

Emerging Trends

EXTRACT



EMERGING

**What's next for people,
HR & change consulting?**

Report

Apr 2025

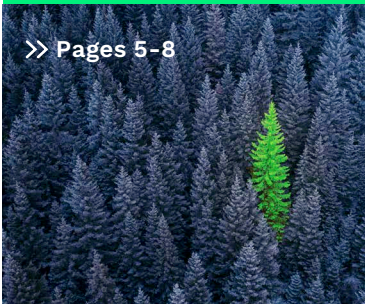
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What really matters

We identify the things that really matter for firms—a snapshot of the most important dynamics in the market.

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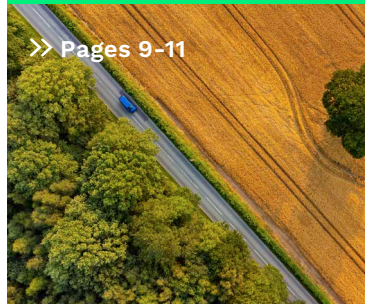


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The problem of people, HR & change consulting

We take a look at some of the reasons why the market might be stagnating.

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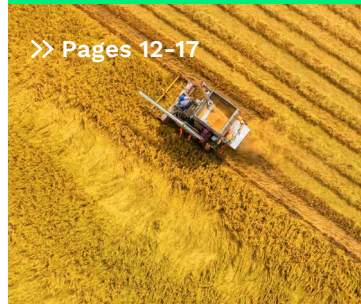


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A new view of the people, HR & change consulting market

The market and buyers are changing. We explore how, and what that might mean for firms.

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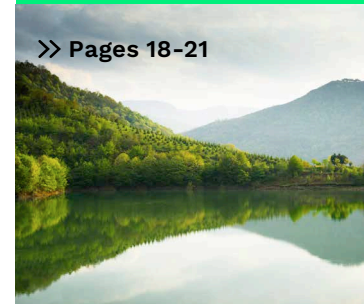


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What are the most pressing people issues for the HR function and the wider organisation?

We delve into the real issues that clients need help with.

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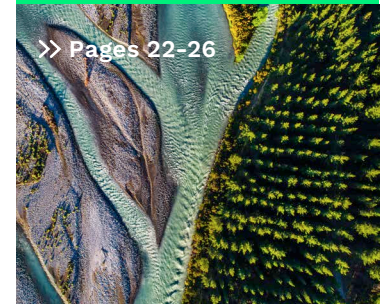


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How can firms overcome the barriers to spending?

Explore with us how firms can win in this challenging market.

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Introduction

There's no doubt the people, HR & change market has had a difficult few years.

As part of our Market Trends programme we track the services most and least in demand from clients, and we see people consulting services consistently occupying a position towards the bottom of the table, an indication that clients are much more likely to be thinking about using their own internal resources than reaching out for external support.

Similarly, our MegaModel, which tracks market size and forecast growth, records growth in the people, HR & change market as minimal. And, lastly, it's not an area that has been promoted heavily by firms of late, with centre stage going to technology rather than people.

This report takes a fresh look at the people, HR & change market. We examine the problem with people, HR & change work: All the indicators point to growing demand, so why aren't we seeing it? And we ask: What are clients really buying in this space, and how is it likely to change in the future?

Figure 1

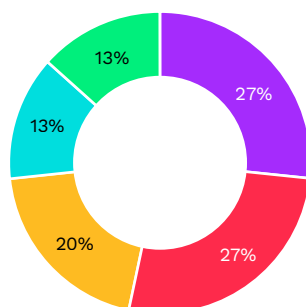
In which of the following areas do you think your organisation is most likely and least likely to use consulting support in the next 18 months? (2025 and 2024, combined)



Methodology

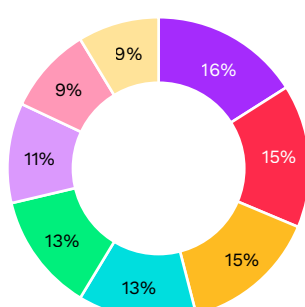
We surveyed 150 senior executives in February 2025, all of whom are responsible for buying consulting services. Respondents worked in five geographies, all of which are important in terms of scale and/or growth potential—the UK, US, Germany, France, and the GCC. They were also drawn from a representative mix of sectors and functions. Two thirds came from organisations with more than 5,000 people. All figures given in this report are in US dollars.

Respondents by geography



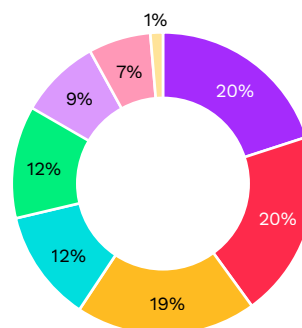
UK
US
GCC
France
Germany

Respondents by sector



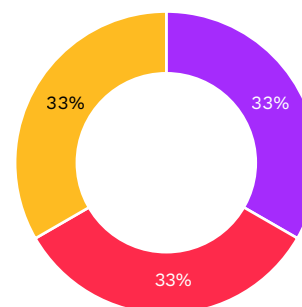
TMT
Retail
Manufacturing
Energy & resources
Healthcare
Financial services
Services
Pharma & life sciences

Respondents by function



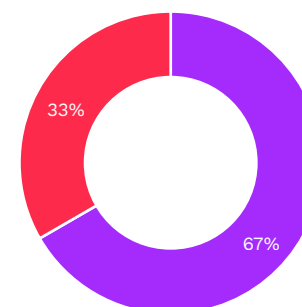
Human resources
IT
Finance
Operations
Strategy
Marketing & sales
Risk/compliance
General management

Respondents by responsibility



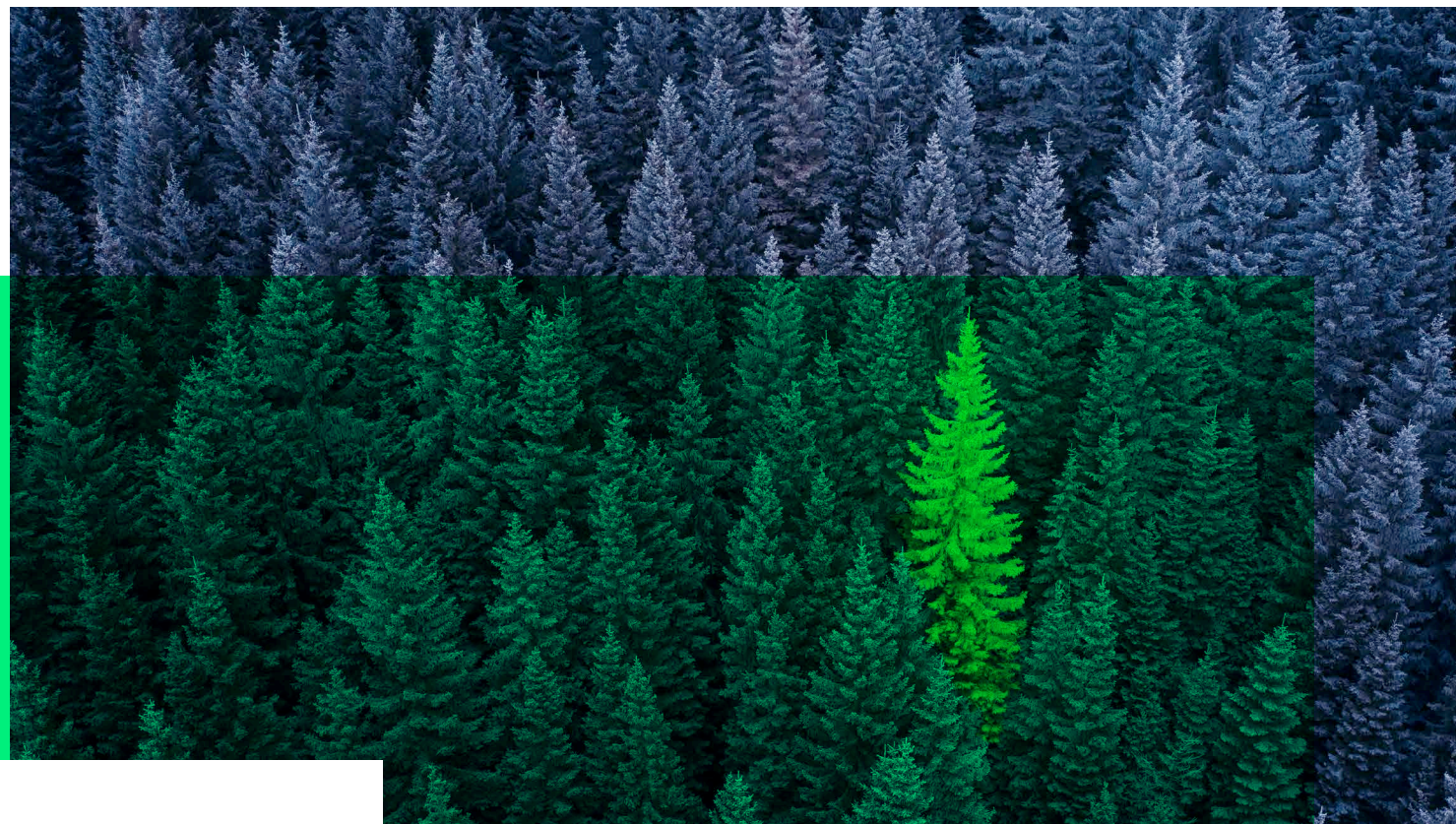
CxO/board-level management
Direct report into CxO/
board-level management
Head of department

Respondents by headcount



5,000+ employees
1,000-4,999 employees

1



**“Firms need to be compelling.
They need to be looking at our
business, telling us things that
resonate, that we care about.”**

CFO, services

What really matters

HR functions are under pressure, and wholesale transformation is needed.....	6
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Encouraging internal cross-collaboration in clients could create future opportunities for firms.....	8

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**“If it’s something we can do
ourselves in the people space,
we will.”**

CTO, TMT

The problem of people, HR & change consulting

There’s a high level of change on the horizon—but organisations generally feel equipped to deal with it internally 10

HR professionals are facing a mounting workload—absorbing the impact of change programmes in their organisations 11

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A new view of the people, HR & change consulting market

**“People-related issues were
handled by HR in the past. This is
something that has now shrunk.”**

CEO, manufacturing

Clients are divided about who is responsible for solving their organisation's people issues	13
The majority of buyers of people, HR & change services aren't sitting in the HR function.....	14
Almost all projects are seen as having an HR element, and this hidden spend is considerable	15
Outside of HR, clients are focused on technology, with change management as an important element	16
Strategy executives could be important buyers of people, HR & change services	17

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**“We need to have the right people,
and retain those people, but
we also need to understand the
future of work.”**

Strategy director, public sector

What are the most pressing people issues for the HR function and the wider organisation?

Culture makes change difficult—but HR and the wider organisation have different ideas about what culture means..... 19

HR and the wider organisation agree that people investment should be focused on how people work together..... 20

While HR people talk about organisational design, their colleagues are thinking about strategy and data & analytics—and that means HR transformation 21

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How can firms overcome the barriers to spending?

“You have to be able to work with them at a personal level, but that’s not enough—they also have to have a track record of delivery.”

CIO, financial services

Everyone finds it hard to find the expertise they need, but while HR see the costs as prohibitive, everyone else thinks they have the internal skills already23

What exactly are clients buying in the people, HR & change space?.....24

How can firms get their message across that this spend is necessary?25

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**“The market is changing, and
firms need to change with it.”**

CEO, healthcare

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Meet the experts

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About us

We help professional services firms **understand what really matters** when facing decisions of vital importance.

The best decisions are based on evidence, objectivity, and a willingness to change. That's why, at Source, we tell you what you need to hear, rather than what you want to hear.

We draw upon our deep roots within the professional services sector to provide firms with a clear picture of their clients' worlds. Through comprehensive research and meticulous analysis, we pinpoint what truly matters and deliver actionable insights that help firms map out the right way forward.

We believe in thriving individually and succeeding together. And we would love to help your firm crack its latest conundrum.

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Publication schedule for 2025

2025		Market Trends Reports	Market Trends Briefings	Client Perceptions Studies	Emerging Trends Programme	White Space Reports	White Space Insights
Q1	January	Forecasts for 2025 UK US GCC France		UK US GCC France			Featured thought leadership (monthly) Quarterly webinar series
	February				ET1		
	March					Quality Ratings Report (QRR)	
Q2	April	Nordics DACH Australia East Asia South East Asia Africa	India South America	Germany Australia China Japan Retail Energy & Resources Financial Services Technology, Media & Telecoms	ET2		Featured thought leadership (monthly) Quarterly webinar series
	May						
	June				ET3	Client Perceptions of Thought Leadership	
Q3	July	Energy & Resources Financial Services Technology, Media & Telecoms Sustainability	Healthcare & Pharma	Risk Tax			Featured thought leadership (monthly) Quarterly webinar series
	August				ET4		
	September					Thought Leadership Innovation	
Q4	October	Tax Risk Technology Planning for Growth in 2026	Public Sector	Audit Technology	ET5		Featured thought leadership (monthly) Quarterly webinar series
	November						
	December				ET6	Hot Topic Report	