Leadership Vision for 2023

Top 3 strategic priorities for Recruiting Leaders
Leadership Vision for Recruiting Leaders in 2023

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

Recruiting 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 recruiting leaders?
- How should recruiting leaders prepare for the year ahead?
- What skills and capabilities do recruiting 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

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

<table>
<thead>
<tr>
<th>Flexibility</th>
<th>Shared Purpose</th>
<th>Well-Being</th>
<th>Person-First Experience</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>
<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>
</tr>
<tr>
<td>n = 3,500 employees</td>
<td>n = 5,000 employees</td>
<td>n = 77 HR leaders</td>
<td>n = 5,000 employees</td>
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</tbody>
</table>
### Three New Realities of Today’s Labor Market

**Implications of Rapidly Evolving Labor Market**

<table>
<thead>
<tr>
<th>Continued Surge in Demand</th>
<th>New Normal for Attrition</th>
<th>Candidate Agency</th>
</tr>
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<tbody>
<tr>
<td>U.S. job demand over 50% higher than prepandemic levels from July 2021 to June 2022</td>
<td>4% higher annual attrition for the organization due to hybrid and remote work</td>
<td>48% of candidates who recently accepted an offer say they are still open to other offers</td>
</tr>
</tbody>
</table>

**Source:** U.S. Bureau of Labor Statistics  
Note: Preapandemic job openings set at February 2020 levels (7 million). Job openings have been over 10.5 million since July 2021.

**Source:** Gartner (April 2022)  

**Source:** 2022 Gartner Candidate Survey  
Note: Data taken from candidates who recently accepted an offer  

n = 1,820 candidates
Recruiting Leaders Must Weigh Many Trade-Offs

Potential Trade-Offs Facing HR Leaders in Uncertain Times

The first significant trade-off facing recruiting leaders is how to manage and optimize cost but secure the talent they need for today and tomorrow. This requires recruiting leaders to understand when to flex compensation versus other job offer attributes to be attractive in the market. They must also work creatively with leaders to think about different employment models.

The second trade-off is around changing candidate expectations for personalization with the increasing automation of the recruiting process. Increased digitalization and automation will 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, recruiting leaders must address business leaders’ concerns and ensure the organization’s EVP is clear and designed to attract and retain the right talent – particularly people with critical skills who may desire a more personalized candidate experience.
Recruiting Leaders’ Priorities for 2023

Top Business-Supporting HR Initiatives

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

n = 72 Recruiting Leaders

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.
Leading in a Volatile Labor Market

The labor market has fundamentally changed over the last couple of years. While some of the shifts are temporary, three shifts have changed how organizations acquire talent. Progressive recruiting leaders are re-designing how they approach key elements of the recruiting process to overcome the changes in talent supply, attrition and candidate expectations.

<table>
<thead>
<tr>
<th>Demand</th>
<th>Attrition</th>
<th>Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent supply is low in traditional talent pools.</td>
<td>Retaining talent in a hybrid and remote environment is more difficult.</td>
<td>Candidates are harder to attract and convert.</td>
</tr>
</tbody>
</table>

### Build an Intelligence-Based Sourcing Capability
- Find accessible, not just available, talent with labor market intelligence.
- Identify alternate skills, locations and roles that may be able to do the job.
- Use competitive intelligence to position EVP effectively.

### Create an Equitable Internal Labor Market
- Target potential in the internal, not just external, labor market first.
- Expand equitable opportunity in the internal market.
- Incentivize managers’ support for mobility.

### Build Onboarding for Engagement
- Create emotional proximity by connecting to the organization’s mission.
- Tailor onboarding to the needs of the individual.

Source: Gartner
Recommended Actions for Recruiting Leaders
Leading in a Volatile Market

- **Adapt** hiring strategy using talent intelligence to respond to the changing competitive, sourcing and candidate landscape.
- **Leverage** labor market shifts to source talent across functions and locations.
- **Create** an equitable internal labor market by democratizing awareness through technology, opening universal access to opportunities and incentivizing support for mobility.
- **Increase** engagement during onboarding by creating emotional proximity through connecting to the organization’s mission and tailoring onboarding to the needs of the individual.
Leaders Need a New Approach

The shifting work environment has changed employee expectations and requires leaders to approach their core responsibilities in new ways by displaying “human-centric leadership” – leading with authenticity, empathy and adaptivity. Recruiting leaders should understand the associated behaviors leaders must display to be effective as they work on defining hiring needs and recruit new leaders.

<table>
<thead>
<tr>
<th>Core Leader Responsibility</th>
<th>Role Model Behavior</th>
<th>Support Teams</th>
<th>Deliver Results</th>
</tr>
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<tbody>
<tr>
<td><strong>Prior Approach</strong></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><strong>Work Environment Shift</strong></td>
<td>Social and Political Turbulence</td>
<td>Work-Life Fusion</td>
<td>Hybrid Work</td>
</tr>
<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><strong>New Approach</strong></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>
</tbody>
</table>

Source: Gartner
Recommended Actions for Recruiting Leaders to Acquire Human-Centric Leaders

- **Understand** how the concept of human-centric leadership and associated behaviors aligns with your definition of leadership used in the hiring needs definition process.
- **Adapt** the recruiting process to select leaders that represent human-centric leadership.
- **Increase** awareness around the human-centric leadership approach as part of internal mobility efforts.
- **Identify** leaders who display human-centric leadership and actively involve them in recruiting efforts, especially opportunities to brand the organization in in-person, virtual and social media events.
Open-Source Change to Lead Through Uncertainty

81% of recruiting and HR tech leaders cite that their total spending on recruiting technology will increase in the next year. Recruiting leaders should adopt an open-source change strategy by involving recruiters and hiring managers in implementing new technology, operations and processes. 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.

Source: Gartner
Recommended Actions for Recruiting Leaders to Lead Open-Source Change

✓ **Collaborate** across the HR leadership team to craft messages about change with the entire workforce, including specific messages to help employees understand the impact of change on their work.

✓ **Support** recruiters through change by helping them understand the direction of change and how it influences their work.

✓ **Involve** recruiters in shaping the changes needed in the recruiting function.

✓ **Communicate** openly about disruptions and changes with candidates.

✓ **Track** how change affects your recruiting goals.

✓ **Assess** how organizational change fits your current branding messaging.
Gartner developed the model of a world-class head of recruiting based on observations from client inquiry discussions and validated by heads of recruiting 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. Recruiting leaders who effectively meet the four objectives build their influence with executives and turn recruiting into a world-class function that attracts the talent the organization needs.

### The Model of a World-Class Head of Recruiting

**Drive Business Results**
Attract and acquire high-quality talent needed to drive business results

<table>
<thead>
<tr>
<th>Define the Strategy to Win Talent</th>
<th>Build a Scalable Operating Model</th>
<th>Drive a High-Performance Team</th>
<th>Align the Total Hiring Team</th>
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<tbody>
<tr>
<td>Surface and influence with labor market insights</td>
<td>Develop hiring forecasts and capacity models</td>
<td>Optimize role and process design</td>
<td>Manage the recruiting narrative with executives</td>
</tr>
<tr>
<td>Define critical skills, talent pools and work models</td>
<td>Develop an agile resourcing approach</td>
<td>Build team capability and confidence</td>
<td>Optimize hiring manager engagement</td>
</tr>
<tr>
<td>Customize attraction and sourcing strategies</td>
<td>Prioritize technology and automation</td>
<td>Drive team performance through data</td>
<td>Co-create candidate-centric branding</td>
</tr>
<tr>
<td>Define diversity and internal hiring strategies</td>
<td>Manage and advocate for the recruiting budget</td>
<td>Build a compelling career brand for recruiting</td>
<td>Co-design the candidate and new-hire experience</td>
</tr>
</tbody>
</table>

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

**Recruiting Technical Acumen**
Understand recruiting practices, processes, regulations and technologies

**Data Judgment**
Build knowledge of key data trends and use it to influence function and business strategies
Effective talent advisors – the highest performing recruiters – are critical to any HR function’s success. Talent advisors are decision influencers, not order takers. They earn the right to influence staffing decisions because of their acute knowledge of the organization and deep expertise in external markets. Today’s successful recruiters will not only influence hiring managers, but also coach candidates’ career decisions.
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.

**Journal**
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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