Gartner for HR
Top 5 Priorities for HR Leaders in 2022
Actionable and objective advice to tackle top HR challenges
Top 5 priorities for HR leaders in 2022

We surveyed more than 500 HR leaders across all major industries to assess their priorities and expected challenges in 2022. Building critical skills and competencies tops the list, but many HR leaders will also prioritize change management, leadership, and diversity, equity and inclusion (DEI) initiatives.

01 Building Critical Skills and Competencies
59% of HR leaders prioritizing

02 Organizational Design and Change Management
48% of HR leaders prioritizing

03 Current and Future Leadership Bench
45% of HR leaders prioritizing

04 Future of Work
42% of HR leaders prioritizing

05 Diversity, Equity and Inclusion
35% of HR leaders prioritizing

n = 572 HR leaders
Source: 2022 Gartner HR Priorities Survey; for more on demographics, see Page 23.
How HR leaders see business priorities for 2022

While many HR leaders still expect a focus on improving operational excellence in 2022, executing business transformations is a close second, up significantly from a year before.

Organizations are transforming and increasing spending

Top organizational priorities for 2022

<table>
<thead>
<tr>
<th>Priority</th>
<th>Percentage of HR leaders selecting in top 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve operational excellence</td>
<td>66%</td>
</tr>
<tr>
<td>Execute business transformations</td>
<td>65%</td>
</tr>
<tr>
<td>Grow the business</td>
<td>64%</td>
</tr>
<tr>
<td>Innovate for success</td>
<td>51%</td>
</tr>
<tr>
<td>Optimize costs</td>
<td>33%</td>
</tr>
<tr>
<td>Manage risk and regulatory demands</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: 2022 Gartner HR Priorities Survey
What is driving these priorities?

**Hybrid work is driving business transformation**

- **5%** Do not expect any employees to work remotely
- **3%** Expect nearly all employees to work fully remotely
- **92%** Expect some employees to work remotely

**Rising turnover is increasing competition for talent**

Q: “How concerned are you about employee turnover in the next few months?”

- **9%** Not concerned
- **48%** Significantly concerned
- **43%** Somewhat concerned

**Pressure is mounting to make progress on DEI**

**CEO**

Nearly 2,000 CEOs have signed the CEO Action for Diversity & Inclusion pledge.

**Employees**

76% of employees and job seekers say a diverse workforce is important when evaluating companies and job offers, and 37% wouldn't apply to a company that had negative satisfaction ratings among people of color.

**Customers**

Twitter saw 85% more mentions of inclusive talent processes in 2020 compared to 2016.
Building Critical Skills and Competencies for the Organization

A top priority for **59%** of HR leaders

Common challenge

**40%** of HR leaders say they can’t build skill development solutions fast enough to meet evolving skill needs.
Problem today
It’s tough to predict future skill needs

HR leaders are under pressure — intensified by the economic and humanitarian crises triggered by the COVID-19 pandemic — to ensure their workforce has the skills it needs when it needs them. In an effort to get ahead, many HR leaders try to predict the skills their employees will need to ensure organizational success in the future. Without a crystal ball, however, this predictive approach to skills management often results in organizations investing in the wrong skills.

Employees need more skills ...

6.3%
Annual increase in total skills required for a single job in IT, finance or sales since 2018.

... and new skills

Nearly one in three skills needed for a job in 2018 will not be needed by 2022.

Options to buy in-demand skills are limited
Example: Data science job candidates by skills requirement

Just four technical requirements and three years of experience eliminates 98% of the candidate pool.

Source: Gartner
New imperative

Structure talent management around skills, not roles

Skills-based organizations structure their talent strategies around skills, not just roles, resulting in a more adaptable workforce.

Keys to building a skills-based organization

Key No. 1
Share ownership for skills throughout the organization

Key No. 2
Gather dynamic skills data

Key No. 3
Use skills, not just roles, in talent decisions

Key No. 4
Embed skills in talent management processes

Outcomes
Centralized data analysis can occur at the pace that skills change, take account of change across the organization, enable flexible skills solutions and offer all stakeholders a consistent view on the state of available and required skills.

Source: Gartner

Tool to Get Started: Explore how to leverage labor market data to address skill gaps.
Organizational Design and Change Management

A top priority for **48%** of HR leaders

**Common challenge**

**54%** of HR leaders say their employees are fatigued from all the change.
Problem today

Employees are fatigued by months of change

Today’s average employee can absorb half as much change before becoming fatigued as they could manage in 2019.

n = 951 remote knowledge workers
Source: 2021 Gartner Hybrid Work Employee Survey
New imperative

**Target a positive change experience**

HR’s ability to influence day-to-day changes and create trust and team cohesion share a common factor — a positive employee change experience. To create a positive change experience, HR leaders need to identify “moments of truth” the organization must get right, monitor the impact of day-to-day and higher-level change and empower teams to shape their own change experiences.

**Building a positive change experience**

<table>
<thead>
<tr>
<th>Drivers of change fatigue</th>
<th>Day-to-day change</th>
<th>Trust</th>
<th>Team cohesion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Solutions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pay attention to day-to-day changes that are easily overlooked.</td>
<td>Focus on the moments of truth that matter in building trust.</td>
<td>Empower teams to shape their own change experiences.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Gartner
New imperative
Increase workforce health overall and drive resilience

Gartner Measure of Workforce Health Has Three Components

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

Workforce resilience: Sustaining or growing performance through disruption without damaging the health of the workforce

Source: Gartner

Tool to Get Started: View additional insights on workforce resilience
Current and Future Leadership Bench

A top priority for 45% of HR leaders

Common challenge

24% of HR leaders believe they do not effectively develop midlevel leaders.
Problem today
Advancing the right talent

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.

Primary barriers to the lack of advancement of underrepresented talent

1. Unclear career paths and steps to advancement
2. Too little exposure to senior leaders
3. Lack of mentors or career support

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

n = 839
Source: 2020 Gartner Leadership Survey for Employees
**New imperative**

**Equip midlevel managers to lead with empathy**

### Anatomy of an empathy-driven manager

**Common barriers to empathy**
- Prioritizes people over processes
- Embraces growth mindset
- Creates transparency

<table>
<thead>
<tr>
<th>Skill</th>
<th>Mindset</th>
<th>Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Empathy doesn't come naturally to me. What do I do?”</td>
<td>“What should I be responsible for supporting employee personal needs?”</td>
<td>“I’m already overloaded. Where will I find the time?”</td>
</tr>
</tbody>
</table>

### Common barriers to empathy
- Asks, doesn't tell
- Safeguards confidentiality
- Contextualizes employee mindset

Source: 2020 Gartner Leadership Survey for Employees
Future of Work

A top priority for 42% of HR leaders

Common challenge

49% of HR leaders say they do not have an explicit future of work strategy.
Top 5 Priorities for HR Leaders in 2022

Problem today

Postpandemic disruption upends workforce planning

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 their organization’s strategic goals and plans and what immediate and longer-term workforce adjustments are required 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?

- **Accelerated trends**
  - More employees working remotely
  - Increased use of employee data
  - Greater role of the employer as a social safety net
  - Wider use of contingent workers

- **New impacts**
  - Critical skills are no longer synonymous with roles
  - Some employees find work more humanizing in the crisis; others find it dehumanizing
  - Crisis response distinguishes top-tier employee brands

- **Pendulum swings**
  - Organizations prioritize resilience as much as efficiency
  - Crisis adds to organizational complexity, straining design, culture and value proposition
New imperative
Identify the future of work trends most relevant to your business

Screening megatrends for relevance, impact and opportunity is a critical first step in HR scenario planning and strategic workforce planning.

Executive leaders can craft a future of work strategy using the following process:

- Trend analytics
- Scenario creation
- Future of work strategic planning

Prioritize megatrends by business impact and opportunity

- Potential trends
  - Determine how a trend impacts the organization’s core businesses and capabilities.
- Relevant trends
  - Determine whether a trend has potential to create a competitive advantage.

Source: Adapted from John Deere
New imperative

Scenario plans assess evolving talent needs

Analyze the impact of multiple potential scenarios to identify and prepare for technological, social and labor changes that could significantly shift talent needs.

Scenario matrix exercise

Step 1: Partner with business leaders to identify business/environmental forces that could significantly change the talent required to execute strategy (i.e., talent criticality, importance, location).

Step 2: Select two forces and plot them on a matrix to create different scenarios. Work with the business to predict how the talent needed to execute business strategy would shift in each of those scenarios.

<table>
<thead>
<tr>
<th>Force A (+) (e.g., Launch a new product line in China.)</th>
<th>Force B (+) (e.g., sales growth is 10% more than expected.)</th>
<th>Force B (-) (e.g., sales growth is 10% less than expected.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario A talent needs</td>
<td>Scenario B talent needs</td>
<td>Scenario C talent needs</td>
</tr>
<tr>
<td>Scenario B talent needs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario C talent needs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Force A (-) (e.g., Don't launch a new product line in China.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario A</th>
<th>Scenario B</th>
<th>Scenario C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capability A</td>
<td>Criticality: High</td>
<td>Quantity required: Same</td>
</tr>
<tr>
<td>Capability A</td>
<td>Criticality: Medium</td>
<td>Quantity required: Same</td>
</tr>
<tr>
<td>Capability A</td>
<td>Criticality: Low</td>
<td>Quantity required: Less</td>
</tr>
</tbody>
</table>

Source: Gartner Strategic Workforce Planning Playbook
Diversity, Equity and Inclusion

A top priority for 35% of HR leaders

Common challenge

36% of HR leaders say they struggle to hold business leaders accountable for DEI outcomes.
**Problem today**

Low diversity in the leadership pipeline

<table>
<thead>
<tr>
<th>Category</th>
<th>Women</th>
<th>Racial Minorities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C-Suite</strong></td>
<td>29%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Midlevel and Senior Leaders</strong></td>
<td>41%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Frontline Employees</strong></td>
<td>56%</td>
<td>31%</td>
</tr>
</tbody>
</table>


Note: Data is cited for management, professional and related occupations in the United States.

Progression of underrepresented talent stalls in the middle. They experience slower rates of promotion and worse perception of leadership potential.
New imperative

**Adopt a consequential accountability DEI strategy**

Many organizations currently focus their 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.

**Approaches that create collective accountability don’t produce results on DEI outcomes**

- **Shift mindsets**
  - Use objective criteria and integrated data to drive equitable talent decisions.

- **Cascade goals**
  - Support customized strategies to enable leader execution of DEI goals.

- **Track metrics**
  - 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.
About Gartner Top 5 Priorities for HR Leaders in 2022

The top priorities are derived from the 2022 Gartner Future of HR Survey, which polled HR leaders about their priorities and expected challenges in 2022.

Respondents

500+ HR leaders*
39% CHROs/heads of HR*
60 Countries

All major industries

*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.
Actionable, objective insight

Explore these additional complimentary resources and tools for HR leaders:

- **Research**
  - Build resilience for an increasingly hybrid world of work
  - Gain strategic insights for HR leaders on workforce resilience.
  - Download Research

- **Webinar**
  - The Top 5 Priorities for HR Leaders in 2022
  - Get insights and recommended actions for HR priorities in 2022.
  - Watch Webinar

- **Research**
  - Do More With Data to Close Critical Skill Gaps
  - Learn the three imperatives of a "skills adjacencies" approach.
  - Download Research

- **Conference**
  - Gartner ReimagineHR 2021
  - Learn to design talent processes around this year's theme, The Equity Imperative: How Fairness Improves Performance.
  - View Calendar

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