



Produced by Sonia McDonald — LeadershipHQ

Great HR Leadership Pulse Survey Report 2026

The Uncomfortable Truth About HR Leadership
— And What It Takes to Get It Right



FOREWORD

HR leadership doesn't fail in strategy. It fails in moments — the moments where courage is required, decisions matter, and people are watching. That's why LeadershipHQ created the Great HR Leadership Pulse Survey 2026. Not to celebrate the polished version of HR. To get to the truth. This report captures the perspectives of 14 senior HR practitioners across Australia — HR Leaders, Heads of People & Culture, Chief People Officers, and Executive General Managers, spanning industries from financial services and construction to sports, entertainment, and not-for-profit.

What they told us is worth paying attention to. And so is what the broader LinkedIn community has been saying. Thousands of votes and tens of thousands of impressions across related polls confirm the same picture: HR is undervalued, under-utilised, and hungry to lead differently. The picture that emerges is not a crisis — but it is a challenge. HR leadership is widely respected in principle.

In practice, the gaps are significant, consistent, and correctable. The insights in this report are the foundation for practical action. Read them. Share them. Use them.

— **Sonia McDonald**

Founder & CEO, LeadershipHQ

Keynote Speaker • Executive Coach • Author

ABOUT THIS SURVEY

The Great HR Leadership Pulse Survey 2026 was conducted in May 2026, gathering responses from 14 HR professionals across Australia. Respondents were asked 15 questions spanning their experience of HR leadership quality, the behaviours that define excellent HR leaders, where they see consistent failure, and what the future of HR leadership must look like.

This is an early-wave pulse survey. The findings represent a clear directional signal from experienced practitioners rather than a statistically representative sample. A full research report with expanded respondent numbers will follow.

The survey findings are supported throughout this report by LinkedIn community poll data gathered from Sonia McDonald's network, representing thousands of additional voices from across the HR and people leadership community.

HR leaders sit at the centre of this equation. They are responsible for the capability, culture, and conduct of the managers who drive engagement. When HR fails to lead with courage — when it avoids difficult conversations, operates reactively, or lacks the strategic credibility to influence executive behaviour — the ripple effects are felt across entire organisations.

70% of team engagement variance is directly attributable to manager behaviour (Gallup, 2025)

The stakes are not abstract. Organisations with high engagement report 43% lower turnover rates. Disengaged employees cost businesses up to US\$550 billion annually in lost productivity. And Gallup's most striking finding: if all organisations reached best-practice engagement levels, the global economy would add US\$9.6 trillion in productivity annually.

HR leadership is not a support function question. It is an economic question.

Psychological safety — one of the core outcomes HR leaders are uniquely positioned to build — is equally under pressure. Gallup's 2025 data show that just 3 in 10 employees strongly agree that their opinions count at work. Research from the Ecsell Institute found that when leader skills are rated 9 or 10 out of 10 by employees, teams report an average psychological safety score of 84%. When leaders are rated 6 or below, that score collapses to 36%.

Sources: Gallup State of the Global Workplace 2025; Gallup meta-analysis on engagement and turnover; Ecsell Institute 2022; Forbes/SHRM voluntary turnover research

KEY FINDINGS AT A GLANCE

Five findings define this survey. They are consistent, interconnected, and demand a response.

- 1. HR leadership quality is polarised.**
57% of respondents rate HR leadership in their organisation as good or excellent. But 43% rate it as average or poor. For a function that sits at the heart of culture, capability, and trust, this is not good enough.
- 2. Courage is the defining competency — and the most common failure point.**
Speak up when it's uncomfortable – ranked #1 for what great HR leaders do differently (10/14). Avoiding tough conversations ranked #1 as where HR falls short (12/14). The same quality defines both excellence and failure.
- 3. Trust in HR leadership is conditional at best.**
Only 1 in 3 respondents says they always trust their HR leaders to make fair and courageous decisions. The majority hold a qualified or absent trust.
- 4. When HR fails, the damage is real and measurable.**
Toxic cultures, high turnover, disengaged people. 86% of respondents have personally witnessed HR avoiding a difficult issue. These are not soft outcomes.
- 5. The future demands human depth, not just functional competence.**
Culture & trust-building (10 votes) and leadership capability development (9 votes) top the list of competencies that will define great HR leaders over the next five years.

RESPONDENT PROFILE

ROLE	COUNT
HR Leader / HR manager	6
Head of People & Culture	4
Executive General Manager — People	1
Chief People Officer (CPO)	1
Other senior people roles	3

SENIORITY LEVEL	COUNT
Executive	5
Mid-Level	5
Senior eader	1
Emerging Leader	1
Not specified	2

INDUSTRY	COUNT
Financial Services	1
Community / Human Services	2
Not-for-Profit	1
Construction / Renewable Construction	2
Sports, Entertainment & Venue Management	1
Multinational Corporation (MNC)	1
Health and IT	1
Other	5

THE GLOBAL CONTEXT: WHY THIS MATTERS NOW

The findings of this survey do not exist in isolation. They land against a backdrop of global data that tells the same story: engagement is falling, trust is eroding, and the gap between what people need from their leaders and what they are experiencing has never been more costly.

21%

of employees globally are engaged at work (Gallup State of the Global Workplace, 2025)

Global employee engagement fell for the second time in twelve years in 2024. According to Gallup's State of the Global Workplace 2025 report, only 21% of employees worldwide are engaged — a drop that Gallup estimates has cost the global economy US\$438 billion in lost productivity in a single year.

The cause identified by Gallup is instructive: the sharpest decline was among managers. Manager engagement fell from 30% to 27% globally — and the research is clear that 70% of the variance in team engagement is directly linked to management behaviour.

SECTION 1

HOW IS HR LEADERSHIP RATED TODAY

Q4 — How would you rate HR leadership in your organisation?

RATING	RESPONSES (N=14)
Excellent	2 (14%)
Good	6 (43%)
Average	5 (36%)
Poor	1 (7%)

The majority of respondents see HR leadership as adequate or better, but 43% rate it Average or Poor. In a function responsible for culture, people capability, and organisational resilience, that is a material gap.

The broader LinkedIn community corroborates this picture and adds a sharper edge.

When asked how organisations really see HR, 272 people voted:

LinkedIn Community Poll — How do organisations really see HR?

- 38% Admin & compliance
- 26% Reactive problem solver
- 17% Undervalued function
- 14% Strategic partner
- 6% Culture driver

Only 14% of respondents see HR as a strategic partner. Only 6% see it as a culture driver. Combined, just 1 in 5 people associate HR with the work it should be leading. The other 81% see a function that is reactive, administrative, or simply undervalued.

This is not a perception problem that HR can ignore. Perception shapes access. How HR is seen by the business determines whether it gets a seat at the table, whether its counsel is sought, and whether its interventions land. HR leaders who are seen as administrators will be treated as administrators — regardless of their capability or intent.

“People thrive! HR only truly gets it right however when they are a respected leader of the business, not just the HR function. Only that way can HR have real influence.”

Strategic credibility is earned through courageous behaviour, not granted by title.

Source: Deloitte Human Capital Trends 2024; LinkedIn community poll data (Sonia McDonald, 2026)

SECTION 2

TRUST IN HR LEADERSHIP

Q5 — Do you trust your HR leaders to make fair and courageous decisions?

RATING	RESPONSES (N=9)
Always	3 (33%)
Sometimes	3 (33%)
Rarely	2 (22%)
Never	1 (11%)

Only one in three respondents say they Always trust their HR leaders on fair and courageous decisions. Two thirds sit in a zone of conditional, qualified, or absent trust.

This is more than a perception problem. Trust in HR is the foundation on which psychological safety, candid feedback, and cultural health are built. When trust is qualified, people filter what they say, what they escalate, and how honestly they engage with the function. Innovation stalls. Problems are hidden. The best people eventually leave.

Gallup's 2025 data shows just 3 in 10 employees feel their voice counts at work. HR leaders who fail to model and build psychological safety are actively undermining the very culture their organisation needs to perform.

"Overtly trusted and respected by CEO & Leaders, and recognised by the organisation as a good, ethical, high EQ person with a depth of professional & life experience."

This describes the gold standard: not technical competence alone, but the integrity and depth that makes HR genuinely influential. The data suggests most HR leaders are not clearing it consistently.

Source: Gallup State of the Global Workplace 2025

SECTION 3

HOW IS HR LEADERSHIP RATED TODAY

Q6 — What do great HR leaders do differently? (Pick up to 3)

BEHAVIOUR	VOTES (n=14, multi-select)
Speak up when it's uncomfortable	10
Hold leaders accountable	8
Build psychological safety	7
Balance people and performance	6
Influence executives effectively	5
Understand the business deeply	4
Make fast, clear decisions	2

The #1 answer is not technical expertise or compliance knowledge. It is the willingness to speak up when it's uncomfortable. That is a leadership quality and specifically a courage-based one.

Holding leaders accountable ranks second. Building psychological safety ranks third. These are not administrative tasks. They require the kind of leadership that operates under pressure, challenges power, and refuses to default to silence.

The neuroscience here is instructive. Under pressure, the brain's threat response activates the amygdala, flooding the system with cortisol and narrowing thinking. Courageous leaders learn to override this response, to keep the prefrontal cortex engaged even when the room is uncomfortable. This is not personality. It is a trainable skill.

"We see great things happen. Leaders flourish, trust spreads, engagement elevates and HR's jobs become far more rewarding."

Source: Deloitte Human Capital Trends 2024; LinkedIn community poll data (Sonia McDonald, 2026)

SECTION 4

WHERE HR LEADERSHIP FALLS SHORT

Q7 — Where do HR leaders MOST often fall short?

FAILURE MODE	VOTES (n=14, multi-select)
Avoiding tough conversations	12 (86%)
Being reactive instead of strategic	8 (57%)
Not understanding the business	8 (57%)
Lacking courage	8 (57%)
Poor communication	6 (43%)
Over-prioritising compliance	4 (29%)

86% of respondents identified Avoiding tough conversations as the most common failure mode in HR leadership. This is not a knowledge gap. It is a courage gap.

Being reactive instead of strategic, not understanding the business, and lacking courage all tied at 57%. Together, these describe an HR function that is too often operating below its potential — responding rather than leading, and defaulting to process safety rather than truth.

Q8 — Have you ever experienced HR avoiding a difficult issue?

RESPONSE	RESPONSES (n=14)
Yes	12 (86%)
No	2 (14%)

86% of respondents have personally witnessed HR avoid a difficult issue. This is not theoretical — it is a documented, widespread lived experience among the very practitioners working alongside HR leaders every day.

Q9 — What happened? (Open responses, n=4)

Respondents described:

- HR defaulting to defensible process rather than addressing human behaviour and having the real conversation
- Exit interview feedback collected but toxic behaviour never addressed
- A senior People leader withholding information and creating roadblocks, threatened by the capability of her direct reports
- Operational leadership failing to create the environment for HR to do its job effectively

These accounts share a thread: when HR had the moment to lead, it too often protected the process or the hierarchy rather than the people or the culture.

Source: Gartner Top 5 HR Priorities for 2025

SECTION 5

THE REAL COST OF GETTING IT WRONG

Q12 — When HR gets it WRONG... what's the impact?

Every respondent answered this question. The consequences described were consistent and damaging:

- Dysfunction and high turnover
- Toxic behaviour, poor atmosphere, staff retention crisis
- Culture and engagement collapse
- People staying silent, withdrawing, or flattering leaders to survive
- HR losing credibility — leaders going rogue, engagement dropping, business outcomes suffering
- Toxic environment characterised by fear, stagnant or declining results
- High turnover, poor results, measurable business impact
- Downward spiral — wrong people elevated to positions of power and influence

These are not soft outcomes. Gallup research shows that organisations with low engagement experience turnover rates 18% to 43% higher than their highly engaged counterparts. Burnout — a direct consequence of toxic or unaddressed culture — costs organisations 15% to 20% of total payroll in voluntary turnover alone.

“We see great things happen. Leaders flourish, trust spreads, engagement elevates and HR’s jobs become far more rewarding.”

HR leadership failure is not a department problem. It is a business problem — with a price tag.

Source: Gallup engagement and turnover meta-analysis; Gallup burnout and payroll cost research

SECTION 6

WHEN HR GETS IT RIGHT

Q11 — When HR gets it RIGHT... what happens?

When HR leadership is operating well, the impact is vivid:

- Healthier culture, reduced people risk, business performing more consistently
- People strategy becomes a key priority — not a nice-to-have
- Executive engagement rises and leaders become more people-centric
- People feel supported and engaged — results follow
- Organisation culture strengthened, strategy executable, employees aligned to values
- Employee engagement rises, performance improves, company success follows
- Brilliant culture amplified by top results
- Leaders flourish, trust spreads, engagement elevates and HR's job becomes far more rewarding

Gallup's research shows that highly engaged teams report 23% higher profitability. Harvard Business Review research indicates that companies with highly engaged employees see 125% higher earnings per share relative to competitors.

"People strategy becomes a key priority, not a nice to have."

There is a direct line between great HR leadership and business performance. The question is not whether it matters — it is whether HR leaders are willing to do what it takes to get there.

Source: Gallup profitability meta-analysis; Harvard Business Review engagement and EPS research

SECTION 7

COURAGE IS NON-NEGOTIABLE

Q10 — How important is courage in HR leadership?

IMPORTANCE RATING	RESPONSES (N=13)
Critical	9 (69%)
Very Important	4 (31%)
Somewhat Important	0 (0%)
Not Important	0 (0%)

100% of respondents rated courage as either Critical or Very Important. Zero said Not Important.

There is no equivocation in this data. Courage is not a nice-to-have HR competency. It is the foundation on which everything else is built.

And yet the same survey shows that avoiding tough conversations is the most common failure mode. The gap between knowing courage matters and summoning it in the moment is precisely where HR leadership development must focus.

The neuroscience of courage matters here. Courageous behaviour is not the absence of fear — it is the capacity to act despite the threat response. It involves activating the prefrontal cortex, regulating the amygdala's alarm signals, and building the neural pathways — through repetition and practice — that make courageous action more automatic over time. This is neuroplasticity in practice. Courage, like any leadership skill, can be developed.

Neuroscience reference: neuroplasticity and courage (Damasio, 1994; LeDoux, 2015; Rock SCARF model, 2008)

SECTION 8

THE FUTURE OF HR LEADERSHIP

Q13 — What will define great HR leaders in the next 5 years? (Pick 3)

COMPETENCY	VOTES (n=14, multi-select)
Culture and trust building	10
Leadership capability development	9
AI + human leadership balance	8
Strategic business alignment	6
Employee wellbeing & burnout prevention	4
Neuroscience-informed decision making	3
Ethical decision-making	2

Culture and trust building is the #1 future competency. Leadership capability development is #2. Both require human depth, relational courage, and sustained commitment. Neither is earned once. Both are demonstrated over time through consistent behaviour.

AI and human leadership balance ranks third — a recognition that while technology will reshape many HR processes, the irreplaceable quality remains human leadership at its best: courageous, connected, and trustworthy.

The broader LinkedIn community reinforces this. When asked how HR should demonstrate its worth, the answer was unambiguous:

LinkedIn Community Poll — How should HR show worth? Anything else?

48% Influence, don't just support
25% Stop proving. Start leading.
15% Own your value. Full stop.
13% Speak up — stop playing small

110 votes

Nearly half — 48% — said the answer is Influence, don't just support. A further 25% said Stop proving. Start leading. Together, 73% of respondents pointed to the same thing: HR's credibility gap is not closed by evidence or metrics. It is closed by leadership. By showing up with courage and conviction, not spreadsheets and justification.

Gartner's research confirms the alignment: the top five HR priorities for 2025 globally are leader and manager development, organisational culture, strategic workforce planning, change management, and HR technology. The top two mirror this survey exactly.

Neuroscience-informed decision making placed sixth in our survey. This is an emerging signal worth watching. As brain-based leadership science becomes more practically accessible — covering motivation, stress, psychological safety, and decision-making under pressure — its influence on how HR leaders develop will accelerate.

Sources: SHRM 2025 AI adoption research; Gartner Top 5 HR Priorities for 2025; LinkedIn community poll data (Sonia McDonald, 2026)

SECTION 9

STOP. START.

The most direct data in the survey came from the final open questions.
No filters. No options to hide behind.

Q14 — What must HR leaders STOP doing?

- Treating people initiatives as separate from business outcomes
 - Seeing themselves as only people leaders rather than business leaders
 - Being a 'Yes Person' — agreeing with everything to avoid conflict
 - Playing second fiddle to management
 - Being reactive instead of anticipating
 - Pleasing management at the expense of speaking truth
 - Sitting on the sidelines with a 'people strategy' — get into the business
 - Trying so hard to please the business that they don't speak up against poor leadership practices
 - Allowing their title to separate them from the people they serve
-

Q15 — What must HR leaders START doing?

- Embedding people decisions directly into everyday business planning and performance conversations
- Communicating with honesty
- Working in the business, with the business
- Having brave conversations
- Being courageous in the simplicity of their agenda — doing what really matters
- Listening
- Building and enhancing company culture actively and intentionally
- Demonstrating measurable commercial impact for the people work they do
- Standing their ground
- Educating themselves on AI's impact and leading organisations confidently through that change
- Developing emotional intelligence as a leadership practice

CONCLUSION: THE HR LEADERSHIP IMPERATIVE

This survey tells a consistent, urgent story. HR leadership has the potential to be genuinely transformational. When it works — when HR leaders are courageous, credible, and connected to both people and performance — organisations thrive. Culture strengthens. People feel supported. Strategy executes. Leaders flourish.

But the gap between potential and practice is real. The most common failure mode is not technical. It is not strategic. It is courage. The willingness to have the conversation that needs to be had, to hold the leader who needs to be held, to speak the truth that everyone in the room already knows but no one will say.

The global data reinforces this urgency. Engagement is declining. Manager effectiveness is falling. The cost of disengagement — US\$438 billion in lost productivity in 2024 alone — flows directly through the people function. HR leaders who operate reactively, avoid difficulty, and fail to build trust are not neutral. They are contributing to the problem.

And the community has spoken too. With 272 people saying only 14% see HR as a strategic partner. With 25,000+ impressions on a single post that captured something raw and true about the weight HR carries. The appetite for better HR leadership is everywhere — in boardrooms and on LinkedIn feeds and in the quiet frustration of practitioners who know exactly what is possible.

The future belongs to HR leaders who earn strategic credibility. Who build trust through consistent honesty. Who hold others to account. Who understand the business well enough to lead it. And who have done the inner work to develop the courage that all of this requires.

That is not a skill gap. It is a courage gap. And courage can be developed.

“HR leadership doesn’t fail in strategy. It fails in moments. The moments where courage is required, decisions matter, and people are watching.”

“HR is no longer a function. It’s the emotional shock absorber of the organisation.”

25,628 impressions · 640 reactions · 37 comments · 57 reposts — Sonia McDonald, LinkedIn 2026

The question this report leaves with every HR leader is simple: when the moment arrives, will you step up?

WORK WITH LEADERSHIPHQ

LeadershipHQ works with leaders, People & Culture teams, and organisations across the Globe who are ready to close the leadership gap — and build the kind of leadership that actually moves the needle on culture, performance, and trust.

Keynote Speaking

Sonia McDonald is one of the world's most in-demand keynote speakers on leadership, courage, and neuroscience. Book Sonia for your next HR conference, leadership summit, or executive offsite.

- *Available nationally and internationally*
- *Customised to your audience and theme*
- *Neuroscience-grounded, story-driven, immediately actionable*

Book Sonia: manager@soniamcdonald.com.au

Executive Coaching for Leaders

LeadershipHQ delivers leadership programs, workshops, and learning experiences for teams, people functions, and organisations ready to build courage-based leadership cultures.

- *Leadership programs*
- *Leadership Masterclasses*
- *Workshops: psychological safety, difficult conversations, executive influence*
- *Available in-person and online*

Learn more: hello@leadershiphq.com.au · leadershiphq.com.au

Stay Connected

Join thousands of HR and people leaders following Sonia's work on LinkedIn, newsletter, and the Leadership with Sonia podcast.

- *LinkedIn: Sonia McDonald*
- *Newsletter: soniamcdonald.com*
- *Free Self Confidence Workbook: soniamcdonald.com*
- *Phone: 1300 719 665*

leadershiphq.com.au · soniamcdonald.com · hello@leadershiphq.com.au



ABOUT SONIA MCDONALD

Sonia McDonald is the Founder and CEO of LeadershipHQ, a keynote speaker, executive coach, and author specialising in human-centred, courage-based leadership grounded in neuroscience.

For over three decades, Sonia has worked with leaders and organisations across Australia and internationally to build leadership cultures that are courageous, high-performing, and human. Her work draws on the latest neuroscience and the neurobiology of decision-making under pressure to give leaders practical tools they can use immediately.

Sonia is a trusted advisor to executive teams, a sought-after keynote speaker for HR, people, and leadership conferences, and the author of multiple books on leadership and courage. She also runs the Worksparks and The Leadership Association, and is the host of the Leadership with Sonia podcast.

hello@leadershiphq.com.au · sonia@soniamcdonald.com · 1300 719 665

[LEADERSHIPHQ.COM.AU](https://leadershiphq.com.au)

[SONIAMCDONALD.COM](https://soniamcdonald.com)

