Chief HR Officer Leadership Vision 2022

3 Strategic Actions for Success
From Chris Howard, Chief of Research, Gartner

As we head into 2022, we continue to feel the human toll of the global pandemic, but we already know it has been a watershed period in which attitudes and norms have permanently shifted — in our everyday lives and at work.

Living through COVID-19 has increased social awareness — as have growing demands for equity for those who are underrepresented.

Businesses have also changed. For many organizations, the pandemic has catalyzed digital business initiatives as we adapt to the demands of employees, customers and other stakeholders, who were forced into new digital options that they have now come to favor.

B2B purchasers are happy to buy digitally, without a sales representative; B2C consumers are buying off social media platforms; employees are physically distributed and communicating asynchronously — and IT infrastructures must secure the organization despite this “anytime, anyway, anywhere” way in which we’re operating.

In your role as a leader, you’ve now spent months adapting to change and delivering new solutions at speed. You and your team may be burning out, and it’s never been more important to prioritize your time and energy. To help with that, Gartner Leadership Vision provides top-level guidance to leaders and their teams on where to focus — based on our data-driven research.

We’re providing detailed insights to our clients across dozens of roles, and we’re now excited to share excerpts with the business community beyond our clients. We hope this will help you to focus discussions with your teams, peers and other leaders, so you can more quickly and effectively diagnose priorities and actions, especially as you solidify your strategic plans for 2022.

Chris Howard
Chief of Research, Gartner
Three Key Areas of Focus for Chief HR Officers (CHROs) in 2022

**Workforce effectiveness**

Workforce challenges abound in the pandemic era, from keeping up with shifting skill needs to protecting workforce health and developing a more sustainable employee value proposition.

**Personal effectiveness**

The strategic importance of HR leaders has grown as organizations navigate the pandemic and shifting work models, but only 14% of board directors believe CHROs are very effective at influencing board decisions.

**Functional effectiveness**

Internal customers have seen little change in HR's strategic value over time. To be more effective, HR needs an operating model that better adapts to changing employee expectations, greater technology use and increased cost pressures.

**Actions for the CHRO**

- Navigate changing work trends to increase workforce resilience and improve employee experience.
- Focus on business-driving activities where senior leadership and the board needs guidance.
- Move to a more dynamic operating model and upskill capabilities such as agile.

Source: Gartner
Manage Skills Through a Dynamic Approach

Headed into 2022, building critical skills and competencies is a priority for 59% of HR leaders — and the challenge is complex. The total number of skills required for a single job is increasing at 6.3% annually. HR needs a more dynamic approach to sensing the skills required — especially for critical roles.

**HR Questions**
- How do you better understand immediate skills needs?
- How do you help develop skills more quickly?
- How do you foster internal movement across the organization as needed?

**Adaptive Tactics to Redeploy and Reskill Through Recovery**
- **Skills-Sensing Networks**
  Facilitate cross-organizational sensing of shifting skills needs.
- **Target Skills Accelerators**
  Identify and tap skills accelerators to develop skills at the time of need.
- **Two-Way Skills Transparency**
  Source skills across the total skills market, including nontraditional sources.
Improve Workforce Health to Drive Organizational Resilience

The COVID-19 pandemic has placed resilience center stage. The scale of disruption to ways of working has highlighted to organizations and CHROs the importance of embedding resilience as a key goal and success metric for their HR and talent strategies.

Components of Gartner’s Measure of Workforce Health

**Healthy Employees**
- Physical Well-Being
- Financial Well-Being
- Work-Life Balance
- Stress Level
- Burnout Level
- Exertion Level

**Healthy Relationships**
- Trust in Teams
- Employee-Manager Relationship Quality
- Trust in Leadership
- Psychological Safety
- Collaboration

**Healthy Work Environment**
- Innovation
- Responsiveness
- Development Opportunity
- Change Receptivity
- Inclusion

Gartner Model of Workforce Resilience

Sustaining or growing performance through disruption without damaging the health of the workforce
Ensure Employees Feel Understood and Valued

CHROs must reinvent their employee value proposition to deliver to employees a holistic deal that feels more human. This reflects what employees say they want:

- 82% want their organization to see them as a person, not just as an employee.
- 68% want their organization to care about their family.
- 62% want their organization to care about their community.

The Human Deal

Help employees to strengthen their family and community connections, not just work connections.

Take actions on societal and cultural issues; don’t just make statements about “purpose.”

Give employees flexibility over where, when, how much, how and with whom they work.

Provide employees with opportunities to grow as people, not just as professionals.

Don’t just provide employees with holistic well-being offerings; make sure they use them.
Many organizations currently focus their diversity, equity and inclusion (DEI) approach on collective accountability, but that doesn’t produce real results on DEI outcomes. HR should hold leaders accountable, using a DEI approach that leads to consequential accountability.

Inform Decision Making
Use objective criteria and integrated data to drive equitable talent decisions.

Customize Strategies
Support customized strategies to enable leader execution of DEI goals.

Require Progress
Expect and require progress on DEI goals for any leader to advance in the organization.

Collective Accountability
Creates diffuse leader responsibility for DEI outcomes

Consequential Accountability
Meaningfully impacts behavior and outcomes for individual leaders

Source: Gartner
## Model of a World-Class CHRO

**Today’s environment requires new emphasis on business-driving activities for a hybrid world.**

<table>
<thead>
<tr>
<th>Drive Business Results</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Board’s Leader of Human Capital</strong></td>
<td><strong>Creator of Talent Strategy</strong></td>
<td><strong>Enterprise Change Leader</strong></td>
<td><strong>Driver of Culture and Purpose</strong></td>
<td><strong>Trusted Advisor and Coach</strong></td>
</tr>
<tr>
<td>Plan and support CEO succession.</td>
<td>Ensure critical role staffing.</td>
<td>Challenge the status quo.</td>
<td>Link purpose to culture.</td>
<td>Advise and coach the CEO.</td>
</tr>
<tr>
<td><strong>Surface and respond to external trends.</strong></td>
<td><strong>Direct strategic workforce planning.</strong></td>
<td><strong>Manage stakeholders and advocate for employees.</strong></td>
<td><strong>Hold leadership accountable for the culture promise.</strong></td>
<td>Coach and develop key enterprise talent.</td>
</tr>
</tbody>
</table>

### Business Acumen
Understand the business model, financials, external markets and customers.

### Business Strategy Development
Shape and influence business strategy and partner with executive peers to move the organization forward.

### Functional Business Leader
Create a future-focused, financially disciplined team to run the HR function.

Source: Gartner
Focus on Key Differentiators of Board Success

A framework of board key activities will help CHROs identify where to spend more time supporting the board.

<table>
<thead>
<tr>
<th>Meeting and Agenda</th>
<th>Board Composition</th>
<th>Relationships and Dynamics</th>
<th>Continuous Improvement</th>
<th>Culture and Talent Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>The board conducts sufficient meeting preparation (e.g., materials, premeetings).</td>
<td>High levels of social and professional diversity are represented.</td>
<td>Board member onboarding is impactful and effective.</td>
<td>The board has access to formal education opportunities.</td>
<td>Board has an interim CEO successor and performs an annual CEO profile review.</td>
</tr>
<tr>
<td>Relevant C-suite/leadership members participate in board and individual committee meetings.</td>
<td>Board members have complementary skill sets aligned with the business.</td>
<td>CEO, C-suite and board have a healthy and transparent working relationship.</td>
<td>Members consistently educate themselves on external landscape and industry trends.</td>
<td>Board uses talent indicators to gauge organizational health.</td>
</tr>
<tr>
<td>The board and executives agree on their respective roles and responsibilities.</td>
<td>The board has access to formal education opportunities.</td>
<td>A culture of openness, trust, inclusivity and respect is demonstrated by the board.</td>
<td>Board members visit facilities, new geographies and meet with local high-potential talent.</td>
<td>Board reviews change opportunities and considers talent and culture implications.</td>
</tr>
<tr>
<td>The board performs ongoing formal board evaluations and commits to self-assessment.</td>
<td>Executive total rewards are aligned with market and performance standards to attract and retain talent.</td>
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<td>Board evaluates approaches to reputational and employment brand risks.</td>
<td>Executive total rewards are aligned with market and performance standards to attract and retain talent.</td>
</tr>
</tbody>
</table>
The typical operating model for HR is the Ulrich Model — utilizing HR business partners, centers of excellence (COEs) and shared services.

An alternative, more flexible operating model can help CHROs adjust to the increasing use of technology, changing employee expectations and increasing cost pressures.

Source: Gartner
Shift HR Skills and Incorporate Agile

Regardless of functional structure, CHROs need the right staff with the most suitable skills. Gartner data shows a shift in recent years toward more demand for skills related to diversity recruitment and agile approaches.

Increase in Job Postings in HR Function With Diversity Recruitment Skills
Number of job postings

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>780</td>
<td>2,091</td>
</tr>
</tbody>
</table>

Increase in Job Postings in HR Function Containing “Agile”
Number of job postings

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>9,069</td>
<td>31,699</td>
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Source: Gartner TalentNeuron™
Next Steps for CHROs

- **Prepare to take on greater accountability** for driving innovation and executing business transformations in a hybrid work model.

- **Foster long-term workforce resilience** by reassessing workforce support offerings to drive workforce health, not just performance.

- **Accelerate progress on DEI goals** by establishing consequential accountability for DEI in your organization’s leaders.

- **Support the development of a hybrid work model** by using human-centric design to offer flexible experiences, enable intentional collaboration and drive empathy-based management.

- **Elevate your personal and board impact** by targeting CHRO-driven differentiators of board success.

- **Organize your HR function** to achieve its goals of agility, customer centricity and operational efficiency.
Actionable, objective insight

Explore these additional complimentary resources and tools for HR leaders:

- **Research**
  - Top 5 Priorities for HR Leaders in 2022
    - Learn about actionable and objective insights to tackle your top HR challenges.
  - Build a Better Strategic Plan for Your Function
    - Turn your strategy into action with our tools and templates.

- **Resource Hub**
  - Future of Work Reinvented
    - Reinvent where, when and how we work to maximize employees’ engagement and productivity.

- **Journal**
  - Gartner Business Quarterly
    - Stay up to date with the most compelling research on organizational issues that cut across the C-suite.

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