack of ROI is the clock speed at which organizations operate. The external environment is moving quickly, but internal decision-making and adoption are not. Smaller companies can move from an AI idea to test to scale in 90 days; large enterprises often take three times as long. A recent survey of AI leaders found that across companies, the most common timeframe for a successful agentic AI proof of concept to reach production was 7-12 months. Only 18% said

5   Heidrick & Struggles, "Route to the Top 2025 | The ascent redefined: Charting more effective routes to the summit," Heidrick & Struggles, July 23,2025, Heidrick.com.

6   Ellen Maag, Sharon Sands, Jane Schroeder, "Leadership assurance: Leveraging assessment data as a key performance lever," Heidrick & Struggles, November 27, 2025, Heidrick.com; and Sandra Pinnavaia and Todd Taylor, "Leadership assurance: The role of interim leaders in supporting companies through change and disruption," Heidrick & Struggles, July 16, 2025, Heidrick.com.

7   Jeffrey S. Sanders, Laryssa Topolnytsky, PhD, and Jennifer Wilson, "Chief people officer focus: How leadership planning can be a foundation of stronger relationships between CPOs and boards," Heidrick & Struggles, December 15, 2025, Heidrick.com.

8   Aditya Challapally, Chris Pease, Ramesh Raskar, and Pradyumna Chari, "The GenAI Divide – State of AI in Business 2025," MIT NANDA, July 2025, mlq.ai.

that it takes less than three months.[9] Such inertia is further weakening HR's ability to drive enterprise priorities. The issue is not just engineering capacity. It is the organizational metabolism: how quickly leaders and employees can absorb, adapt, and scale AI-enabled ways of working.

Enterprise CPOs treat AI as an organizational change and talent challenge, not just a technology challenge. They build on the relationships they develop with other C-suite leaders to identify specific friction points where AI can meaningfully reduce effort, increase speed, or improve quality. They push for disciplined experimentation, then insist on deliberate scaling where returns are clear. They use change management, learning, incentives, and leadership role modeling to shift behavior.[10]

Shape the culture for an AI-enabled workforce

Employees are more likely to embrace AI when they see how its benefits to the business will also improve their own experience, capability, and career prospects. When AI is deployed solely as a cost-cutting tool, CPOs agree, adoption slows, and resistance grows. When AI is deployed as a capability-building engine, reducing low-value work, improving decision quality, and opening pathways to higher-skill roles, employees see it as an opportunity.

How the benefits from AI will be allocated will be one of the largest drivers of culture in an AI-enabled, human-centric world. CPOs are at the center of discussions about whether the returns will largely accrue to shareholders or to what extent they will be shared across the workforce. Allocating the benefits of AI requires transparency about where automation will occur, investment in upskilling so employees can access emerging roles, and mechanisms for sharing productivity gains through redesigned roles, enhanced learning pathways, or compensation strategies tied to capability growth.

A modern wellness strategy will also underpin an AI-enabled, human-centric culture. Enterprise CPOs must directly address the psychological weight of AI-related uncertainty. Employees are not only managing workload stress but also grappling with fears about role erosion, skill relevance, and whether technological gains will benefit them or displace them. Ignoring these concerns slows adoption, erodes trust, and damages culture.[11]

The enterprise CPO's role is to shape a human-centric, AI-enabled culture by taking the following suggested actions:

- Being explicit about where AI will be used and why.

- Partnering with the CFO to design value-sharing mechanisms (pay, career opportunities, upskilling) so employees see AI as something done with them, not to them.

- Making career security about employability and skill relevance, not just role tenure.

When AI is deployed solely as a cost-cutting tool, CPOs agree, adoption slows, and resistance grows.

When AI is deployed as a capability-building engine, reducing low-value work, improving decision quality, and opening pathways to higher-skill roles, employees see it as an opportunity.

9   Heidrick & Struggles survey of AI, data and analytics officers, October 2025, n=318.
10 Ryan Bulkoski, Jaimee Eddington, Katherine Graham Shannon, and Brad Warga, "AI and leadership: How finance, HR, and technology leaders are collaborating to make the most of AI across the enterprise," Heidrick & Struggles, September 3, 2025, Heidrick.com; and "How functional leaders are using AI—and barriers to progress," Heidrick & Struggles, April 8, 2025, Heidrick.com.
11 Adam Howe, Jarrad Roeder, and Meg Wheaton, "AI focus: Leveraging your culture to accelerate GenAI enablement," Heidrick & Struggles, December 2, 2025, Heidrick.com

Reimagine middle management

AI is already reshaping work, especially across entry-level and middle-management roles. It's widely known that early-career positions in AI-exposed occupations are declining meaningfully. A lesser-known but deep disruption is occurring in the middle of organizations. AI is unbundling much of the work that once defined middle management. Tasks such as approving transactions, synthesizing status updates, providing routine feedback, or monitoring performance can now be automated or augmented by tools that operate faster and with greater consistency.[12]

As these tasks disappear, forward-thinking CPOs are assessing—and evolving—the organizational structure and value proposition of middle management. There is potential to save costs by stretching the role of existing managers across more employees. But there is a greater opportunity for organizations and middle managers when the role becomes more about judgment, alignment, sense-making, and orchestrating complex, cross-functional work. Managers who relied heavily on administrative expertise will see their roles diminish; those who excel at creating clarity, synthesizing insights, exercising judgment, shaping culture, resolving tension, and accelerating execution will become indispensable. The middle layer will remain essential—but it will be smaller, more skilled, and more accountable for driving the cultural and behavioral foundations of high performance. Paradoxically, AI makes management more demanding: it removes administrative tasks but raises expectations for leadership behaviors, decision quality, and cultural stewardship.

Enterprise CPOs are beginning to see the role of manager less as a promotion after some period of time and more as a capability requiring continuous development. They partner with CEOs and CFOs to strike the right balance between leveraging AI to stretch managers' remits to achieve efficiencies while simultaneously reimagining their role as crucial supporters of the workforce.

---

12   For more about the implications of AI for middle managers, see Isabell Lippert, "Artificial Intelligence and the Future of Managerial Roles: A Theoretical Review," Association for Information Systems, April 2024.

Becoming the enterprise CPO

Recognizing that neither operational excellence nor strategic aspiration alone is sufficient, leading CPOs highlight the following four priorities to define the next era of HR leadership:

(1) **Enhance their personal effectiveness** by:
- rethinking their decision-making approach;
- shifting the focus of their relationships upward and outward from the HR function; and
- taking on responsibilities that matter directly to the CEO, board, and enterprise strategy.

(2) **Design a modern HR function** with a scorecard focused on business outcomes and the ability to run at the pace of the rest of the company.

(3) **Make senior-leader and CEO succession a core strategic priority** by:
- treating planning as a strategic, ongoing discipline that builds long-term performance and board confidence.

(4) **Embrace an AI-enabled workforce** with:
- a metabolism that runs at the rate of AI;
- a culture focused on the benefits AI can create for all employees; and
- a reimagination of the value middle managers create.

Collectively, these priorities define what it means to be an enterprise CPO in 2026: a leader who shapes enterprise value, drives the talent and leadership agenda, and builds the workforce and culture the future demands.

About the authors

Brian Kropp
is the vice president of Global Insights; he is based in the Washington, DC office.

bkropp@heidrick.com

Brad Warga
is co-head of the global Human Resource Officers Practice; he is based in the San Francisco office.

bwarga@heidrick.com

Jennifer Wilson
is co-head of the global Human Resource Officers Practice; she is based in the Dallas office.

jwilson@heidrick.com

Acknowledgments

Human Resources Officers Practice

We partner with organizations to help them identify strategic human resources leaders who are prepared to lead and create high-performing organizations. We help our clients find HR leaders with the business acumen, strategic and market insight, financial savvy, operational capabilities, and ability to harness data and technology to drive business success. These leaders must be culture shapers with the foresight, resilience, and adaptability to drive transformative change in organizations through strategic talent management.

Leaders of Heidrick & Struggles' Human Resources Officers Practice

Global

Brad Warga
San Francisco
bwarga@heidrick.com

Jennifer Wilson
Dallas
jwilson@heidrick.com