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Gartner for HR

Top 5 Priorities for HR Leaders in 2023

Actionable and objective advice to tackle top HR challenges



Top 5 Priorities for HR Leaders in 2023

Gartner surveyed more than 800 HR leaders across 60 countries and all major industries to identify their priorities and challenges for 2023. The largest share of respondents put “leader and manager effectiveness” on their list, but many HR leaders will also prioritize organizational design and change management, employee experience, recruiting and future of work.



Note: Percentages represent the share of respondents naming the priority.
n = 860 HR leaders
Source: Gartner 2023 HR Priorities Survey

What Is Driving These Priorities?

Organizations face uncertain and confusing times

Executives are facing a “triple-squeeze” of pressures:

- 1 Rising inflation:** 90% of CEOs expect it to rise significantly within the next 12 months.
- 2 Scarce, expensive talent:** 50% of HR leaders expect increased talent competition over the next six months.
- 3 Global supply constraints:** 48% of CFOs believe supply chain volatility and shortages will last beyond 2022.

HR leaders must weigh many trade-offs

HR leaders have to manage investments in people and technology, cultivating a positive culture and employee experience, and transform HR to be more automated and digital at the same time.



New employee expectations impact retention and attraction

-  **Flexibility:** 52% of employees say flexible work policies will affect their decision to stay at their organizations.¹
-  **Shared purpose:** 53% of employees want their organizations to take actions on issues they care about.²
-  **Well-being:** 70% of companies have introduced new well-being benefits or increased the amount of existing well-being benefits.³
-  **Person-first experience:** 82% of employees say it's important for their organization to see them as a person, not just as an employee.⁴

Source: Gartner

¹ n = 3,500 employees; Source: 2021 Gartner Hybrid and Return to Workplace Sentiment Survey

² n = 5,000 employees; Source: Gartner 2021 EVP Employee Survey

³ n = 77 HR leaders; Source: 2021 Gartner EVP Benchmarking Survey

⁴ n = 5,000 employees; Source: Gartner 2021 EVP Employee Survey

01 Leader and Manager Effectiveness

A top priority for **60%** of HR leaders



Common challenge

24% of HR leaders say their leadership development approach does not prepare leaders for the future of work.

n = 515 HR leaders
Source: Gartner

Problem today

Leaders Need a New Approach

As today’s work environment changes, leadership must change, as well. The three environmental shifts of social and political turbulence, work-life fusion and flexible work arrangements are redefining the leader-employee dynamic into a human-to-human relationship.



Work Environment Shifts and Their Impact on Core Leader Responsibilities



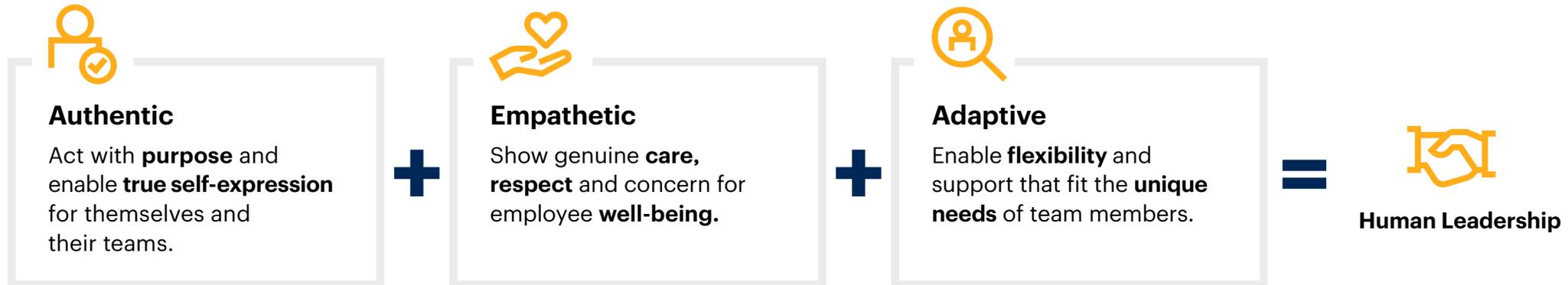
| Core Leader Responsibility | Role Model Behavior | Support Teams | Deliver Results |
|-------------------------------|---|--|---|
| Prior Approach | Professional Enable workplace boundaries | Employees Address work needs | Efficient Manage standardized workflows |
| Work Environment Shift | Social 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 |

Source: Gartner

New imperative

The Human-Centric Leader

The human-to-human dynamic in the workplace pushes leaders to display human-centric leadership, defined as leading with authenticity, empathy and adaptivity. These traits have been listed for some time among the key qualities of great leaders — but they were considered nice to have. Employees today demand them.



Source: Gartner

 **Tool to Get Started: Evolve Culture & Leadership for the Hybrid Workplace**

02 Organizational Design and Change Management



A top priority for **53%** of HR leaders

Common challenge

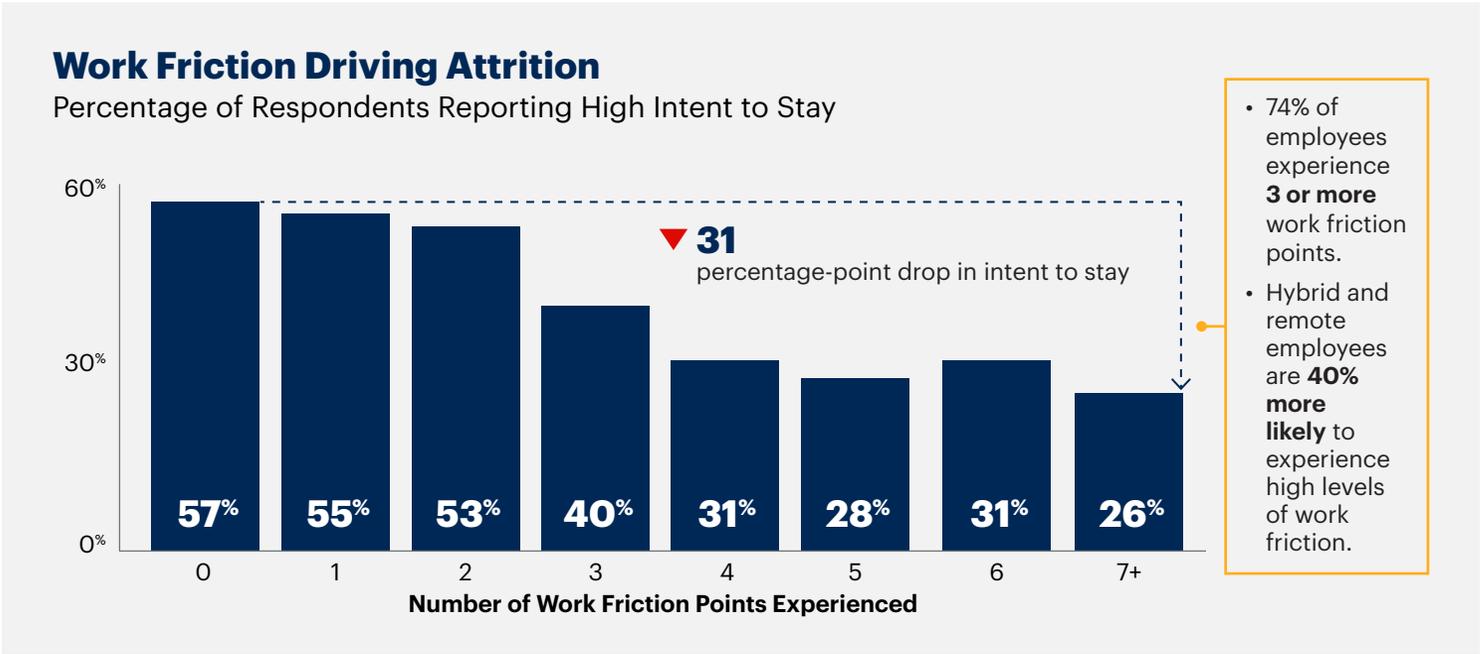
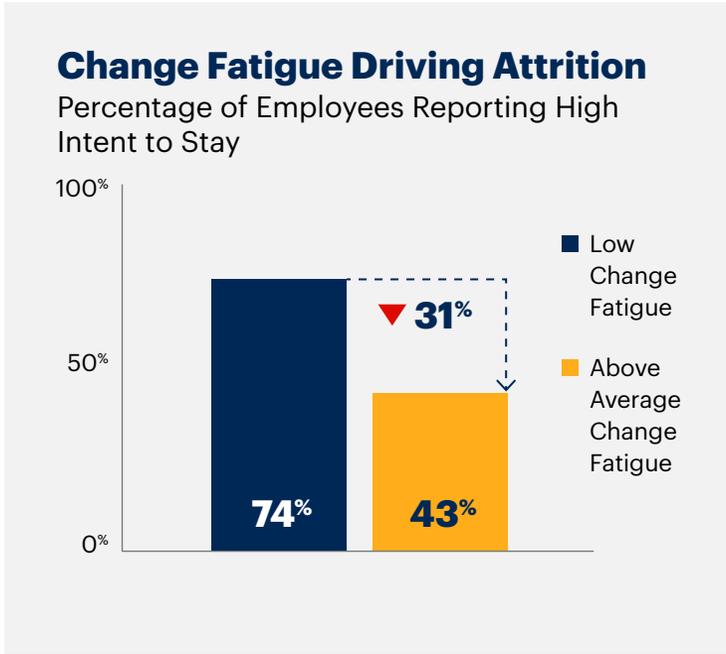
45% of HR leaders say their employees are fatigued from all the change.

n = 460 HR leaders
Source: Gartner

Problem today

Change Fatigue and Work Friction Are Driving Attrition

CHROs are prioritizing organizational design and change management to navigate continuous disruption from digital transformations, economic uncertainty and political tensions. After years of such disruption, however, employees are losing their willingness to cooperate with change. Worse yet is the fact that high employee “change fatigue” and increased work friction points are correlated with a lower intent to stay with the organization: Only 43% of employees who experience above-average change fatigue intend to stay with their organization, compared with 74% of employees with low levels of fatigue.



n = 3,548 employees; Source: 2022 Gartner Workforce Change Fatigue Survey

n = 3,513 employees; Source: 2022 Gartner Organization and Work Design Survey

New imperative

Adopt an Open-Source Change Strategy

CHROs can decrease change fatigue and support employees through periods of uncertainty with an open-source change strategy — one that is less prescriptive than top-down approaches and more collaborative, involving employees throughout the process instead of simply telling them what will happen. Organizations using open-source change strategies are 14x times more likely to achieve change success. They see the risk of change fatigue in their employees fall by 29 percentage points and employee intent to stay increase by as much as 19 percentage points.



| |  Top-Down Change |  Open-Source Change |
|--|--|---|
| Set the Strategy and Define the Vision | Leaders Set the Change Strategy Leaders alone determine the strategic changes the organization will make and the vision for those changes. | Employees Co-Create Change Decisions Engage the workforce as active participants in making and shaping change decisions. |
| Plan Implementation | Leaders Own Implementation Planning Leaders create implementation plans indicating what employees should do. | Employees Own Implementation Planning Shift ownership of change planning to employees to create personal change implementation plans. |
| Communicate and Sustain Change | Organizations Roll Out Communication Campaigns Organizations roll out communication campaigns to tell employees about the change and its benefits. | Employees Talk Openly About Change Refocus change communication on open conversations. |



Tool to Get Started: Deliver on complex organizational change management initiatives

Source: Gartner

03 Employee Experience

A top priority for **47%** of HR leaders



Common challenge

44% of HR leaders believe their organizations do not have compelling career paths.

n = 404 HR leaders
Source: Gartner

Problem today

Compelling Careers Are Critical for Retention

Data from a Gartner survey on employee career preferences shows that just one in four employees is confident about their career at their organization, and three out of four people looking for a new role are interested in external positions.



Professional Reasons Employees Decided to Leave Their Previous Jobs



n = 164 Employees Who Recently Made an External Job Movement
Source: 2022 Gartner New Talent Landscape and Career Pathing Survey

New imperative

Three Key Career Growth Moments

Present day fractures have created new career imperatives for HR, changing the traditional HR approach to career growth moments.



How Present-Day Fractures Create New Career Imperatives



| | Setting My Trajectory | Progressing My Career | Achieving My Goals |
|--------------------------------|--|---|--|
| Traditional HR Approach | Communicate role benefits and requirements. | Find in-role opportunities relevant to potential roles. | Support managers to identify internal roles. |
| Fracture | The experience of career options are less visible. Employees are spending 65% less time in offices. | Employees aren't prepared for future roles. Thirty-three percent of skills in 2019 jobs postings will be obsolete by 2024. | Current options don't satisfy employee needs. Sixty-five percent of staff is rethinking the role of work in life. |
| New Career Imperative | Career opportunities to experience career options for greater understanding. | Share diverse colleague examples to show many routes to career progress. | Offer channels for objective reflection to create best-fit careers. |

n = 4,500 Employees; 7,896,507 S&P 100 Job Postings; 3,515 Employees
 Source: 2022 Gartner Culture in a Hybrid World Employee Survey; Gartner TalentNeuron™; 2021 Gartner Hybrid and Return to Work Survey

 **Tool to Get Started: Build Hybrid Workplaces That Support Women's Progression to Leadership**

04 Recruiting

A top priority for **46%** of HR leaders



Common challenge

36% of HR leaders say their sourcing strategies are insufficient for finding the skills they need.

n = 394 HR leaders
Source: Gartner

Problem today

Sourcing and Onboarding Against Attrition

Employee recruitment teams must grapple with the reality of low supply and low retention in today's hybrid-driven labor market.

Recruiting High-Quality Talent in Today's Labor Market Reality



Continued Surge in Demand
Talent supply is low in traditional talent pools.

New Normal for Attrition
Retaining talent in a hybrid or remote environment is more difficult.

Candidate Agency
Candidates are harder to attract and convert.

Source: Gartner

New imperative

Leading in a Volatile Labor Market

Three strategies for more effective recruitment include leveraging labor market data to find accessible talent from new sources, building an equitable internal labor market and developing onboarding programs that promote new hire engagement through emotional proximity.



Recruiting High-Quality Talent in Today's Labor Market Reality



 **Tool to Get Started: Power your talent strategy with global labor market intelligence from Gartner TalentNeuron™**

Source: Gartner

05 Future of Work

A top priority for **42%** of HR leaders



Common challenge

51% of HR leaders say their workforce planning is limited to headcount planning.

n = 359 HR leaders
Source: Gartner

Problem today

Workforce Planning Is Disconnected From Today's Reality

The assumptions around which workforce planning (WFP) has operated no longer hold in today's environment. As a result, the strategies we are using are ineffective in today's context.



|  Today's Context |  Current WFP Assumptions |
|---|--|
| Shifting Skills |  We can predict future skills. |
| Talent Scarcity |  We can access enough talent to fill our gaps. |
| Increased Turnover |  We can fill future talent gaps primarily through buying and building. |
| Shift in Employer-Employee Dynamic |  We can dictate when, where and how employees work. |

Source: Gartner

New imperative

Match Your Planning to Today’s Reality

Instead of assuming we can predict future skills needs, access enough talent, fill future gaps by buying and building, and dictate when and where employees work, we need a new approach that unlocks new strategies.



Ways to Make Workforce Planning Congruent to Today’s Context



| | Stop | Start |
|----------------------------------|---|---|
| Shifting Skills | Assuming we can predict future skills | Anticipating near-term shifts in critical work itself by evaluating tasks and workflows |
| Talent Scarcity | Assuming we can access enough talent to fill our gaps | Redeploying tasks flexibly across your organization to add slack and resilience |
| Increased Turnover | Assuming we can fill future talent gaps primarily through buying and building | Experimenting with innovative sourcing models |
| Employee-Employer Dynamic | Assuming we can dictate when, where and how employees work | Empowering both parties to achieve desired ways of working |

Source: Gartner

 **Tool to Get Started: Power your talent strategy with global labor market intelligence from Gartner TalentNeuron™**

About Gartner Top 5 Priorities for HR Leaders in 2023

The top priorities are derived from the 2023 Gartner HR Priorities Survey, which polled HR leaders about their priorities and expected challenges in 2023.

Respondents

800+
HR leaders*

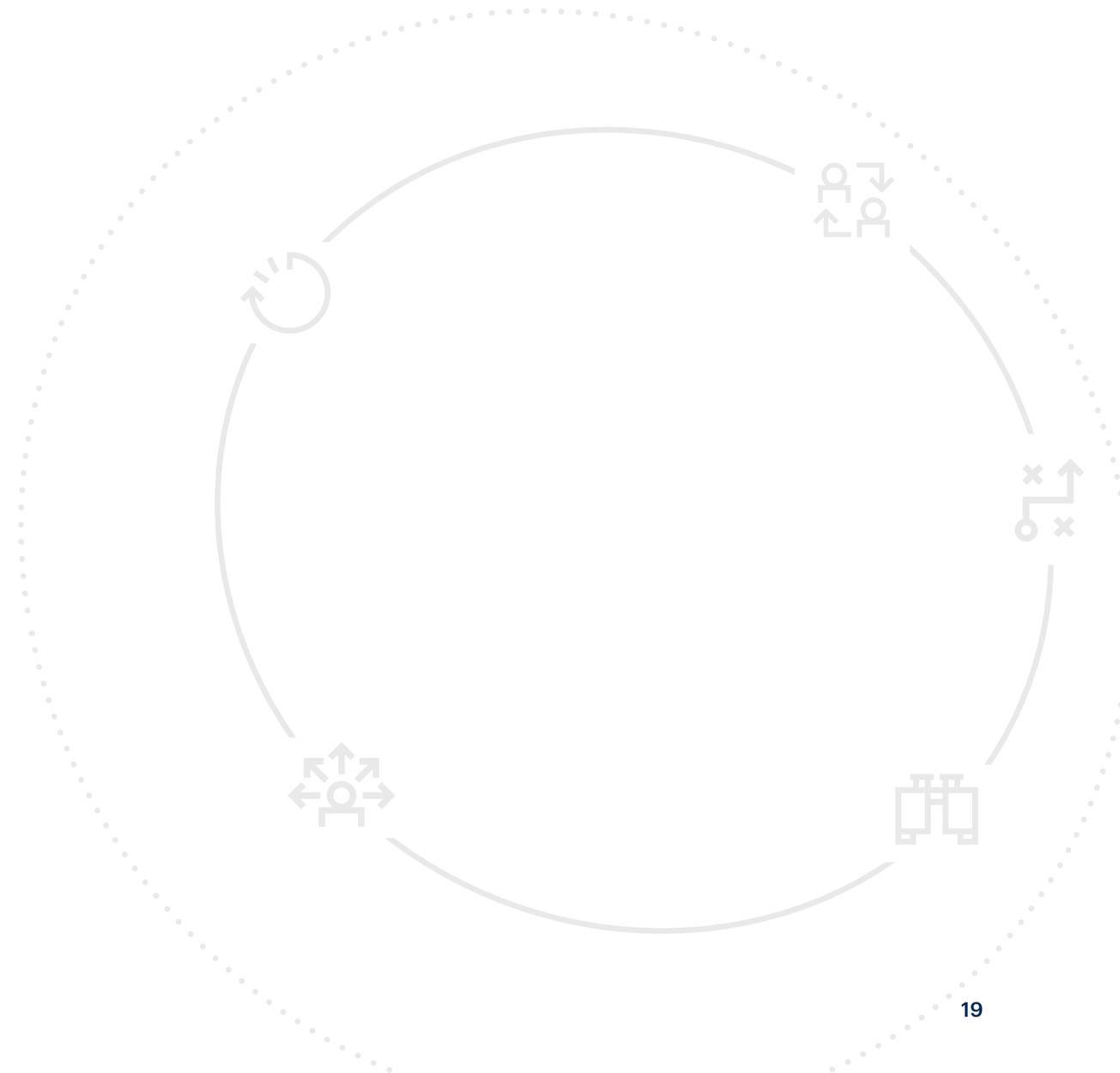
41%
CHROs

All major industries

60
Countries

*HR leaders include heads of enterprise HR (chief human resource officer [CHRO] or head of HR) and heads of a functional/regional/business HR subfunction.

Source: Gartner



Actionable, objective insight

Explore these additional complimentary resources and tools for HR leaders:



Research
Build a supportive work culture in the hybrid world

Explore actionable insights for CHROs to thrive in the hybrid future.

[Download Research](#)



Webinar
The Top 5 Priorities for HR Leaders in 2023

Get insights and recommended actions for HR priorities in 2023.

[Watch Webinar](#)



eBook
Leverage Talent Data to Acquire Digital Skills

Explore five strategies to optimize build-buy talent decisions.

[Download eBook](#)



Conference
Gartner ReimagineHR 2022

See how HR can find greater authenticity, creativity and connection amid digital fatigue, elevated turnover and political polarization.

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