



Gartner®

# Labor Market Insights

Benchmark with Gartner insight into culture tensions and talent strategy recalibration.

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# Labor market softens amid market shocks, human/machine workforce and culture tensions

1

**Headcount reductions are expected to increase.** Thirty-four percent of organizations anticipate conducting layoffs in the next three months, marking the highest level in more than two years. At the same time, anticipated slowing hiring for roles (66%) and freezing hiring (44%) are also at two-year highs. CHROs and their teams must start preparing for anticipated reductions in force, balancing the business cost demands with the impact on the employee population.

[Reductions-in-Workforce Resource Center](#)

3

**HR struggles to deploy scenario planning to sense and respond to market events.** Less than half (45%) of HR leaders say they use scenario planning to sense and respond to potential future events that can put talent strategy outcomes at risk. Almost all HR leaders (98%) face barriers in scenario planning and engaging stakeholders (32%) is the most common barrier. CHROs and their teams should incorporate scenario planning into workforce plans to quickly identify potential workforce shifts and adapt to multiple business scenarios.

[Integrate Scenario Planning Into Workforce Planning](#)

2

**Quick reactions to market shocks, emphasizing leadership and tech, may not deliver.** Most organizations are prioritizing leadership development to drive high performance and motivation (57%) and implementing technology to automate or augment work (50%) in response to recent market shocks. But in May, only 36% of HR leaders felt confident that their organization could effectively adapt to market shocks, and leadership pipeline pressures (45%) and GenAI workforce disruption (42%) are now the second and third most common current issues for organizations after skills gaps (52%). CHROs and their teams must conduct timely talent risk assessment and prioritize the top risks to escalate to the business and the board.

[Tool: Talent Risk Assessment Framework](#)

4

**Organizations are not yet prepared to manage a blended human and machine workforce.** Only 8% of HR leaders say their organization is prepared to manage a blended human/machine workforce, and 23% say their organization is not prepared at all. At the same time, 91% say their organization's talent strategy will be directed at human and machine workforce over the next three years. CHROs and their teams should identify possible human-machine futures for their organization and define their response, based on efficiency pressures and evolving employee expectations.

[Collaborative Human-Machine Teams](#)

5

**Culture is not supporting current organizational goals.** Only 1 in 3 HR leaders are confident that their organization's culture supports progress toward 2025 goals. The biggest challenge they face is that leaders do not effectively reinforce desired cultural behaviors (58%), while using leader role modeling is the most important focus area for improving culture (55%). CHROs and their teams should guide employees on behaviors they should prioritize or avoid to align with core values, while allowing team-led customization to make culture relevant to employees' roles, goals and experiences.

[Tool: Contextualize Org Culture for Teams](#)

# Labor market softens amid market shocks, human/machine workforce and culture tensions

**34%**

of HR leaders say they anticipate their organization laying off employees as a cost-saving measure in the next three months, up from 23% in May.

**45%**

of HR leaders say they use scenario planning to sense and respond to potential future events that can put talent strategy outcomes at risk.

**8%**

of HR leaders say they are prepared to manage a blended workforce of humans and machines.

**35%**

of HR leaders say they are confident that their organization's culture supports progress toward their 2025 goals.

**Read on for full analysis and recommendations.**

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Continuous client diagnostics  
and labor market surveys



## Expert authority

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in all key topic domains



## Client network

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The Labor Market Outlook is a monthly Gartner publication made possible by the unrivaled Gartner footprint in the global labor market. Data and analysis comes from Benchmark With Gartner, a monthly real-time analysis of the global labor market climate and current issues hosted by Dion Love. Data in this edition comes from Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (112 HR leaders participating).

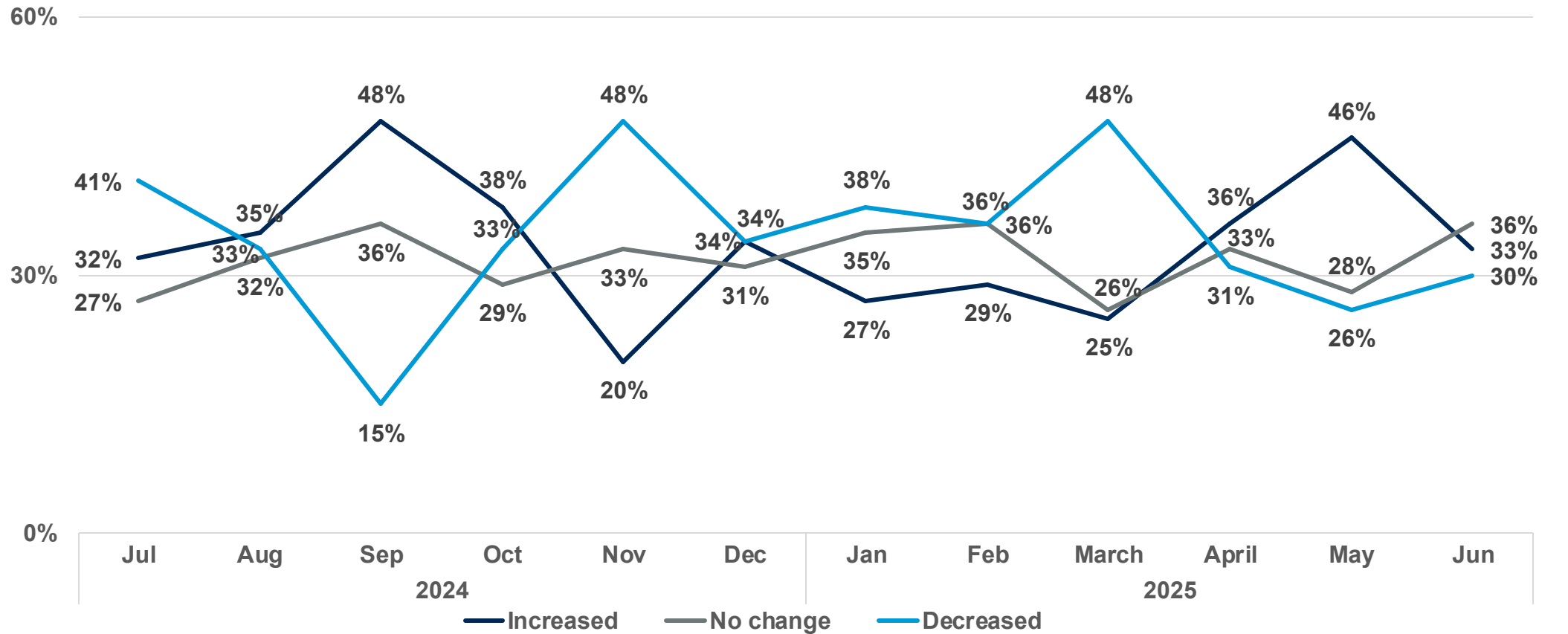
# Labor Market Climate

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# Increased postings drop sharply after two-month rise

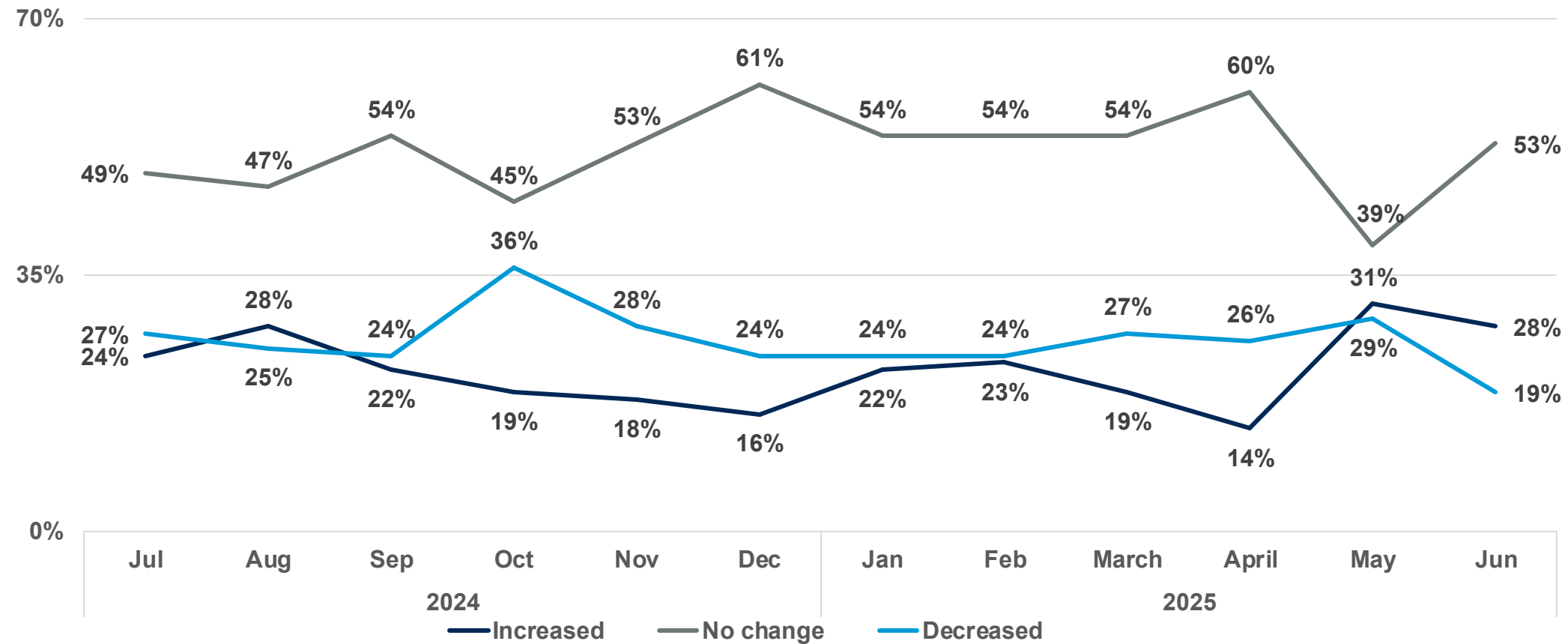
Percentage of HR leaders



n = 33 (June 2025), 50 (May 2025), 81 (Apr 2025), 102 (Mar 2025), 56 (Feb 2025), 88 (Jan 2025), 58 (Dec 2024), 46 (Nov 2024), 45 (Oct 2024), 33 (Sep 2024), 63 (Aug 2024), 63 (Jul 2024)  
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

# Increased quits decline slightly as second quarter ends

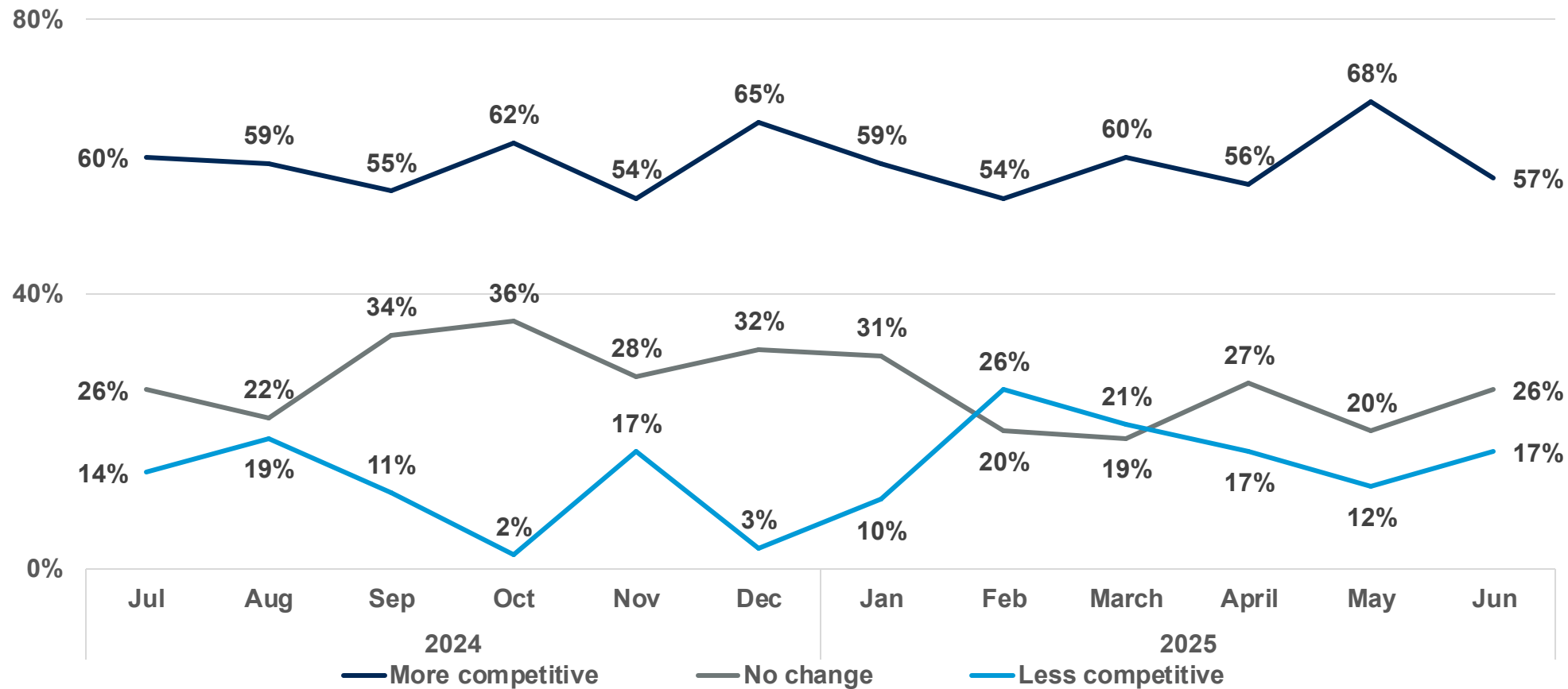
Percentage of HR leaders



n = 32 (June 2025), 51 (May 2025), 72 (Apr 2025), 104 (Mar 2025), 39 (Feb 2025), 72 (Jan 2025), 51 (Dec 2024), 45 (Nov 2024), 47 (Oct 2024), 37 (Sep 2024), 60 (Aug 2024), 74 (Jul 2024)  
Q: How has your organization's quits rate changed this month compared to the average of the last three months? (Select one)  
Source: Benchmark With Gartner

# Talent competition returns to past levels, remains elevated

Percentage of HR leaders

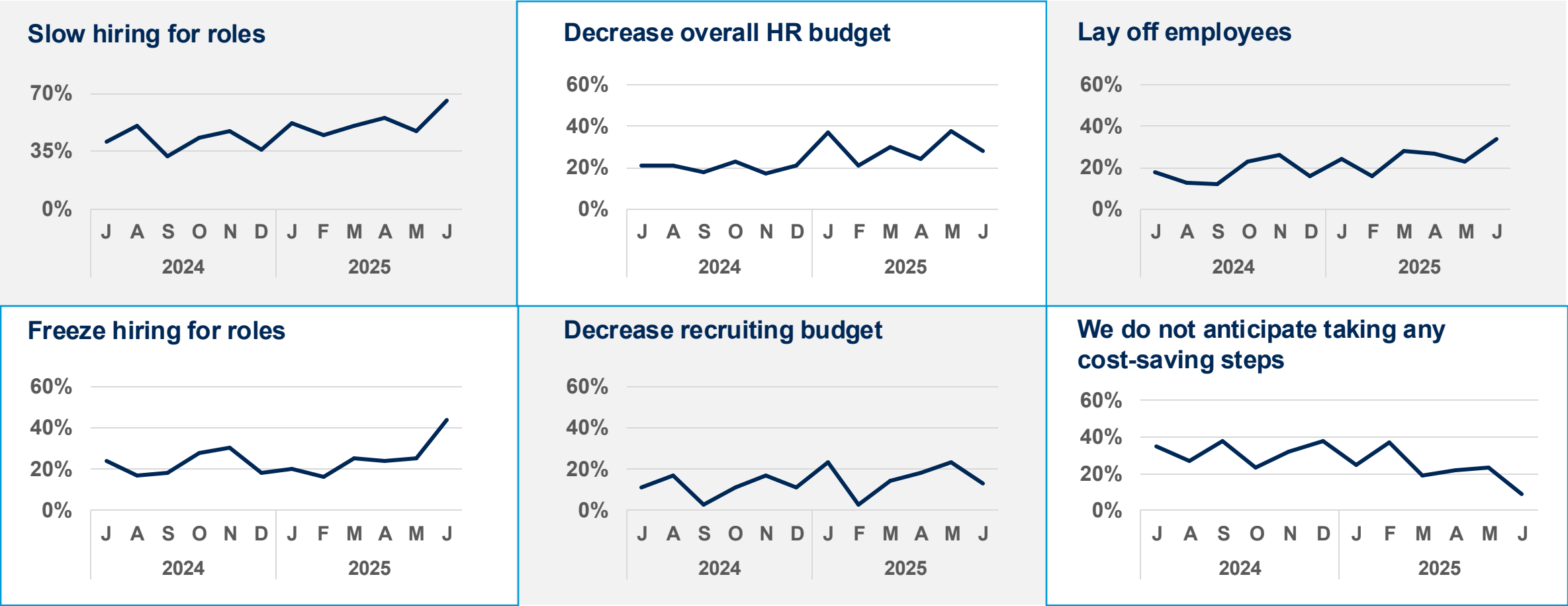


n = 35 (June 2025), 50 (May 2025), 66 (Apr 2025), 106 (Mar 2025), 46 (Feb 2025), 83 (Jan 2025), 62 (Dec 2024), 46 (Nov 2024), 47 (Oct 2024), 38 (Sep 2024), 58 (Aug 2024), 70 (Jul 2024)  
Q: How do you expect talent competition to change in the next three months? (Select one)  
Source: Benchmark With Gartner



# Layoffs and hiring cost-saving measures on the rise

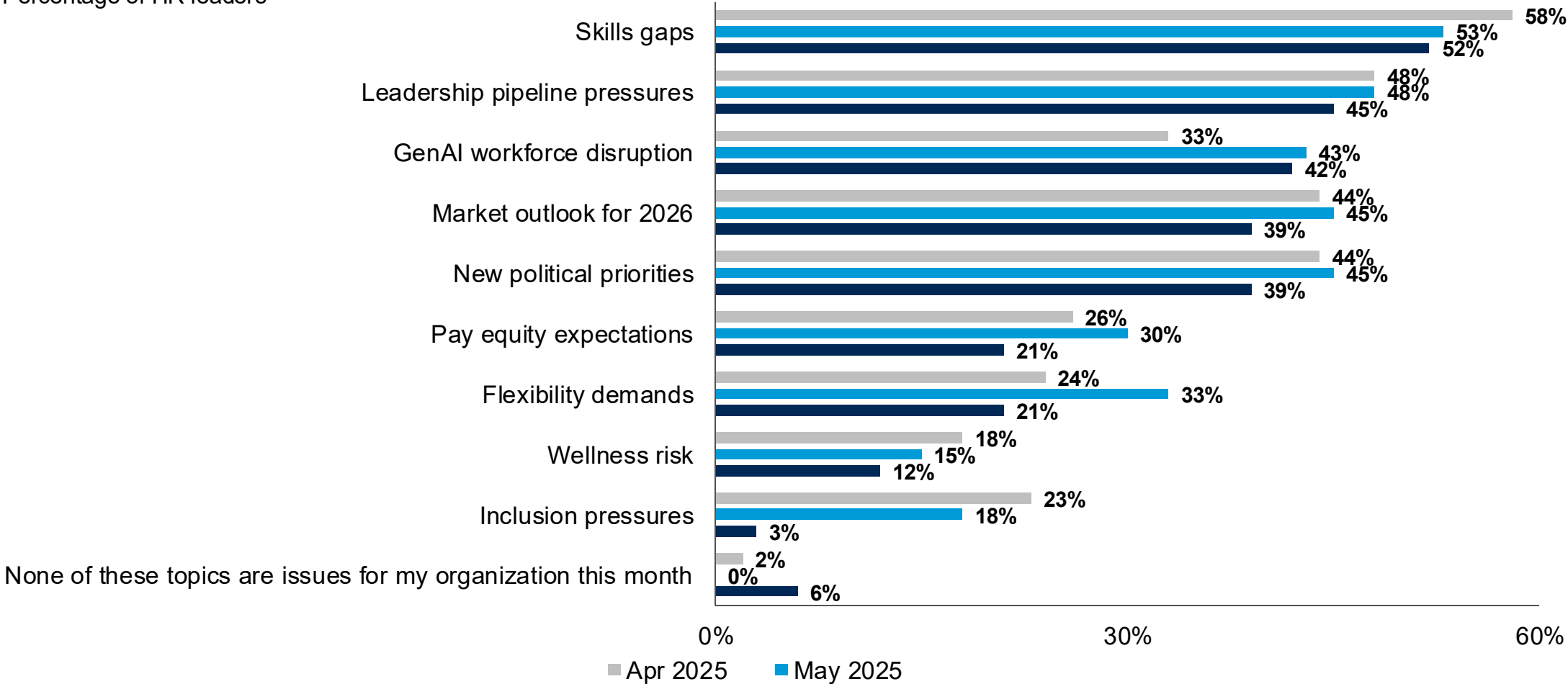
Percentage of HR leaders



n = 32 (June 2025), 53 (May 2025), 74 (Apr 2025), 111 (Mar 2025), 38 (Feb 2025), 87 (Jan 2025), 56 (Dec 2024), 47 (Nov 2024), 47 (Oct 2024), 34 (Sep 2024), 52 (Aug 2024), 66 (Jul 2024)  
Q: Which of the following talent cost-savings measures do you anticipate your organization taking in the next three months? (Select all that apply)  
Source: Benchmark With Gartner

# Skills gaps remain top current issue for HR leaders

Percentage of HR leaders



n = 33 (Jun 2025), 40 (May 2025), 66 (Apr 2025)

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

Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025), Mitigating Talent Strategy Risk Amid U.S. Policy Shifts & Tackling Skill Gaps (May 2025), Leadership Pipeline Pressures and U.S. Tariffs Impact on Jobs (Apr 2025)

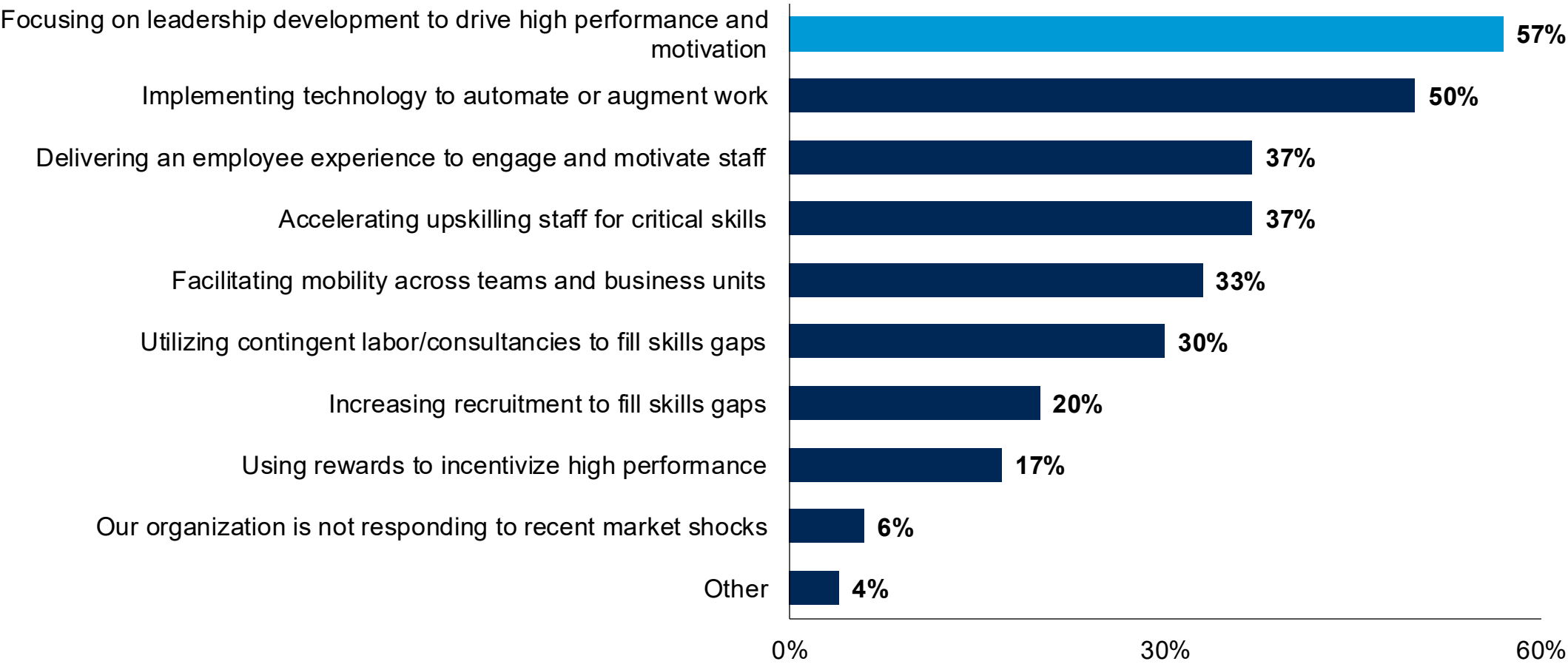
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# Calibrating Talent Strategy

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# Many prioritize leadership development in market shocks

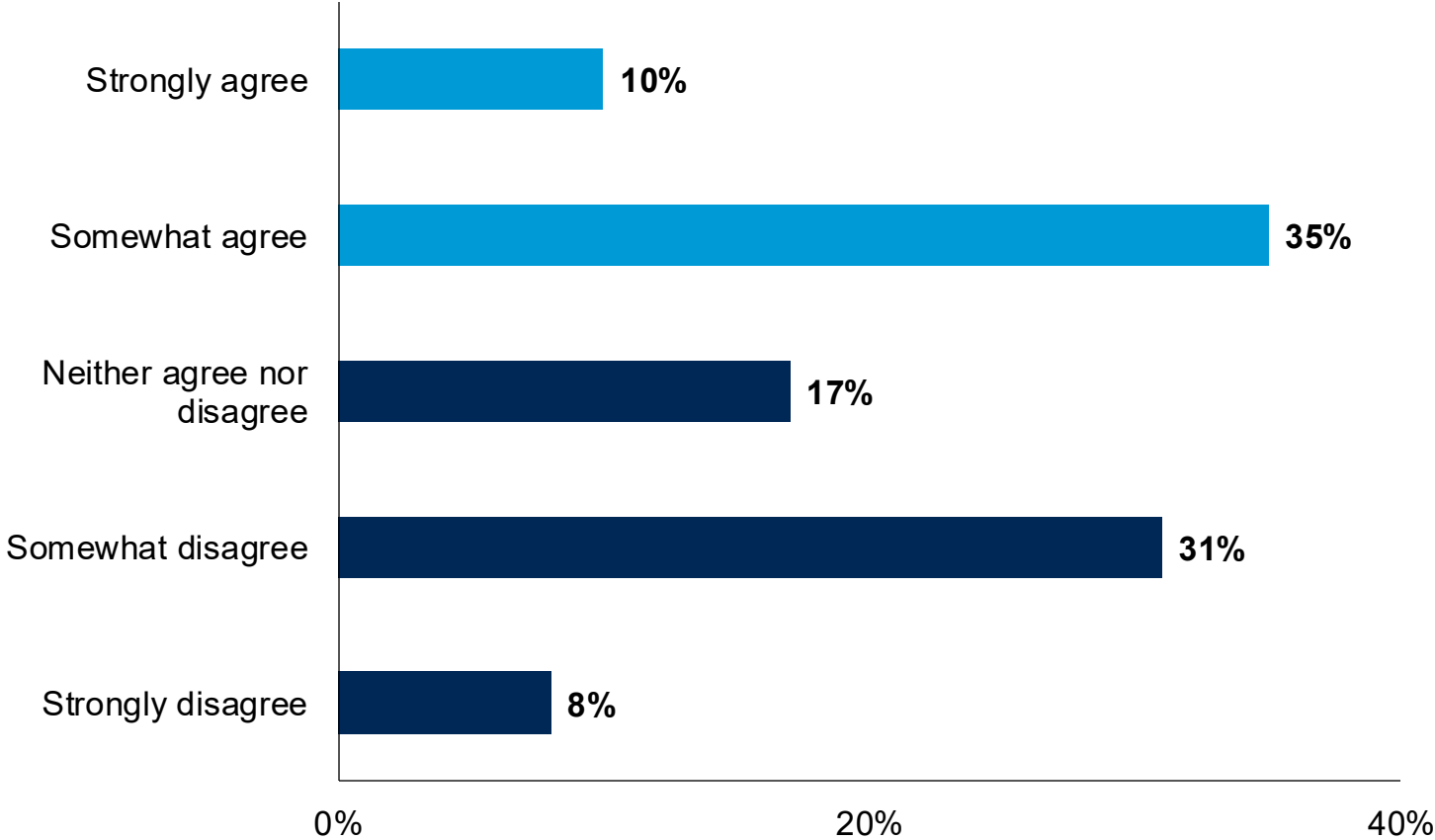
Percentage of HR leaders



n = 54 (Jun 2025)  
Q: Which actions has your organization prioritized in response to recent market shocks? (Select all that apply)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)

# Less than half use scenario planning to sense and respond

Percentage of HR leaders



**45%** of HR leaders say they use scenario planning to sense and respond to potential future events that can put talent strategy outcomes at risk.

n = 52 (Jun 2025)

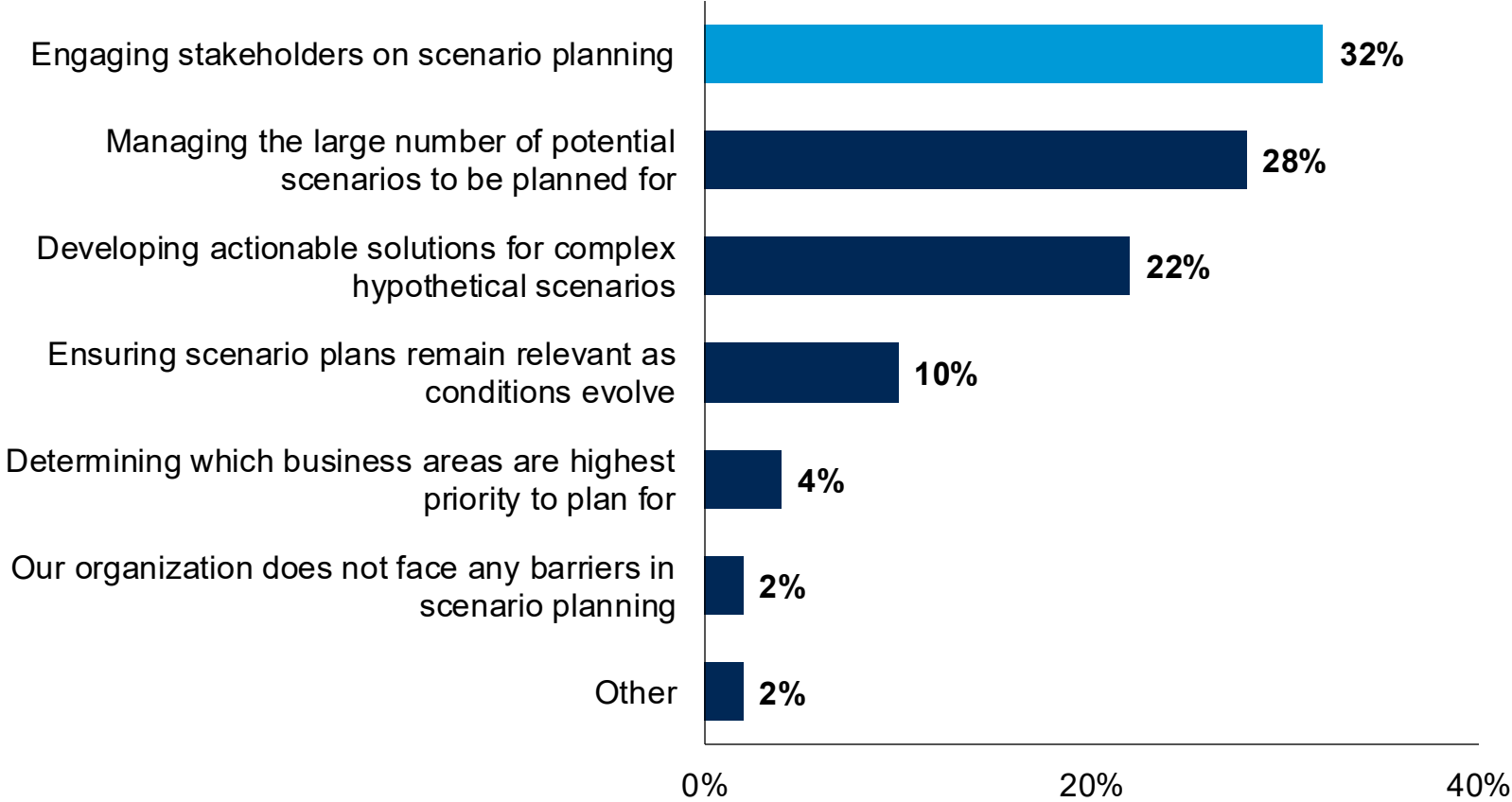
Q: To what extent do you agree or disagree with the following statement? (Select one.) Our organization uses scenario planning to explore and prepare for multiple potential future events that can put talent strategy outcomes at risk.

Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)

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# Stakeholder engagement main barrier to scenario planning

Percentage of HR leaders



n = 50 (Jun 2025)  
Q: What is the primary barrier that your organization faces to effective scenario planning? (Select one)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)  
Note: "Identifying the forces impacting high priority business areas" was also an option but was not selected by any respondents.





# BU leader partnership critical in developing talent strategy

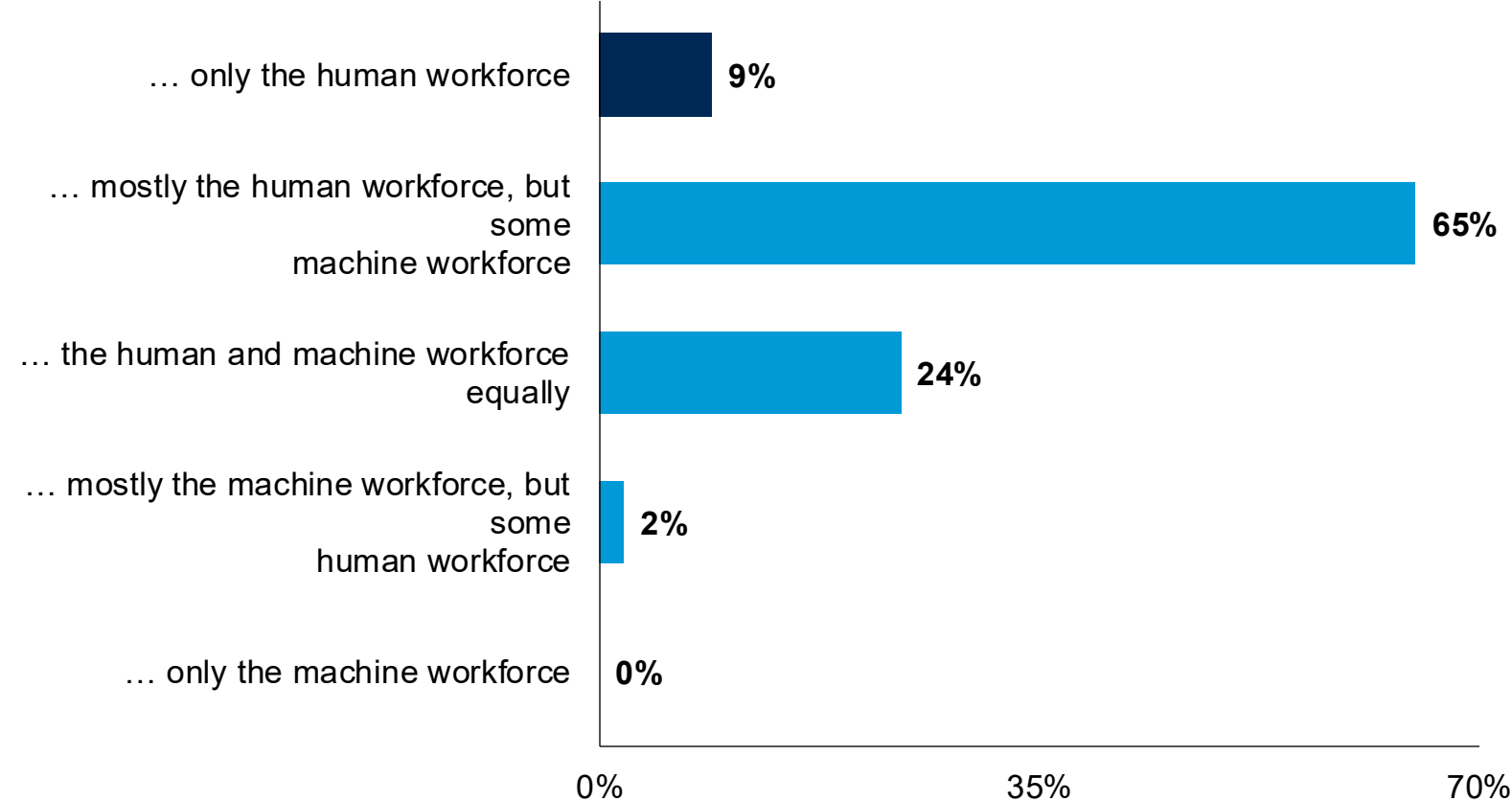
Percentage of HR leaders



n = 50 (Jun 2025)  
Q: Which of the following stakeholders and their direct reports outside of HR are your CHRO's most critical partners in developing your talent strategy? (Select all that apply)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)

# 9 in 10 HR leaders see machines in talent strategy by 2028

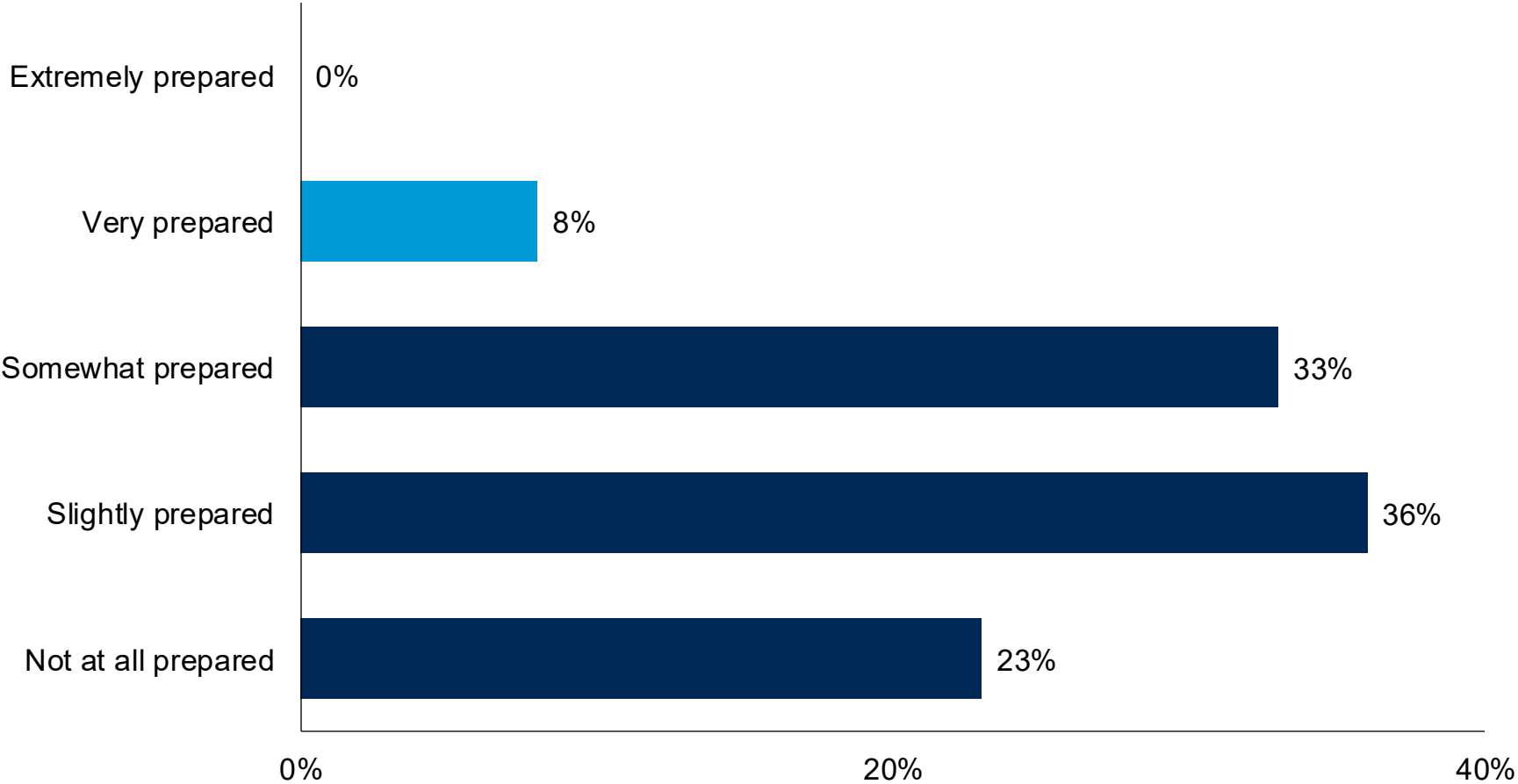
Percentage of HR leaders



n = 46 (Jun 2025)  
Q: Please complete the following: In the next 3 years, my organization's talent strategy will be directed at ... (Select one)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)

# Less than 1 in 10 prepared to manage a blended workforce

Percentage of HR leaders



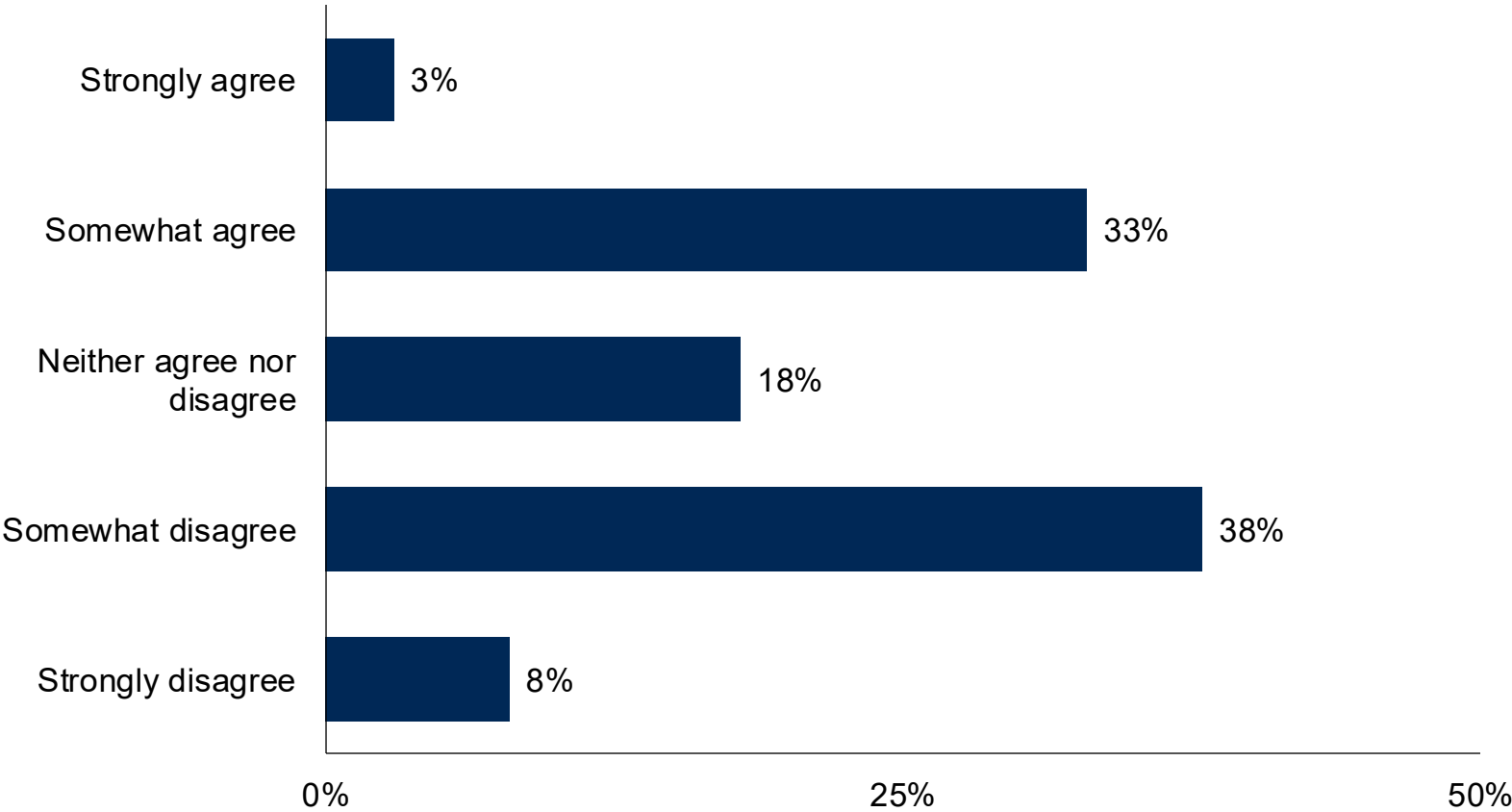
n = 39 (Jun 2025)  
Q: How prepared is your organization to manage a blended workforce of humans and machines (e.g., AI, automation)? (Select one)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)



Only **8%** of HR leaders are prepared to managed a blended workforce of humans and machines, compared to **23%** of HR leaders that say they are not at all prepared.

# HR leaders divided on ease of attraction and retention today

Percentage of HR leaders



n = 39 (Jun 2025)

Q: To what extent do you agree or disagree with the following statement? (Select one.) Our business leaders believe attracting and retaining talent should be easy in today's market.

Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)

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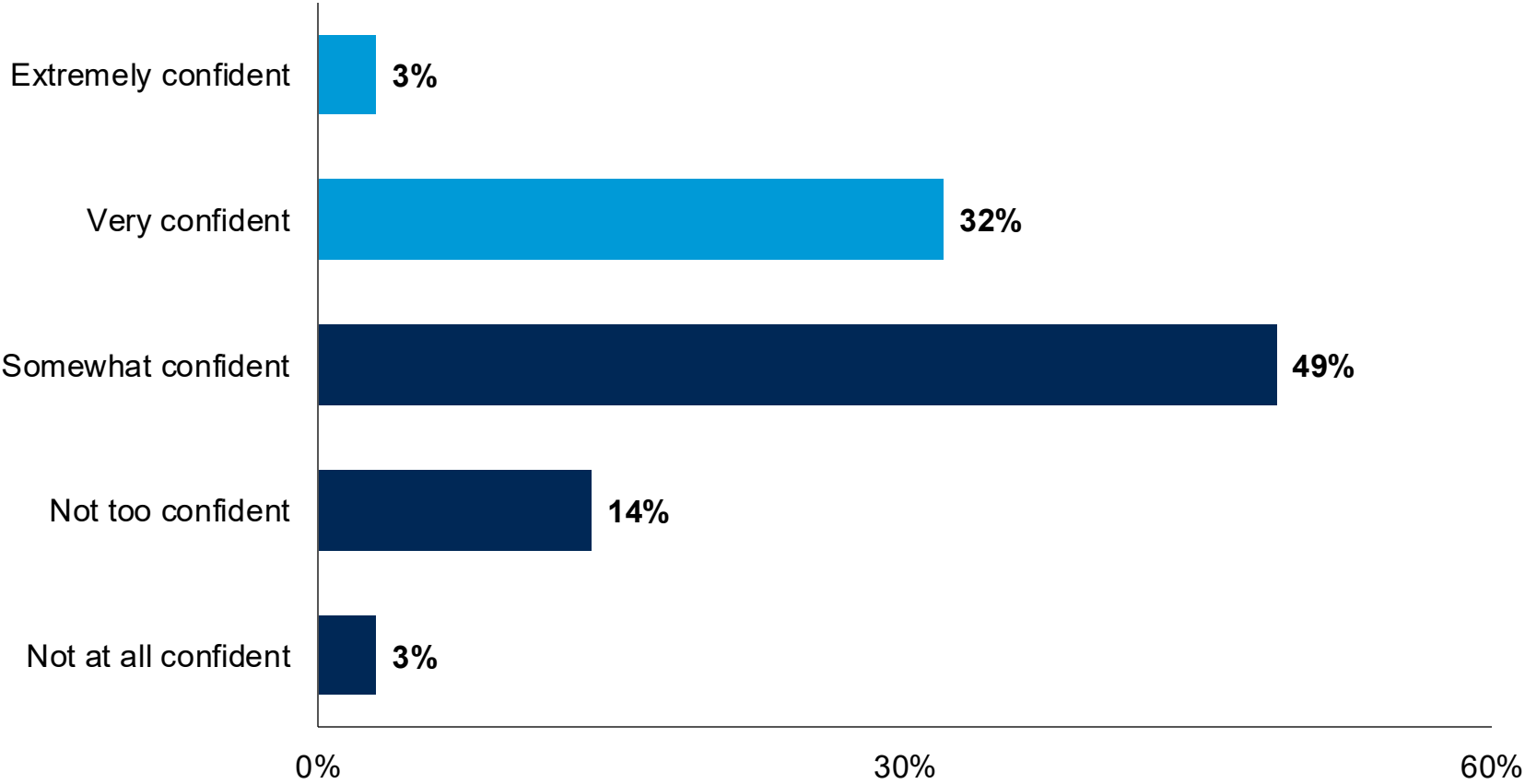
# Culture Tensions



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# Only 1 in 3 HR leaders confident in their org culture

Percentage of HR leaders



n = 37 (Jun 2025)  
Q: How confident are you that your organization's culture is supporting progress towards your organization's 2025 goals? (Select one)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)

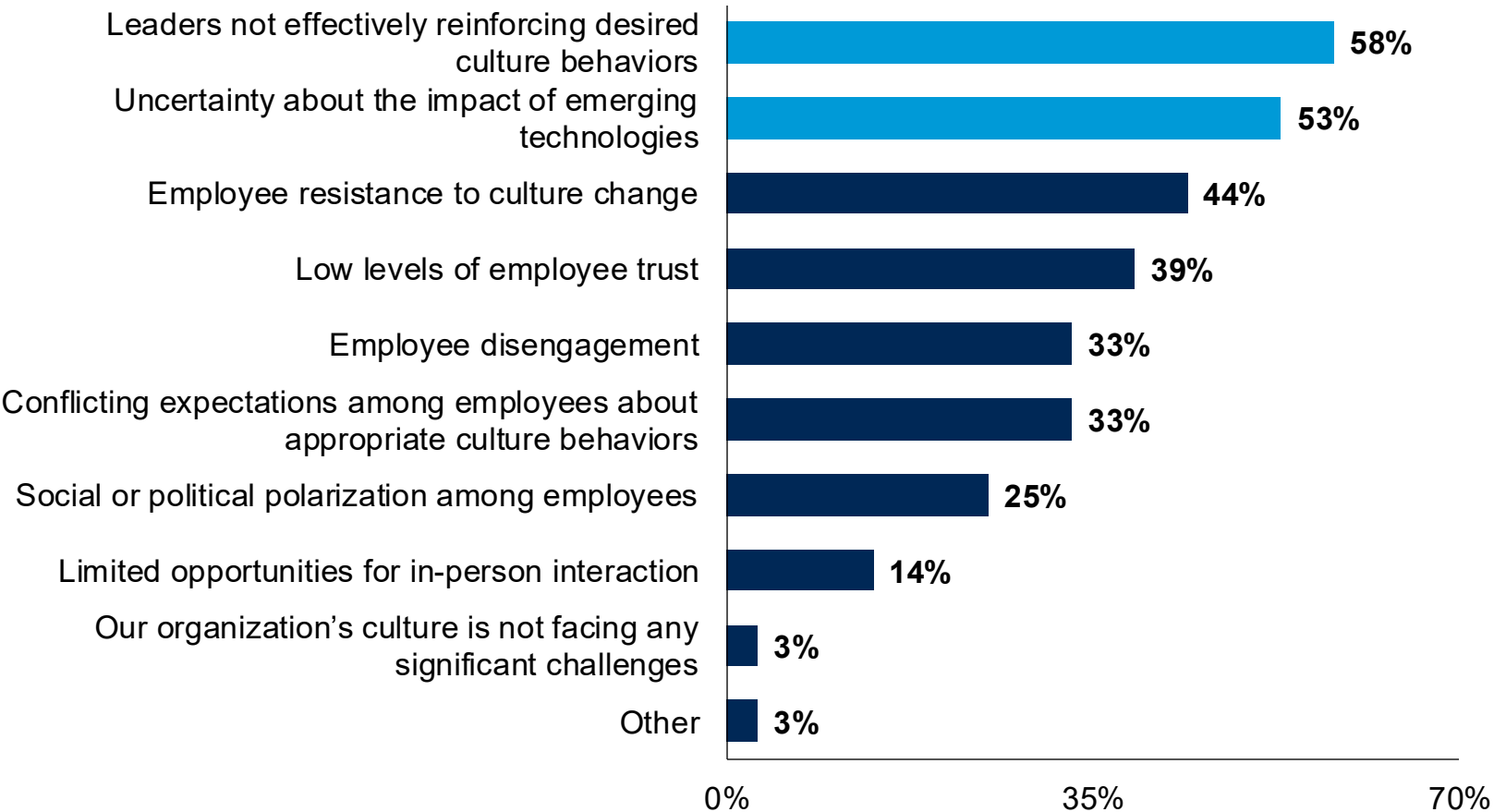


35% of HR Leaders say they are confident that their organization's culture supports progress toward their 2025 goals.



# Leader behavior and emerging tech key challenges to culture

Percentage of HR leaders



n = 36 (Jun 2025)  
Q: What are the most significant challenges your organization's culture is currently facing? (Select all that apply)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)  
Note: Uncertainty about the impact of emerging technologies includes GenAI and Agentic AI.

# Leader role modeling key focus area for improving culture

Percentage of HR leaders



n = 33 (Jun 2025)  
Q: What are your organization's most important focus areas for improving culture at your organization? (Select all that apply)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)

# Nearly half turning to leaders to strengthen culture

Percentage of HR leaders



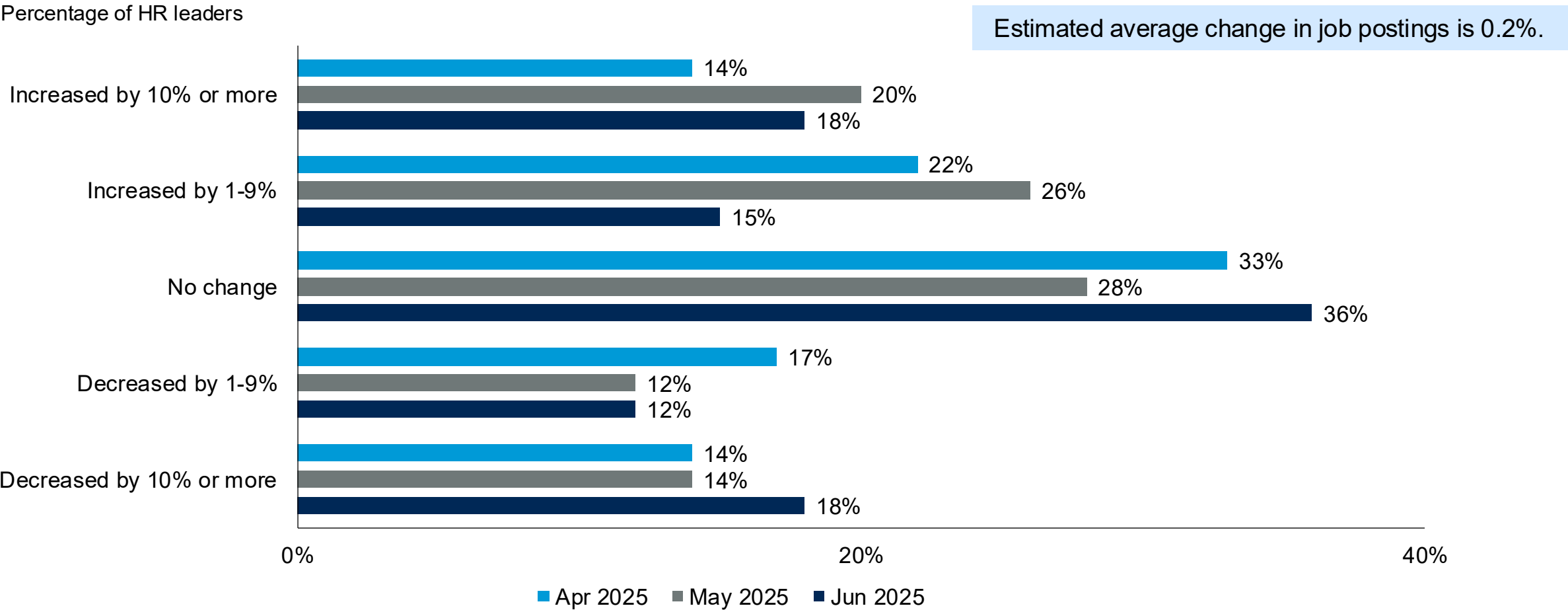
n = 33 (Jun 2025)

Q: Which of the following actions is your organization currently taking or planning to take in the next 12 months to strengthen your organization’s culture? (Select all that apply)

Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025)

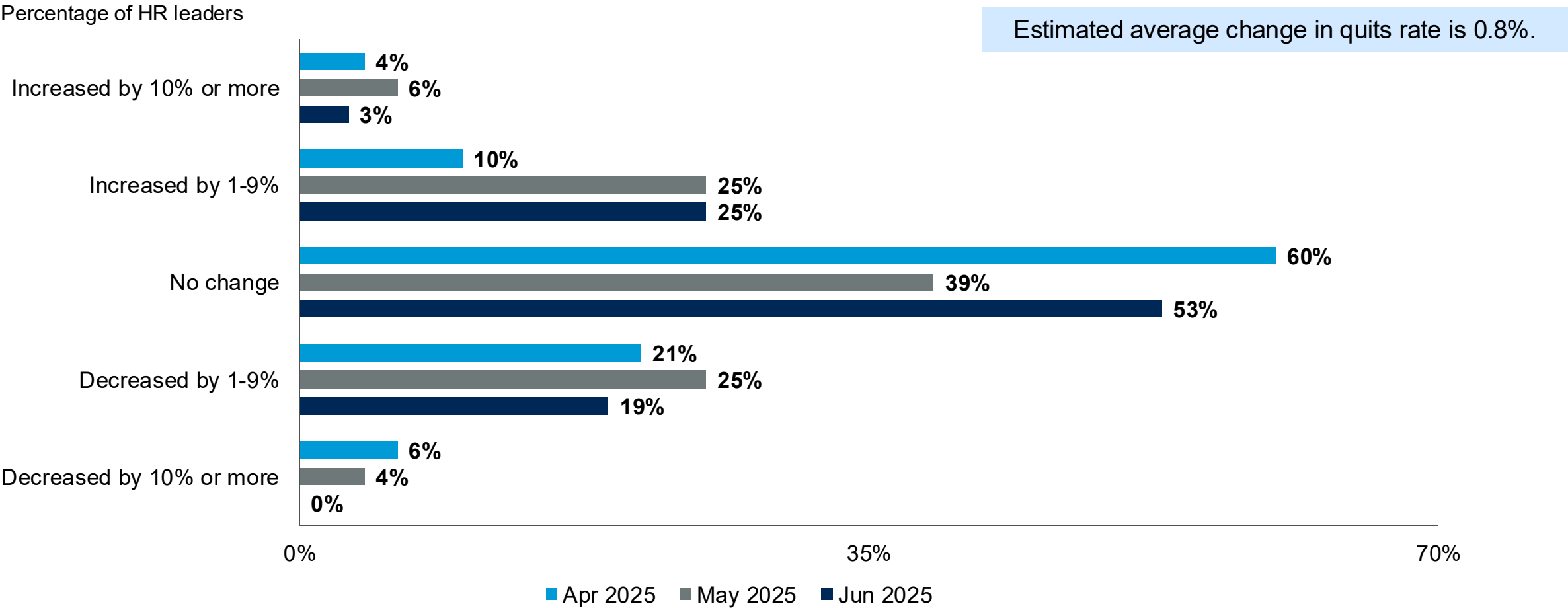
# Appendix

# Increased postings drop sharply after two-month rise



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Note: The estimated average change in job postings was computed using the midpoint of each response option interval (i.e., 5% was used for "Increase by 1-9%") from the original question before intervals were aggregated in this figure (i.e., "10-19%" and "more than 20%" were combined into "more than 10%"). The percentage of leaders selecting each option are weighted in the average.

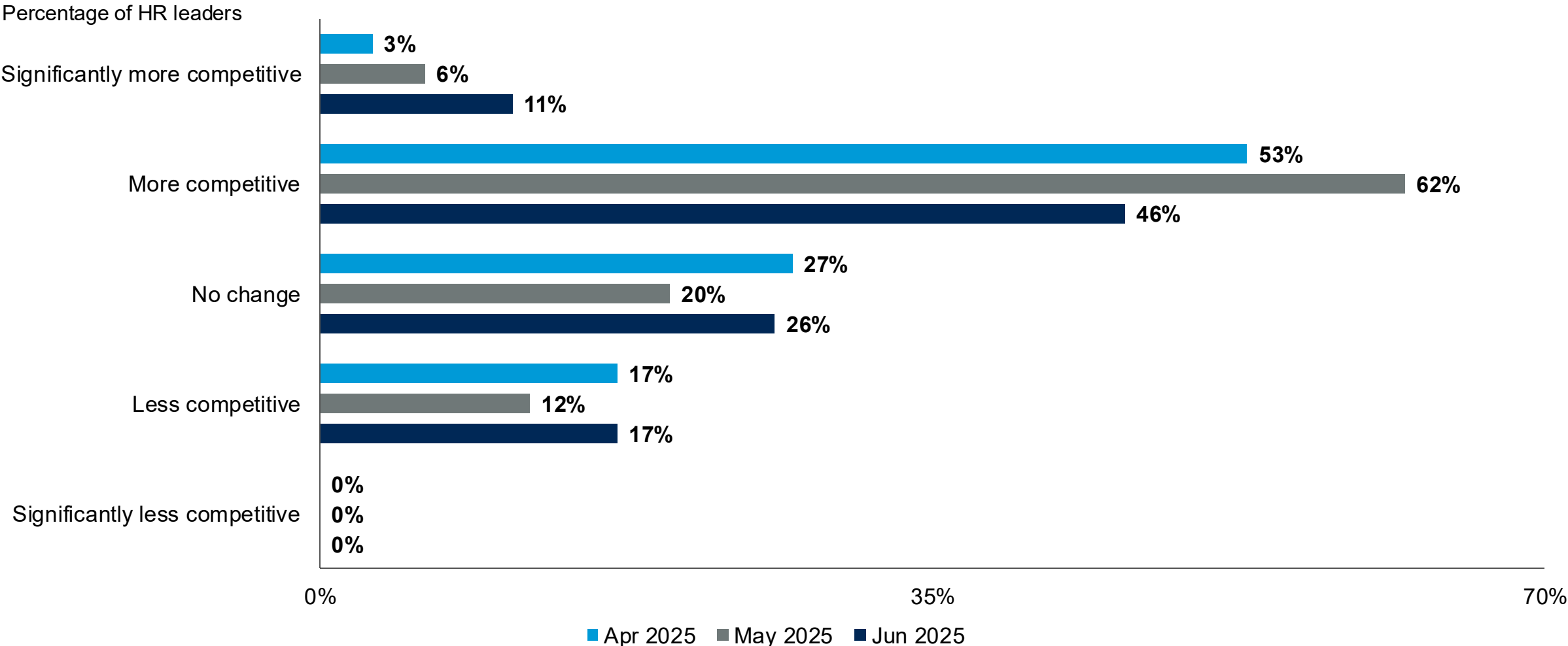
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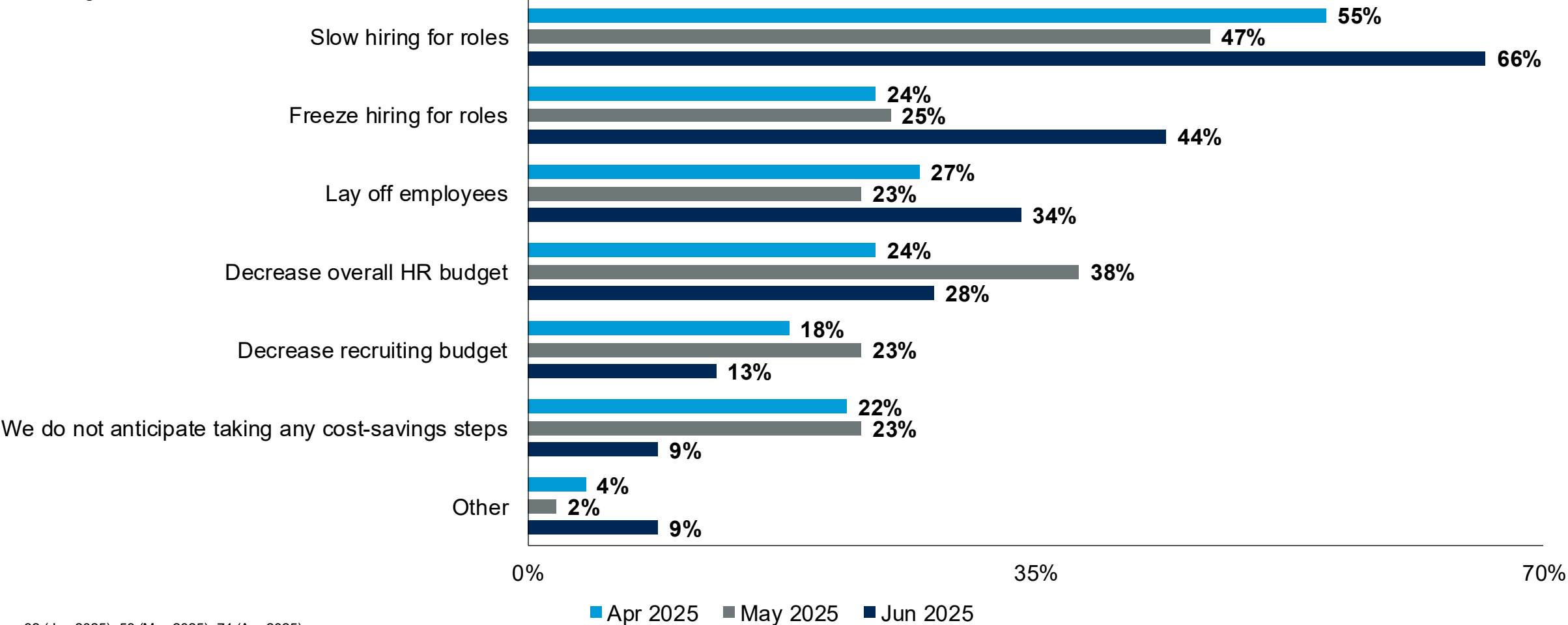
# Talent competition returns to past levels, remains elevated



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Q: How do you expect talent competition to change in the next three months? (Select one)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025), Mitigating Talent Strategy Risk Amid U.S. Policy Shifts & Tackling Skill Gaps (May 2025), Leadership Pipeline Pressures and U.S. Tariffs Impact on Jobs (Apr 2025)

# Layoffs and hiring cost-saving measures on the rise

Percentage of HR leaders



n = 32 (Jun 2025), 53 (May 2025), 74 (Apr 2025)  
Q: Which of the following talent cost-savings measures do you ANTICIPATE your organization taking in the next three months? (Select all that apply)  
Source: Benchmark With Gartner: Calibrate Talent Strategy Amid Market Shocks & Navigate Culture Tensions (Jun 2025), Mitigating Talent Strategy Risk Amid U.S. Policy Shifts & Tackling Skill Gaps (May 2025), Leadership Pipeline Pressures and U.S. Tariffs Impact on Jobs (Apr 2025)

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