Top 5 Priorities for HR Leaders in 2021
Top 5 priorities for HR leaders in 2021

We surveyed more than 800 HR leaders across industries and regions to identify their priorities for 2021. Building critical skills and competencies tops the list, but many HR leaders will also prioritize workforce and work (re)design, leadership and employee experience — as well as navigating ongoing shifts in work trends.

68%  
Building critical skills and competencies

46%  
Organizational design and change management

44%  
Current and future leadership bench

32%  
Future of work

28%  
Employee experience

n = 767 HR leaders (not all survey respondents answered all questions)
Source: Gartner 2021 HR Priorities Survey
How HR leaders see business priorities for 2021

While many HR leaders still expect a focus on growth in 2021, cost optimization features more widely than it did a year before.

- **Improve operational excellence**: 65%
- **Grow the business**: 64%
- **Execute business transformations**: 54%
- **Optimize costs**: 50%
- **Innovate for success**: 47%
- **Manage risk and regulatory demands**: 15%

*Note: Respondents were asked to select their top three priorities, in rank order, based on their importance to their organization over the next 12 months.*

*Source: Gartner 2021 HR Priorities Survey*
Building Critical Skills and Competencies for the Organization

A top priority for 68% of HR leaders

What are the challenges for HR leaders?

“We don’t know what skill gaps our current employees have.”
36%

“We don’t effectively integrate learning into employee workflows.”
33%

“We can’t create skill development solutions fast enough to meet evolving skill needs.”
31%

Building critical skills and competencies is critical to top business priorities

- Improve Operational Excellence
- Grow the Business
- Execute Business Transformations
- Innovate for Success
- Manage Risk and Regulatory Demands
Problem today: COVID-19 has worsened the reskilling challenge

Traditional ways of predicting skill needs aren’t working. Employees need more skills for every job, and many of those skills are new. Many employees aren’t learning the right new skills — for their personal development or the benefit of the organization.

Data shows the total number of skills required for a single job is increasing year-over-year by 10%.

33% of the skills that were present in an average job posting in 2017 won’t be needed by 2021.

Percentage of the Workforce That Has to Use New Skills as a Result of COVID-19

- 71% Say 40% or Less Need New Skills Post-COVID-19
- 29% Say More Than 40% of the Workforce Need New Skills

Source: 2020 Gartner Shifting Skills Survey for HR Executives; Gartner TalentNeuron™

Change Prompts Need for New Skills

- “My organization had to redeploy my team to another area of the business. I am in a brand new role for me.”
- “I have never worked virtually before and I’m now managing a remote team.”
- “I have had new responsibilities added to my plate because we are short-staffed but I don’t have experience with these tasks.”
- “My company is cross-training us on different roles in case a colleague gets sick or everyone can’t come in at the same time.”

Source: Gartner Coronavirus Polling on L&D

n = 113 learning & development (L&D) professionals
New imperative: Take a dynamic approach to reskilling

What’s needed is a dynamic approach to reskilling and redeploying talent in which all impacted stakeholders work together to sense shifting skill needs and find ways to develop skills at the time of need. Currently, only 21% of HR leaders say peers share accountability or partner with HR to determine future skill needs.

**Skill-Sensing Network**

Facilitate dynamic cross-organizational networks to sense shifting skill needs:
- Share ownership for identifying and addressing skill needs with relevant stakeholders.
- Monitor organizational intelligence on changing skills needs.
- Explore how to leverage labor market data to address skill gaps.

**Targeted Skill Accelerators**

Identify and implement skill accelerators to develop skills at the time of need:
- Recognize and adapt existing resources to develop new skill solutions quickly.
- Identify learning delivery opportunities that will have highest impact on application.

**Two-Way Skill Transparency**

Empower employees with relevant information to make timely skill decisions:
- Create channels for employee and organizational information exchange.
- Enable employees to make informed decisions that align their interests with organizational needs.

With the dynamic approach to reskilling, employees apply 75% of the new skills they learn (far more than with other approaches) and learning begins sooner, as needs are identified faster.

**Tool to Get Started:** Do More With Data to Close Critical Skill Gaps
Organizational Design and Change Management

A top priority for 46% of HR leaders

What are the challenges for HR leaders?

“Our managers aren’t equipped to lead change.”
37%

“Our employees are fatigued from all the change.”
36%

“Our leaders aren’t equipped to lead change.”
28%
Problem today: Organizations can’t respond as quickly as conditions require

Work design, focused for years on efficiency, has left many organizations with rigid structures, workflows, role design and networks that don’t meet today’s needs or flex with fast-changing conditions. Employees suffer the effects in various forms of work “friction.”

Very few HR leaders report that their organizations quickly respond to changing needs

- 19% of HR leaders report that their workforce can effectively change direction based on changing needs or priorities.
- 38% of HR leaders believe their workforce can effectively detect when they are working on the right things for customers.

Work friction keeps employees from being responsive

- **Misaligned work design**: I’ve had to create processes for my job where none existed.
- **Trapped resources**: We don’t tweak the operating budget throughout the year once it’s set.
- **Overwhelmed teams**: The volume of tasks keeps rising.
- **Rigid processes**: It takes too long to secure sign off for new approaches or ideas.

Source: 2020 Gartner Workforce Responsiveness Survey for HR Leaders

Note: The remaining parts of each graph represent the HR leaders that think otherwise.
New imperative: Redesign work to enable employees to be more responsive

Future-forward work design is what’s needed to ensure employees can be responsive — that is, in sync with customer needs, in a position to anticipate changes in those needs, and adapt their approach and activities accordingly. It’s up to HR leaders to adapt work design strategies to unlock responsiveness at scale across the workforce and build organizational resilience.

Most HR leaders expect an impact in next 12 months as organizations shift from designing for efficiency to designing for flexibility

- **8%** No impact
- **34%** Moderate impact
- **52%** Significant impact

Source: Gartner 2021 HR Priorities Survey
n = 661 HR leaders
Totals do not add to 100%; some respondents declined to respond or responded that the impact was unclear

Unlock organizational capacity by reducing work friction

| Friction: Misaligned work design | Solution: (Re)Align work design with the way work happens by making ongoing adjustments. |
| Friction: Overwhelmed teams | Solution: Clarify work design boundaries to improve prioritization of effort. |
| Friction: Trapped resources | Solution: Move resourcing decisions closer to the end user to unlock greater resource mobility. |
| Friction: Rigid processes | Solution: Formalize how processes can flex to eliminate permission roadblocks. |

**Tool to Get Started:** How to Build a Resilient Organization

Source: Gartner 2021 HR Priorities Survey
n = 661 HR leaders
Totals do not add to 100%; some respondents declined to respond or responded that the impact was unclear
Top 5 Priorities for HR 2021

Current and Future Bench Strength

A top priority for 44% of HR leaders

What are the challenges for HR leaders?

“Our leadership bench is not diverse.”

49%

“Our succession management processes don’t yield the right leaders at the right time.”

35%

“We struggle to develop effective midlevel leaders.”

27%

Current and future bench strength is critical to top business priorities

- Improve Operational Excellence
- Grow the Business
- Execute Business Transformations
- Manage Risk and Regulatory Demands
Problem today: Leadership lacks diversity

Only 44% of employees say they trust their organization’s leaders and managers to navigate a crisis well. Confidence and trust in leadership is also undermined by the lack of diversity.

Gartner TalentNeuron™ data illustrates the lack of diversity among the leadership of U.S. companies, showing that only 10% of senior-level corporate positions are held by a woman from a racial or ethnic minority and only 18% by a man from a minority segment.

44%

Primary barriers to lack of advancement of underrepresented talent

1. Unclear career paths and steps to advancement
2. Not enough exposure to senior leaders
3. Lack of mentors or career support

n = 113 HR leaders
Source: 2020 Gartner Advancing Underrepresented Talent Survey

Source: 2020 Gartner Leadership Survey for Employees
New imperative: Prioritize diversity networking

Networking is a great way to provide support for employees, but networks often lack diversity in role, skill level and experience — and have limited involvement from senior leaders. Intentionally creating growth-focused diversity networks supports underrepresented talent and yields benefits for individual employees, leadership and the organization.

**Growth-Focused Diversity Networks**

- Intentional, growth-focused approach
- Connections are diverse in role, skills, level and experience
- Exposure to senior leaders who can support growth and advancement

**Organizations that use diversity networking programs, compared to those that do not, are...**

- 1.3x likely to report they are effective at increasing diverse employee engagement.
- 2.0x likely to report they are effective at improving organizational inclusion.
- 3.4x likely to report they are effective at increasing opportunities for talent mobility.

n = 113 HR leaders

Source: 2020 Gartner Advancing Underrepresented Talent Survey

**Tool to Get Started:**

Mitigating Bias in Succession Planning
Future of Work

A top priority for 32% of HR leaders

What are the challenges for HR leaders?

“We do not have an explicit future of work strategy.”
62%

“We struggle to adapt our talent strategies and processes to align with changes in our market.”
37%

“Our organization hasn’t prepared for how to address the ways AI and automation will displace workers.”
26%

The future of work is critical to key top business priorities

- Execute Business Transformations
- Optimize Costs
- Innovate for Success
- Manage Risk and Regulatory Demands
Problem today: Knowing where to start

The COVID-19 pandemic will have a lasting impact on the future of work. The question for HR leaders is how much these trends have and will alter pre-pandemic strategic goals and plans, and what immediate action and longer-term adjustments must be made as a result.

9 Future of Work Trends Post-COVID-19

What are the long-term implications of the coronavirus pandemic on the HR function and work?

<table>
<thead>
<tr>
<th>Accelerated Trends</th>
<th>New Impacts</th>
<th>Pendulum Swings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. More employees working remotely</td>
<td>5. Critical skills are no longer synonymous with roles</td>
<td>8. Organizations prioritize resilience as much as efficiency</td>
</tr>
<tr>
<td>2. Increased use of employee data</td>
<td>6. Some employees find work more humanizing in the crisis; others find it dehumanizing</td>
<td>9. Crisis adds to organizational complexity, straining design, culture and value proposition</td>
</tr>
<tr>
<td>3. Greater role of the employer as a social safety net</td>
<td>7. Crisis response distinguishes top-tier employee brands</td>
<td></td>
</tr>
<tr>
<td>4. Wider use of contingent workers</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
New imperative: Identify future of work trends relevant to the business

One global manufacturer, for example, screens for relevance, impact and opportunity. Whatever the methodology, this type of exercise is critical to strategic planning and scenario planning for the HR function.

3 Screens to Test for the Growth Potential of Megatrends

1. Relevance Screen
2. Impact Screen
3. Opportunity Screen

Source: Adapted from client case study

Global Megatrends
40 Trends
12 Trends
6 Innovation Spheres

Tool to Get Started: Future of Work Trends Post-COVID-19
Employee Experience

A top priority for:

- 28% of HR leaders
- 31% of chief human resources officers (CHROs)
- 46% of heads of diversity and inclusion

What are the challenges for HR leaders?

- “Our employee engagement and employee experience strategies.” 29%
- “We struggle to assess the impact of our employee experience investments.” 28%
- “Our employee value proposition (EVP) doesn’t communicate our employee experience promise.” 25%

Note: The correlation between HR priorities and business priorities is too weak to report because of the way respondents were asked to rank-order their top three business priorities.
Problem today: Different locations offer different value for hybrid workforce

Amid the shift to remote work and hybrid workforce models, HR must preserve company culture and ensure employee experience keeps up with employees’ expectations and needs. One key consideration: The value proposition of the office versus other work locations.

The changing value proposition of the office due to the expansion of remote working post-COVID-19 (3 – 5 year lens)

- Innovation/Brainstorming
- Hoteling Concept
- Interactive Collaboration
- Team Bonding & Celebrations
- Client Engagements
- Onboarding and Select Training

- Community Engagement
- Networking
- Professional Development
- Work-Life Boundary

- Change of Scenery
- Location Convenience

- Quiet Zone
- Heads-Down Work

- Personal/Family Care
- Work-Life Flexibility
- Reduced Commute

Nearly half of employees will work remotely at least some of the time.

Source: 2020 Gartner Workforce Responsiveness Survey
New imperative: Tackle impact of remote work on employee experience

Hybrid workforce models aren’t only about selecting one location over another; they provide an opportunity for employers, managers, and employees to share ownership of location decisions around a common expectation that employees can switch locations dynamically depending on what makes the most sense to drive the highest levels of productivity and engagement. To improve employee experience, organizations have to support and enable this approach throughout the employee life cycle.

Employee experience

Adapting the employee life cycle for a hybrid workforce

Where and how do we invest in the employee life cycle for greatest returns on a hybrid workforce?

- Improved employee engagement
- Expanded career options
- Improved well-being

Tool to Get Started: How Organizations Are Supporting a Hybrid Workforce

<table>
<thead>
<tr>
<th>01 Recruiting</th>
<th>02 Virtual onboarding</th>
<th>03 Well-being</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift sourcing and attraction strategies and adjust EVP and employment branding strategies.</td>
<td>Implement virtual onboarding delivery methods to reduce costs and allow for individual tailored onboarding experiences.</td>
<td>Analyze current health and well-being strategies, and identify areas for improvement and optimization of the organization's offerings.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>04 Goal setting and performance</th>
<th>05 Total rewards</th>
<th>06 Communications and collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educate managers on how to revise performance goals as needed, and manage by those goals or outcomes versus direct observation.</td>
<td>Determine how compensation, rewards and recognition strategies will need to be adjusted to support a hybrid workforce and ensure parity.</td>
<td>Implement technology solutions that improve communications, collaboration and connectivity between employees.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>07 Talent development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement virtual learning solutions and update talent management practices to develop strategic talent pipelines in a hybrid environment.</td>
</tr>
</tbody>
</table>
Look ahead: Key themes emerge for 2021

01 The New World of Remote
HR must move beyond simple questions of how remote work operates. An effective hybrid workforce model requires HR to develop and evolve critical managerial and leadership roles and responsibilities, new organization structures and virtual HR strategies.

02 Efficient Resilience
HR leaders now realize that efficient organizations are actually fragile organizations. Rather than striving for efficiency, leading HR organizations recognize they need to build resilient organizations, leaders and employees so they are able to bounce back and thrive during disruptions.

03 Building a Diverse Leadership Bench
Despite the attention placed on building a more diverse workforce, progress has been slow and halting. The workforce and the communities in which organizations operate expect more. The pace of progress must speed up.

04 The New EVP
Employees’ expectations of their employers have shifted. Mental health, purpose and social responsibility are now critical components of the value proposition. HR executives must navigate the new realities of the labor market to meet their talent needs and the expectation of their employers.
About Gartner Top Priorities for HR Leaders in 2021

The top priorities are derived from the Gartner 2021 Future of HR Survey, which polled HR leaders about their priorities and expected challenges in 2021.

Respondents:

800+ HR leaders*

36% CHROs/Heads of HR*

All major industries

60 countries

*HR leaders include heads of enterprise HR (CHROs or heads of HR) and heads of a functional/regional/business HR subfunction.

© 2020 Gartner, Inc. and/or its affiliates. All rights reserved.
Learn more. Dig deep. Stay ahead.

Follow us on LinkedIn | Gartner for HR

Learn more about Gartner for HR at gartner.com/en/human-resources

Free content: Visit Smarter With Gartner
Expert guidance to help you build a world-class HR organization

© 2020 Gartner, Inc. and/or its affiliates. All rights reserved. CM_GBS_1024470