Gartner

The CHRO Report

Gartner answers top CHRO challenges



4Q26

Preparing HR for the next phase of AI

As CHROs prepare for 2027, their focus is shifting from adopting AI to creating the organizational conditions needed to generate sustained value from it. This requires preparing managers and leaders to oversee performance across individual employees, human-AI collaboration and autonomous AI execution.

At the same time, HR must transform how it operates. CHROs need to replace static planning with a more adaptive, product-oriented approach, while making deliberate choices about AI use cases, technology architecture and governance. As agentic AI expands across HR, clear ownership, autonomy boundaries and human accountability will become essential to managing risk and scaling value.

To help CHROs navigate these priorities, this report highlights the latest Gartner insights into:

- How to prepare managers and leaders for a complex human-AI workplace
- How to evolve HR strategy through a product-oriented approach
- How to implement AI and prepare HR for agentic AI

Use this edition of the CHRO Report to inform 2027 planning, strengthen HR's operating model and accelerate business value from AI.

How can HR prepare managers for human-AI work?

Leadership demands are rising faster than development capacity, while managers must increasingly orchestrate performance across employees, employee-AI collaboration and autonomous AI execution.



60%

of CHROs say leadership demands outpace development capabilities.



80%

of CHROs report overwhelmed managers.

Without targeted support and due to operational friction and weak feedback, architectures can undermine both manager capacity and strategic execution.

Source: Gartner

What your peers are asking

AskGartner

An AI-Powered Tool to Access Trusted Gartner Insights

What resources support successful leadership skill building?

How should performance be measured across human-AI work?

Learn More About AskGartner ↗

Redesign leadership for a three-source workforce

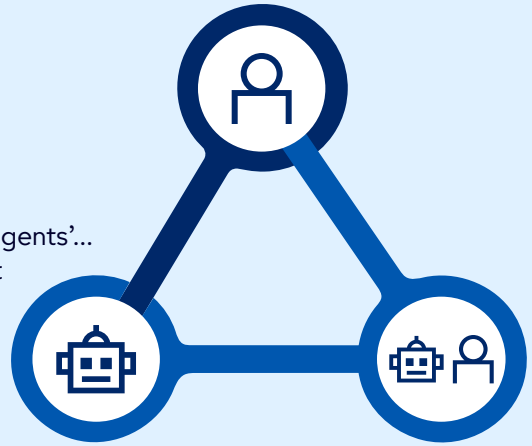
As organizations deploy agentic AI at scale, managers must orchestrate work across three sources of effort: individual employee contributions, employee-AI collaboration and autonomous AI execution. In an AI-augmented workplace, HR must prepare managers to oversee performance in new ways.

Managing performance through effective feedback is a critical managerial task, but only 45% of CHROs believe managers improve team performance quickly enough, and fewer than half of employees say their manager actually helps them improve performance. Organizations get the feedback culture they design for, which requires embedding three behavior change principles:

- **Clarity,** by establishing explicit coaching agreements and role expectations
- **Ease,** by adopting standardized conversation templates
- **Accountability,** by enforcing minimum conversation cadences logged in HCM systems and conducting annual upward feedback surveys

Help managers evaluate 3 dimensions of performance

Individual employee performance
Managers continue to evaluate employees'...
- Performance on annual goals
- Contribution to business outcomes
- Proficiency in job-specific skills



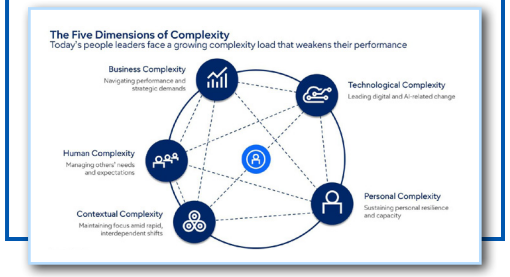
AI agent performance
Managers evaluate AI agents'...
- Performance against business outcomes
- Technical prowess in tools and task execution
- Consistency and trustworthiness of outcomes
- Safety and ethical integrity

Employee-AI agent performance
Managers assess how employees work with AI agents:
- Understanding of the role of AI agents in achieving goals
- Quality of feedback on AI agents
- Ability to coordinate with AI agents
- Safety and ethical integrity

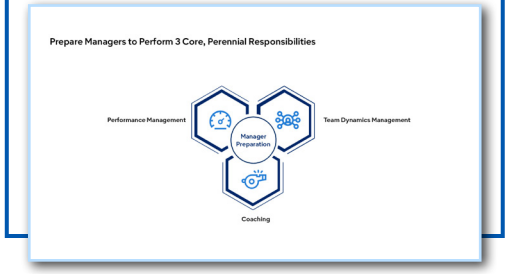
Source: Gartner

How CHROs work with Gartner

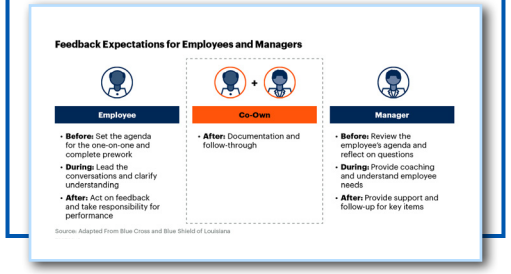
Administer the leader complexity load index to identify high-frequency, low-confidence operational burdens, using the diagnostic insights to streamline approval layers, clarify competing priorities and reduce administrative red tape.



Upskill managers to govern human-AI workflows by establishing clear escalation thresholds for autonomous agents, implementing RACI frameworks for hybrid tasks, and training leaders in both execution- and monitoring-oriented coaching.

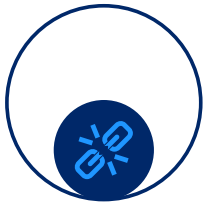


Shift from optional feedback to a structured coaching architecture by introducing co-owned manager-employee agreements, embedding tools like FAIR and GROW, and tracking conversation frequency through HCM logs and upward feedback.



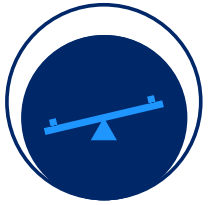
How can HR evolve strategy through product thinking?

Static planning and siloed HR processes make it harder to deliver future-ready solutions as business needs, job expectations and cost pressures shift.



38%

of CHROs say changing conditions disrupt future-ready HR solution design.



89%

struggle to balance strategic ambition with cost targets.

Traditional, calendar-based HR strategic planning relies on static assumptions that quickly become obsolete amid constant disruption.

Source: Gartner

What your peers are asking

AskGartner

An AI-Powered Tool to Access Trusted Gartner Insights

How can HR advance maturity to support strategic goals?

How can HR optimize costs and inform strategic planning?

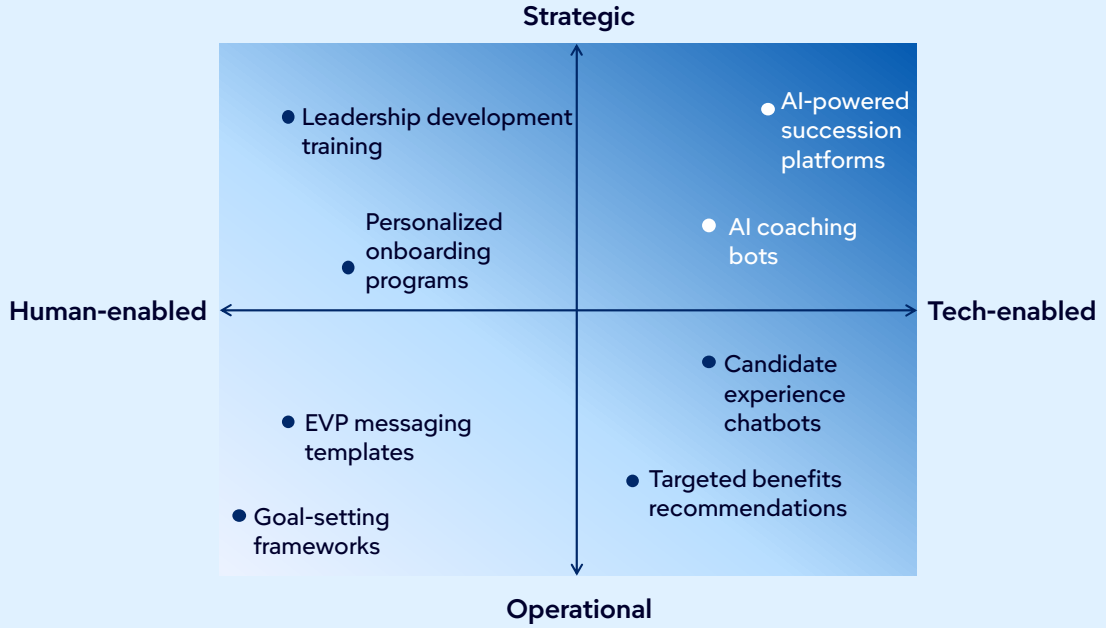
Learn More About AskGartner ↗

Shift from static planning to HR product management

HR must shift from static process management to a product-oriented approach, treating HR solutions as scalable, customer-centric products with defined user life cycles and iterative feedback loops. CHROs must champion four fundamental mindset shifts:

- **Strategy:** Shift from compliance to customer focus by prioritizing end-user value.
- **Solution design:** Shift from universal standardization to targeted customer segmentation.
- **Collaboration:** Shift from siloed team projects to enterprisewide product portfolios.
- **Value delivery:** Shift from process excellence quality to continuous product improvement based on business impact.

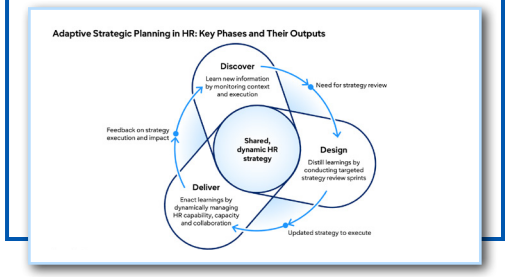
Examples of HR products



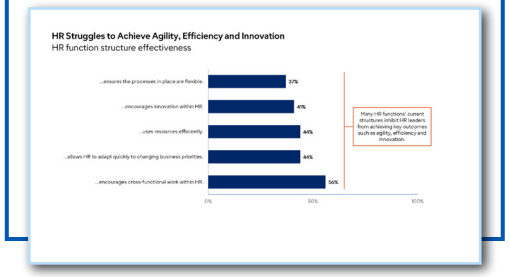
Source: Gartner

How CHROs work with Gartner

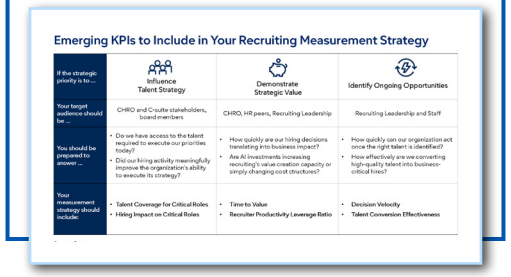
Use the **Evolve HR Strategy: From Static to Adaptive Plans** to replace annual strategy cycles with continuous monitoring and quarterly review sprints focused on minimally viable adjustments.



Audit the HR portfolio to map offerings into customer-centric value streams, appointing product owners and enforcing customer segmentation across all solution designs.



Complement traditional recruiting metrics with emerging business-impact KPIs, prioritizing time to value, talent coverage and decision velocity.



How can HR implement AI and prepare for agentic AI?

Initial HR AI deployments are delivering value, but the next wave of autonomous agents requires sharper technology choices, new measures and stronger governance.



80%

of HR leaders say initial AI implementations met or exceeded expectations.



50%

of HR activities could be performed by AI agents by 2030.

Traditional software governance is insufficient when agents can execute work and make decisions independently.

Source: Gartner

What your peers are asking

AskGartner

An AI-Powered Tool to Access Trusted Gartner Insights

How can HR strategically implement AI for value?

How should HR establish scalable AI governance?

Learn More About AskGartner ↗

Scale AI value with human-accountable agent governance

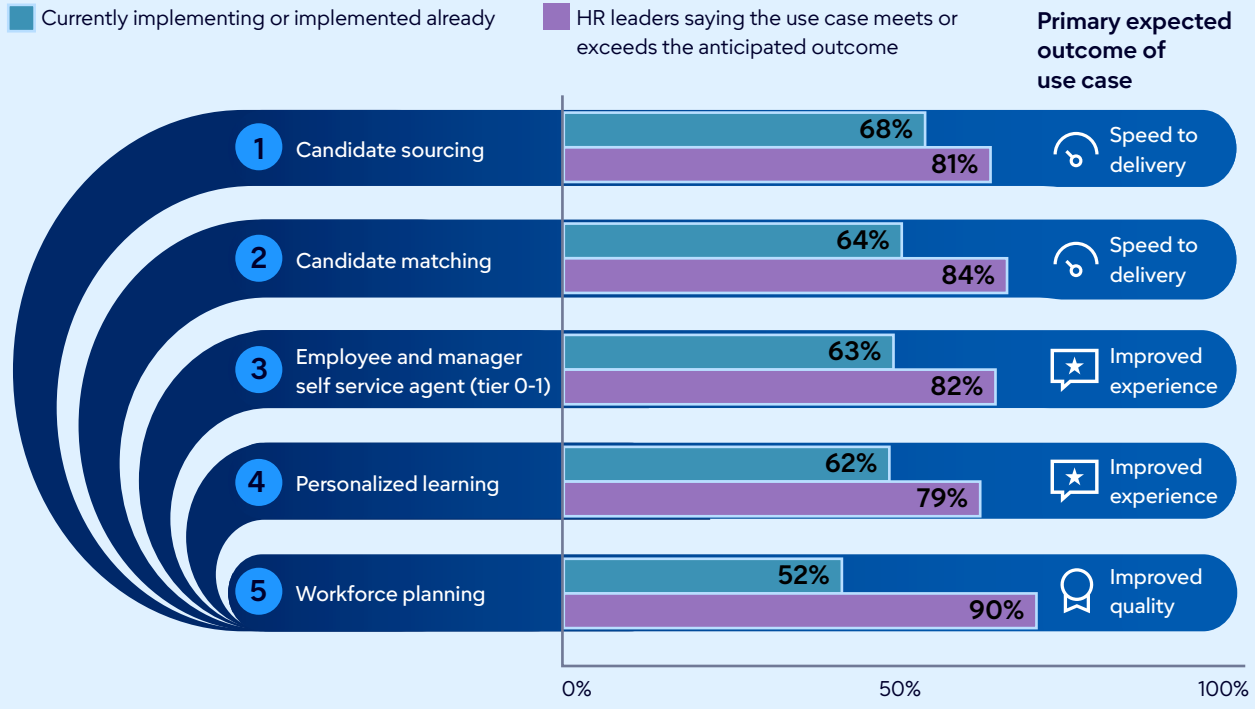
AI agents are projected to displace up to $28 billion in HCM software revenue between 2026 and 2030. Gartner categorizes established vendors into four quadrant profiles:

- **Market shapers** embed native HR agents directly into core HCM systems of record.
- **Pace setters** offer domain-agnostic enterprise infrastructure for rapid IT-led pilots.
- **Pioneers** provide flexible cross-application workflow orchestration.
- **Specialists** deliver targeted point solutions in specific domains such as learning or candidate discovery.

CHROs must adopt a “human-accountable-for-the-loop” model using the Gartner ROAD framework: establishing clear responsibilities by restricting high-stakes actions to humans, assigning explicit ownership, calibrating autonomy boundaries and formalizing decision rights across a four-tier spectrum from fully autonomous execution to human-only authority.

Wave 1: Top 5 use cases most implemented by HR

Percentage of HR leaders



Source: Gartner

How CHROs work with Gartner

Schedule a call with a Gartner analyst to discuss how to implement, pilot, scale and monitor the next wave of AI use cases.

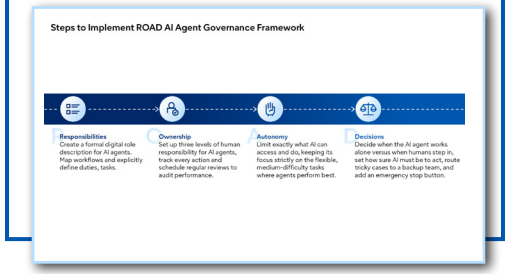


Katie Sutherland
Senior Director Analyst

Assess the market for AI agents in HR to determine which solutions best fit your functional scope and technology architecture.



Formalize AI agent governance before deployment by mapping every autonomous tool to named owners and defining non-negotiable, human-only decision boundaries for sensitive HR workflows.



CHRO mission-critical priorities (MCPs)

Achieve your mission-critical priorities with trusted insights, tailored guidance and execution tools backed by 25,000+ annual CHRO conversations and 200+ HR analysts. **Talk to us to learn more.**

MCPs	Transforming HR With AI	Designing the Enterprise for AI	Building Workforce Capabilities and Skills	Accelerating Leaders' Impact
	Only 32% of CHROs agree their most recent HR transformation was successful at achieving ROI on AI investments.	**50%** of CHROs are more accountable for enterprise-wide strategy and transformation than in the past.	**34%** of employees today don't have the required proficiency they need for their jobs.	**Less than half (44%)** of CHROs report leaders at their organization are effective at improving team performance at the speed required.
Journey Steps	Create an HR Strategy That Supports Enterprise AI Goals	Lead Strategic Workforce Planning to Determine AI's Impact on Future Work and Roles	Identify Skill Needs Based on Business & Workforce Capabilities	Identify New Capabilities Needed in Effective Leaders Today
	Redesign the HR Operating Model and HR Roles	Redesign Roles, Teams and Org Structures for Future Work	Plan Reskilling, Hiring and Mobility Strategies	Equip Senior Leaders to Deliver Business Value through AI
	Prioritize Technology and AI Use Cases Across Vendors	Manage Impact of AI on Culture and Employee Experience	Determine Skills Technology and Realize Value	Strengthen Leader Capacity for Continuous Change
	Realize Value From Technology and AI Implementations	Contribute to AI governance strategy	Modernize Performance Management to Achieve Changing Objectives	Empower Managers and Leaders to Cultivate a High-Performance Culture
	Build a Governance Framework for AI in HR	Partner with CEO, C-suite and Board on talent strategy and priorities	Attract and Retain Critical Talent through Redesigned EVP	Evolve Succession Planning to Align with Changing Roles

Source: Gartner

Connect with us

Get actionable, objective business and technology insights that drive smarter decisions and stronger performance on your mission-critical priorities.

U.S.: 1 855 322 5484

International: +44 (0) 3300 296 946

Become a Client

Leaders who know, choose Gartner. See how.
gartner.com/en/what-we-do

Learn more about Gartner for CHROs
gartner.com/en/human-resources/products/gartner-for-chro

Stay connected to the latest insights

Attend a Gartner conference
View Conferences

© 2026 Gartner, Inc. and/or its affiliates. All rights reserved. GBS_5519851

Gartner®