Leadership Vision for 2023

Top 3 strategic priorities for L&D Leaders
Leadership Vision for L&D Leaders in 2023

Amidst economic uncertainties and cost pressure, and with talent both scarce and expensive, L&D 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 L&D leaders take action to increase the positive impact that they and their teams have on the organization.

L&D leaders 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 L&D leaders?
- How should L&D leaders prepare for the year ahead?
- What skills and capabilities do L&D leaders and their teams need to succeed?
Organizations Face Uncertain and Confusing Times

The Triple-Squeeze
*Three Compounding Pressures that Most Executives Have Likely Never Experienced*

1. **Rising Inflation**
   - 90% of CEOs expect a significant rise in inflation within the next 12 months.
   - 23% of CFOs are specifically increasing employee pay to compensate for consumer price increases.

2. **Scarce Expensive Talent**
   - 50% of HR leaders expect increased talent competition over the next 6 months.
   - 46% of HR leaders anticipate attrition will remain high for in-demand roles in 2023.

3. **Global Supply Constraints**
   - 48% of CFOs believe supply-chain volatility and shortages will last beyond 2022.

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

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

n = 410, all respondents
Shifts in Employee Expectations Are Here to Stay

New Employee Expectations Impacting Retention and Attraction

<table>
<thead>
<tr>
<th>Flexibility</th>
<th>Shared Purpose</th>
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<tbody>
<tr>
<td><strong>52% of employees</strong> say flexible work policies will <strong>affect the decision to stay</strong> at their organizations.</td>
<td><strong>53% of employees</strong> want their organizations to <strong>take actions on issues</strong> they care about.</td>
</tr>
<tr>
<td>n = 3,500 employees</td>
<td>n = 5,000 employees</td>
</tr>
<tr>
<td>Source: 2021 Gartner Hybrid and Return to Workplace Sentiment Survey</td>
<td>Source: 2021 Gartner EVP Employee Survey</td>
</tr>
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<table>
<thead>
<tr>
<th>Well-Being</th>
<th>Person-First Experience</th>
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<tbody>
<tr>
<td><strong>70% of companies</strong> have introduced <strong>new well-being benefits</strong> or increased the amount of existing well-being benefits</td>
<td><strong>82% of employees</strong> say it’s important for their organization to <strong>see them as a person</strong>, not just an employee.</td>
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<tr>
<td>n = 77 HR leaders</td>
<td>n = 5,000 employees</td>
</tr>
<tr>
<td>Source: 2021 Gartner EVP Benchmarking Survey</td>
<td>Source: 2021 Gartner EVP Employee Survey</td>
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Skills Shifts Continue to Accelerate

Average Skills Required per Job Posting
*Finance, IT and Sales Roles in the U.S. (S&P 100 Companies)*

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<tbody>
<tr>
<td>2019</td>
<td>13.7</td>
<td>13.7</td>
<td>14.2</td>
<td>14.2</td>
<td>15.3</td>
<td>16.9</td>
</tr>
<tr>
<td>2021</td>
<td>11.6</td>
<td>2.1</td>
<td>10.8</td>
<td>10.8</td>
<td>9.9</td>
<td>9.3</td>
</tr>
<tr>
<td>2022</td>
<td>13.7</td>
<td>13.7</td>
<td>14.2</td>
<td>14.2</td>
<td>15.3</td>
<td>16.9</td>
</tr>
<tr>
<td>(Early Estimate)</td>
<td></td>
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<td>(Projected)</td>
<td>(Projected)</td>
<td>(Projected)</td>
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The total number of skills required for a single job is increasing at 5.4% annually.¹

33% of the skills that were present in an average job posting in 2019 will not be needed by 2024.

n = 7,897,507 S&P 100 full-time/permanent job postings (1 January 2019 through 31 March 2022)

Source: Gartner TalentNeuron

¹ Compound annual growth rate from 2019 to 2024
Note: 2020 excluded from analysis due to major pandemic-induced disruption in the job market
L&D 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.
L&D Priorities for 2023

Top Business-Supporting HR Initiatives

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

n = 109 heads of L&D

Source: Gartner 2023 HR Priorities Survey

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.
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.

<table>
<thead>
<tr>
<th>Core Leader Responsibility</th>
<th>Role Model Behavior</th>
<th>Support Teams</th>
<th>Deliver Results</th>
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<tbody>
<tr>
<td>Prior Approach</td>
<td>Professional</td>
<td>Employees</td>
<td>Efficient</td>
</tr>
<tr>
<td></td>
<td>Enable workplace boundaries</td>
<td>Address work needs</td>
<td>Manage standardized workflows</td>
</tr>
<tr>
<td>Work Environment Shift</td>
<td>Social and Political Turbulence</td>
<td>Work-Life Fusion</td>
<td>Hybrid Work</td>
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<tr>
<td></td>
<td>High stress and risk of controversy</td>
<td>Increasingly visible personal lives</td>
<td>More variety in work patterns and norms</td>
</tr>
<tr>
<td>New Approach</td>
<td>Personal</td>
<td>People</td>
<td>Individualized</td>
</tr>
<tr>
<td></td>
<td>Enable safe self-expression at work</td>
<td>Address life needs</td>
<td>Manage tailored, flexible workflows</td>
</tr>
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Source: Gartner
Recommended Actions for L&D Leaders to Build Human-Centric Leadership

- **Evaluate** the current state of human-centric leadership at your organization and the existing HR support by partnering with C-suite and senior leaders.

- **Adjust** leadership development offerings to provide space for leaders to practice vulnerable conversations.

- **Assess** your own strengths and development areas as a human-centric leader and identify opportunities to display vulnerable leadership with your own team.

- **Modify** leadership and HIPO development strategies to identify successful human-centric leaders in high-impact roles.

- **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.
Open-Source Change to Lead Through Uncertainty

To decrease change fatigue and support employees through uncertainty, L&D leaders should enable 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.

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 L&D Leaders to Lead Open-Source Change

- **Collaborate** with communications and senior leaders to craft messages about change with the entire workforce, including specific messages to help employees understand the impact of change on their own work.
- **Create** a dynamic learning strategy that can adjust to support the business through change.
- **Equip** line managers to support their teams through change and uncertainty.
- **Communicate** openly about disruptions and changes with your own team.
- **Upskill** leaders on how to solicit upward feedback and constructive criticism to help shift implementation planning to employees.
- **Build** minimum viable products, such as learning frameworks and solutions, that can be easily modified in the future.
The Role of L&D Is Changing Again

L&D’s mandate continues to expand and change as it is asked to use learning as a strategic lever to support EVP and stem turnover, to ensure equity in development, and to use learning to create connections in a disconnected learning environment. The most progressive L&D functions today are finding a new role where they’re not just connecting employees to learning they’re empowering employees to grow. They want to get employees to co-create learning and development opportunities with them to enable personal and professional growth.

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<th>Deliver Formal Training</th>
<th>Connect to Learning</th>
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<tr>
<td><strong>Goal</strong></td>
<td>Employees have the skills to succeed in their current role</td>
<td>Employees are connected to a variety of opportunities for current &amp; adjacent roles</td>
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<td><strong>Hallmarks</strong></td>
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<td>The classroom</td>
<td>The learning platform</td>
<td>The learning ecosystem</td>
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<td><strong>Drivers of Change</strong></td>
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| • Changing employee expectations | L&D expands with third-party vendors | Changing employee expectations |
| • Hybrid work | For current or adjacent role performance | • Advanced talent analytics |
| • Advanced talent analytics | The learning platform | For whole career growth |

The Role of L&D Is Changing Again

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| • Hybrid work | For current or adjacent role performance | • Advanced talent analytics |
| • Advanced talent analytics | The learning platform | For whole career growth |
In the last 18 months, 94% of L&D leaders have had to change their L&D strategy and 60% are increasing their spend on learning technology. While most L&D leaders desire a “productive” learning culture, most describe it as “check the box.” In this context, L&D is challenged with fostering a learning culture where employees are empowered and supported to learn effectively in ways that align both with their needs and their organization’s evolving needs.

In a productive learning culture, what and how employees learn is driven by the right learning experience, capability and environment.

An effective hybrid learning environment is fair, open, relevant and safe.
Build the Links to Enable Learning

A learning ecosystem is broader than learning culture – it explores where, how and when employees learn and what impacts their ability to learn effectively. It includes all learning, even on-the-job learning, not just formal, L&D run or sponsored learning. Making your learning ecosystem work is all about filling in the white space and making the connections to bring the discrete parts together. It’s the support between and around the connections that enables the realization of learning. To do this, L&D needs to foster three links to support growth in the learning ecosystem: permission to learn, making quality connections, and the ability to extract and apply learning.

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**Ability to Apply and Extract Learning**
Employees are equipped to identify organic growth opportunities in their work, and to prepare for, and reflect on, learning experiences to extract learning.

**Permission to Learn**
The expectation to learn is backed up by managers freeing up time for employees to dedicate to learning.

**Quality Connections**
The relationship employees have with the people they connect to for learning is safe, candid and accessible.

Source: Gartner
Recommended Actions for L&D Leaders to Empower Employee-Led Growth

- **Help** employees identify learning needs and craft potential solutions to meet fast changing skills needs.
- **Develop** employees as people, not just professionals, to drive growth, sustainable performance and active learning.
- **Encourage** managers and employees to reflect and apply lessons from learning connections.
- **Create** a learning ecosystem by establishing norms and conditions that ensure effective learning.
- **Maintain** a productive learning culture by improving the learning experience, capability and environment.
Model of a World Class Head of L&D

Gartner’s model of a world-class head of L&D was developed based on hundreds of client discussions and validated by Learning and Talent Management leaders at the world’s top companies. The model outlines the four objectives of the role, the workstreams the best leaders focus on, and the foundational capabilities required for success. L&D leaders who effectively meet the four objectives will build their influence with executives and turn L&D into a world-class function that builds the capability to drive individual and business growth.

<table>
<thead>
<tr>
<th>Define Learning Strategy to Deliver Capability</th>
<th>Build an Adaptive Learning Function</th>
<th>Deliver Dynamic Learning</th>
<th>Drive Shared Ownership for Learning Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Align and integrate business, talent and learning outcomes.</td>
<td>Drive a high-performing L&amp;D team with advisory capability and specialized skillsets.</td>
<td>Adopt agile approach to accelerate design and delivery of learning.</td>
<td>Partner with line leaders to create a safe and effective learning environment.</td>
</tr>
<tr>
<td>Actively manage learning offerings as enterprise product portfolio.</td>
<td>Prioritise technology and automation.</td>
<td>Integrate a data-driven, AI-enabled approach to drive personalized learner experience.</td>
<td>Engage employees as co-active partners to drive learning adoption.</td>
</tr>
<tr>
<td>Drive for impact of learning.</td>
<td>Manage and advocate for the L&amp;D budget.</td>
<td>Deliver inclusive and equitable access to development.</td>
<td>Elevate the brand of L&amp;D.</td>
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### Business Acumen
- Understand the business model, financials, external markets and customers.

### L&D Technical Acumen
- Understand L&D science, practices, processes, structures and technologies.

### Data Judgment
- Knowledge of key data trends and ability to use them to influence function and business strategies.
Learning Advisor Model

To create a world-class L&D function, L&D leaders are adopting a learning advisor model to better serve the needs of the business — rather than just building employee capabilities. Learning advisors improve business outcomes by using their L&D and business expertise to proactively influence talent and business decisions.

Source: Gartner
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.

**Research**
*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.

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