

An aerial photograph of a calm lake surrounded by a dense forest. Several kayakers in red and yellow kayaks are paddling across the water. A yellow dotted line is drawn across the lake, and two vertical yellow bars are positioned on either side of the main title.

Leadership Vision for 2023

Top 3 strategic priorities for
Chief HR Officers

Leadership Vision for CHROs in 2023

Amid economic uncertainties and cost pressure, and with talent both scarce and expensive, CHROs must understand how the trends impacting the workforce and broader organization will shape their priorities in 2023 and beyond.

In this climate, it is critical CHROs take action to increase the positive impact that they and their teams have on the organization.

CHROs can use this research to respond to major trends impacting the workforce and improve their own personal impact and effectiveness.

Key Questions Addressed



What are the major trends affecting CHROs and the HR function?



How should CHROs prepare for the year ahead?



What skills and capabilities do CHROs and HR business partners (HRBPs) need to succeed?

Organizations Face Uncertain and Confusing Times

The Triple-Squeeze

Three Compounding Pressures that Most Executives Have Likely Never Experienced

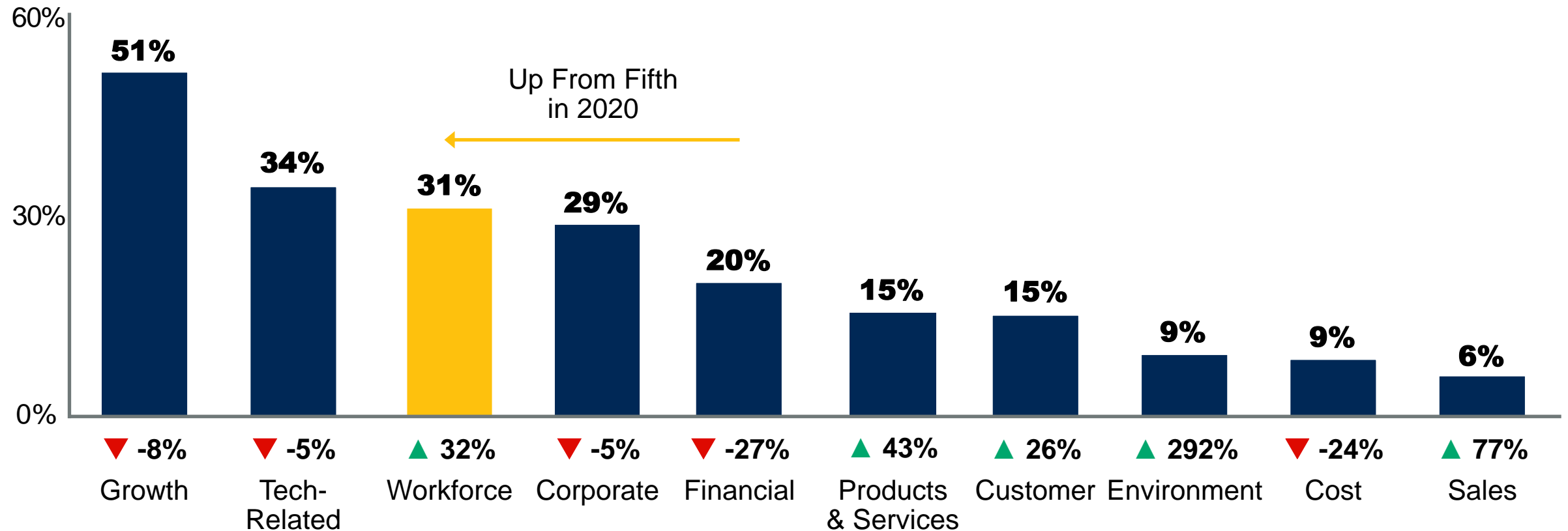


Source: 2022 Gartner CEO and Senior Business Executive Survey; 2021 Gartner CFO Capital Allocation Survey; Gartner webinar poll: CFOs' 2022 Playbook for Enhancing Profitability and Driving Digital Acceleration; Attracting and Retaining Critical Talent While Preparing HR for Disruption (July 2022); 2023 Gartner HR Priorities Survey

Workforce Is Increasingly High Priority for CEOs

Top 10 CEO Business Priorities, 2022 and 2023

Percentage of Respondents Including in Their Top Three Mentions, Coded Responses



n = 410, all respondents

Q: Please tell us about your organization's top five strategic business priorities for the next two years (2022-2023).

Source: 2022 Gartner CEO and Senior Business Executive Survey

Shifts in Employee Expectations Are Here to Stay

New Employee Expectations Impacting Retention and Attraction



Flexibility

52% of employees say **flexible work policies** will affect the decision to stay at their organizations.

n = 3,500 employees

Source: 2021 Gartner Hybrid and Return to Workplace Sentiment Survey



Shared Purpose

53% of employees want their organizations to **take actions on issues** they care about.

n = 5,000 employees

Source: 2021 Gartner EVP Employee Survey



Well-Being

70% of companies have introduced **new well-being benefits** or increased the amount of existing well-being benefits

n = 77 HR leaders

Source: 2021 Gartner EVP Benchmarking Survey



Person-First Experience

82% of employees say it's important for their organization to **see them as a person**, not just an employee.

n = 5,000 employees

Source: 2021 Gartner EVP Employee Survey

HR Leaders Must Weigh Many Trade-Offs

Periods of economic uncertainty can offer business leaders the opportunity to reinvest to drive future growth, but this requires deliberate prioritization of trade-offs in budget.

Some of the most relevant and significant trade-offs HR leaders must balance are managing spend, securing talent, and accelerating growth.

Increased digitalization and automation will ultimately make workflows and processes simpler, faster, and more cost-effective while also providing HR staff with more time to focus on the activities that add business value. At the same time, HR leaders must address business leaders' concerns and ensure the organization's employee value proposition (EVP) is clear and designed to attract and retain the right talent – particularly those with digital and data skills.



Source: Gartner

CHRO Priorities for 2023

Top Business-Supporting HR Initiatives

- 1 Leader and Manager Effectiveness
- 2 Organizational Design and Change Management
- 3 Employee Experience
- 4 Recruiting
- 5 Future of Work
- 6 Learning and Development
- 7 HR Technology
- 8 Diversity, Equity and Inclusion
- 9 Talent Analytics
- 10 Total Rewards

n = 353 heads of HR

Q: Please select the two key initiatives you need to concentrate on the most in your function to effectively support each of the priorities you ranked most critical to your organization.

Source: 2023 Gartner HR Priorities Survey



Leaders Need a New Approach

The shifting work environment has changed employee expectations and blurred the relationship between leader and employee. It requires leaders to approach their core responsibilities in new ways by displaying “human-centric leadership” – leading with authenticity, empathy and adaptivity. While these traits have been listed among the key qualities of great leaders in the past, today’s environment has made them imperatives that employees no longer just desire but demand.



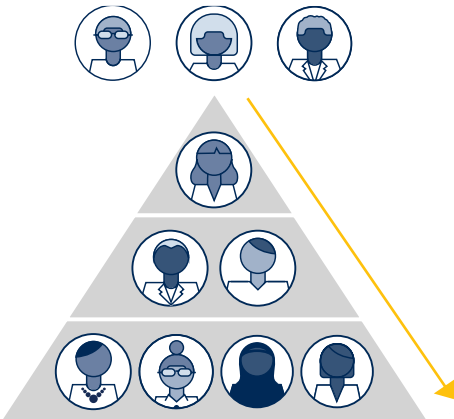
Core Leader Responsibility	Role Model Behavior	Support Teams	Deliver Results
Prior Approach	Professional Enable workplace boundaries	Employees Address work needs	Efficient Manage standardized workflows
Work Environment Shift	Social and Political Turbulence High stress and risk of controversy	Work-Life Fusion Increasingly visible personal lives	Hybrid Work More variety in work patterns and norms
New Approach	Personal Enable safe self-expression at work	People Address life needs	Individualized Manage tailored, flexible workflows

Recommended Actions for CHROs to Build Human-Centric Leadership

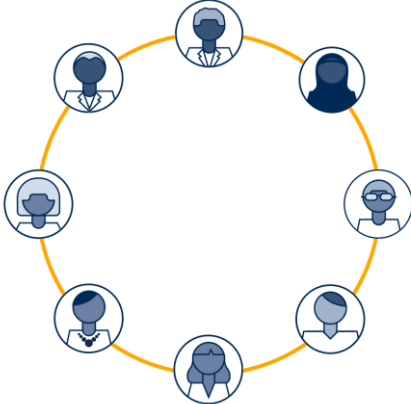
- ✓ **Understand** how the concept of human-centric leadership and associated behaviors aligns with your organization's current leadership competency model and identify needed adjustments.
- ✓ **Identify** potential trade-offs that may need to be made between focusing on investing in leadership development programs and other business requirements.
- ✓ **Assess** your own strengths and development areas as a human-centric leader and identify opportunities to display authenticity, empathy and adaptivity with your own team.
- ✓ **Adjust** leadership development programs to develop human-centric qualities (while maintaining a focus on business needs) and update succession strategies to identify successful human-centric leaders in high-impact roles.
- ✓ **Position** HR team members to identify employees who can share diverse perspectives with leaders in order to catalog high- and low-stakes opportunities for leaders to display vulnerable human leadership.
- ✓ **Ask** your leadership team to actively commit to clear expectations for human-centric leadership by providing the option to choose between people-leadership and non-people-leadership career pathways.

Open-Source Change to Lead Through Uncertainty

To decrease change fatigue and support employees through uncertainty, CHROs should lead their organizations to adopt an open-source change strategy instead of a top-down change strategy. When employees are active participants with ownership in an open source-change strategy employees are 1.5x more likely to be willing to change and overall change success is 14x more likely. The risk of change fatigue also drops as much as 29 percentage points.



Top-Down Change



Open-Source Change

Set the Strategy and Define the Vision

Leaders Set the Change Strategy



Employees Co-Create Change Decisions

Plan Implementation

Leaders Own Implementation Planning



Employees Own Implementation Planning

Communicate and Sustain Change

Organizations Roll Out Communication Campaigns



Employees Talk Openly About Change

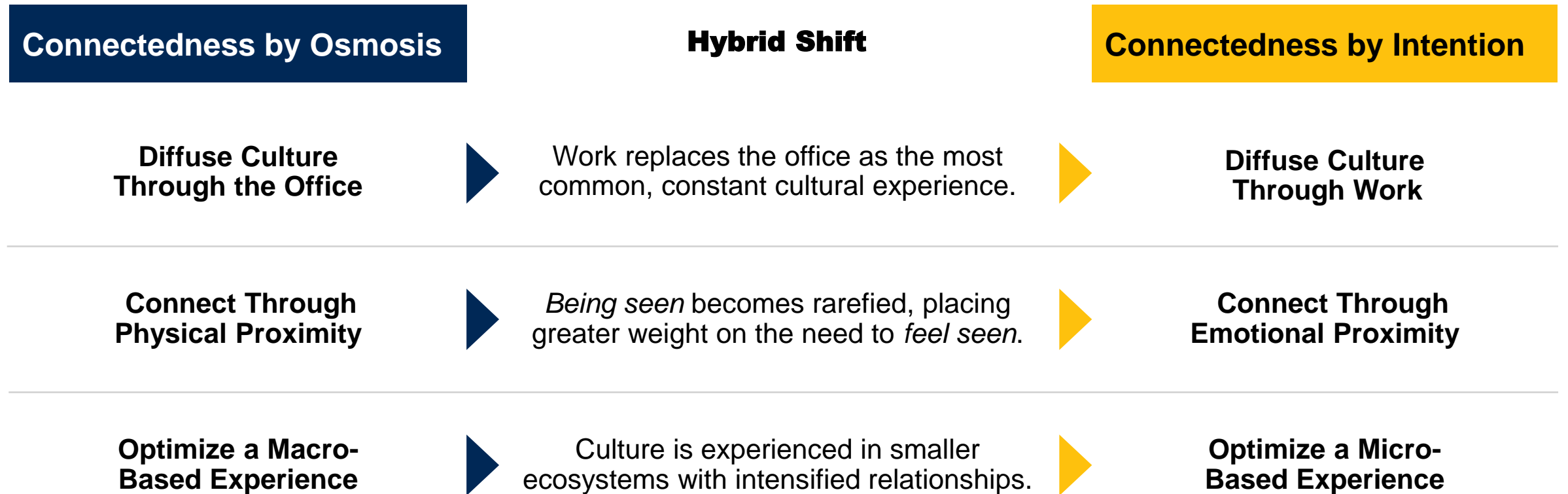
Source: Gartner

Recommended Actions for CHROs to Lead Open-Source Change

- ✓ **Collaborate** with the communications function and senior leaders to craft messages about change, including specific messages to help employees understand the impact of change on their own work.
- ✓ **Communicate** openly about disruptions and changes with your own team.
- ✓ **Encourage** HR team members to share insights openly and provide feedback on change plans.
- ✓ **Upskill** the HR team to help leaders shift implementation planning to employees and solicit upward feedback and constructive criticism.
- ✓ **Design and implement** processes to share employee feedback to demonstrate employees' voices are being heard.

Facilitate Culture Connectedness by Intention

For a culture to truly succeed, employees must be both aligned and connected to it. Because of less time in offices, fewer in-person contacts and shrinking work ecosystems, HR leaders now have to be more intentional about how they connect employees to the culture rather than through osmosis.



Recommended Actions for CHROs to Facilitate Culture Connectedness

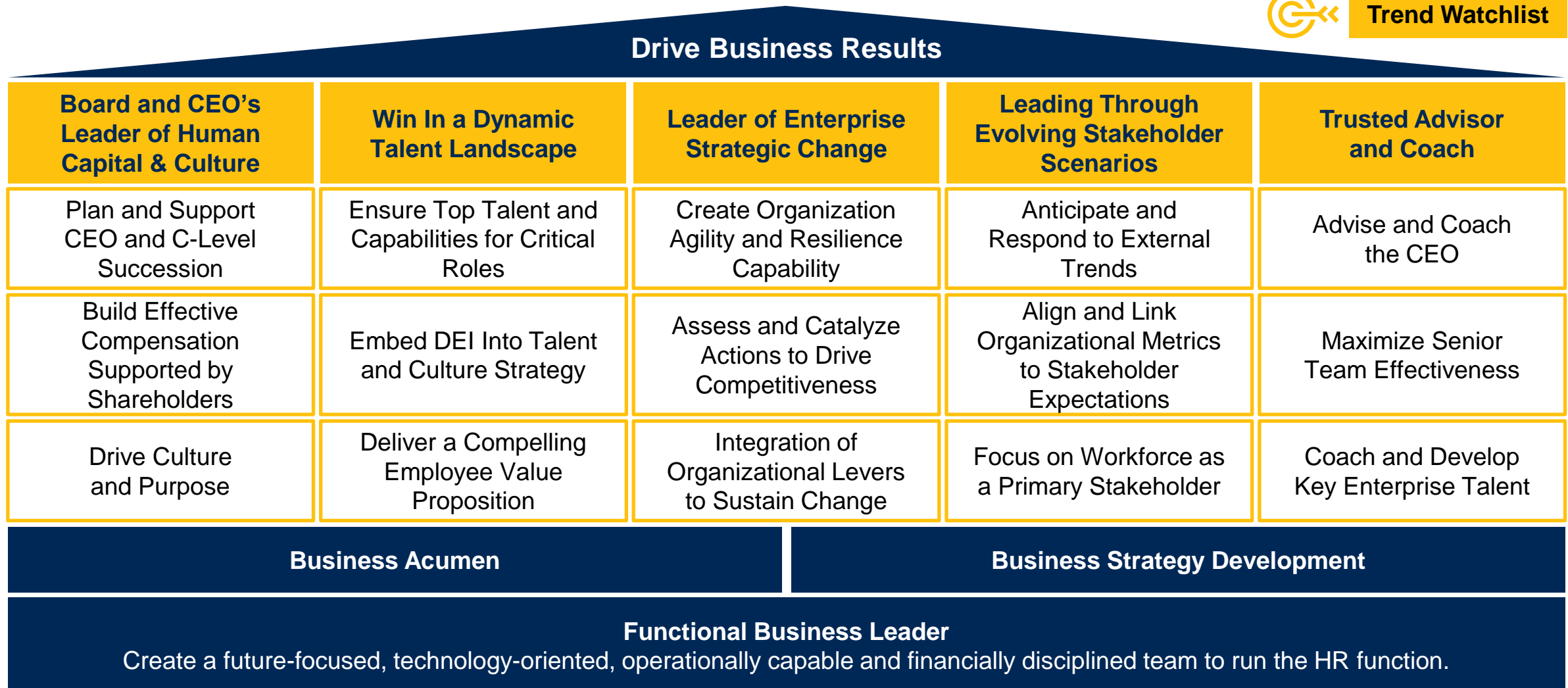
- ✓ **Define** how your organization's culture impacts your employee experience.
- ✓ **Work** with senior leaders to identify leaders and managers who can help champion intentional efforts to drive culture connectedness.
- ✓ **Set up** an HR team to review “moments that matter” to identify when employees feel seen.
- ✓ **Solicit** employee feedback about work processes and how to redesign them to ensure they are aligned with the desired culture.
- ✓ **Create** opportunities for HR employees and teams to share how they appreciate the organization's culture and support other leaders to do so in their own areas.

Model of a World-Class CHRO

Developed with the input of Gartner's CHRO Global Leadership Board and validated by the most talented CHROs and CEOs in business today, this model establishes a global standard for CHRO excellence.



Trend Watchlist



HR Professionals Competency Model

86% of HRBPs report an increase in the skills required to be effective. To attract and retain HR talent, HR leaders must assess their employees' competencies and develop their skills for current and future roles.



Address Barriers to Strategic HR Impact

For decades, HR leaders have tried to maximize the strategic impact of HRBPs. Regardless of operating model and organizational structure, four key barriers prevent HRBPs from reaching their full strategic potential.



Actionable, objective insight

Position your organization for success. Explore these additional complimentary resources and tools for HR leaders:

Research



Top 5 Priorities for HR Leaders in 2023

Learn about actionable and objective insights to tackle your top HR challenges.

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Research



Build a Better Strategic Plan for Your Function

Turn your strategy into action with our tools and templates.

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Future of Work Reinvented

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HR Leaders Monthly Magazine

Stay up to date on the latest trends impacting your HR function and best practices from the world's top organizations

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