

HR Leaders Quarterly

Fourth Quarter 2024

Making Work

BETTER

Insights from
ReimagineHR 2024

Gartner®

Editor's Note

At the dawn of the 2020s, few of us could have imagined the world we'd be living in less than five years later, or how dramatically world events would transform the workplace. The COVID-19 pandemic, natural disasters fueled by a changing climate, wars and political turmoil around the world, supply chain disruptions and other global crises have all taken a toll on organizations and the workforce. Employees have felt these impacts on their physical and mental health, their sense of community and belonging, and their ability to cope with uncertainty and continuous change in the business environment. Leaders have struggled to manage people effectively through these disruptions — with the adjustment to hybrid work, fast-changing employee expectations and a historic generational turnover in the workforce all adding to the challenge.

Throughout 2024, HR leaders have been working in an environment of social, economic and technological changes that have been hard on employees, managers and senior leaders alike. Societies remain bitterly divided by social, political and cultural differences, and these divisions can manifest in the workplace as employee fatigue, burnout, disengagement and conflict. While fears of a global recession have not become reality, slowing economic growth in the U.S. and other major economies has made it harder for business leaders to plan for the future. At the same time, these leaders are under pressure to reduce costs and accelerate growth in their organizations.

Labor markets have cooled down slightly but remain competitive, with high-value skills in short supply.

And of course, amid all these other challenges, the subject on everyone's mind is AI: How will it change the way organizations operate, and how will it affect the workforce? The long-term impacts of this transformative technology are still unpredictable. But in 2024, many leaders have moved past the novelty and hype and begun to think more deeply about how targeted investments in AI can actually create value for their organizations.

In this environment, we see many CEOs making major updates to their business strategies and goals, putting pressure on CHROs to ensure their talent strategies support these evolving visions. Gartner's ReimagineHR Conferences this year are focused on how HR leaders can use this moment of reset to make work better — for employees, for managers and for the organization. Our 2025 HR

Priorities Survey shows that HR leaders are increasingly focused on strategic workforce planning and HR technology, while continuing to prioritize perennial challenges such as leader and manager development, organizational culture and change management.

In this inaugural issue of HR Leaders Quarterly, we present a selection of insights from these conferences to show how HR leaders can and should respond to several of their most pressing concerns. These include making strategic technology choices in the age of fast-evolving AI; keeping prospective hires committed in the final stretch of the recruiting process; sustaining diversity, equity and inclusion amid social and political backlash; and making recognition meaningful for employees. We also discuss HR leaders' top five priorities for the coming year and offer guidance on how they can begin to work toward these critical goals.

Jonah Shepp

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Making Work Better:

Building a Reset-Ready Organization

by Kaelyn Lowmaster

As CEOs reset their strategies, HR leaders have an opportunity — and an imperative — to deliver a work reset. To do so, HR leaders will need a sharpened focus on interactions in each core element of work: people, skills and tools.

For many organizations, this is a moment of reset. Emerging from the immediate aftermath of the pandemic era and the worst of the economic volatility that followed, CEOs are now looking to drive forward. Eight in 10 CEOs will have completed refreshed business strategies aimed at ambitious new goals by the end of 2024.¹

As CEOs reset their strategies, HR leaders have an opportunity — and an imperative — to reimagine work to achieve these new ambitions. But HR leaders don't feel ready — only 36% of HR leaders say their organization is prepared for how the future of work will change in the next two years.²

Three critical gaps exist between organizations and successful resets:

- **Collaboration gap** — The majority of employees report they know more people in their organizations than they did just two years ago.³ But network performance — the degree to which employees work effectively with and through one another — has declined by 18% in that same time period.^{4,5}
- **Skills gap** — HR leaders continue to invest heavily in L&D innovation. However, boards of directors still frequently cite skills-related business disruption as a top workforce risk to growth.
- **Technology gap** — Despite lofty expectations from CEOs, only 34% of HR leaders say that even if employees save time at work due to emerging tech, those savings are significant enough to substantially increase their productivity.⁶ One in five employees report that emerging technologies their organizations have adopted over the past two years actually make their work *harder*.³

HR leaders are feeling simultaneously *overwhelmed and underwhelmed* by work as a result, a feeling that permeates both into the workforces and throughout the C-Suite.

The answer to making work *work* again isn't simply more inputs — more connections, learning or technology — but rather in three HR-driven solutions to close these gaps and help organizations become reset-ready:

- Create **guided collaboration** to ensure employee interactions add value.
- Build **collective intelligence** to get skills and knowledge moving at speed.
- Drive **human-first AI** to maximize returns on AI investments.

Create Guided Collaboration

Strategic resets will require effective teamwork, and organizations have responded by expanding connection. In the postpandemic era, both digital and in-person channels for communication have proliferated. Employees are simply part of more teams, more meetings and more touchpoints than they ever have been.

But that volume of connection isn't translating into the quality of teamwork organizations hope to see. In addition to declining network performance, innovation has dropped as well.^{4,5}

The reason for this gap lies in two key elements of this unique moment of reset:

- **Unclear needs** — With more digital tools at employees' disposal, it's not always clear when — or if — employees need to rely on one another to accomplish their work. If an AI tool can accomplish the work of a peer reviewer, for example, employees' work-based interactions may simply become more narrow and transactional.
- **Uncertain norms** — After years of disrupted work patterns or an early career experience upended by the pandemic, employees are simply unsure how to professionally (but personably) interact with one another. Thirty percent of employees actively avoid more people at work now relative to two years ago.³

The best HR leaders will shift their focus from expanding connections to building **guided collaboration**. Guided collaboration consists of helping employees understand their collaboration needs, then actively reinforcing effective collaboration norms. In doing so, HR elevates teamwork to a talent process like any other — such as culture or performance management — to enable the reset ahead.

Identifying Needs

In an environment of proliferating connections, HR has a key role to play in ensuring that employees' energy is dedicated to the teams that bring the most value. **Dropbox**, for example, created a collaboration needs self-assessment to help employees determine where, with whom, and how much connection helps them be successful. The organization then provides tailored collaboration recommendations to support employees' next steps.

Reinforcing Norms

HR leaders must then reinforce productive collaboration norms. **Sonae**, for example, helped newer employees learn how to interact with colleagues across seniority levels and working styles by having graduate hires lead the process of selecting mentors. Instead of simply assigning mentors, Sonae has these new employees formally interview a shortlist of senior colleagues to find a match. This approach creates new collaboration channels across generations within the workforce, and sets an early precedent for effective interactions in a business context.

When organizations actively guide collaboration in this way, they meet retention goals 35% more often and meet profitability goals 10% more often compared to those that do not.⁷

Build Collective Intelligence

Organizations' strategic resets will also require workforces to be ready with future-focused skills. Learning and development (L&D) budgets are expanding in many cases, and HR leaders are doubling down on leadership development programs and new technologies to improve the function's capacity to support individual development.

But those efforts and investments aren't having the desired impact when it comes to the fundamental goal of skill development: readiness for the future. Just 51% of employees feel equipped to respond to unexpected changes in work.⁸ HR leaders are overwhelmed by the immense learning mandate before them, but underwhelmed by the impact those efforts are having on readiness.

Closing the skills gap requires learning that is continuous, targeted and delivered at scale, things that traditional skill development alone cannot provide. Training modules can be highly scalable, for example, but are slow. On-the-job learning moves faster but is falling short. Fifty-seven percent of employees tell us that they aren't getting coaching on the job that supports their core job skills.⁸

To address these shortcomings, the most successful HR functions will shift their focus from individual training toward **collective intelligence**, building a better path to connect employees who have critical skills with those who need those skills. To build collective intelligence:

- **Start with dynamic jobs – the jobs that are changing the most.**
- **Gather expertise directly from work, not just people.**

Genpact, a global consulting firm, used *work*, not just people, as its source to build collective intelligence. It began by scraping organizational data, like forum posts and Q&A sessions, to capture expertise directly without overwhelming internal experts. HR then translated that expertise into targeted, bite-sized resources that employees can easily apply in their work. Genpact also amplified the impact of its resources through new learning products, like AI-powered chatbots to answer employee questions in real time.

Gartner's preliminary research indicates that when organizations take steps to improve collective intelligence, their employees' readiness to tackle changes in work increases by up to 26%.³

Drive Human-First AI

CEOs' interest in this moment of strategic reset is spurred in large part by new technology. Across industries, the promise of AI and other emerging technology has led to elevated expectations for what these tools will achieve in the workforce. For example, CEOs with workforce productivity plans that include generative AI expect, on average, a 17.2% boost in productivity.¹

Those lofty expectations, however, have not yet manifested in work improvements. Only a third of employees say that if they save time at work due to emerging tech, the savings are significant enough to substantially increase their productivity.³ Both HR leaders and employees are then left overwhelmed by the number of new tools and the weight of leadership expectations, but underwhelmed by the resulting productivity gains.

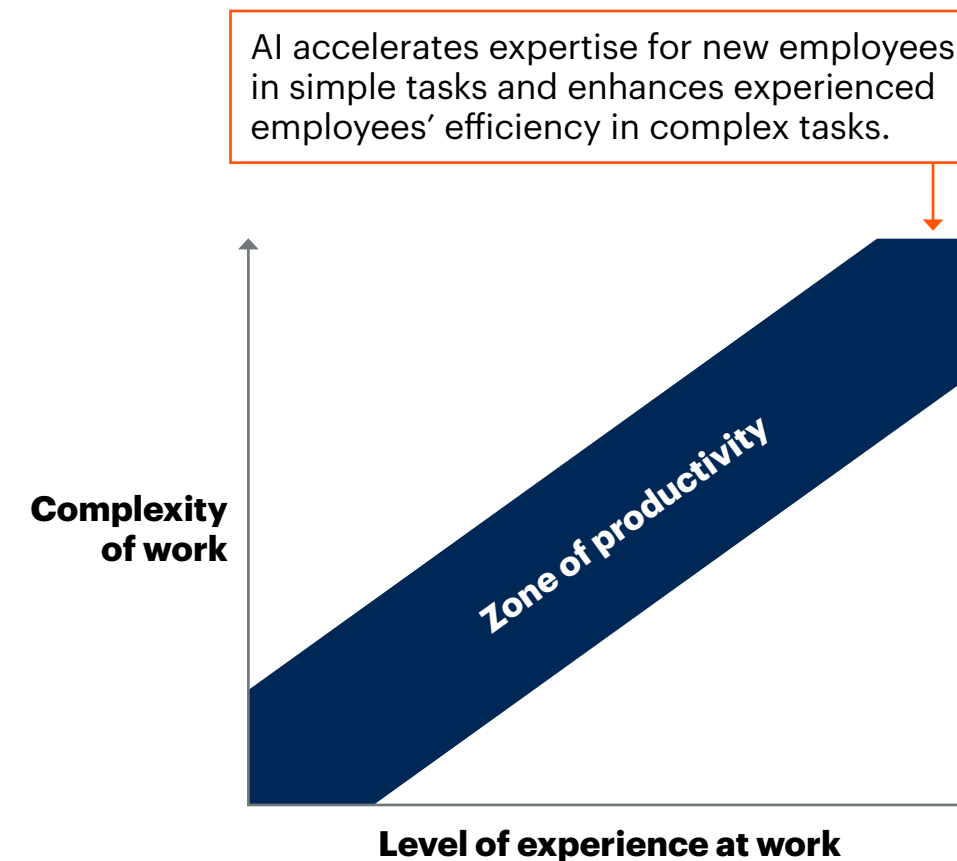
Gartner's research and conversation with technology leaders has uncovered a key underlying reason for this disconnect: For most organizations, technology decisions are top-down. Only 14% of HR leaders say that employees have any voice in technology adoption decisions.⁶ As a result, the workforce is left struggling to catch up and unsure how to effectively adopt unfamiliar tools.

HR has an opportunity to maximize the utility of technology in the organization through a **human-first AI approach** — beginning by asking what the human is trying to accomplish, then determining how the technology can best support it.

Vizient, a U.S.-based healthcare services company, began by creating empathy maps for different workforce segments during its generative AI deployment process. Employee champions from each segment, not HR or IT, drafted the maps to ensure they accurately reflected each group's unique experiences. These maps also went beyond simple lists of tasks or job descriptions — they included considerations like technology's impact on an employee's unique skills, identity and sense of self-worth.

A human-first AI approach also means HR has a unique role to play in helping the business understand where AI can offer an advantage, and where it will be a distraction. Based on their understanding of employees' level of experience and the complexity of their work, HR can help business leaders and IT chart their unique "Zone of Productivity." This defines where AI can speed the time to expertise for new employees with low complexity of work and magnify the expertise of experienced employees accomplishing highly complex tasks (see Figure 1).

» **Figure 1: The Human-AI Zone of Productivity**
Illustrative



Source: Gartner

When HR embraces this new role at the intersection of humans and technology, both the workforce and organization benefit. Organizations leveraging a human-first approach to technology have employees that are 1.5 times more likely to be high performers and more than twice as likely to be highly engaged.⁹

HR's work to close these three gaps in collaboration, skills and technology is essential for the success of the strategic reset ahead. With these three solutions — guided collaboration, collective intelligence, and human-first AI — HR can help their organizations become reset-ready.

¹ 2024 Gartner CEO and Senior Business Executive Survey. This survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2023 through December 2023, with questions about the period from 2023 through 2025. One-quarter of the survey sample was collected in July 2023, and three-quarters was collected from October through December 2023. In total, 416 actively employed CEOs and other senior executive business leaders qualified and participated. The research was collected via 356 online surveys and 60 telephone interviews. The sample mix by role was CEOs (n = 282); CFOs (n = 81); COOs or other C-level executives (n = 32); and chairs, presidents or board directors (n = 21). The sample mix by location was North America (n = 175), Europe (n = 94), Asia/Pacific (n = 93), Latin America (n = 41), the Middle East (n = 8) and South Africa (n = 5). The sample mix by size was \$50 million to less than \$250 million (n = 77), \$250 million to less than \$1 billion (n = 101), \$1 billion to less than \$10 billion (n = 166) and \$10 billion or more (n = 71). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

² 2024 Benchmark With Gartner: Confronting the Cost-of-Work Crisis and DEI Backlash. This live polling webinar was conducted to enable HR leaders to discuss stands their peers are taking on timely critical concerns that impact key talent decisions HR leaders need to make. The main topics covered in this webinar include the labor market climate outlook update for talent-based leading indicators of economic conditions, strategies to tackle cost of work, and the evolving DEI landscape. The webinar was conducted on 28 February 2024 with responses from over 40 HR leaders participating across a spectrum of industries with a focus on North America. The webinar questions were designed and developed by Gartner's Rapid Response and HR practice research teams.

³ 2024 Gartner ReimagineHR Employee Survey. This survey was conducted to understand employees' work expectations and the environment at their organizations. The survey was conducted online from 21 June 2024 through 28 July 2024 and contains responses from 3,528 employees with representation from various regions, industries, and functions.

⁴ 2022 Gartner Global Labor Market Survey. Gartner Global Labor Market Survey is a panel survey carried out once every month. The 2Q22 survey was based on responses from 17,986 employees globally. Responses were collected monthly across 40 different countries in 15 languages and were then aggregated to generate quarterly findings. There are no statistically significant differences in the sample composition across the three months.

⁵ 2024 Gartner Global Labor Market Survey: Gartner Global Labor Market Survey is a panel survey carried out once every month. The Q2 2024 survey was based on responses from 17,994 employees globally. Responses were collected monthly across 40 different countries in 15 languages and were then aggregated to generate quarterly findings. There are no statistically significant differences in the sample composition across the three months.

⁶ 2024 Gartner ReimagineHR HR Leader Survey. This survey was conducted to understand how HR leaders help organizations successfully navigate the rapidly changing world of work. We will use the data generated by this survey to provide benchmarks about current HR priorities and make recommendations for immediate action steps to maintain a healthy and productive workforce. The survey was conducted online from 8 July 2024 through 28 July 2024 and contains responses from 182 HR leaders with representation from various regions and industries.

⁷ 2023 Gartner Achieving High Performance and CHRO Priorities Survey. This survey was conducted to understand various aspects of organizations' approaches to performance and performance management. Respondents were also asked a series of questions relating to approaches to employee experience. The research was conducted online from 9 February to 8 March 2023 among 139 HR leaders distributed across 24 countries and 20 industries. The survey was designed and developed by Gartner's HR Practice research team.

⁸ 2024 Gartner Modernizing Talent Management Employee Survey. This survey was conducted to understand how organizations can achieve flexibility in their talent strategy to be able to deliver on business needs. The research was conducted online from 24 May through 12 July 2024 and contains responses from 3,375 employees with representation from various regions, industries, and functions.

⁹ 2024 Gartner Driving Impact Through Technology Employee Survey. This survey was conducted to understand the employee experiences, perspectives, and perceptions with current HR approaches to maximizing technology efforts and to identify the urgency drivers on Augmented HR. The research was conducted online from 23 January 2024 through 14 February 2024 and contains responses from 602 HR staff and 2,035 non-HR staff, with representation across geographies, industries, and organizational size.

Top 5

Priorities for HR Leaders in 2025

by Maggie Schroeder-O'Neal

HR leaders' top five HR priorities for 2025 are leader and manager development, organizational culture, strategic workforce planning, change management and HR technology. CHROs can use this research to get started on planning to address these priorities in the coming year.

CHROs continue to face intense pressure to adapt their function to meet new and evolving strategic and operational business needs.

To help you better understand what your peers are prioritizing for 2025, we surveyed 1,403 HR leaders (up from 520 in 2024) across all major industries and over 60 countries around the world. For 2025, HR leaders have indicated five top priorities in which their function will focus over the next 12-18 months: leader and manager development, organizational culture, strategic workforce planning, change management and HR technology (see Figure 1).¹

» Figure 1: Top HR Priorities for 2025

- 1 Leader and Manager Development
- 2 Organizational Culture
- 3 Strategic Workforce Planning
- 4 Change Management
- 5 HR Technology

n = 1,403 HR leaders

Q: Based on your functional priorities, please rank the five most important key areas on which your function will focus in the next 12-18 months to support these priorities

Source: 2025 Gartner HR Priorities Survey

Three trends in 2025 will have a disproportionate impact on the context and priorities of HR: growth via transformation, AI aspirations and deployment realities, and labor market shifts raising new talent strategy questions. Each of these trends is directly reflected in the top priorities of HR leaders heading into 2025.

While growth is typically a high CEO priority every year, it is exceptionally so this year. The number of CEOs citing growth in their top three strategic business priorities for 2024/2025 is up 25% since last year and is at its highest level since 2014. To prepare for this growth, 79% of CEOs will have new strategies ready to launch by the end of 2024.²

The last few years have been a period of experimentation and rapid change around AI, particularly with generative AI (GenAI). On average, business leaders expect a 23% improvement in functional productivity in the next 12-18 months using GenAI.³ Nonetheless, GenAI is facing implementation challenges including data quality and security issues, uncertainty of best practices, skill gaps and change fatigue.

Finally, HR is facing new and lasting shifts in the labor market. The three drivers impacting these shifts are labor shortages, mismatched skills and evolving employee expectations regarding the employee value proposition. With these challenges restricting talent supply, 61% of talent management leaders say the demands on talent management exceed their capacity to deliver.¹

PRIORITY NO. 1: **Leader and Manager Development**

Leader and manager development is a perennial challenge that has been HR leaders' top priority for the last three years. This priority reflects the pressure on leaders and managers today to lead in an environment of constant change. To better support leaders, 76% of organizations have made significant updates to their leadership development programs in the past two years, and 56% expect to increase spending in the next two years.⁴ However, organizations are not seeing the expected results. Only 36% of HR leaders think their organization's current leadership development programs are effectively preparing leaders.

Gartner research has found that the method of delivery plays an important role in how impactful a leadership development program is. In fact, spending more time in seminars and lectures has a negative impact on enterprise leadership and human leadership behaviors.⁵

In contrast, bringing people together in person for networking and team-building activities as part of leadership development has a positive impact on enterprise and human leadership behaviors.⁵ When properly facilitated, these activities can build important peer networks that leaders often rely upon to succeed in their roles, and can play a role in successful learning application.

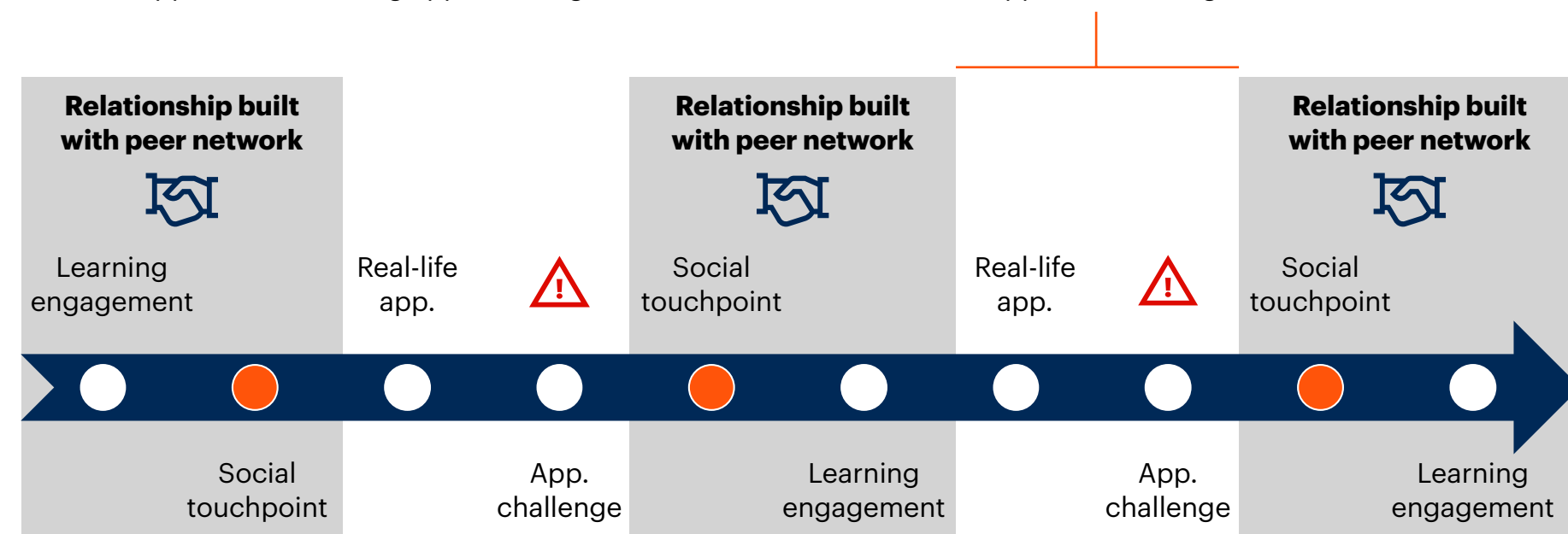
Strategic Peer Connections

OCBC facilitates learning via repeated, strategic peer connections as part of an embedded approach to learning program design. In this approach, core learning and development events are interspersed with a variety of peer engagement activities. Roughly 70% of the agenda is driven by the learners to strengthen interpersonal connection and support development. The L&D team shares prompts before social touchpoints to prime discussions about shared challenges. The intentional time between learning and social events allows time for application and challenges. In addition, repeated social connections build trusted peer relationships and provide support in application challenges (see Figure 2).

» **Figure 2: Repeat Embedded Leadership Peer Connections to Support Learning**
Illustrative

● Repeated social connections **build trusted peer relationships that can be leveraged** for support in addressing app. challenges.

Time between learning and social events allows time for app. and challenges



Source: Adapted from OCBC
App. = Application

PRIORITY NO. 2: **Organizational Culture**

Previous Gartner research demonstrates the challenge of embedding culture in all levels of an organization. In 2023, 97% of CHROs said they wanted to change some aspect of their culture,⁶ but only 28% of employees had seen their organization's culture change in the past year.⁷

It's not that HR leaders don't have a strong, clear vision of the culture they want at their organizations, or that employees aren't invested; it's that HR leaders struggle to activate this vision and bring it into day-to-day work.

Embeddedness is the key to activating organizational culture. HR leaders at every level must be held accountable for embedding a culture vision. They're the ones setting the stage, making the decisions, measuring success,

and ultimately guiding their teams to demonstrate the culture that will optimize not only employees' experience at the organization, but also the value they deliver for the business. To activate organizational culture, it must be embedded in the fabric of the organization. Employees must understand the values at the core of the culture and what those values mean for them, and must understand specific behaviors they should demonstrate to live the culture. The processes that govern employees' work also must support the desired culture.

The Guatemala-based conglomerate CMI is one example of an organization that excels at embedding culture and equipping leaders to guide their teams toward desired behaviors that exemplify culture.

CMI's Embedded Culture Transformation

After restructuring from seven business units with their own distinct culture to two business units, CMI's leaders acknowledged the difficulty of embedding a new culture at all layers in their organization. One action they took was to equip managers with in-the-moment guidance that helps them embed culture into not only talent processes, but also business processes and day-to-day work.

CMI made it seamless for managers to navigate day-to-day scenarios by creating an app where they can access more than 100 specific examples from peers of actionable, low-effort behaviors to immediately reinforce the culture (see Figure 3). Each example features a

behavior, action, description, purpose and benefit to make it as clear and unambiguous as possible how to best live the new cultural values. Each example is actionable, requires low effort from the manager, has an immediate impact, is visible and incites an emotional reaction to make the experience memorable. CMI regularly adds new examples to the app and removes unhelpful ones based on manager feedback.

» Figure 3: CMI Culture-Hacks App

Manager

Behavior: Responsibility — Our clients and consumers are always at the forefront of our decisions.

Action: Focus on the customer.

Description: Leave an empty chair to represent the client in leadership meetings. When the discussion reaches a dead end, turn to the empty chair and ask, what would be best for the customer?

Purpose: Prevent the organization from focusing on itself.

Benefit: The chair acts as a physical reminder of the customer.

Must:

- Be **actionable**
- Require **low effort**
- Have **immediate impact**
- Be **visible**
- Incite an **emotional** reaction

Source: Adapted from CMI

PRIORITY NO. 3:

Strategic Workforce Planning

Strategic workforce planning (SWP) helps HR identify talent needs associated with the organization's future goals and establish a strategy to best manage the organization's workforce and achieve business goals. However, in 2024, only 15% CHROs report their organizations practice a strategic workforce plan.⁸ Despite this low adoption rate, HR leaders still continue to prioritize SWP; they rank it third among the top priorities their function will focus on in the next 12-18 months.¹

SWP can often appear as a complex process, with numerous inputs and disengaged stakeholders all working toward an uncertain future. However, HR leaders who achieve success in SWP implement three rules to simplify the process and ensure progress:

1. Establish co-ownership to clarify responsibilities.
2. Focus on a specific business problem to narrow the scope.
3. Practice adaptability to promote flexible plans.

By following these strategies, CHROs and their SWP teams can effectively create and execute a strategic workforce plan. Some HR leaders adopt a crawl, walk, run approach, which involves starting with small pilots across the business to build confidence before introducing more complexity. This approach allows for gradual implementation and testing of the SWP process, ensuring that stakeholders feel comfortable and prepared for larger-scale initiatives.



Merck's Strategic Workforce Planning Approach

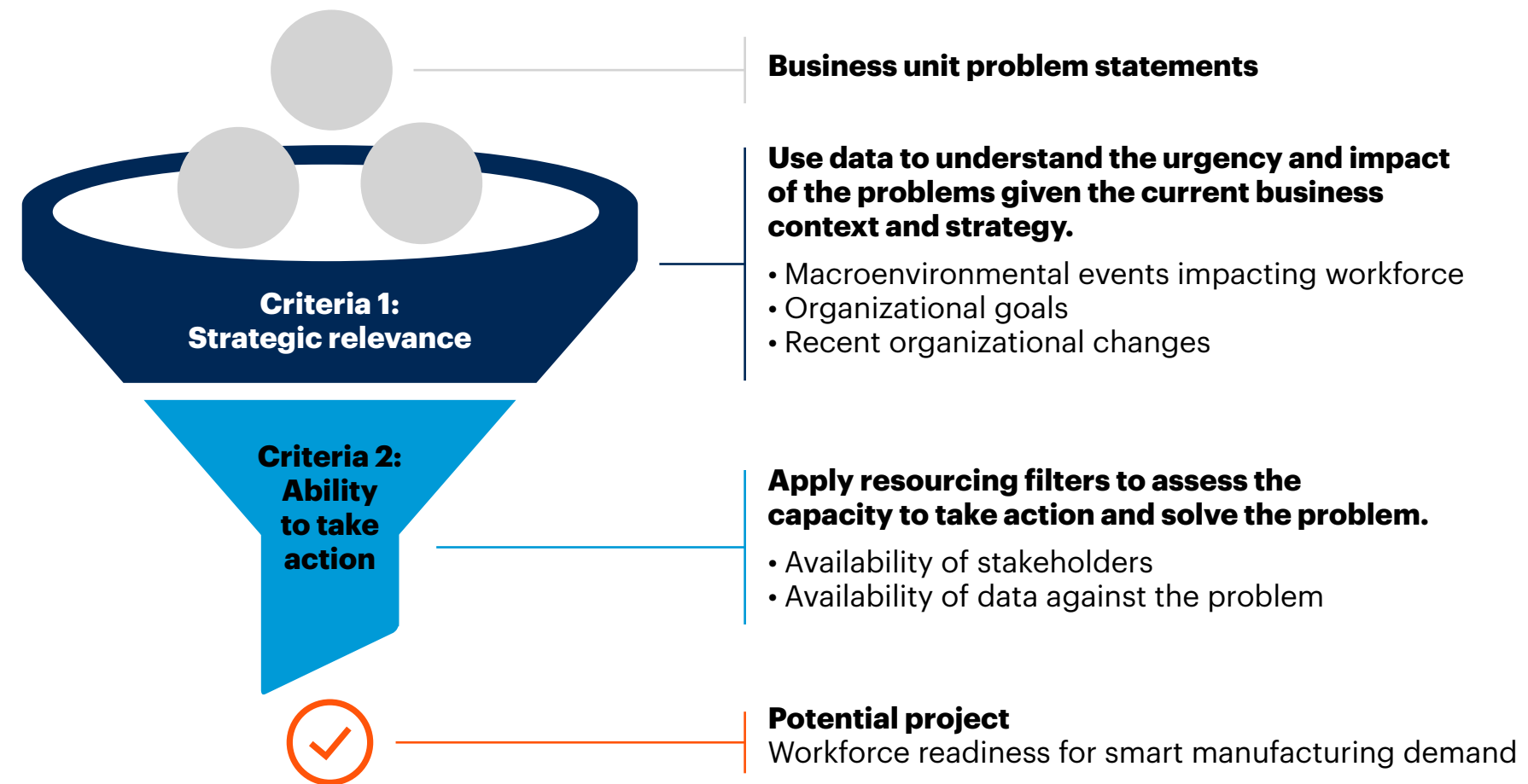
HR leaders at Merck faced challenges in securing and maintaining buy-in from business stakeholders for strategic workforce planning. To solve for this, the HR team created opportunities throughout the strategic workforce planning process to engage all stakeholders in prioritizing and updating the workforce plan. Merck started by vetting business challenges submitted by leaders across the organization using two criteria: strategic relevance, and the SWP team's ability to take action against the problem. By filtering business problems with these criteria, the HR team was able to prioritize specific challenges where SWP could provide valuable insights and solutions (see Figure 4 on the next page).

Once a project was identified, the strategic workforce planning team met with business leaders to act on the following:

- Clarifying workforce goal alignment: size, effectiveness, or readiness
- Reviewing existing inputs to support scenario development
- Reviewing project goals against the organization's financial goals
- Establishing ownership responsibilities and next steps

With this clarity, Merck is able to track progress easily and adjust the plan as necessary, gaining the company sustained buy-in from stakeholders.

» **Figure 4: Filter SWP Needs by Relevance and Actionability**
Illustrative



Source: Adapted from Merck

PRIORITY NO. 4: **Change Management**

Change is an organizational constant that's only becoming more prevalent. However, many of HR's legacy transformation readiness practices were not built to meet the higher volume and complexity of disruptive changes organizations now face. The increased volume of changes, in addition to the disruption that can accompany them, can cause change fatigue and be corrosive.

Today, managers and employees face changes that are both overlapping and continuous. Dealing with change is such a ubiquitous part of employees' day-to-day environment that it is fundamental to their employee experience. Unfortunately,

many organizations are not equipped to cope with the dizzying speed of change and the emerging challenges that come with it — neither in their implementation planning for transformations nor in their preservation of a positive employee experience. In fact, almost three-quarters of HR leaders say their organization's managers are not equipped to lead change, and 73% don't even have an effective method for measuring when a change initiative is successful.¹

Allstate has implemented an enterprisewide change model to help employees engage with organizational transformation, making execution quicker and the change easier to adopt.



Allstate's Change Networks

Leaders at Allstate recognized that in a distributed global work environment, top-down change did not lead to employees absorbing and adopting the change. Instead, the top-down approach created a sense of distance and disengagement among employees.

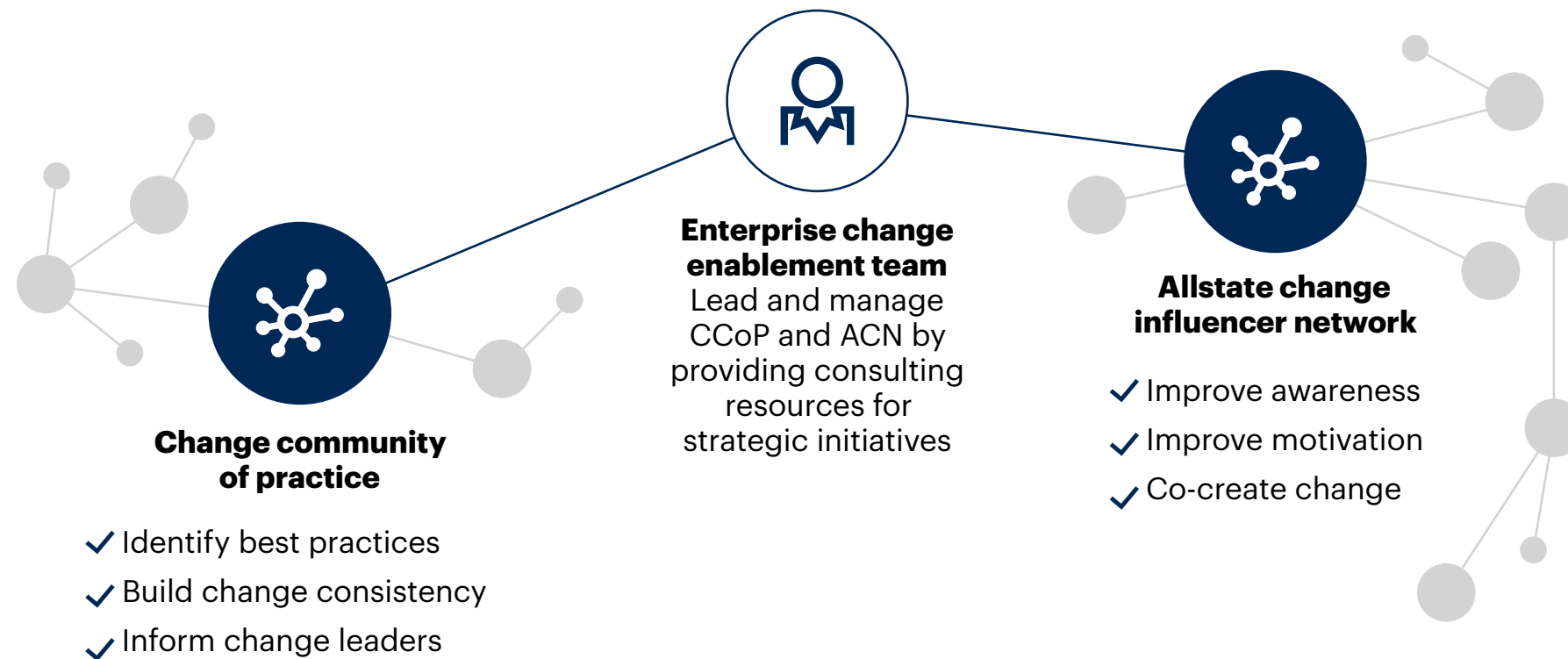
Allstate's network-based operating model effectively drives change transformation from the ground up. It deploys a network of influencers who represent the employee voice and leverages a community of change practitioners to embed best practices, enhancing the engagement, adoption and success of the change (see Figure 5 on the next page). The model uses three key steps:

- Diffuse responsibilities among change influencers and practitioners to make change effective, instead of relying solely on the leadership to advance and execute change.

- Deploy employees with strong peer networks for change awareness, instead of encouraging champions to get everyone onboard with the change.
- Solicit early feedback to make the change process smoother and mitigate potential change risks.

As a result, employees are more aware of the change and have a 9% increase in confidence in their value and ability to shape the change. Allstate witnessed a 6% increase in engagement in a companywide transformational change. To learn more about Allstate's approach.

» **Figure 5: Enable Change Through Influencer Networks**



Source: Adapted from Allstate

PRIORITY NO. 5:
HR Technology

Over the past decade, organizations have tried to meet their ever-changing HR needs by focusing on specific technology features and functionalities. However, HR leaders struggle to leverage market advancements and effectively align their technology execution with their desired future state. In fact, 55% of HR leaders report that their technology solutions do not cover their current and future business needs. This aligns with 51% reporting not being able to measure the business value delivered by HR tech transformation.¹ The disconnect between execution and desired state is one that all HR leaders continue to struggle with, and disappointment in technology deployments come as a result of poor implementation. As a result, HR leaders are often left with unrealized potential when it comes to HR technology’s strategic impact.

Rather than fall victim to these challenges, the City of Sydney has deepened its relationships with vendors to help the local government better leverage HR technology and achieve its strategic organizational outcomes.

City of Sydney's Vendor Partnership

The City of Sydney realized that the missed opportunity in leveraging its HR technology to the fullest extent stemmed from a lack of partnership with its vendors. Specifically, the City determined that it was using vendors to primarily solve technology problems on an ad-hoc basis, which prevented HR leaders from seeing new sources of vendor partnership value. Using vendor partners as technology problem-solvers also limited vendors' insight into and ability to respond to the City of Sydney's changing needs.

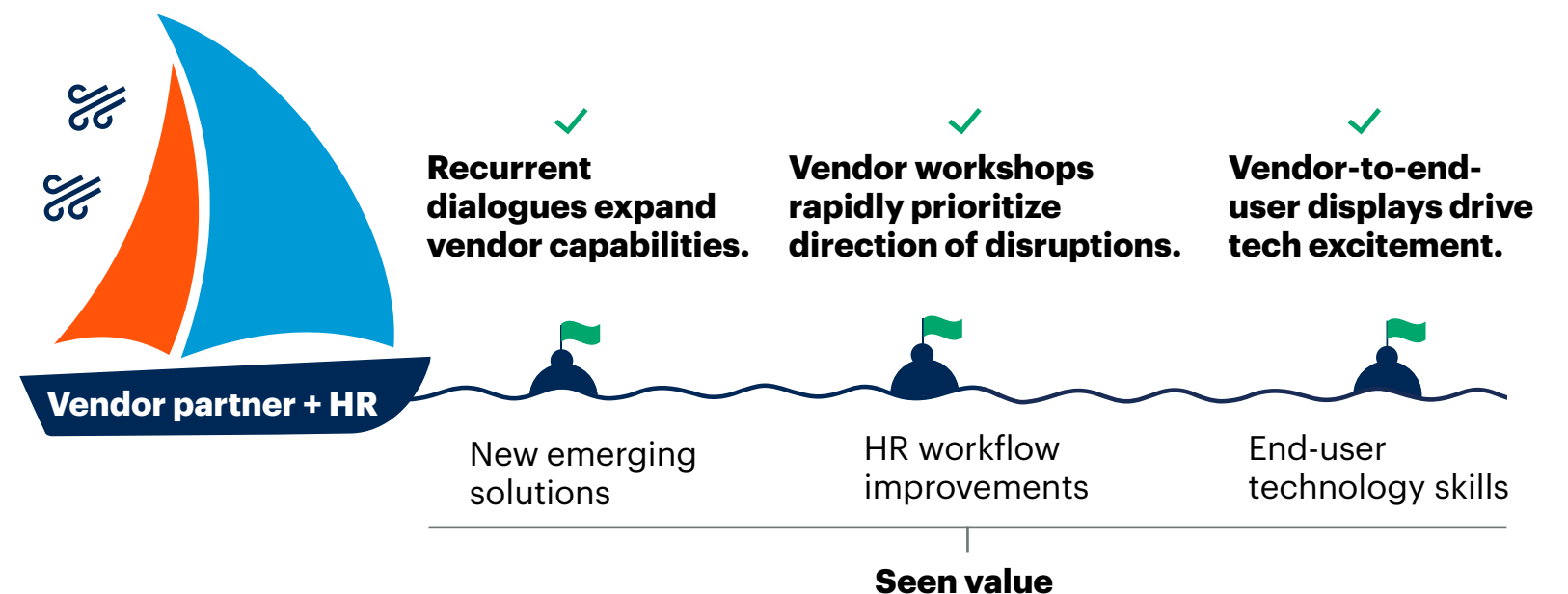
In response to this problem, the City of Sydney's HR technology leader initiated a more transparent relationship with vendors to ensure more strategic support for the City's technology transformation (see Figure 6). This has helped forge a

partnership with vendors that yields technology value in three distinct ways:

1. First, the City of Sydney engages in more frequent dialogues with vendors to increase vendor visibility into HR leaders' and end-users' priorities and expand vendor capabilities.
2. Second, it leverages vendor expertise to rapidly prioritize and resolve technology disruptions.
3. Finally, it ensures vendors directly engage with HR technology end users to build their technology skills, confidence and excitement.

As a result, the City of Sydney's transparent vendor partnerships led to improved technology workflows and stronger HR performance.

» **Figure 6: Transparency With Vendors Generates Value**



Source: Adapted from City of Sydney

¹ 2025 Gartner HR Priorities Survey. The 2025 Gartner HR Priorities Survey was conducted to understand senior HR leader perspectives on their priorities and challenges for the coming 12-18 months. The survey was conducted online from 13 June 2024 through 15 July 2024 and contains responses from 1,403 HR leaders with representation from various regions and industries. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

² 2024 Gartner CEO and Senior Business Executive Survey. This survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2023 through December 2023, with questions about the period from 2023 through 2025. One-quarter of the survey sample was collected in July 2023, and three-quarters was collected from October through December 2023. In total, 416 actively employed CEOs and other senior executive business leaders qualified and participated. The research was collected via 356 online surveys and 60 telephone interviews. The sample mix by role was CEOs (n = 282); CFOs (n = 81); COOs or other C-level executives (n = 32); and chairs, presidents or board directors (n = 21). The sample mix by location was North America (n = 175), Europe (n = 94), Asia/Pacific (n = 93), Latin America (n = 41), the Middle East (n = 8) and South Africa (n = 5). The sample mix by size was \$50 million to less than \$250 million (n = 77), \$250 million to less than \$1 billion (n = 101), \$1 billion to less than \$10 billion (n = 166) and \$10 billion or more (n = 71). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

³ Gartner Generative AI 2024 Planning Survey. This survey was conducted to examine generative AI's use case implementation and impact by business function. The survey was conducted from September through November 2023. In total, 822 business executives who lead corporate functions outside IT and who indicated will begin or continue to implement Generative AI across the next 12 months qualified and participated. The research was collected via online surveys in English. The sample was equally split across the following eight corporate functions: finance; HR; marketing; sales; customer service; supply chain; procurement; and legal, risk and compliance. The sample mix by location was North America (n = 536), Europe (n = 176) and Asia/Pacific (n = 110). The sample mix by size was \$50 million to less than \$500 million (n = 119), \$500 million to less than \$1 billion (n = 129), \$1 billion to less than \$10 billion (n = 374) and \$10 billion or more (n = 200). Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

⁴ 2024 Gartner Leadership Bench Strength and Leader Learning HR Leader Survey. The 2024 Gartner Leadership Bench Strength and Leader Learning HR Leader Survey was conducted to get insights on the initiatives that various organizations are taking to develop their leaders and succession planning strategies. The research was conducted online from 27 February 2024 through 8 April 2024 and contains responses from 162 HR leaders with representation from various regions and industries. The survey was designed and developed by Gartner's HR Practice research team.

⁵ 2024 Gartner Leadership Development Leader Survey. The 2024 Gartner Leadership Development Leader Survey was conducted to understand the development methods, experiences and other factors that play a role in creating successful leadership development programs. The survey was conducted online from 17 April 2024 to 15 May 2024 and contains responses from 985 senior leaders and mid-level managers with representation from various regions, industries, and functions. The survey was designed and developed by Gartner's HR Practice research team.

⁶ 2023 Gartner Q3 CHRO Survey. The 2023 Gartner Q3 CHRO Survey was conducted to understand the opinions of CHROs relating to organizational culture, HR function strategy, and other key topics. The survey was conducted online from 28 September 2023 to 26 October 2023 and contains responses from 88 CHROs and HR leaders, with representation from various regions and industries. The survey was designed and developed by Gartner's HR Practice research team.

⁷ 2023 Gartner State of Employee Experience Survey. The 2023 Gartner State of Employee Experience Survey was conducted to understand employee preferences on topics like EVP, employee perceptions & expectations, hybrid work policies & return to office status, talent outcomes and culture. The research was conducted online from 5 October through 18 November 2023 and contains responses from 3,512 employees with representation from various regions, industries, and functions. The survey was designed and developed by Gartner's HR Practice research team.

⁸ 2024 Gartner Q2 CHRO Survey. The 2024 Gartner Q2 CHRO Survey was conducted to gather insights on how CHROs approach workforce planning, their understanding about how HR leaders collaborate in their organization and assess the current state of leadership development in their organizations. The research was conducted online from 29 April through 3 June 2024 and contains responses from 117 HR leaders representing various regions and industries. This survey was designed and developed by Gartner's HR Practice research team.

AI for HR Leaders Toolkit

81% of HR leaders have explored or implemented AI solutions to improve process efficiency within their organizations.

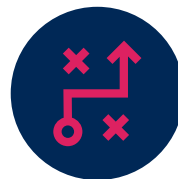
Download your **AI for HR Leaders Toolkit** to leverage actionable guidance, tips and tools to successfully embrace AI in your HR organization, including research on:



5 Ways AI Shifts How Organizations Think About Skills Data



Labor Market Insights: Navigating the Workforce Impact of Generative AI



What Generative AI Means for Your Talent Strategy

[!\[\]\(b18c17fc657b587c69a5722b7427ea01_img.jpg\) **Download Toolkit**](#)



3 Steps

to Create a Strategic Roadmap for HR Technology

by Harsh Kundulli

Organizations need a clear strategic roadmap for HR technology to achieve business outcomes and navigate competing internal priorities and proliferating technology options. CHROs can use the three steps in this article to create this roadmap.

More than 50% of HR leaders say their HR technology solutions do not meet current and future business needs.¹ About 83% of HR software buyers experienced moderate or high regret following their HR technology purchase decision.²

Two key reasons why organizations struggle to achieve key outcomes and regret their purchase decisions are:

- **Competing internal priorities** — Organizations struggle to build consensus on the critical outcomes that HR technology must achieve for various stakeholders (HR, IT, finance, employees, managers and leaders).
- **Proliferating technology options** — Organizations struggle to analyze the complex and ever-changing HR technology market, and to assess potential options for their future-state technology portfolio.

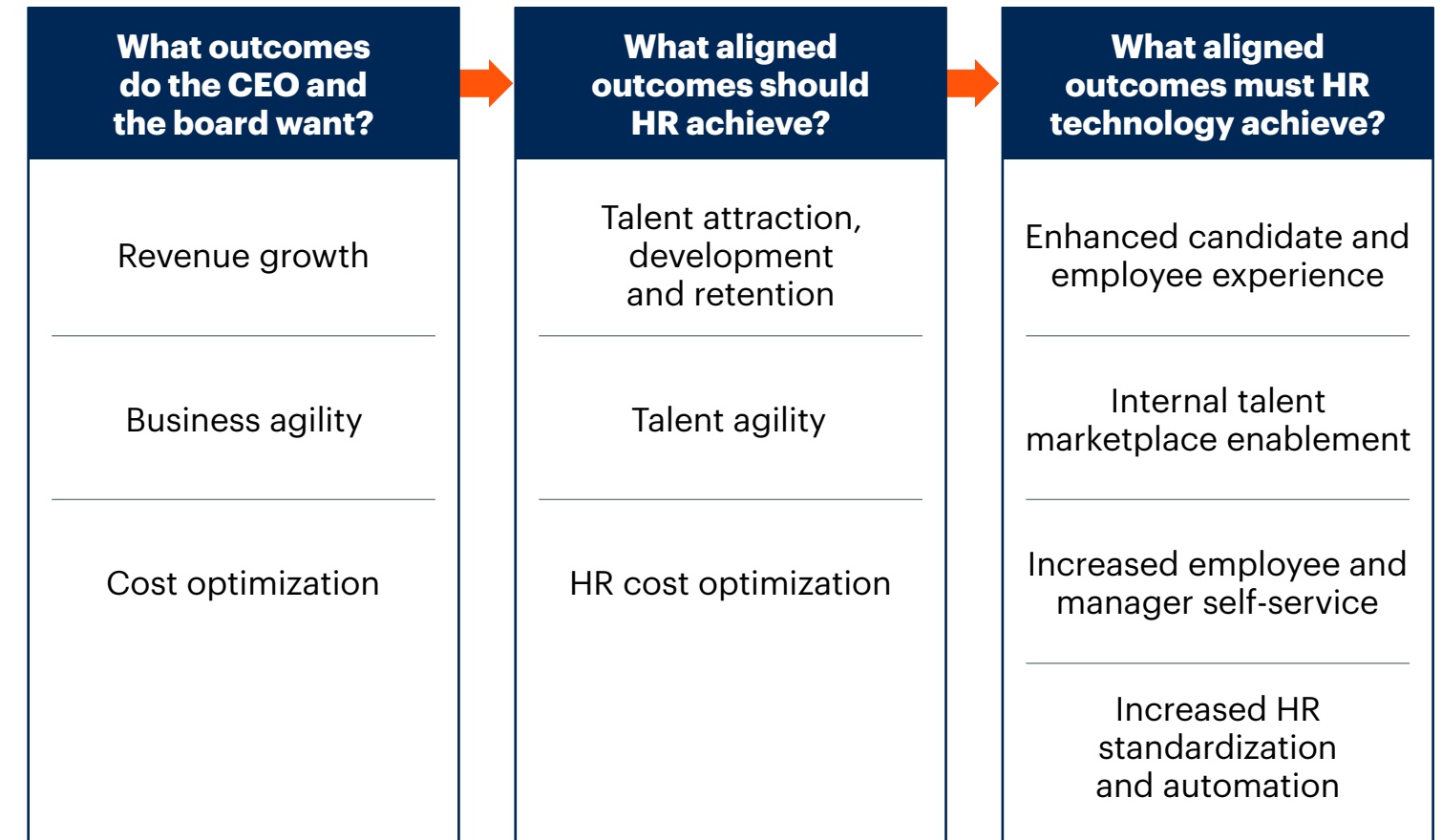
CHROs can overcome these challenges and ensure their HR technology portfolio is fit-for-purpose by taking these three steps to create an effective technology strategy and roadmap that can guide investment decisions toward critical business needs:

- Step 1: Craft a vision
- Step 2: Analyze technology options
- Step 3: Sequence transformation initiatives

Step 1: Craft a Vision

Aligning stakeholders on a vision is critical to overcome the barrier of competing internal priorities. The key is to tie business outcomes to HR outcomes and then to specific HR technology outcomes (see Figure 1 for an example that’s amalgamated from several client inquiries).

» Figure 1: Example of Mapping HR Technology Outcomes



Source: Gartner

In this example, the CHRO and HRIT project team members:

- Reviewed strategy documents and interviewed stakeholders, including the HR center of excellence (CoE) leaders, CIO, CFO, operations leaders, and so on, to identify the business outcomes that matter.
- Conducted targeted group discussions to discuss trade-offs, identify conflicts and build alignment on business outcomes to prioritize.
- Linked HR outcomes to those business outcomes.
- Prioritized the HR technology outcomes that best supported the desired business and HR outcomes.

Mapping outcomes in the order described above is important to ensure business outcomes, not HR technology outcomes, are the driving force behind the strategy.

After compiling this outcome mapping, use these insights to articulate a vision statement for the desired future state, which then will guide all HR tech investments. The vision statement must capture the top two or three prioritized outcomes to be achieved.

In general, Gartner typically sees two main types of HR technology vision statements (see Table 1).

» **Table 1: Types of HR Technology Transformation Visions**

Type of vision	Description	Hypothetical example
Process-led visions	These visions focus on process excellence. User experience for employees, managers and other users is important, but process efficiency, standardization, and cost optimization are most heavily weighted.	“We enable HR operations to deliver streamlined and standardized services to our customers — employees, managers and leaders — in a timely and cost-effective manner.”
Experience-led visions	These visions focus on end-user experience. Process efficiency continues to be critical, but the overarching focus is on offering a smooth, engaging, cross-process, journey-like experience for employees and managers.	“We create a seamless and soulful digital experience for our people that makes everyday work easier and achieves the right balance between human and machine in all the moments that matter.”

Source: Gartner

Organizations are increasingly aspiring to be experience-led, considering the role of employee experience in driving retention and discretionary effort (currently Garner estimates approximately one-quarter of organizations are creating experience-led visions). However, there are still organizations that would be better off with process-led visions due to high cost and efficiency pressures, a need to standardize in the aftermath of merger/acquisition, and other factors.

Step 2: Analyze Technology Options

This step is critical to overcome the challenge of proliferating technology options. Begin by assessing your current state in terms of vision and execution.

Organizations sometimes fail to develop a clear vision before making technology decisions but end up realizing some outcomes nevertheless. Even in such cases, CHROs should determine what those outcomes are and which type of “vision” (see Table 1) the organization has inadvertently pursued.

Along with the two types of visions there are two types of HR technology execution:

- **Suite-centric** — Organizations pursuing this type of execution need very strong justification to use any system other than their human capital management (HCM; see Note 1) suite. They view all HR technology investment decisions through a “suite-first” lens. Often, there are no more than five solutions outside of the suite.

- **Portfolio-based** — Organizations pursuing this type of execution look for solutions with the best functionality for any HR area, irrespective of whether it is delivered by the HCM suite or a point solution. This often means tens or even hundreds of systems besides the HCM suite in the HR technology portfolio.

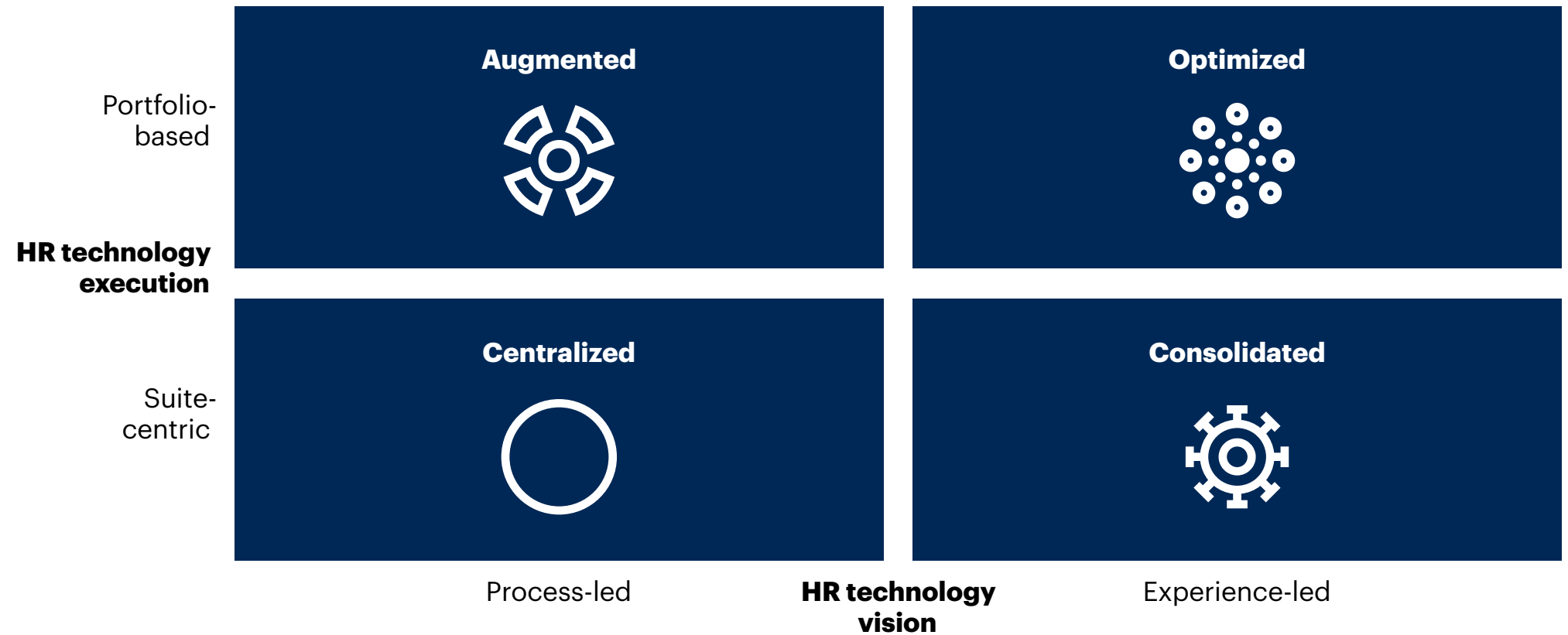
In general, the larger, more complex and more global the organization is, the more likely it is to pursue portfolio-based execution, because the HCM suite modules beyond core administrative HR are less likely to meet requirements. Single-country, midsize organizations, and those in certain industries such as higher education and healthcare, are more likely to prefer a suite-centric approach, especially when paired with a cloud ERP implementation.



HR leaders must assess whether their organization's vision is process-led or experience-led using feedback from administrators, employees and managers, as well as metrics such as HR process efficiency, employee Net Promoter Score with HR technology interactions, and so on. They must then assess whether their organization's execution is suite-centric or portfolio-based by checking the number and types of HR technology systems in use.

Based on their vision and execution, organizations belong to one of four cohorts (see Figure 2).

» **Figure 2: Cohorts of Organizations Based on Their HR Technology Vision and Execution**



Source: Gartner

Centralized Cohort

Organizations in this cohort have a process-led vision and pursue suite-centric execution. They rely heavily on their HCM suite. They may have a few additional, specialized point solutions, typically for local payroll and HR administrative requirements. Integrations are minimal.

The outcomes that organizations in this cohort typically realize are:

- **Streamlined but limited tech enablement** — Technology solutions almost exclusively stay within the HCM suite capabilities' standard configurations. These organizations avoid costly extensions and customization unless absolutely required.

- **Simple but limited employee experience** — Employees' experience of HR technology is based on what the chosen suite provides, as the organization tends to focus more on efficient HR processes and automation and less on critical employee experience needs.
- **Simpler tech maintenance** — Reliance on the suite, with as few integrations to specialist point solutions as possible, avoids complex and costly maintenance requirements.
- **Limited access to innovation** — Improvements over time are mostly based on the enhancement roadmap of their chosen suite.

Consolidated Cohort

Organizations in this cohort have an experience-led vision and pursue suite-centric execution. This cohort again relies on the HCM suite. But they often use suite extensibility or platform as a service (PaaS) to build integrations or create their own workflows within the HCM suite.

Apart from extensions and a low number of additional point solutions, organizations may also buy employee experience capabilities from their suite vendor. Such capabilities include modern portals, HR virtual assistants, help desks, knowledge management and workflows. These capabilities can provide employees a smooth, intuitive, journey-like experience.

The outcomes that organizations in this cohort typically realize are:

- **Streamlined tech enablement** — Enablement is based on deploying the suite's functional modules as they mature.
- **Simpler employee experience** — With most HR processes in the suite, employees and managers have fewer places to go.
- **More complex tech due to extensions** — What an organization extends via PaaS it must maintain until the vendor enhancement roadmap incorporates those configurations and features. This adds to the solution maintenance burden.
- **Limited access to innovation** — Organizations predominantly depend on the suite vendor to deliver innovation via enhancements to existing modules or by building new capabilities.

Augmented Cohort

Organizations in this cohort have a process-led vision and pursue portfolio-based execution. In pursuit of specialized tech capabilities, they usually have tens or even hundreds of additional point solutions, many often acquired reactively. The typical areas outside of the suite are recruiting, learning, global payroll and workforce management, employee listening and analytics, and workforce planning.

The outcomes that organizations in this cohort typically realize are:

- **Deep but siloed tech enablement** — Integrations are often limited, resulting in challenges to consolidating data for reporting and analytics, fragmented HR process support, and more.

- **Disjointed employee experience** — With many point solutions in play, employees and managers encounter divergent user interfaces, which is often challenging to the desire for a seamless experience.
- **Complex tech maintenance** — Keeping multiple point solutions (each with their own update cycle) in sync with the core HR system of record adds complexity (and thus resource requirements) to the HR technology roadmap.
- **Higher access to innovation** — Point solutions by necessity focus on deeper functionality and shorter time to innovation to stay ahead of the HCM suites. Augmented orgs believe that this is worth the cost of increased integration and ongoing maintenance.

Optimized Cohort

Organizations in this cohort have an experience-led vision and pursue portfolio-based execution. They typically have suite extensions alongside point solutions that are typically partners of the suite, enabling smoother integrations.

For employee experience capabilities, these organizations typically prefer specialist employee experience solutions rather than using the suite itself. These specialists, in general, have deeper experience capabilities than the suite which further indicates the experience-led investment philosophy of these orgs.

The outcomes that organizations in this cohort typically realize are:

- **Deep and orchestrated tech enablement** — Enablement is tailored to the organization's needs through a smoothly integrated tech portfolio.

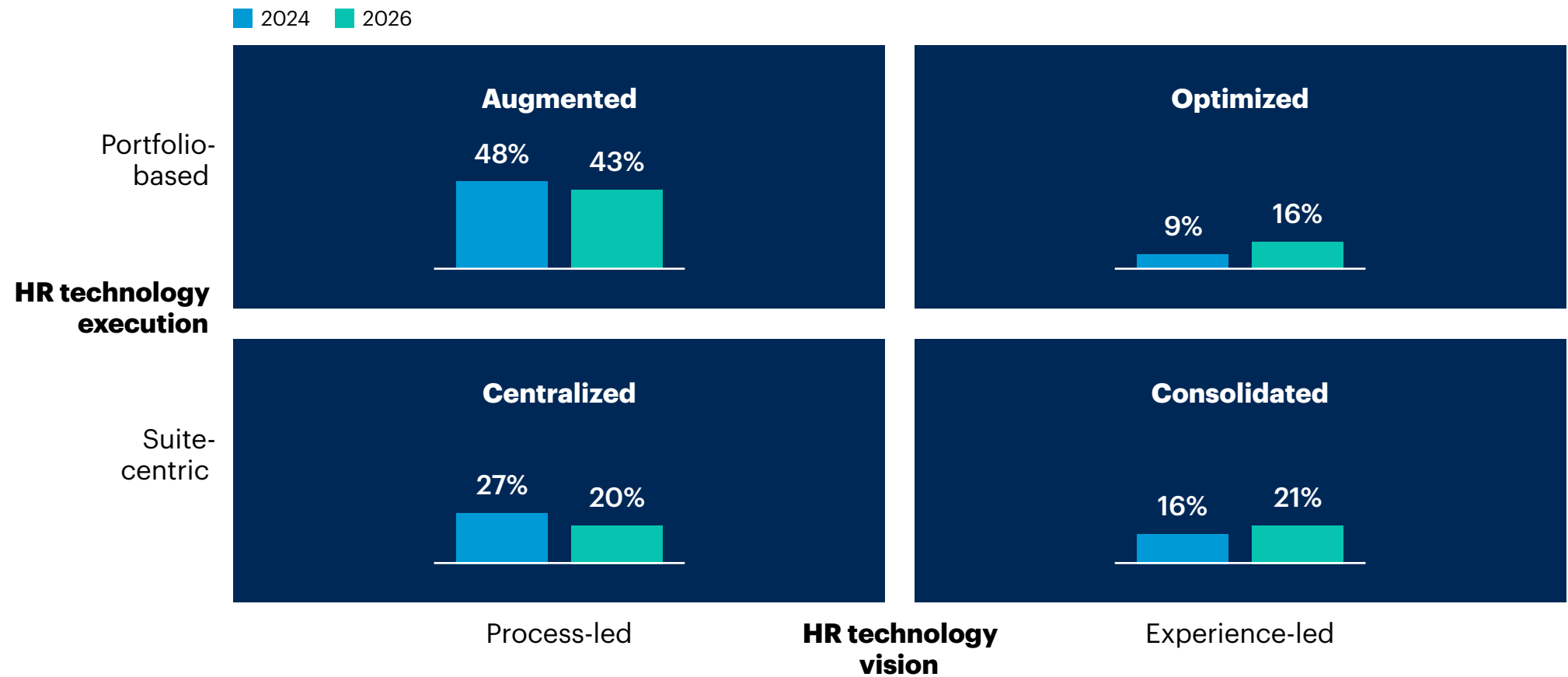
- **Journey-like employee experience** — The deployment of various employee and manager journeys to provide embedded value-added content, guidance and decision support enriches the employee experience.
- **Complex tech maintenance** — This cohort's portfolio is the most complex of the cohorts due to the need to support a broad set of HCM suite extensions, point solutions and custom apps and maintaining a cohesive experience. These enterprises believe the results are worth the higher cost.
- **Higher access to innovation** — Organizations in this cohort are pushing the boundaries of innovation and are always experimenting with leading edge providers to gain any possible advantage.

There is no one best cohort, as each has its own pros and cons. Figure 3 shows the distribution of organizations that fall into each of these cohorts currently, and how we expect this distribution to change in the next two years.

After CHROs determine their current state on this matrix, they can choose their future state by:

- Prioritizing HR business capabilities by considering the role of business capability in driving key outcomes and the level of gaps.
- Creating three to five potential future state technology portfolios that may align to one or more of the cohorts described above
- Assessing these options based on functional fit, technical fit, organizational fit and relative cost, and choosing the best-fit one.

» **Figure 3: Current and Expected HR Technology Cohort Distributions**



Source: Gartner

The key here is to consider not only technology initiatives but also people, process, and data initiatives. Otherwise, organizations risk making significant investments in technologies that people fail to use fully.

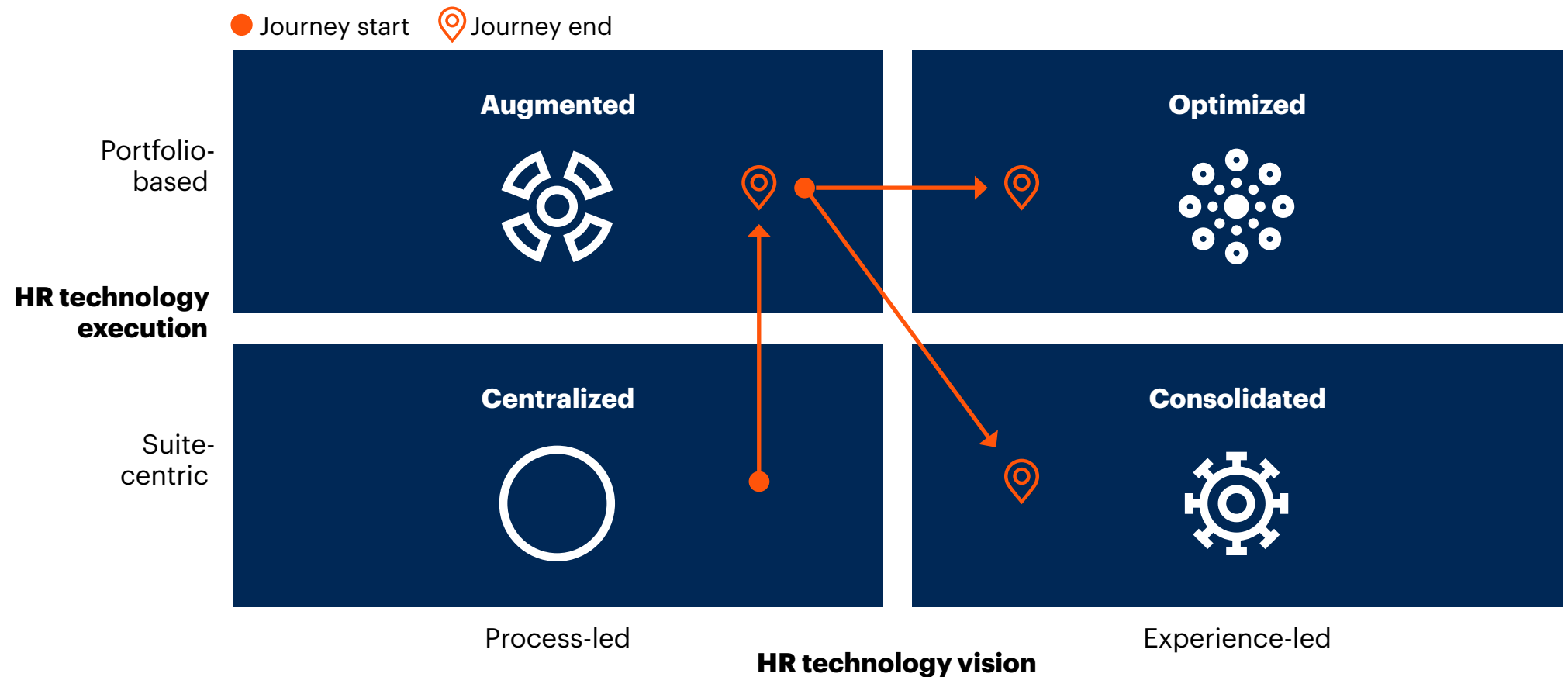
Step 3: Sequence Transformation Initiatives

The next step after choosing the current and desired future states is to create a plan to move from one to the other.

This applies no matter what journey CHROs and their organizations take from current to future states. Figure 4 shows the most common journeys in today's HR technology market, which include:

- **Augmented to consolidated**, typically because organizations are fed up with the complexity of a multitude of different systems and want to consolidate.
- **Augmented to optimized**, typically to enhance employee experience while continuing to take advantage of innovations in the market.
- **Centralized to augmented**, typically because organizations want deeper functional capability beyond just the HCM suite. This includes the move from on-premises to cloud.

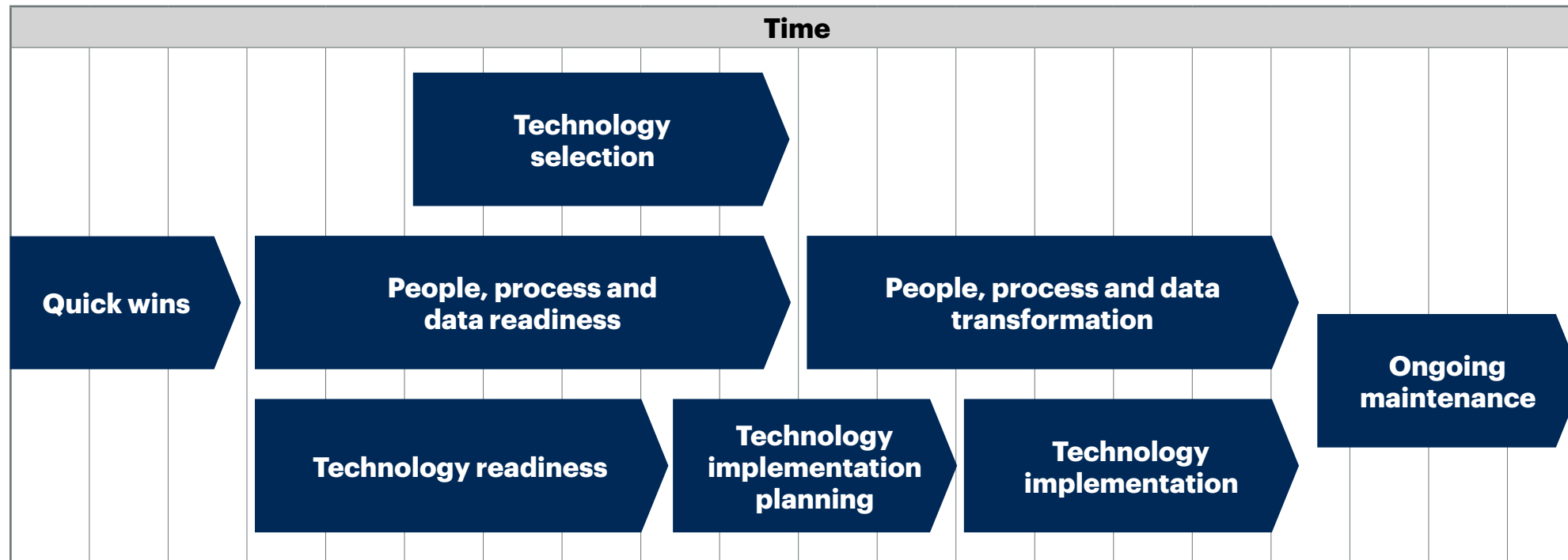
» Figure 4: Most Popular HR Technology Transformation Journeys in Today's Market



Source: Gartner

» **Figure 5: A Simplified Sample HR Technology Transformation Roadmap**

Illustrative



Source: Gartner

No matter the journey, CHROs must consider key technology, people, process and data initiatives. Then conduct workshops with key stakeholders to prioritize these initiatives based on the value of the initiative, its complexity and its time-to-value.

Then sequence these initiatives on a timeline view to create a strategic roadmap. A simplified sample roadmap is shown in Figure 5.

Conclusion

Adopting a structured approach to creating your HR technology roadmap will help you overcome competing internal priorities and proliferating technology options and achieve critical business outcomes. It will also help you make the most of the HR technology options available in the market and drive optimal adoption.

¹ 2025 Gartner HR Priorities Survey. This survey was conducted to understand senior HR leader perspectives on their priorities and challenges for the coming 12-18 months. The survey was conducted online from 13 June 2024 through 15 July 2024 and contains responses from 1,403 HR leaders with representation from various regions and industries. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

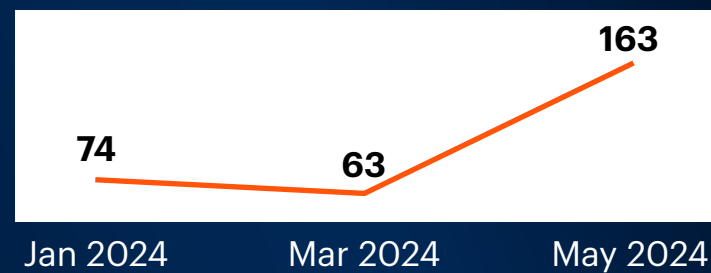
² 2022 Gartner Functional Business Buyers Survey. This survey was conducted to understand how functional business units within organizations approach large-scale software purchases to support their business function. The research was conducted online from September through mid-December 2022 among 3,048 respondents representing six different business functions: customer service and support (n = 508), finance (n = 518), human resources (n = 509), marketing (n = 513), sales (n = 499), and supply chain management (n = 501). All surveyed organizations had at least 250 employees and at least \$50 million in annual revenue in fiscal 2021. All respondents resided in either North America (42%), Western Europe (37%) or Asia/Pacific (21%). The North American countries represented in the survey were the U.S. (30%) and Canada (12%). The European countries were France (11%), Germany (12%) and the U.K. (14%), and the Asia/Pacific countries were Australia (9%), Singapore (7%), India (3%) and New Zealand (2%). Respondents represented more than 15 Industries, including banking and investments, communication service providers, education, healthcare providers, insurance, manufacturing, media, natural resources, public sector, retail, services, technology service providers, transportation, utilities and energy, and wholesale. All but a handful of respondents were at the manager level or higher within their organizations and participated in the purchasing process for software specifically for their respective business function during the previous two years. Software purchases were either new, replacement or expansion purchases. At least 96% of the functional business unit software purchases reported by respondents had contract values of at least \$50,000, and 43% were more than \$1 million. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and organizations surveyed.

Deepfake Scams Require HR Intervention

by Rashleen K. Arora and Anya Jain

Learning and development (L&D) has an important role to play in combating the threat of deepfake scams. CHROs and L&D leaders should partner with cybersecurity teams to train employees on recognizing and reporting deepfakes. This is critical to maintain trust and safeguard the organization's reputation, workplace culture and employee well-being.

Social Media Conversation by Business Executives on Deepfakes and AI Misinformation (Volume, Indexed to 100)



Source: Social Media Listening Analysis

Why is it concerning?

HR leaders have identified security challenges (83%) and risks of reputational damage for the employer or employee (70%) as the top two impacts of deepfake scams.



94% of HR leaders say deepfakes are a concern for their organization.

HR emails are already one of the most common methods used to execute cyberattacks on organizations. With Gen AI's ability to produce sophisticated deepfakes that target employees directly, HR leaders cannot afford to leave cybersecurity matters to IT alone. L&D has a big role to play in preparing the workforce for this new threat.

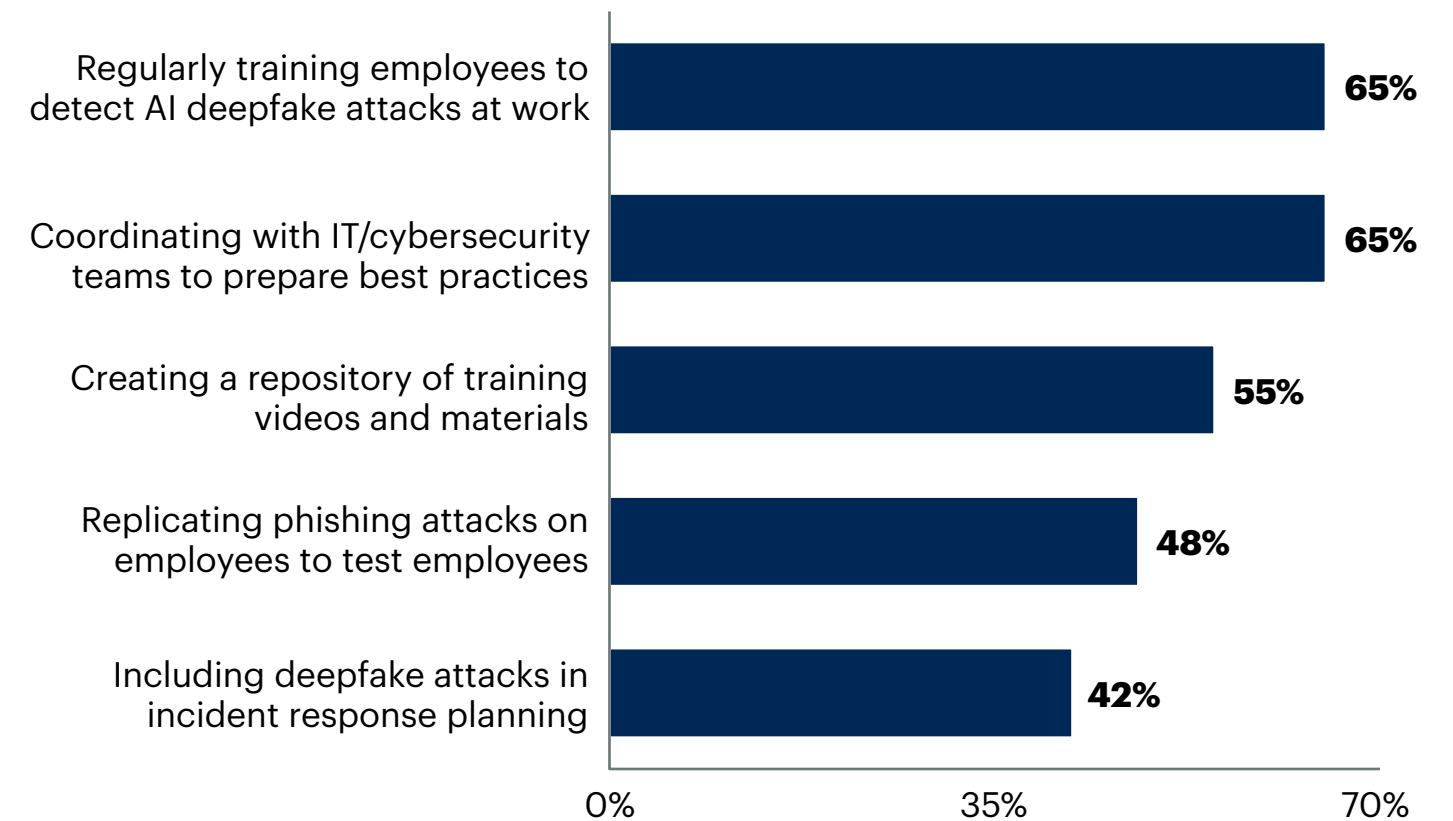


Aaron McEwan
VP Advisory,
Human Resources

How are HR leaders responding?

- Three out of four HR leaders say **L&D will play a critical role** in mitigating the impact of deepfakes by training employees to detect deepfakes at work.
- Eighty-six percent of HR teams are **training or planning to train** employees to **recognize and report deepfakes**. The next best action HR leaders are implementing or considering is using secured channels.

Top Measures HR Leaders Expect L&D to Implement to Prepare for Deepfake Attacks



n = 31-47 HR Leaders

Q. What is your organization doing to improve work-life balance? (Select all that apply)

Source: Benchmark With Gartner: GenAI HR Disruption, Deepfakes at Work & Labor Market Climate (Jul 2024)

AI in HR:

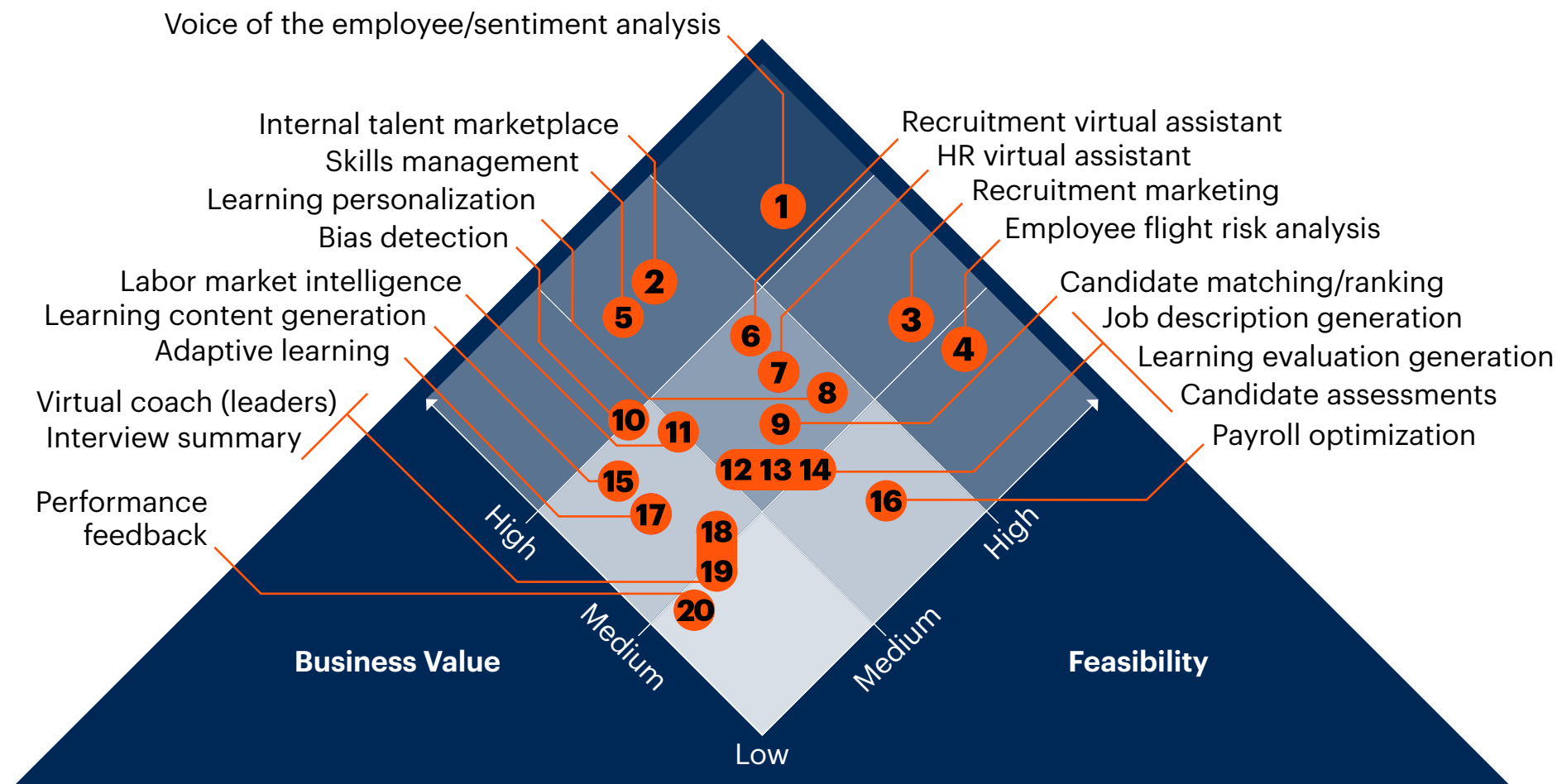
Hits, Misses and Growing Pains

by Helen Poitevin

CHROs still face challenges in prioritizing, selecting and getting value from AI due to the variable quality of offerings, fast-changing vendor roadmaps and rapid technological advancements. CHROs can use this research to cut through the hype and make more informed AI investments.



» Figure 1: AI Use-Case Prism for Human Capital Management



Source: Gartner

AI can be deployed in HR in many ways. Our AI use case prism illustrates a selection of use cases, ranked by business value and feasibility (see Figure 1).

To prioritize AI use cases, CHROs need to analyze business and HR strategies alongside AI’s readiness to address them, and also take into account the organization’s risk appetite and readiness to innovate.

We will highlight three domains where HR leader interest is high:

- AI in recruiting
- HR virtual assistants (HRVAs)
- AI-enabled skills management

In each of these domains, we will look at hits, misses and growing pains, as well as what’s next:

- How leading organizations are using AI successfully
- Where AI applications still fall short
- What obstacles or challenges CHROs need to look out for
- How we expect AI offerings to evolve in the coming years

AI in Recruiting

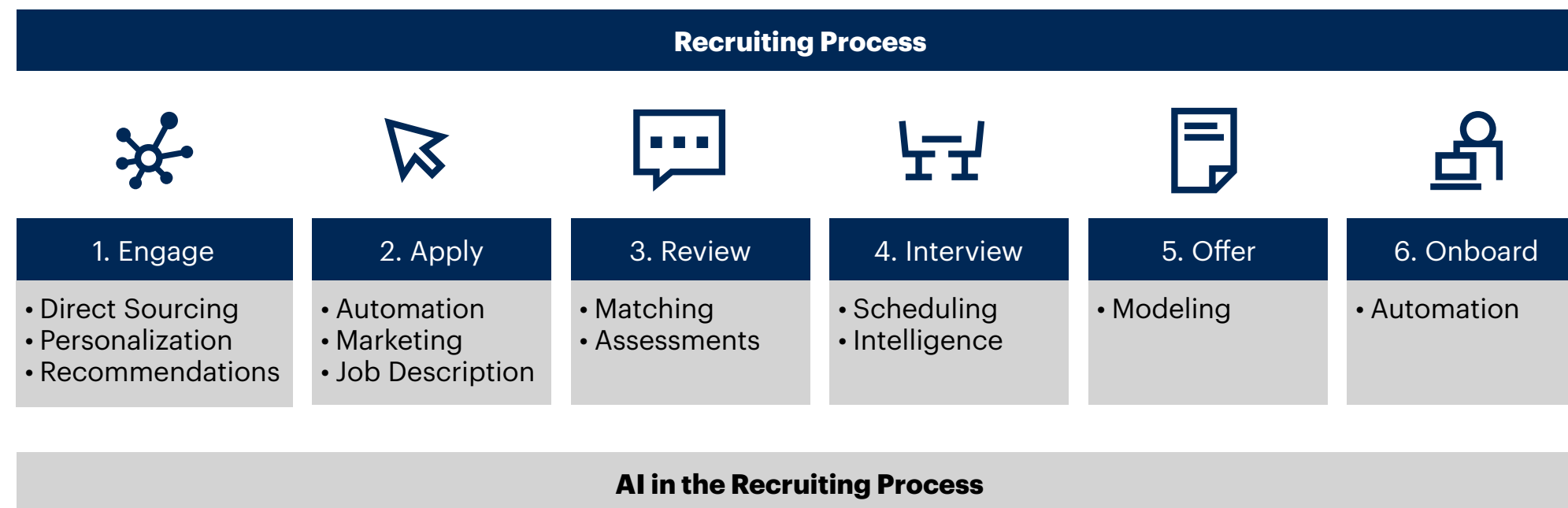
AI is pervasive in every step of the recruiting process (see Figure 2). It is used to increase process efficiency and improve experience for candidates, hiring managers and recruiters. In some cases, it can be a part of the solution for addressing issues related to bias or candidate pipeline quality.

👍 Hits:

Adoption of AI in recruiting is strong. Many organizations are no longer asking whether to invest. They are asking when and how to prioritize investments given the types of recruiting they need to support, such as high-volume, graduate, specialist, executive or internal hiring. They are focused on improving their use of AI in recruiting, rather than on just getting started.

The complexity and volume of recruitment activities inform the selection of AI use cases. In high-volume hiring, for example, virtual assistants, candidate assessments, automated interview scheduling and further automation are frequently deployed. When candidates for highly complex roles are rare, AI for labor market insights, direct sourcing and recruitment marketing are the more likely choices.

» Figure 2: AI Featured Throughout the Recruiting Process



Source: Gartner

The results for high-volume hiring have been particularly successful. A growing number of organizations are able to use these technologies in concert with people and process changes to achieve same-day hiring. This is not only a process efficiency win — it allows the business to be much more agile in responding to fluctuating business demands.

Organizations just getting started with AI in HR are likely to start with AI in recruiting. In cases where external hiring activities are low, the response could be using AI to support internal hiring by matching existing employees with new opportunities. The benefit for such organizations is that many others have already implemented such capabilities, and they can leverage the lessons learned from those experiences.

Misses:

Technology portfolios to support recruiting have always been complex. AI does not solve this complexity, as there is no single vendor that can cover all of the use cases. Indeed, AI more often leads to even greater complexity in technology portfolios, requiring significant investment to connect multiple solutions and orchestrate recruiting flows to achieve process efficiency benefits.

Growing Pains:

As AI has matured in recruiting, so have the concerns for AI's potential to reinforce bias in hiring decisions. Regulatory compliance risk has grown as an increasing number of laws have emerged around the world with the aim of limiting discrimination or other harm in hiring decisions.

CHROs need to work with their teams to:

- Ensure their organization remains compliant with relevant laws and regulations in their own practices.
- Monitor their vendors' practices and demand proof of compliance.

What's Next?

Generative AI (GenAI) is introducing another challenge for recruiters. As more candidate profiles are created and embellished through the use of GenAI, new standards will need to emerge to evaluate these profiles and discern truth from fiction. Additionally, fake candidate profiles are easier to create and need to be detected and flagged quickly so as to not disrupt recruiting processes.

AI to augment candidate, recruiter and hiring manager decisions is relatively well-established. The next frontier for recruiting is the AI avatar recruiter. This AI agent would take on the role of the recruiter and be the primary point of contact for hiring managers throughout the recruiting process. While this next development won't be without its challenges, it will lead to a substantial change to the way recruiting is done. An AI avatar recruiter won't have trouble navigating the sometimes severe ups and downs in demand for filling roles quickly. This is why we predict that by 2028, 10% of hiring managers will work with an AI avatar recruiter to fill roles, up from less than 1% today.

HR Virtual Assistants

HRVAs are software that is either integrated with human capital management (HCM) applications or natively provided. HRVAs work with multimodal human prompts (usually text and/or voice prompts) through a conversational (chat) user interface to assist employees and HR staff in completing HR tasks or requests. This multimodal human-machine interaction takes place via smartphone, tablet, computer or other specific device.

Hits:

Hype around GenAI and positive experiences with commonly available GenAI chat interfaces has led to a new wave of interest in HRVAs. The previous wave of interest emerged after the growing popularity of consumer-facing virtual assistants like Apple's Siri, Amazon's Alexa and Alphabet's Google Assistant. Interest is robust, and experiments abound.

Some organizations have already invested heavily in enabling employees and managers to **accomplish their HR-related tasks** through a conversational user interface. When done well, the Net Promoter Score is high; managers brag about how easy it is to accomplish their HR tasks. Adoption is equally high, and the time saved per process or task is significant, especially for managers.

Misses:

Many organizations that implemented HRVAs in the last wave of hype faced low employee adoption and low employee opinion of their value. The potential for facing the same challenges is high.

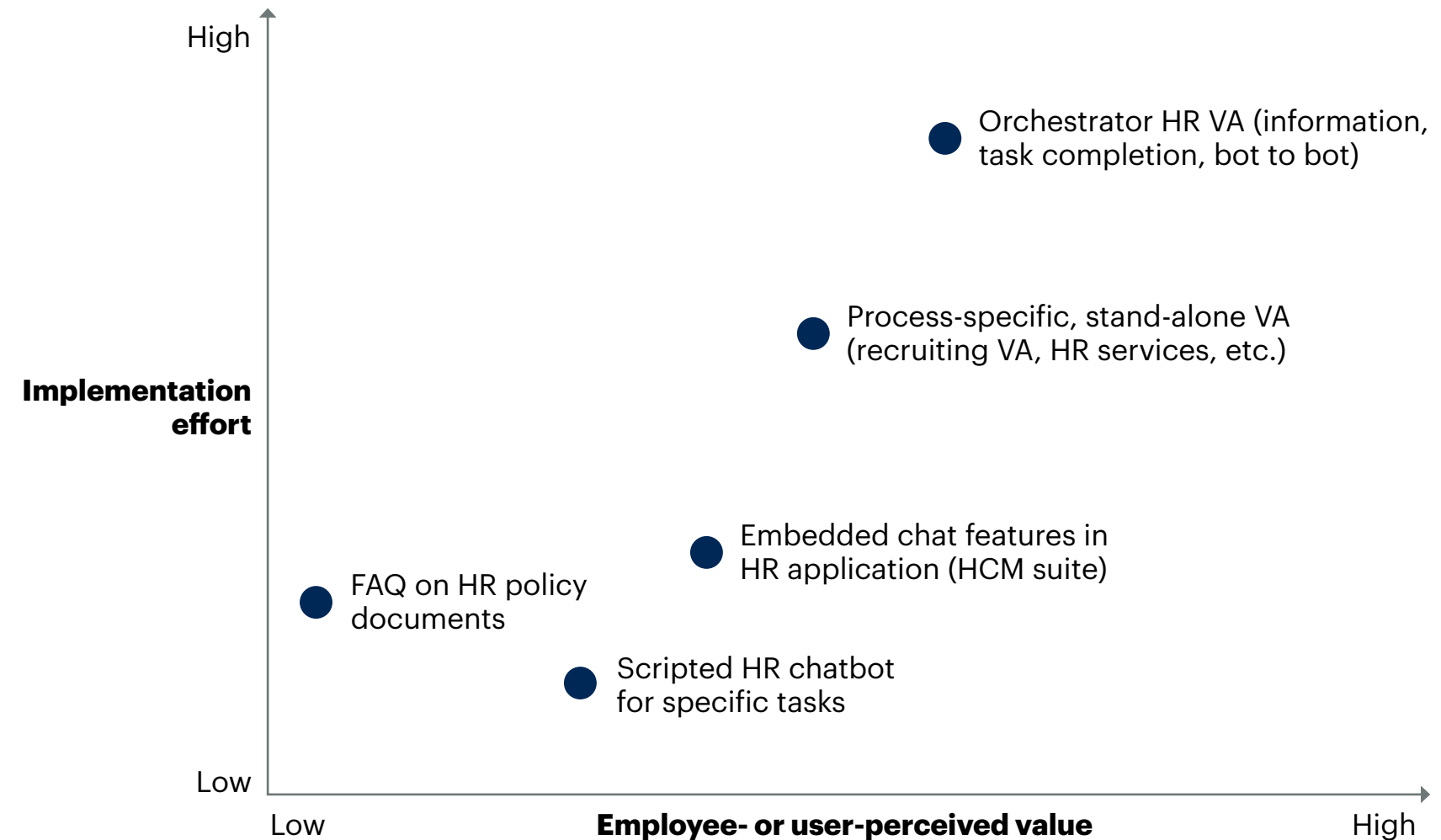
The easiest form of HRVA to deploy is an FAQ-oriented chatbot answering questions based on summarized answers from a knowledge base. This is a high-volume request — from the perspective of the HR services team. However, each individual employee makes this type of request very infrequently, so employees tend to perceive little value in such capabilities.

Individual employees would perceive more value if they got the answer and were able to accomplish related tasks without leaving the conversational interface. But this approach requires much more effort to implement due to the number of HR applications and data courses that require integration, and the number of task flows that must be designed and supported (see Figure 3).

⚠ Growing Pains:

Testing GenAI capabilities to query HR policy documents is relatively low-effort for CHROs and their teams, and can provide valuable lessons.. But it remains to be seen whether the growing use of GenAI copilots and virtual assistants in the enterprise will take off to the point that employees and managers default to the chat before logging into any HR system. This will vary per type of implementation, represented in Figure 3.

» **Figure 3: HRVA Types by Implementation Effort and Employee- or User-Perceived Value**



Source: Gartner

To gain more value, CHROs must work with their teams to:

- Start embedding deep links to policies or implementing some task flows to provide a better user experience for managers and employees.
- Avoid essentially building out a custom interface over all of their HR applications. This is expensive and requires a high effort to implement and maintain.
- Monitor vendor roadmaps for improving conversational user interface capabilities built directly into HR technology platforms.

→ What's Next?

Most commercially available HR applications now support compatibility with the user interface of a mobile device. If HR virtual assistants follow the same path, the next decade will see a gradual move toward a conversation-dominated experience in interacting with HR applications. The vast majority of current HR application user interfaces are based on a visual interface, with a very limited conversational interface. In the next decade, we can expect to see these interfaces change, with a significant majority transitioning to conversational.

In the meantime, however, few organizations will succeed at having employees and managers complete 90% or more of their HR tasks in a conversational user interface. Because effort remains high, we are likely to see another dip in interest and employee or manager adoption, despite all of the current hype and interest.

AI-Enabled Skills Management

AI-enabled skills management is a foundational capability within talent and day-to-day work contexts that applies natural-language processing, knowledge graphs and other AI techniques to build a dynamic representation of skills data. It is used to automate skills inference for people, content, work tasks, career paths and jobs.

Hits:

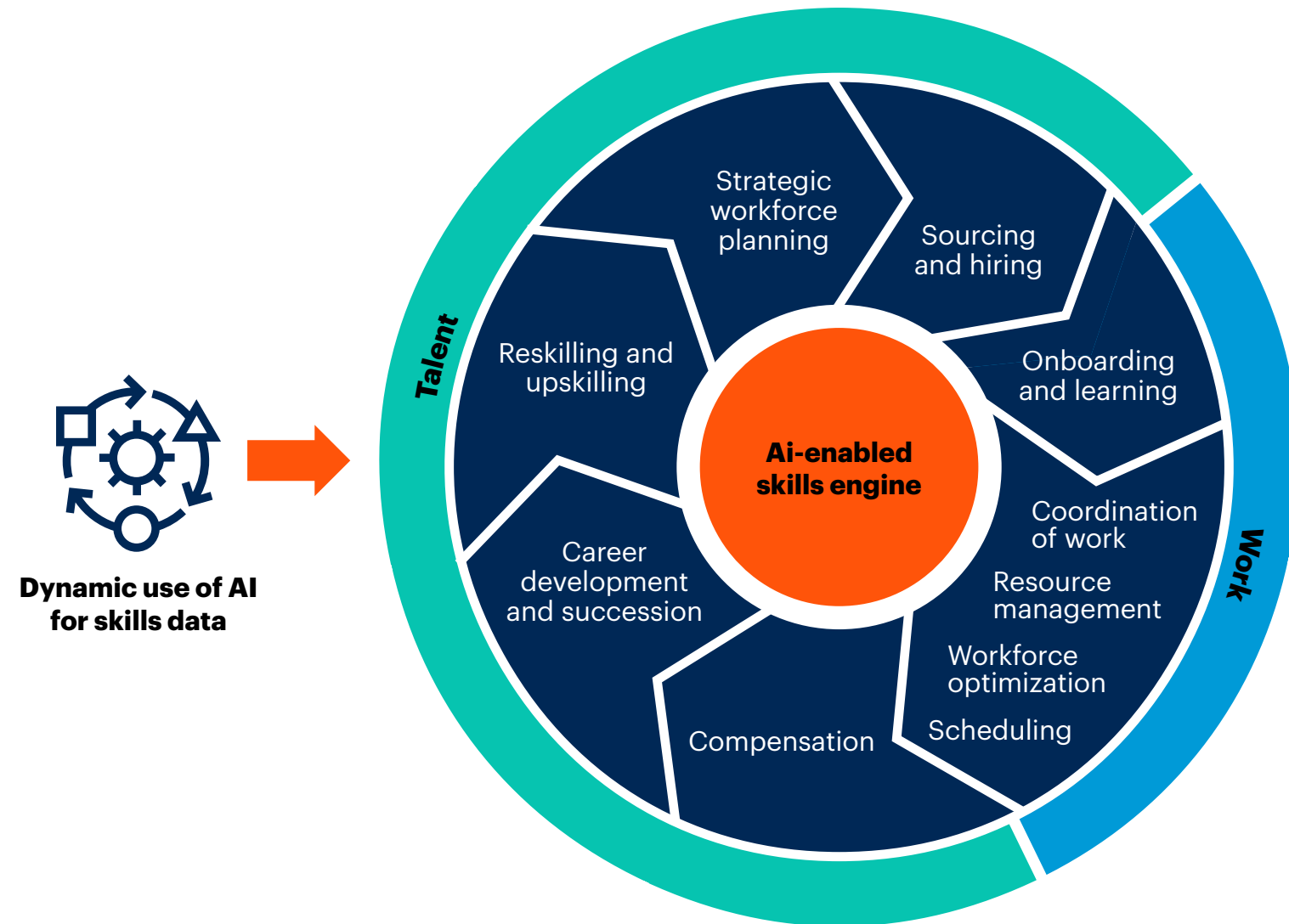
Skills-based talent management cannot scale or be sustainable long-term without AI-enabled skills management. When used well, skills data informs many recommendation engines for internal mobility, candidate fit, learning content, project roles, coaches and mentors.

Advanced organizations have already matured their use of AI, improving the relevance and usefulness of inferred skills data over time. Employees accept inferred skills at a high rate and express higher satisfaction with career development. The most advanced organizations are building a shared skills data infrastructure for both HR-led talent processes and business-led workforce processes such as staffing, capacity, resource management or scheduling (see Figure 4).

Misses:

Skills data remains complex. The quality of technology solutions varies significantly across providers. Many in HR remain confused about how to connect the structured skills data found in classic job architectures with the more granular and often chaotic skills data that are tied to day-to-day work activities and are continuously evolving. Traditional job architectures and skills architectures can be designed from the top down by first looking at roles and then breaking them down into their component skills. AI-enabled skills management works in reverse, from the bottom up, beginning with the small, messy, chaotic and unstructured skills data. It then stores that data in a structure that enables skills inference and matching.

» **Figure 4: Reach of AI-Enabled Skills Management**



Source: Gartner

Metadata is necessary to trust AI-inferred skills data. Metadata stores contextual clues that inform a skills inference. Context is everything when judging skills relevance, proficiency or strength. Most organizations are faced with managing multiple solutions, each with its own AI-enabled skills management features. Very few of these solutions are equipped to share or consume metadata. Without the metadata, only the skills tag remains, and the quality of recommendations plummets because context and relevance is lost.

Growing Pains:

Getting to value with skills data is a long-term investment rather than a short-term win. To take this into account, CHROs must:

- Create a long-term skills vision and ambition. This needs to include an answer to the following questions: Do they intend to focus only on skills within talent processes? Do they intend to share a skills data infrastructure with the business?
- Aim big, but start small. They will need to learn from their solutions, and grow confidence in the AI inferences.

- Start with the teams that are the most ready for using skills data, especially in digital disciplines or domains where employee expertise is a key component of business leader staffing decisions.

→ **What's Next?**

Gartner predicts that by 2028, 40% of large organizations will have invested in two or more AI-enabled skills management solutions with the aim of delivering business agility. In the first stage of roll-out, organizations will need to rely on multiple solutions. This will make data messier, so HR teams should share data across solutions wherever possible.

AI-enabled skills data has the potential to help HR teams extend their reach in supporting work-level processes such as function-specific staffing and capacity and resource management. However, many HR teams are ill-equipped to take this on. There is equal potential for proliferation of skills tools as HR-led solutions don't meet business needs, and business leaders implement their own industry or function-specific tools that are better adapted to their needs.

Conclusion

In each of these three domains, AI has already had a significant impact on HR processes, and this impact will only broaden as more HR functions adopt AI-powered solutions in the coming years. As AI solutions of variable quality proliferate in the market, CHROs must work with their teams to carefully assess whether the technology they are looking at is proven to meet their organization's needs, or whether they can afford to experiment with a less-established use case. They should also consider the user experience for employees, candidates, managers and HR teams, as a negative experience with AI could make stakeholders wary of future investments. Finally, they must keep an eye on a fast-evolving market landscape and regulatory changes. Taking these steps will bring more value from HR's AI investments.



Compounding Barriers Undermine Confidence in Leader and Manager Development

by Kate McLaren-Poole

For the third consecutive year, leader and manager development remains the foremost priority for HR leaders heading into 2025. According to a recent survey of 1,400 HR leaders, nearly 60% named leader and manager development among their top 5 priorities. However, less than half of these leaders express confidence in their function's ability to deliver on goals in this critical area in the next 12-18 months.

Several barriers impede organizations' progress towards their leader and manager development objectives. In particular, 75% of respondents indicated that their managers are overwhelmed by the expanding scope of their responsibilities, and 69% reported that their leaders and managers lack the necessary skills to effectively lead change. HR leaders who encounter these and

other barriers are markedly less confident in achieving functional goals in this area, resulting in a confidence gap between those who are experiencing a barrier and those who are not.

Some barriers have a greater negative impact on HR leaders' confidence than others. Of the seven barriers we studied, those with the greatest negative impact are:

1. Not knowing how to measure the effectiveness of leadership development
2. Not knowing how to adapt leadership development approaches for the future of work
3. Not effectively developing senior leaders
4. Not effectively developing mid-level leaders

Notably, the two with the greatest negative impact are related to measurement and strategy (see Figure 1 on the next page).

The number of barriers faced by organizations also plays a crucial role in shaping confidence levels. One-third of HR leaders report three or fewer barriers, while two thirds report between four and seven barriers. The more barriers organizations face, the less confident they are that they can achieve Leader and Manager Development goals (see Figure 2 on the next page). Organizations reporting four to seven barriers experience a sharp decline in confidence compared to those with three or fewer barriers, which we call the "barrier cliff."

To bolster confidence and enhance the likelihood of success in leader and manager development, HR leaders should first identify what barriers they face and focus efforts on mitigating those that pose the greatest threat to success. Focusing on measurement and strategy initiatives as well as those that tackle multiple barriers at once will be especially effective in overcoming these challenges and avoiding the barrier cliff.

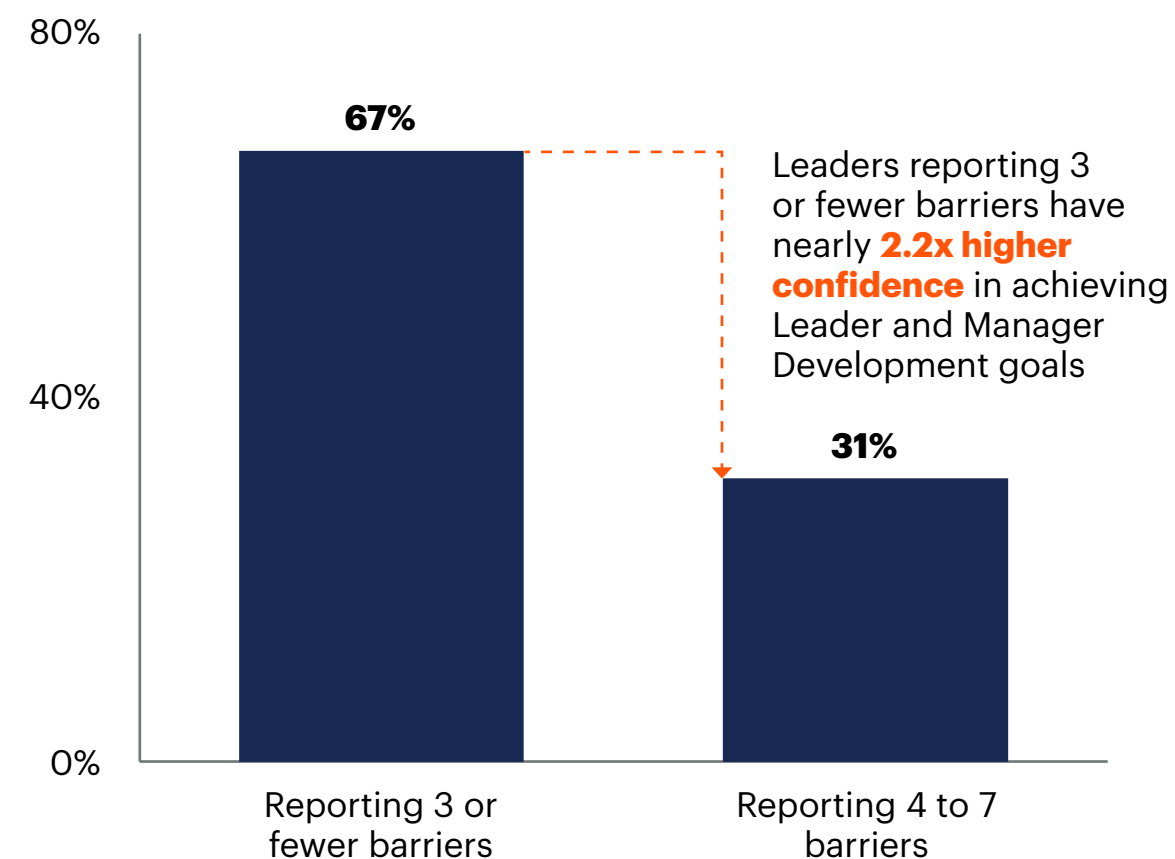
» Figure 1: Barriers with Greatest Negative Impact on Confidence

1 We don't know how to measure the effectiveness of our leadership development	▼47% lower likelihood of confidence
2 We don't know how to adapt our leadership development approach for the future of work	▼45% lower likelihood of confidence
3 We do not effectively develop senior leaders	▼43% lower likelihood of confidence
4 We do not effectively develop mid-level leaders	▼40% lower likelihood of confidence
5 Our managers are overwhelmed by the growth of their job responsibilities	= Doesn't significantly lower confidence
6 Our leaders and managers aren't ready for what's next	= Doesn't significantly lower confidence
7 Our leaders and managers aren't equipped to lead change	= Doesn't significantly lower confidence

n = 805 HR leaders

Source: 2025 Gartner HR Priorities Survey

» Figure 2: Percentage of HR Leaders Who Are Confident in Achieving Leader and Manager Development Goals



n = 805 HR Leaders

Source: 2025 Gartner HR Priorities Survey

Secure Candidate Commitment

With Postacceptance Engagement

by Tess Lawrence

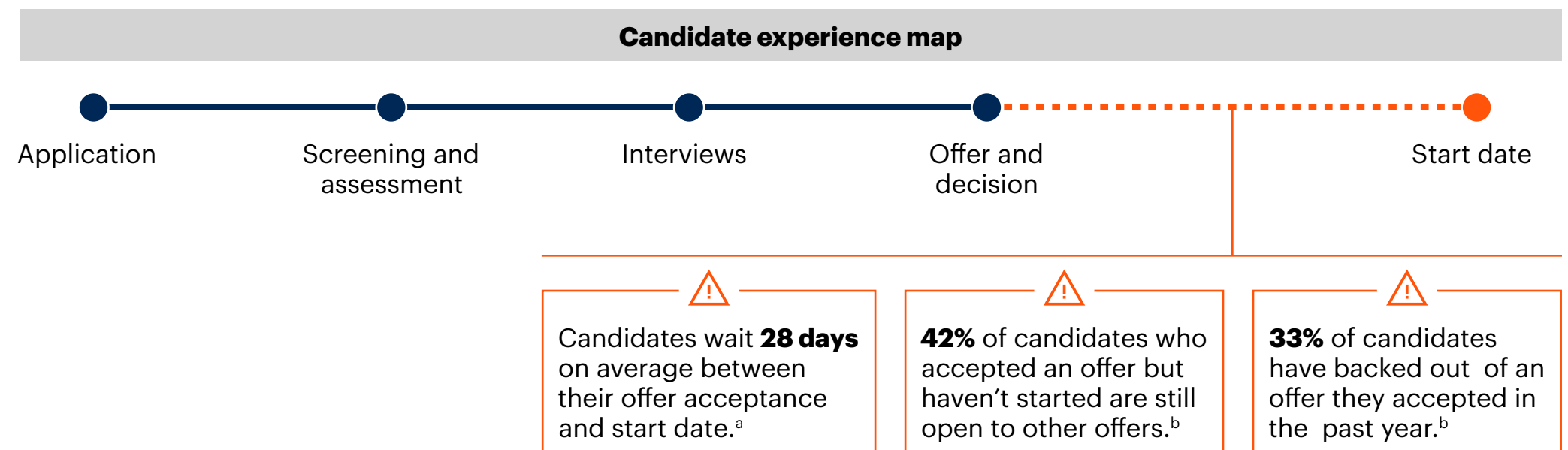
Candidates' offer commitment can erode if organizations neglect to interact with them between their offer acceptance and start date. Recruiting leaders can build and maintain candidate commitment by signaling this is the right role, organization and team for them before they start.



The Candidate Engagement Challenge

Maintaining candidate engagement is a persistent challenge for recruiting teams, particularly in a competitive labor market. To build a compelling candidate experience, most organizations have focused their engagement efforts on the preoffer stages of the hiring process. However, keeping candidates on track to accepting their offer is no longer the indicator of commitment that it used to be. The average gap between a candidate's offer acceptance and start date is 28 days, during which they may receive little to no contact from recruiting.¹ Forty-two percent of candidates who have accepted a job offer but have not started are still open to other offers that come along, and in the past year, a third of candidates have backed out of an offer they accepted (see Figure 1).²

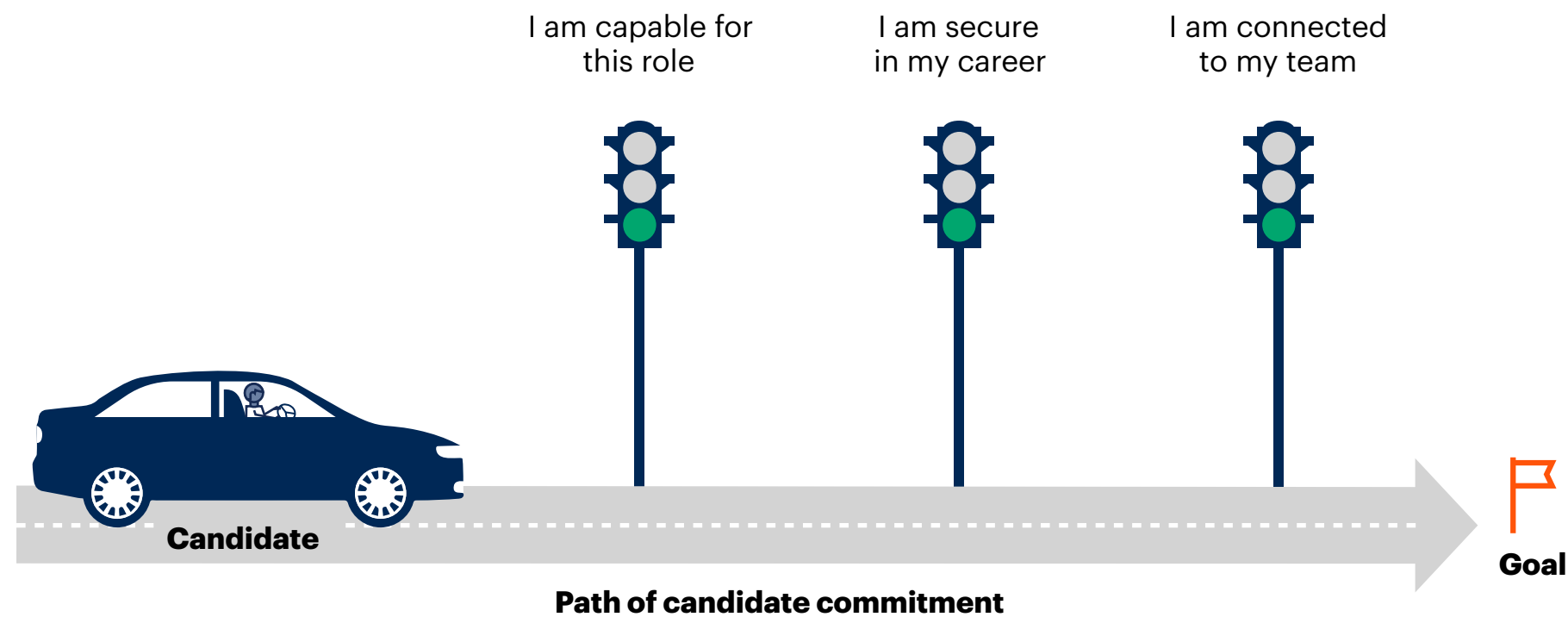
» Figure 1: Risks in the Post-Offer Acceptance Stage of the Candidate Experience



n=3,439 candidates

Source: a 2023 Gartner Recruiter Experience Survey, n=301 recruiting staff; b 2024 Gartner Voice of the Candidate Survey (Q2)

» Figure 2: Key Signals to Secure Candidate Commitment



Source: Gartner

This means that the waiting period between candidates' offer acceptance and start date is a window recruiting leaders cannot afford to neglect. To address the risk of candidates backing out during this period, recruiting leaders must target key opportunities to secure candidate commitment after they accept.

Target Candidates' Postacceptance Doubts

Candidates who accept an offer may still have doubts about whether they've made the right decision. For instance, candidates may ask themselves:

- Am I **capable** of succeeding in this role?
- Will I have a **secure** career at this company?
- Will I **connect** with my team?

Recruiting leaders and their teams can confront these doubts by sending proactive signals that affirm candidates' sense of capability, security and connection at the organization. Receiving these signals reassures candidates they've made the right decision, and ultimately keeps them on the path of commitment (see Figure 2).

Signal Capability by Setting Role Expectations Early

Candidates typically don't receive any information on their role until the formal onboarding process begins. However, delaying this information for the extended period between the candidate accepting the offer and their first day can create the perfect environment for candidates' doubts to fester.

Instead, recruiting leaders should start setting role expectations earlier. Sixty-seven percent of candidates who received information on the role before starting (e.g., a preview of upcoming work, a schedule for their first day and training materials for the role) said it made them feel more prepared to begin their new position.³

To send capability signals, recruiting leaders and their teams need to:

- **Establish a framework for setting early role expectations with candidates.**

Recruiting leaders can consider common questions candidates will have about their role and use these to determine the types of expectations they should set with them. These could include things like the work and its requirements, the company work culture, an overview of the business unit or a preview of other teams candidates will work with.

- **Determine the right messenger, delivery channel and timing to set these expectations.** Recruiting leaders can consider the best method to deliver this information to candidates. For instance, they should think about who should deliver it, which channel will be best to deliver it to candidates, and how soon after acceptance candidates should receive it.

- **Build a prestart engagement timeline to prepare candidates for their role.**

Recruiting leaders can embed these considerations into a prestart engagement timeline to ensure candidates receive this information in a compelling way before they start. TallCreek*, an insurance company, executed a similar tactic with its "calendar of connections" outreach strategy, which delivered targeted connection touchpoints in the weeks leading up to candidates' start date.

TallCreek's* Calendar of Connections

TallCreek*, an insurance company based in North America, realized its business units were experiencing candidate fallout challenges among its classes of frontline call center hires. These classes were typically composed of five or more candidates who would have a set start date and begin onboarding as a group, but many who had accepted offers were backing out before their start date.

To address this, a team of key business and recruiting stakeholders at TallCreek* — which included business unit leaders, recruiting team leaders, hiring managers and recruiters — referenced best practices from executive hiring to define different parameters for effective outreach delivery. These included:

- **Timing** — Candidates should receive at least one connection touchpoint per week to maintain engagement.

- **Desired outcome** — Each connection touchpoint should have clear goals for the types of outcome it should achieve; for instance, setting candidates' expectations on next steps, maintaining their engagement before they start and preparing them for their first day.
- **Role responsibilities** — The team identified key responsibilities that would need to be delivered to achieve these goals. Examples include providing visibility into the final stages of the hiring process, sharing informal insights and advice based on previous conversations, completing a formal handoff to onboarding managers, and providing logistical information for candidates'

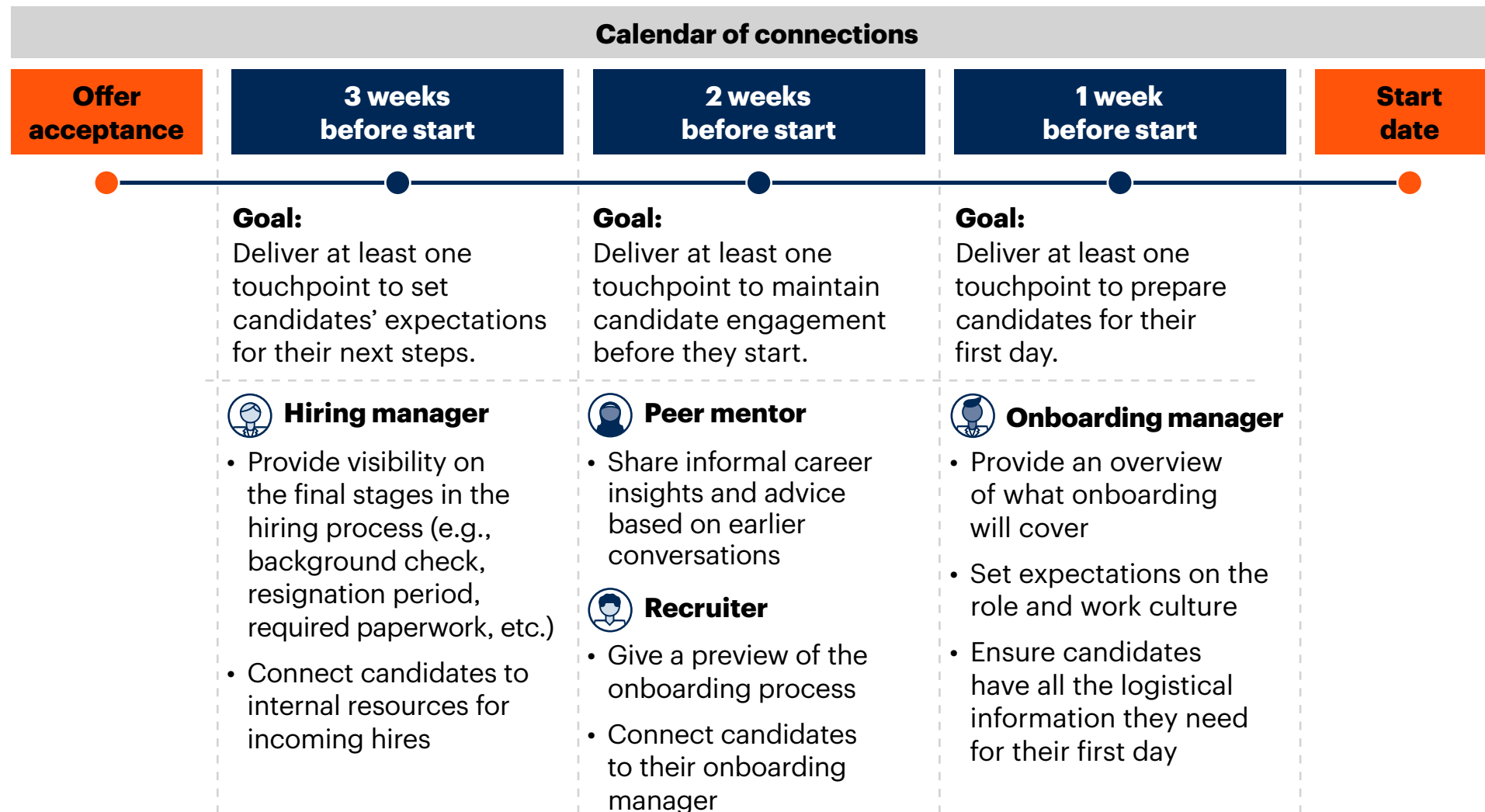
first day. The team then allocated these responsibilities to roles who were best positioned to meet the desired outcome.

TallCreek* then embedded these parameters into its “calendar of connections” outreach strategy (see Figure 3 on the next page). This approach ensured that candidates received diverse connection touchpoints during the weeks leading up to their start date, ultimately maintaining higher engagement and commitment.

*Pseudonym.



» **Figure 3: TallCreek's* Organized Calendar of Connections**
Illustrative



Source: Adapted from TallCreek*
*Pseudonym.

Signal Security Through Personalized Career Insights

Greater opportunity for career growth is second only to higher compensation as a top factor for candidates deciding whether to accept a job offer.² When making this decision, candidates need indicators that these opportunities will fulfill their personal career goals. However, the career information candidates receive in the hiring process is often generic to the organization and not personalized to candidates' own growth and development interests. This generic information isn't enough to build the sense of career security they are looking for.

Instead, recruiting leaders should share tailored career insights that demonstrate credible growth at the organization. The best messengers for these insights are the candidate's future team members. When candidates discuss their career interests with team members, 27% of candidates commit to the organization by turning down other offers. This is a higher rate of impact than other points of contact, such as recruiters or hiring managers. However, only 5% of candidates say they have the chance to discuss careers with their future team members during the hiring process.³ This is a major missed opportunity for organizations to signal to candidates that they can offer secure career growth.

To send security signals, recruiting leaders and their teams need to:

- **Source impactful peer testimonials to demonstrate credible growth at the company.** Recruiting leaders can evaluate the characteristics of best-fit peers who can provide the type of personalized career insights candidates are looking for. At a high level, these should be current employees who share candidates' background and ambitions, are trusted sources of information and are able to provide comprehensive insights based on their organizational acumen and network. S&P Global, a financial services company, executed a similar tactic with its people-first career coaching program.

S&P Global's People-First Career Coaching

S&P Global's chief people officer (CPO) uncovered a desire at their organization to have a more innovative approach to careers and personal growth. To address this, S&P Global created a new development model that provided access to honest, confidential and purposeful career conversations. A key element of this tactic was to partner individuals with objective career coaches who were able to facilitate conversations that prioritized individuals' own career aspirations.

The organization identified that high-quality career coaches needed to have the following attributes:

- **Qualified** subject matter and business acumen experts
- **Connected** across internal and external networks
- **Empathetic** to others' desires
- **Objective** sources of support
- **Trustworthy** and confidential sources

These coaches could be sourced from within the organization by identifying employees who were interested in mentorship or a similar role as part of their personal development.

- **Use recruiters' knowledge of candidates' background and interests to determine their career archetype.**

Recruiting leaders can leverage recruiters' knowledge of candidates' years of experience, previous roles or industries, and career aspirations to help determine career archetypes that candidates are likely to fit into. In doing so, recruiting leaders can more easily identify the types of career information that different candidates are seeking.

- **Assign career-aligned team members to share personalized insights.**

After determining candidates' career archetype, recruiting leaders can then align their best-fit peers to these archetypes. Taking these steps ensures that recruiting can scale the delivery of these career insights while still ensuring candidates receive information that meets their needs.

Signal Connection Through Immersive Team Experiences

Just over a third of candidates say they choose jobs based on their connection with others in the hiring process, indicating that an early sense of belonging with other employees can drive higher candidate commitment.² To develop this connection, some organizations may choose to clearly define what it means to belong at the organization. However, simply defining belonging isn't enough to give candidates the experience they're looking for.

Instead, recruiting leaders should identify opportunities for candidates to experience their team in a meaningful way before they start. This can be highly impactful, especially when senior leaders facilitate these introductions: 64% of candidates who were introduced to new colleagues by senior leaders said they felt more belonging with their immediate team. However, only 9% of candidates

say they have this experience during the hiring process.³

To send connection signals, recruiting leaders and their teams need to:

- **Identify early, impactful opportunities for candidates to connect with their team.** Recruiting leaders can work with hiring managers to evaluate where there are preexisting team meetings or activities that candidates can easily engage in. These can be especially impactful if senior leaders will already be present in these meetings or activities to help facilitate an introduction with the team.
- **Demonstrate the value of taking a leader-led approach to drive belonging.** Recruiting leaders can encourage senior leaders to have these engagements with candidates by highlighting their potential impact. As roles with a high degree of visibility and credibility within the organization, senior leaders who demonstrate inclusive behaviors can

create positive experiences for both candidates and employees long-term. For instance, Gartner's 2023 Modern Employee Experience and Manager Development Survey found that when organizations create opportunities for employees to have exposure to senior leaders, it can increase employees' engagement by up to 8% and intent to stay by up to 5%.⁴

- **Guide senior leaders on how to create compelling team experiences.** To enable senior leaders to drive connection between candidates and teams, recruiting leaders can share simple guidance on how to build a compelling team experience. This can include sharing personal examples of belonging, highlighting employee resource groups candidates can join or sharing employee initiatives that have had a high impact on their teams.

¹ 2023 Gartner Recruiter Experience Survey. The 2023 Gartner Recruiter Experience Survey was conducted to understand strategic recruiter behaviors, workload complexity and capacity constraints, evolution of the recruiter role, career pathing for recruiters and the usage of AI in recruiting tasks. The research was conducted online from 19 July to 21 August, 2023 among 301 frontline recruiters, sourcers and recruiting managers from various geographies and industries. The survey was designed and developed by Gartner's HR Practice research team.

² 2024 Gartner Voice of the Candidate Survey (Q2). The 2024 Gartner Voice of the Candidate Survey (Q2) was conducted to understand preferences of job candidates to help inform recruiting strategies. The research was conducted online from 23 April through 15 July 2024 and contains responses from 3,439 FTEs, PTEs, the unemployed, and contract workers so long as they actively sought full-time employment with representations from various countries and industries. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

³ 2024 Gartner Voice of the Candidate Survey (Q1). The 2024 Gartner Voice of the Candidate Survey (Q1) was conducted to understand preferences of job candidates to help inform recruiting strategies. The research was conducted online from 8 February 2024 through 16 April 2024 and contains responses from 3,077 FTEs, PTEs, the unemployed, and contract workers so long as they actively sought full-time employment with representations from various countries and industries. The survey was designed and deployed by Gartner's HR Practice research team.

⁴ 2023 Gartner Modern Employee Experience and Manager Development Survey. The 2023 Gartner Modern Employee Experience and Manager Development Survey was conducted to understand major factors affecting employee experience and the effective methods to develop leaders at different levels. The research was conducted online from 8 May through 1 June 2023 and contains responses from 3,493 employees with representation from various regions, industries, and functions. The survey was designed and developed by Gartner's HR Practice research team.



3 Ways

to Proactively Manage Risks to DEI and Sustain Momentum

by Rhea Jain

With an increase in the prevalence of sociopolitical challenges to diversity, equity and inclusion (DEI), some DEI programs are facing instability and risk being discontinued. To sustain progress, DEI leaders must shift from reactive risk response to proactively managing risks.

A Challenging Environment for DEI

The sociopolitical context for DEI is becoming increasingly divisive. From February to June 2024, there was a 17 percentage point increase in HR leaders expecting political polarization to impact their DEI efforts, and a 15 percentage point increase in HR leaders expecting employee pushback to do the same.^{1,2} These internal and external pressures are increasing executive leaders' scrutiny, requiring DEI leaders to reassess the case for DEI and demonstrate it is not creating risks. In this environment, DEI leaders are finding it challenging to remain focused on strategic pursuits.

Rather than reacting to events after they've already occurred, DEI leaders can act **proactively** to manage potential risks and continue progress toward business-aligned DEI objectives by taking three steps:

- 1 Build a risk-sensing network to proactively identify and respond to risks.**
- 2 Objectively assess and prioritize risks to respond efficiently.**
- 3 Effectively communicate the value of DEI to influence decision makers.**

1 Build a Risk-Sensing Network to Proactively Identify and Respond to Risks

Only 4% of DEI leaders consider risk management to be one of the most important skills for their role.³ When DEI leaders do need to identify and act on risks, it's usually triggered by an already-active threat to DEI programs, which causes DEI leaders to operate from a position of urgency. Trying to manage risks while under pressure can cloud judgment and exacerbate confusion around how to respond. More proactive risk management would enable

DEI leaders to anticipate threats and give them more options for response.

To manage risk proactively, DEI leaders must build a **risk-sensing network**. To effectively build and utilize a risk-sensing network, DEI leaders must leverage underutilized partners and strategically mobilize the network.

A risk-sensing network is a group of colleagues DEI leaders meet with periodically to anticipate potential challenges to DEI programs and agree on solutions.

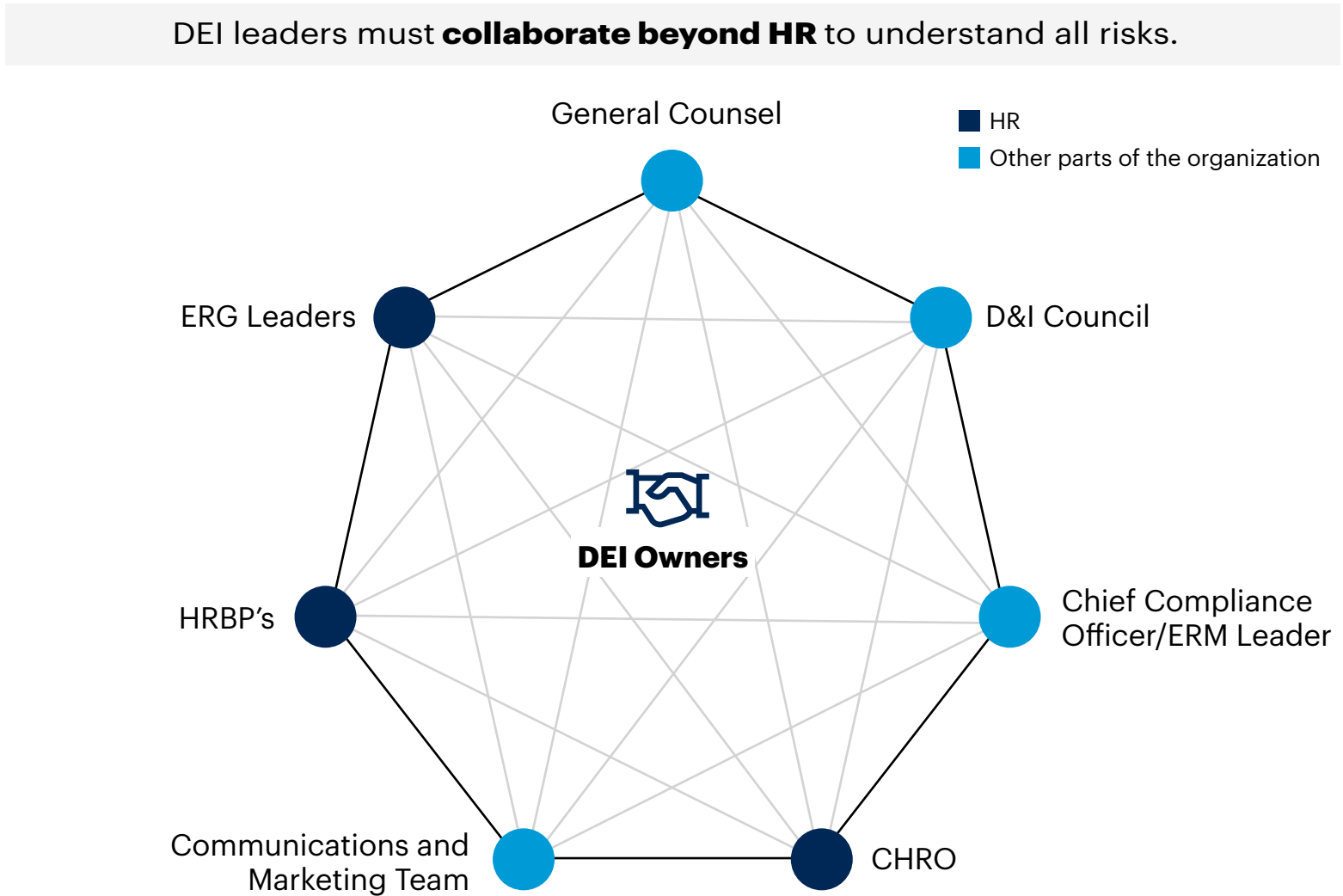
Leverage Underutilized Partners

For a holistic understanding of both internal and external risks, DEI leaders must partner with parties both within HR and from other parts of the organization (see Figure 1). While HR contributors like HR business partners (HRBPs) and employee resource group (ERG) leaders are essential to monitoring internal risks like employee pushback, they do not provide the full picture. Partners from other parts of the organization (e.g., general counsel, chief compliance officers, enterprise risk management leaders and PR/marketing leaders) are essential for gathering an accurate picture of external risks such as legal, compliance and reputational risks.

Mobilize Strategically

The risk-sensing network must convene on a regular basis to plan proactively and assess risks in a timely manner. Gartner suggests meeting at least once a quarter and more frequently during crisis response periods, such as during social media uproar or changes in legislation. Meeting regularly allows the network to spot emerging risks before they become emergencies, while also keeping an eye on how established risks develop over time. The agendas for these meetings should dedicate time to internal HR collaborators like HRBPs and ERG leaders, as well as organizational partners like legal or communications.

» Figure 1: Partners in Assessing DEI Risks



Source: Gartner

2 Objectively Assess and Prioritize Risks to Respond Efficiently

DEI leaders are less confident in their risk management skills compared to other technical skills: In a 2022 survey of DEI leaders, only 20% selected risk management as a top technical proficiency.⁴ But being able to assess and prioritize risks is essential to successfully responding to them. A standardized **risk evaluation** shows DEI leaders where to allocate limited resources to respond to risks and helps them clearly communicate the rationale behind those decisions to other business leaders. To objectively assess and prioritize risks, DEI leaders should conduct a risk evaluation and minimize bias.

Evaluate Risk Likelihood and Impact

When conducting a risk evaluation, DEI leaders should take into account two factors:

- **Impact** — DEI leaders should consider what the potential impact of a particular risk could be on their DEI initiatives and their wider organization. This impact could be financial, operational or reputational; it could be large-scale or contained to a specific region or part of the business.

- **Likelihood** — Along with a risk's potential impact, DEI leaders need to evaluate the likelihood of the risk occurring. They can validate this assessment with their risk-sensing network.

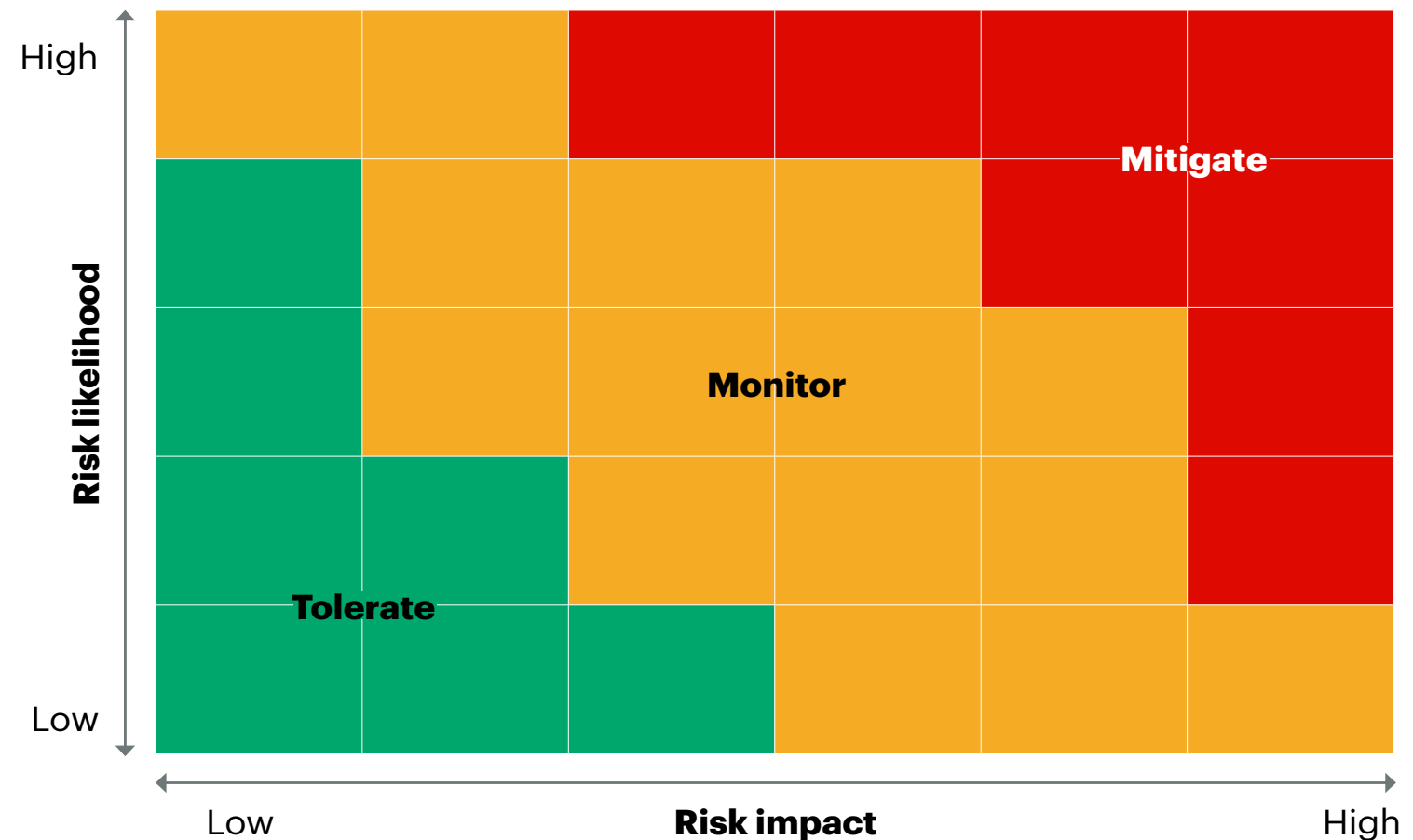
Looking at these two factors together helps leaders make decisions about where to spend their efforts. For example, a risk that is both highly likely to occur and highly impactful is an obvious candidate for responding, whereas other risks may have room for debate. An organization could decide to preserve its resources by deprioritizing a risk that is low-impact but high-likelihood in favor of a low-likelihood but high-impact one. Or, leaders may choose to spend time eliminating the low-impact and high-likelihood risk entirely because it's a chronic issue.

DEI leaders can plot the risks on a heat map against two axes: the impact of the risk, and the likelihood that it will come to pass (see Figure 2). It's not necessary to quantify risks with extreme specificity to create a heat map; qualitative sources can provide sufficient impact and likelihood data. An illustrative example is given below along with sample response strategies.

As shown in the heat map above, there are three potential responses to a risk:

1. **Tolerate** — The risk-sensing network is aware of the risk and has an accurate idea of its likelihood and impact. The network is content to take no response since the risk's impact/likelihood is low or the cost of mitigating the risk would outweigh the potential benefits.
2. **Monitor** — The risk does not yet merit a response, but it could in the future. The DEI leader and risk-sensing network work together to keep an eye on relevant metrics and discuss any changes.
3. **Mitigate** — Immediate action is needed to significantly reduce the risk's impact and/or likelihood. In extreme cases, the organization may seek to eliminate the risk altogether.

» Figure 2: Example of a Risk Response Heat Map



Source: Gartner

Minimize Biases When Evaluating

To evaluate a particular risk as objectively as possible, it is important for DEI leaders to be aware of their cognitive biases. This is a key role of a risk-sensing network: to validate risk assessments with additional opinions. Table 1 illustrates some examples of risks, what biases could impact a DEI leader's evaluation/response, and what they could do to counteract the bias:

» Table 1: Mitigating Bias in Risk Assessment

Identified risk	Potential bias	Risk assessment	Response
Low ethnicity self-disclosure and poor data hygiene is making it difficult to track equity outcomes in recruitment (e.g., applicant-to-hire ratios for people of color).	Anchoring bias: As this risk was initially flagged in an internal audit report, we might assess it as high impact, but that would constitute an anchoring bias — where we give undue weight to the first piece of information we've heard about a risk. Instead, on further inquiry, the head of legal in our risk assessment network advises that there is a limited risk of noncompliance, so the risk rating becomes low impact.	<ul style="list-style-type: none"> • Likelihood: High (already happened). • Impact: Low (poor data hygiene isn't ideal, but it won't have an outsized impact on DEI recruiting goals). • Priority: Low, mapped in the green zone on the heat map. 	Tolerate
The current news cycle is dominated by anti-DEI rhetoric. As a result of this, a small number of employees have been complaining about our anti-bias and microaggression training content.	Availability bias: Due to the presence of vocal detractors, we might assess this risk as high impact, but this would constitute an availability bias where we rely only on readily available information when making decisions. However, HRBPs point out that those detractors are actually small in number and don't represent the majority of opinion. So, we rate the impact as medium.	<ul style="list-style-type: none"> • Likelihood: Medium (growing complaints) • Impact: Medium (pushback could grow and result in reputational damage). • Priority: Medium, mapped in the yellow zone on the heat map. 	Monitor: Have HRBPs keep an eye on the issue and reevaluate in three months
Lawmakers have proposed a bill that would curtail our ability to have diversity targets in hiring, promotion or leadership.	Bandwagon effect: We are tempted to cease all DEI activities so we are aligned with peers in our industry, some of whom have released statements saying they are removing their DEI initiatives.	<ul style="list-style-type: none"> • Likelihood: High (there is a significant chance that the bill will be passed in the next six months). • Impact: High (risk being noncompliant.) • Priority: High, mapped in the red zone on the heat map. 	Mitigate: Activate the risk-sensing network to create a comprehensive risk response plan.

Source: Gartner

3 Effectively Communicate the Value of DEI to Influence Decision Makers

Every risk assessment and response plan will be scrutinized by senior leadership. In times of volatility, leaders tend to cautiously view DEI strategies as a collection of stand-alone initiatives which are nonessential at best or create additional risk at worst. As it stands, only 52% of DEI leaders believe that they can count on their organizational leaders to invest in DEI.⁵ In other words, roughly half of DEI leaders aren't sure whether they will have the budget or resources to do their work in the future — and that is during a time of relative stability, not during a crisis. To ensure that DEI continues to be a priority for organizations no matter what future developments arise, DEI leaders have a few steps to take.

Align DEI Outcomes to the Organization's Business Priorities

Demonstrate how traditional DEI initiatives can align with short to medium-term business and talent goals. For example, if the organization's key strategic goal is to improve innovation and profitability, DEI leaders should prioritize initiatives that help engage and retain top diverse talent. While all DEI initiatives add value,



Sun Life's Risk Communication Framework for Effective Portfolio Management

Sun Life acknowledged each stakeholder can have a distinct and dynamic portfolio risk posture which can impact how risks are assessed and addressed. As a result, the organization empowers portfolio managers to assess stakeholders' risk posture in an ongoing manner and help them overcome any biases or misconceptions about risks.

This involves:

1. **Risk posture assessment:** Portfolio managers examine the ongoing risk behaviors and engagement of stakeholders to understand their dynamic risk posture.
2. **Risk posture segmentation:** Portfolio managers map stakeholders to risk posture archetypes based on their assessment. These archetypes include:
 - a. Risk novice — understands neither risk nor its implications
 - b. Risk averse — understands risk but perceives it as something to be unilaterally avoided
 - c. Risk aware — understands risk but may lack understanding of all its implications
 - d. Risk expert — possesses extensive knowledge and experience in the field of risk

3. **Tailored communication approach:** Sun Life defines different risk communication strategies based on the risk posture of stakeholders. This enables portfolio managers to tailor their communication of risk for each stakeholder's risk posture archetype and promotes optimal risk decisions. For example, a portfolio manager would take an "inform" approach for a "risk expert" and communicate in terms of risk, cost and value by presenting relevant data and information on a risk event.

Sun Life's approach to driving effective risk communication resulted in improved portfolio decisions by fostering productive engagement of portfolio decision makers with critical risk information. It also led to a rise in risk informed decisions, which translated into greater business value.

shifting to a business-aligned, risk-aware DEI strategy in volatile times can help continue making progress while minimizing resistance.

For example, a risk-sensing network could highlight leaders' concerns over employee pushback to underrepresented talent development programs, citing reverse discrimination as the reason. If this risk appears in the red zone on the network's heat map, DEI leaders can recommend switching to a lower-risk initiative such as assigning bias interrupters to call out biased reasoning in talent decisions during succession conversations. This still progresses the DEI objective of engaging and retaining top diverse talent — aligning with the business objective of improving innovation and profitability — while minimizing resistance from decision makers.

Track and Demonstrate How DEI Outcomes Contribute to Critical Business Metrics

Measure and articulate DEI initiatives' influence on critical commercial and talent metrics to the C-suite and board. By demonstrating that DEI is having a positive impact on strategic success, DEI leaders can drive urgency to continue or increase DEI investments. For example, measure the impact of inclusion nudges not just by

increased representation of underrepresented talent in leadership, but also by decreased voluntary turnover or higher engagement scores.

Tailor Communications to Risk Postures

Not every stakeholder will have the same attitude and level of engagement with risks. Some business units or professions are more risk-tolerant, such as those that focus primarily on innovation and novelty; others, like legal and compliance, are extremely risk-averse. Individual employees can also have varying personal stances on risk. A stakeholder's risk posture can change over time or vary across different initiatives. DEI leaders must assess stakeholders' risk postures and alleviate individual concerns by using tailored messaging. Sun Life does this by creating a risk communication strategy based on each individual stakeholder's risk posture.

¹ 2024 Benchmark With Gartner: Confronting the Cost-of-Work Crisis and DEI Backlash. This live polling webinar was conducted to enable HR leaders to discuss stands their peers are taking on timely critical concerns that impact key talent decisions HR leaders need to make. The main topics covered in this webinar include the labor market climate outlook update for talent-based leading indicators of economic conditions, strategies to tackle cost of work, and the evolving DEI landscape. The webinar was conducted on 28 February 2024 with responses from over 40 HR leaders participating across a spectrum of industries with a focus on North America.

² 2024 Benchmark With Gartner: Inclusion Pressures, Election Tension and the Labor Market Climate. This live polling webinar was conducted to enable HR leaders to discuss stands their peers are taking on timely critical concerns that impact key talent decisions HR leaders need to make. The main topics covered in this webinar include the labor market climate outlook update for talent-based leading indicators of economic conditions, pressures related to inclusion efforts, and the prevalence of the impact of workplace tensions related to elections. The webinar was conducted on 26 June 2024 with responses from over 30 HR leaders participating across a spectrum of industries with a focus on North America.

³ 2023 Gartner Diversity, Equity and Inclusion Functional Benchmarking Survey. This survey was conducted to understand DEI leaders' backgrounds and priorities, how they are managing their functions, partnerships with other functions and for collecting other benchmarking data about DEI functions. The research was conducted online from 6 February to 20 March 2023 and contains responses from 153 DEI leaders with representation from various regions and industries.

⁴ 2022 Gartner DEI Leader Effectiveness Survey. This survey was conducted online between 21 September and 17 October 2022. A total of 181 DEI Leaders responded to the survey with representation from U.S. (61%), United Kingdom (17%), India (8%), Australia (6%), Canada (3%), Singapore (3%), and New Zealand (2%) and 23 industries. DEI leaders were polled on their proficiency, effectiveness, and experiences leading the DEI function. Respondents were required to meet the following criteria to qualify: (a) DEI is their primary responsibility (b) more than five years of leadership experience in DEI, HR, or related field (c) worked at an organization of 1,000 or more employees.

⁵ 2024 Gartner Sustainable DEI HR Leader Survey. This survey was conducted to understand diversity, equity and inclusion (DEI) HR leaders' perspectives on changes to DEI functions in response to the changing sociopolitical landscape. Changes include those to accountability structures, alignment to business goals and strategic planning. The research was conducted online from 20 February through 12 March 2024. Responses were received from 90 DEI leaders with representation from various regions and industries. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.



Reading List

by Alexander Kirss

HR leaders' time is precious, and the supply of literature marketed to executives is vast. With that in mind, this new feature offers a list of books, both new and old, that we believe can help HR leaders confront some of the major challenges they face today.



Glad We Met: The Art and Science of 1:1 Meetings

Steven Rogelberg

Oxford University Press, 2024

How many one-on-one (1:1) meetings are on your calendar this week: One? Three? Five? More? As Steven Rogelberg notes,

“1:1s are arguably one of the most important activities you can do as a leader,” and yet many employees are dissatisfied with them. Employees report nearly half of their 1:1s are unsatisfactory.

HR leaders can best leverage Rogelberg’s detailed advice if they are planning to redesign 1:1s at their organization at scale (e.g., through centralized managerial training), as some of his guidance may be overly prescriptive for improving your own 1:1s.

But per the numbers above, don’t assume that your 1:1s are perfect either. Consider self-assessing how your 1:1s are going (Rogelberg provides helpful tools for this) and also ask your direct reports for feedback. Rogelberg’s advice can help you adjust both the tangible and intangible aspects of 1:1s, from the cadence, agenda and questions posed, to the mindset you approach 1:1s with. The data he cites not only provides evidence for his claims, but may also help convince leaders at your organization of the power of 1:1s.



Boards of Directors in Disruptive Times

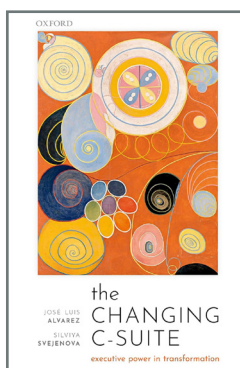
Jordi Canals

Cambridge University Press, 2023

Building credibility and influence with the board of directors is often challenging for new CHROs. Boards today are interested in talent-related areas, opening up space for CHROs to make their mark, but are also confronting a wide array of challenges that heighten the stakes for CHRO interventions.

CHROs looking for a primer on how boards of directors operate will find it in Jordi Canals’ recent book, which also serves as a manifesto for how boards need to evolve. Boards are often a passive overseer of executive behavior and strategic risks. They hold executives accountable retrospectively, if at all. Instead, Canals argues, boards should help define corporate purpose and strategy, enable transformation and invest in their effectiveness as a working team. Only by doing so can they manage current and future disruptions

There is a role for CHROs in Canals’ vision, but it is largely implicit. Moreover, not all boards will want, or be able to, aim for the progressive orientation that Canals recommends. CHROs should therefore take Canals’ recommendations as a potential target, but assess whether they fit their organizational and personal context before taking action.



The Changing C-Suite: Executive Power in Transformation

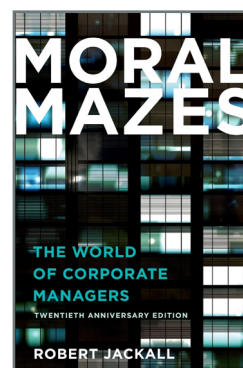
José Luis Alvarez and Silviya Svejnova

Oxford University Press, 2022

C-suites at many organizations are changing, with new executive roles like the “Chief AI Officer” proliferating, and the relative power and influence of many c-suite executives (CxOs) shifting. Why have these changes occurred? And to what effect? By highlighting how CxOs play both substantive and symbolic roles at their organizations, José Luis Alvarez and Silviya Svejnova offer a thought-provoking challenge to traditional views of c-suite change.

Yes, c-suites evolve in response to a shifting external environment and organizational needs. New CxO roles help organizations respond to complexity. But c-suites also change based on social and ideational pressures from both internal (e.g., board director, CEO, and CxO) and external (e.g., shareholder, consultant, and media) voices. CxO roles are marked by expertise, but also distinct identities.

Alvarez and Svejnova’s work offers more of a theoretical exposition of the meaning of these changes than practical advice on navigating c-suite dynamics. Yet for those CHROs up to the challenge, grappling with the authors’ creative reinterpretation of these familiar concepts can expand how they view the c-suite and their peer CxOs’ roles, offering an opportunity to rethink how they collaborate.



Moral Mazes: The World of Corporate Managers

Robert Jackall

Oxford University Press, 1988

Most employees begin their career believing that hard work leads to success. As they advance higher in an organization, however, their thinking often shifts. Instead of viewing success as meritocratic, it appears circumstantial and contingent. A reorganization, macroeconomic shifts, or an unforeseen competitor breakthrough can trigger, in sociologist Robert Jackall’s words, “widespread upheaval, bringing in its wake startling reversals of fortune, good and bad.”

In turn, leaders pivot from competing over who can work harder to who can simply claim results. They invest time and effort in building social alliances instead of rethinking strategy, operations, or products. They look around to see what others are doing first before making any decisive moves. Those who rise don’t know why they have done so while those who fall curse their luck. Apathy and infighting abound.

Jackall’s classic ethnography is worth revisiting as HR leaders confront new technologies such as AI that depersonalize work and rattle organizational hierarchies. Tweaking performance management and total rewards won’t be enough to guard against the more pessimistic aspects of Jackall’s vision. Instead, HR must invest in activities and processes that strengthen employee trust and a sense of shared purpose in the organization and its sustained success.

A photograph of two men shaking hands. The man on the left is white, wearing a white button-down shirt and khaki pants. The man on the right is Black, wearing a blue button-down shirt over a white t-shirt and jeans. They are both smiling and looking at each other. The background is white with orange geometric lines and a large orange circle framing the men.

Unlock the Power of Meaningful **Employee Recognition**

by Alexandra Benc

Employee recognition is a low-cost, high-impact way to engage and retain talent, yet programs are often underutilized. This research helps CHROs focus on meaningful experiences to create a strong, self-sustaining culture of recognition.

Today's dynamic and often fragmented work experience can leave employees feeling disengaged and disconnected — both from their organizations and from one another. Employees crave opportunities to feel seen for the value they bring to the organization, which is why an effective employee recognition program is critical. Employee recognition can humanize the work experience by reflecting an organization's unique culture and values in a way that other components of the total rewards portfolio cannot.

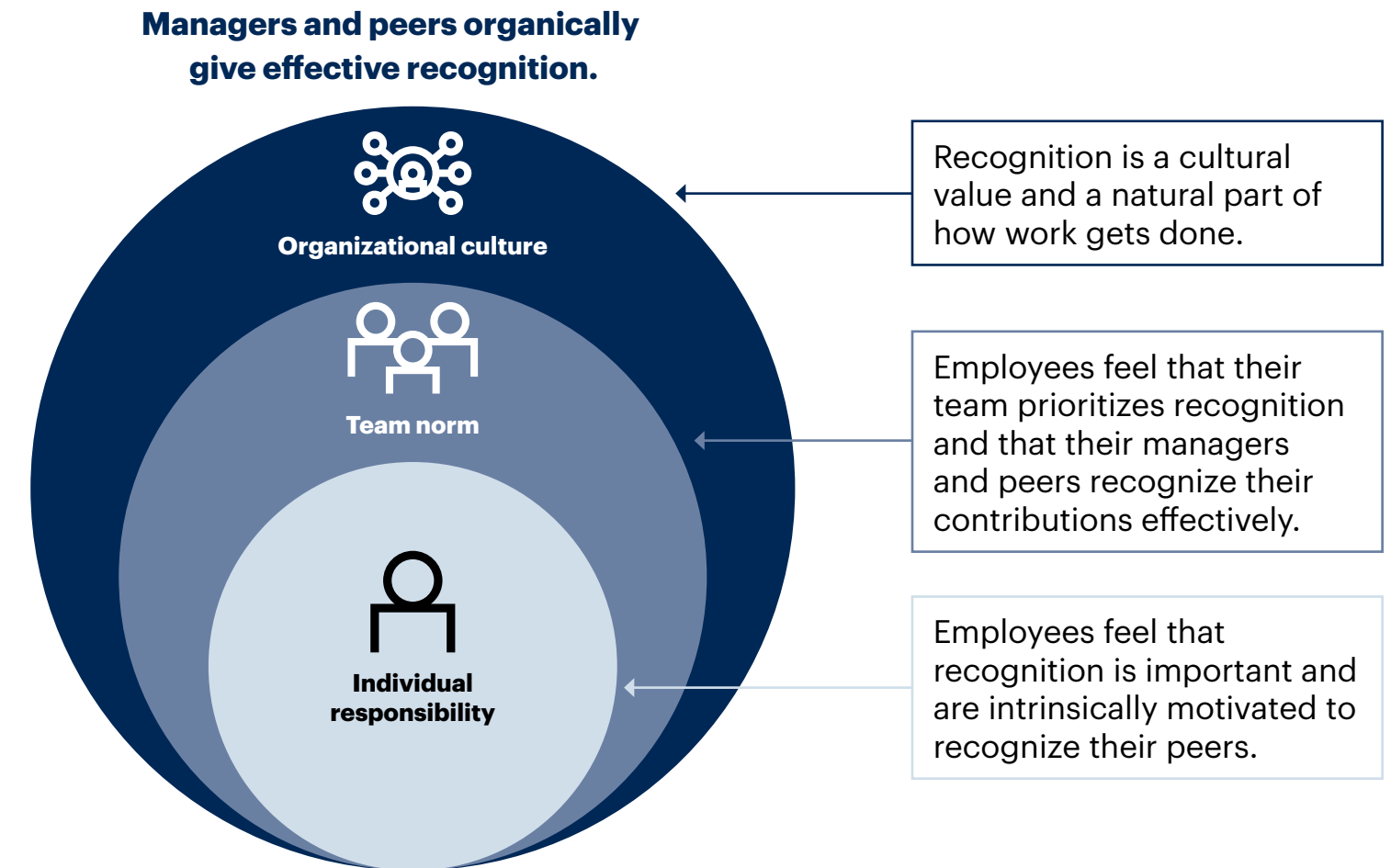
Unfortunately, at the end of 2023, more than one in three employees said they felt they had made an important contribution at work in the past year that no one recognized, that they were recognized in a way that didn't make them feel valued, or both.¹ One reason for these employees' poor experiences may be that their

colleagues see recognition as an extra responsibility they are too overwhelmed to take on. However, recognition should feel like a part of work, not extra work, and HR plays a primary role in designing the tools and processes that lead to a strong culture of recognition. A strong culture of recognition can improve enterprise contribution by up to 35% and intent to stay by up to 25%: a high impact from a relatively low-cost strategy.¹

Gartner defines a culture of recognition as having three levels: individual responsibility, team norm and organizational culture (see Figure 1).

- **Individual responsibility:** Employees see recognition as an inherent part of their own work. They feel motivated and even personally responsible for recognizing their peers as an important part of their job.

» Figure 1: Definition of a Strong Culture of Recognition



Source: Gartner

- **Team norm:** Recognition is seen as an important part of how teams interact. Employees feel their team prioritizes recognition and their managers and peers recognize their contributions effectively.
- **Organizational culture:** Recognition is seen as an important value of the organization, and leaders organizationwide treat it as a high priority. It becomes a key part of how work gets done across the organization.

Most organizations working to improve their recognition turn to platforms to make recognition feel more user-friendly and accessible, but this strategy can return up to only a 7% improvement in a culture of recognition.¹ For a bigger return on their investments, organizations should instead focus on supporting meaningful experiences between recognition givers and receivers. This strategy ensures the emotional payoff and motivation behind both giving and receiving recognition. When organizations focus on meaningful experiences, they can improve their culture of recognition by up to 25% (see Note 1 for details on how we calculated culture of recognition).¹

Supporting meaningful experiences in recognition necessitates strategies for both recognition givers and recognition receivers. For recognition receivers, HR must ensure they receive recognition that feels personal to them by developing the right tools to help employees give meaningful recognition at scale. For recognition givers, HR must facilitate a meaningful experience by sharing back the positive impact of recognition after it has been received, motivating them to continue putting in effort.

Design Programs Around Shared Preferences

Personalized recognition for employees has up to a 17% impact on how meaningful it feels to them.¹ Organizations know that personalized recognition is important, and may try to achieve personalization by offering recognition receivers a variety of choices on a recognition platform. However, this strategy places the responsibility on employees by requiring their time and energy to identify an appropriate recognition award, and may make them feel that their recognition giver does not know their preferences. Organizations may also task leaders with individualizing the recognition approach for each employee, but leaders do not have the capacity to take on this responsibility and often default to their own preferences, which may be misaligned. Neither strategy feels meaningful to the employee receiving the recognition.

To provide personalized recognition in a scalable, meaningful way, organizations must instead shift responsibility to HR by building a level of personalization into the design of their recognition programs.

Inova's Recognition Personas

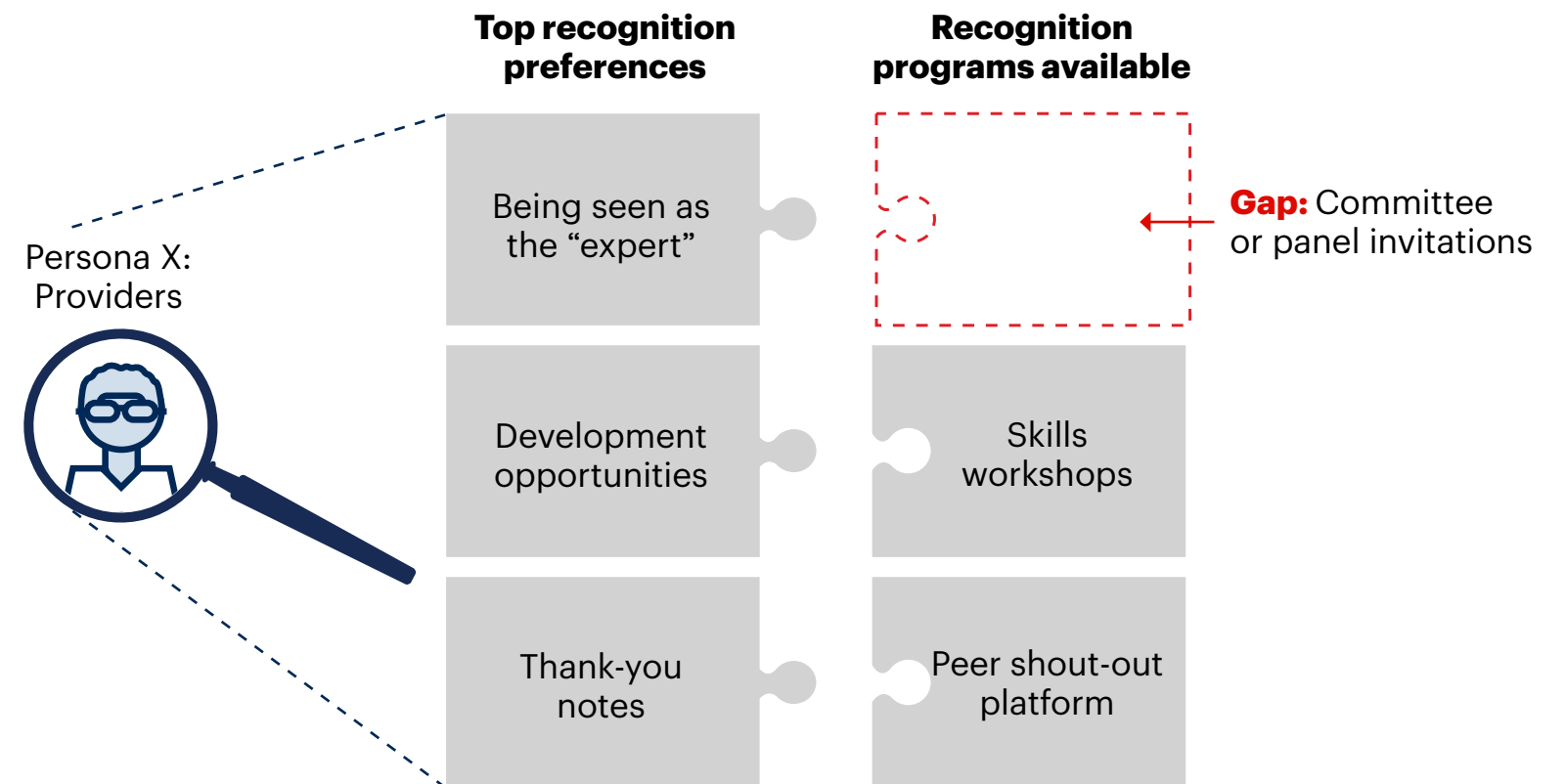
Inova, a health system organization in the United States, achieved this by strategically designing its recognition approach around shared employee preferences.

Inova first used employee survey data to create distinct recognition personas. Inova asked employees to select their top preferences from options of recognition offerings that were either already in place or easy to adopt, then verified its findings through a series of roundtable discussions with employees. These personas helped simplify the information recognition givers should consider when understanding employee preferences.

Next, Inova audited its recognition programs from the perspective of each persona to identify gaps and ensure a varied portfolio of recognition programs that feel meaningful to each persona (see Figure 2).

Finally, Inova showcased the recognition persona(s) to business leaders to cultivate understanding and motivate them to personalize recognition to their employees' preferences. Inova HR leaders shared both data-driven and emotional rationales. They included benchmarks of recognition preferences across personas,

» Figure 2: Perspective-Taking Audits to Identify Portfolio Gaps



Source: Adapted from Inova

anonymized employee quotes for leaders to understand what informs personas' recognition preferences, and suggested next steps to help leaders identify and give meaningful recognition.

Designing a recognition portfolio around shared preferences enables leaders to give recognition in a scalable and meaningful way, because they are equipped with a strategically designed mix of recognition options and the right information with which to make choices.

Close the Loop

Recognition must also feel meaningful for employees giving the recognition. Typically, HR provides nudges and other encouragement telling employees and leaders that recognition is important, but this approach often does not reinforce its impact. To provide a meaningful experience for recognition givers, organizations must invest in “closing the loop.” This involves providing feedback, data or stories that demonstrate the positive impact employees’ recognition efforts have on their peers and the organization as a whole.



Red Hat’s Recognition Snapshots

One example of closing the loop is seen at Red Hat, where HR leaders were inspired by Spotify Wrapped (a viral marketing campaign that allows Spotify users to view a compilation of data about their platform activity over the past year). Red Hat shares an annual recognition snapshot that quantifies employee activities on its peer recognition platform, Red Hat Reward Zone, and connects the activities to tangible outcomes (e.g., team connections, increased recognition culture). This communication helps illustrate to employees the direct impact of their participation in recognition at Red Hat and frames recognition as a key part of the employee value proposition. The organization shares these highlights at the beginning of each year in an email communication that both celebrates employees’ recognition participation and reminds them of the impact they are making throughout the company (see Figure 3 on next page).

This strategy helps Red Hat reinforce recognition as a valued part of its culture, quantify what employees gave and received during the year, and connect those actions to emotionally impactful outcomes. It also demonstrates Red Hat’s monetary investment in supporting peer-to-peer recognition and reminds associates of how they personally have benefited by participating, such as by redeeming points they received from their peers. By translating employee participation into a tangible report, Red Hat reinforces positive recognition behaviors and the impact the employee has made, effectively closing the loop.

» **Figure 3: Red Hat's Annual Recognition Activity Report**

Sample email







Subject: Annual reward zone peer activity report

Dear Associate,

We know how important it is to celebrate and bring awareness to the hard work you and your fellow Red Hatters are doing everyday. That's why we invest in Red Hat Reward Zone - an easy to use virtual platform where you can recognize and reward your peers for their accomplishments and be recognized for the great work you're doing too!

Today, we're sharing with you a snapshot of your annual Reward Zone experience - your year in recognition, by the numbers. As you review it, consider this:

- Every time that you sent a reward or an E-Thank You, you created a special moment for someone else.
- Each kind word you received was also seen by your manager, giving them new insight into how you are valued by your colleagues and across the organization.
- Each point redeemed was a fun opportunity to treat yourself to something nice, whether it was merchandise, a gift card, or donating to your favorite charity.

					
You sent 9 peer reward(s)	You sent 1 thank you reward(s)	You redeemed 804 points	You received 13 peer reward(s)	You received 2 thank you reward(s)	You used 100% of your budget

By participating in our global recognition programs, you are helping to strengthen connections between individuals and foster a culture of appreciation at Red Hat. We challenge you to continue increasing your positive impact in the coming year.

Reinforce recognition's importance for both giver and receiver.

Share a personal snapshot of recognitions throughout the year.

Share positive outcomes and invite continued investment.

Source: Adapted from Red Hat

Conclusion

To make recognition a success at any organization, HR must focus on supporting meaningful recognition experiences for both recognition receivers and givers. To support a meaningful experience for recognition receivers, leverage personas and audit recognition programs to ensure design of an intentional portfolio that helps recognition givers provide meaningful recognition at scale. For recognition givers, “close the loop” by sharing back the positive impact of recognition to create an emotional experience that motivates them to keep giving recognition. Ensuring employees have a positive emotional experience whichever side of the recognition exchange they are on motivates everyone to participate more in recognition.

¹ 2023 Gartner Total Rewards Employee Survey. This survey was conducted to understand how organizations can create a culture of giving valued or satisfactory recognitions among employees and the impact it has on overall employee retention and performance. The survey was conducted online from 11th October 2023 to 9 November 2023 and contains 3,496 employees with representation from various regions, industries, and functions. The survey was designed and developed by Gartner’s HR Practice research team.

Upcoming Virtual Events

Gartner regularly hosts virtual events across a variety of Human Resource topics. These webinars present an opportunity for you to gain insights from our research experts on making better decisions for your function and organization

- 1 Making Work Better: The Reset-Ready Organization**
- 2 The Top Priorities for HR Leaders in 2025**
- 3 Maximize Business Impact by Changing Your Approach to HR Technology**
- 4 6 Ways to Create a Human-Powered Enterprise**
- 5 The Key Steps to Demonstrate L&D’s Value and Impact to the Business**
- 6 Secure HR Investments for 2025 and Beyond**
- 7 HR Leaders, Enable Business Leaders to Make Data-Driven Talent Decisions**

GenAI's Fast-Changing Impact on HR

by Bhakti Laul and Sahil Thakur

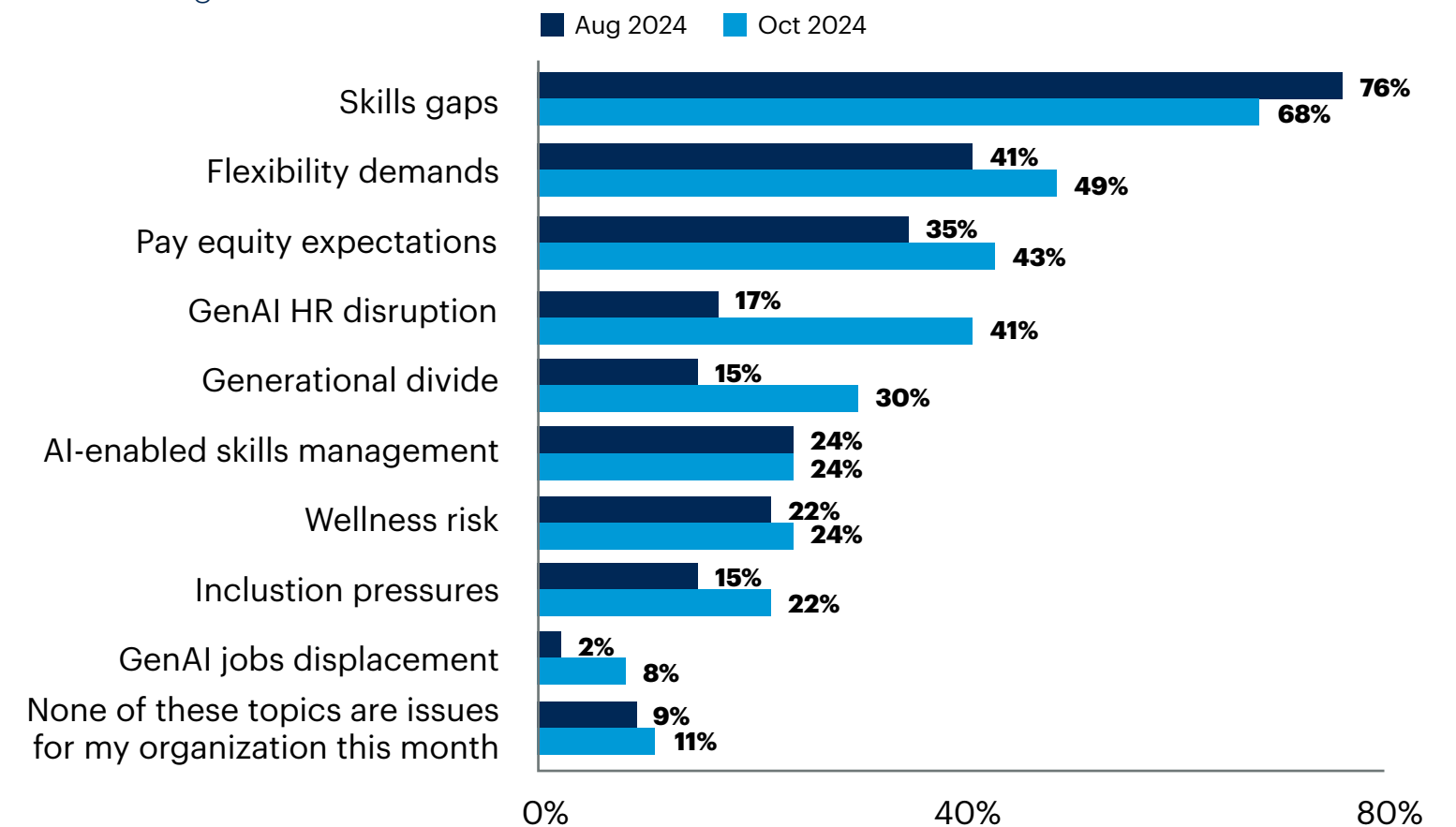
In October's Benchmark with Gartner webcast, skills gaps and employee demands for flexibility remained the most common issues HR leaders said were currently affecting their organizations (see Figure 1). However, participants also noted the growing impact of generative AI (GenAI), with 41% saying HR disruption due to GenAI was a current issue for their organization—up from just 17% in August. Pay equity expectations, generational divides and inclusion pressures also increased in prominence in the same period.

Our labor market outlook showed signs of tightening between September and October, with a sharp drop in the percentage of HR leaders saying their organization's job postings were increasing and an increase in those saying they were decreasing (see Figure 2). The data also showed quit

rates declining and more organizations planning to slow hiring in the months to come.

Data from earlier in the year illustrates speed at which GenAI's impact on HR is growing and changing. By July 2024, 49% of HR leaders were piloting, planning implementation, or had already implemented GenAI, up from 19% in June 2023. At the same time, HR leaders no longer anticipate that GenAI will significantly reduce headcount in their functions: From June 2023 to July 2024, the percentage expecting no change increased from 28% to 66%, while the percentage expecting a decrease of over 10% fell from 24% to just 2%.

» **Figure 1: Current Issues of Concern to HR Leaders**
Percentage of HR Leaders

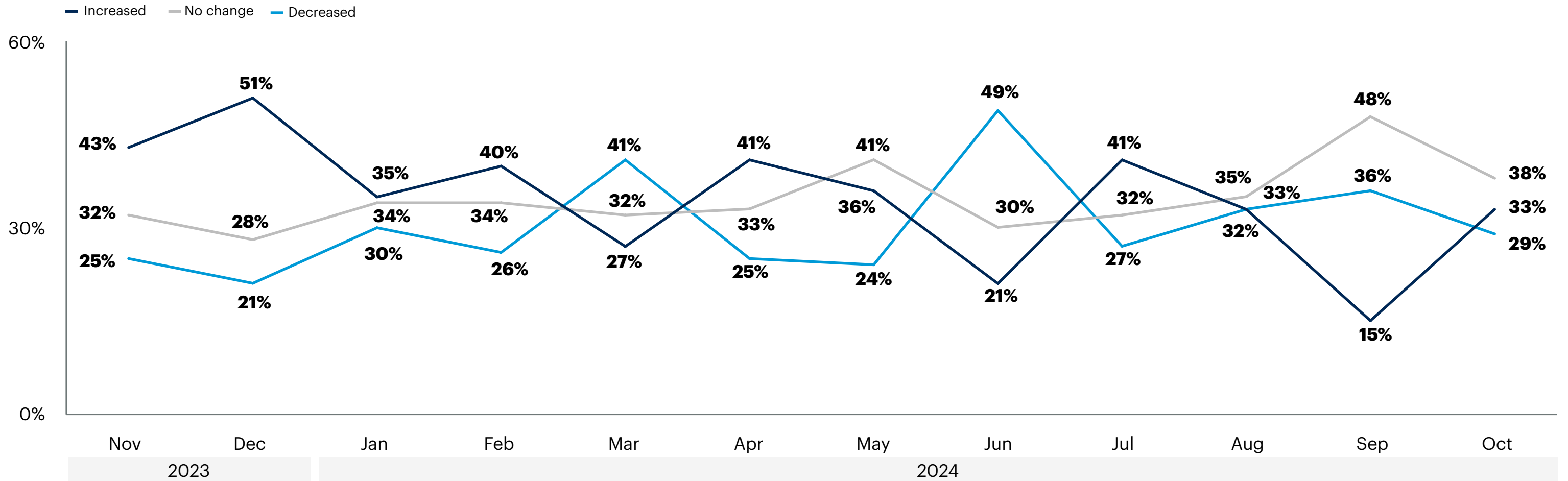


n = 7 (Oct 2024), 46 (Aug 2024)

Q: Which of the following topics are current issues for your organization this month? (Select all that apply)

Source: Benchmark with Gartner: Flexibility Demands, C-Suite Turnover and the Labor Market Climate (Oct 2024), Skills Gaps, Employee Resenteeism and the Labor Market Climate (Aug 2024)

» Figure 2: Trends in Job Postings
Percentage of HR leaders

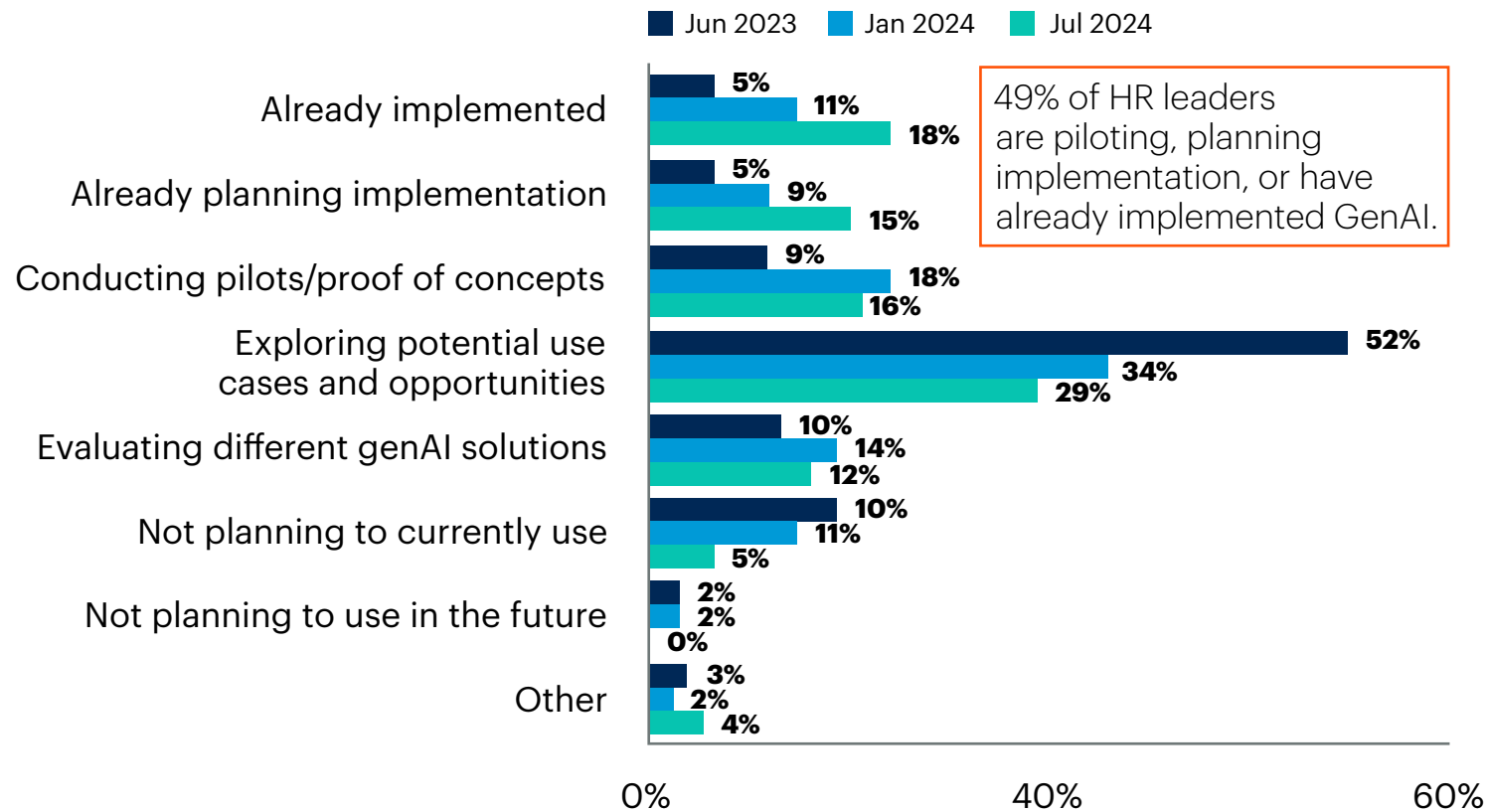


n = 45 (Oct 2024), 33 (Sep 2024), 63 (Aug 2024), 63 (Jul 2024), 53 (Jun 2024), 59 (May 2024), 75 (Apr 2024), 44 (Mar 2024), 100 (Feb 2024), 175 (Jan 2024), 82 (Dec 2023), 187 (Nov 2023)

Q: How have your organization's job postings changed this month compared to the average of the last three months? (Select one).

Source: Benchmark with Gartner

» **Figure 3: Plans and Activity in GenAI Implementation**
Percentage of HR Leaders

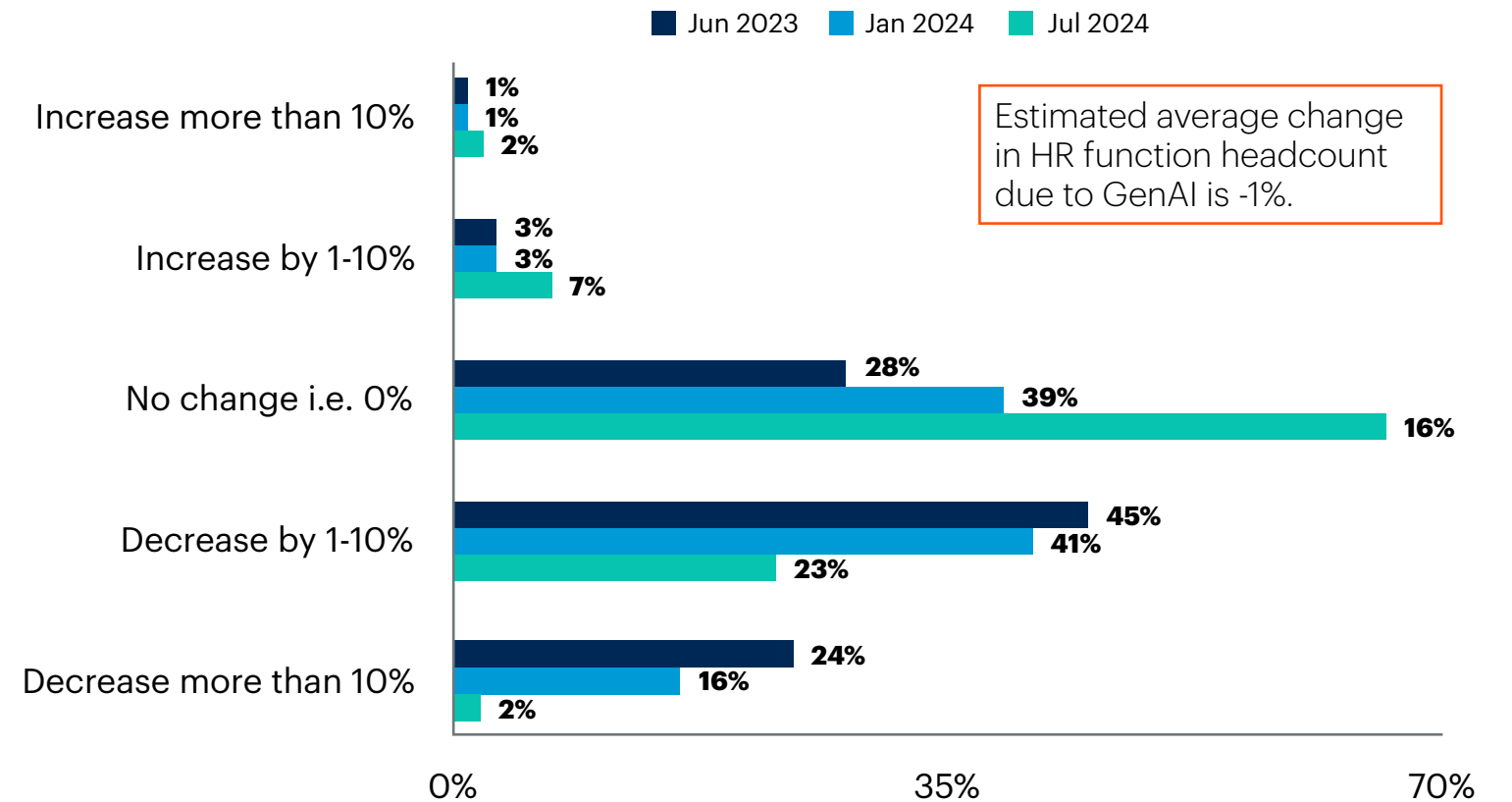


n = 73 (Jul 2024), 179 (Jan 2024), 105 (Jun 2023)

Q: How far along are you in planning and preparation for GenAI implementation? (Select one)

Source: Benchmark with Gartner: GenAI HR Disruption, Deepfakes at Work & Labor Market Climate (Jul 2024), The Impact of GenAI on the HR Function and Workforce One Year On (Jan 2024), Special Edition- Navigating the Workforce Impact of Generative AI (Jun 2023)

» **Figure 4: Expected Impact of GenAI on HR Function Headcount**
Percentage of HR leaders



n = 3 (Jul 2024), 179 (Jan 2024), 105 (Jun 2023)

Q: How far along are you in planning and preparation for GenAI implementation? (Select one)

Source: Benchmark with Gartner: GenAI HR Disruption, Deepfakes at Work & Labor Market Climate (Jul 2024), The Impact of GenAI on the HR Function and Workforce One Year On (Jan 2024), Special Edition- Navigating the Workforce Impact of Generative AI (Jun 2023)



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