



# Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues

Benchmarks from the Live Polling Webcast Hosted on February 22, 2023

The following is a summary of the results from the live polling Gartner webinar hosted on February 22, 2023, titled **Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues**

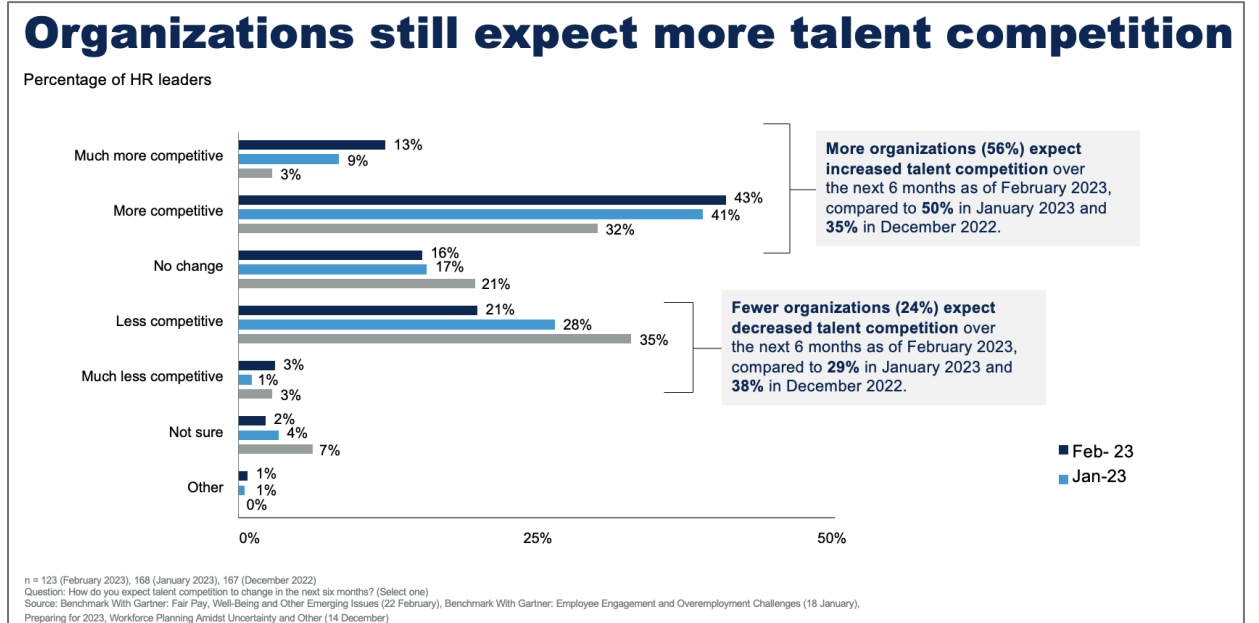
We had 280+ HR Leaders on the line representing a spectrum of industries. There is a global representation of attendees across a spectrum of industries with a focus on North America.

# Strong job growth and talent competition despite recession fears

In January, the U.S. economy added almost triple the expected number of jobs, while employers still struggled to fill roles. Facing continuing recession fears, HR leaders also grappled with a variety of issues, including privacy concerns around the use of ChatGPT, unclear employee career paths, fair pay and implementing wellness programs designed to support workers. In addition, the FTC's proposed ban on noncompete clauses designed to benefit U.S. workers, faced pushback from some U.S. business lobby groups.

In February, our survey showed that organizations competing for talent are looking to improve career management strategies. To manage pay expectations, companies are balancing market competitiveness with cost control. And responding to a potential ban on noncompete agreements, businesses are offering more growth opportunities.

Looking ahead, what else are HR leaders thinking about hiring, quit rates, compensation and the overall state of the labor market? Let's find out.



# Recession still looming as workforce issues take center stage

In a Gartner webinar hosted on 22 February 2023, we polled 280+ HR leaders about their views on the state of talent competition, emerging technology, career management, well-being, fair pay and noncompete agreements. The main findings were:

**41%**

of organizations have increased their job postings compared to the last three months.



**56%**

of organizations expect increased talent competition over the next six months.



**42%**

of organizations see a potential ChatGPT use case for HR support/assistance.



**72%**

of organizations use mental/physical health awareness programs to sustain employee well-being.



Read on for the full details and data from the questions we asked.

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# Gartner State of the Labor Market for February 2023

Key Insights from Benchmark with Gartner Live Polling Webcast hosted on February 22, 2023

## Business Climate — Talent Competition, Job Postings and Cost-Saving Measures

- 1. HR leaders foresee an increase in talent competition —** 56% HR leaders expect talent competition to increase in the next six months. HR leaders' expectations of increased talent competition has grown by 21% from December 2022.
- 2. Approximately half of HR leaders don't expect any reduction in workforce for the next six months —** 46% HR leaders are not expecting any reduction in workforce, while 33% are expecting workforce reductions (slightly down from 35% in January 2023) and the rest are unsure or undecided.
- 3. Slow hiring and decrease in HR budgets are preferred cost-saving measures by HR leaders —** 42% HR leaders suggest slow hiring and 26% suggest decrease in overall HR budget as their preferred methods of cost saving, while 30% don't anticipate adopting cost-saving measures in the next three months.

## Emerging Issues — ChatGPT and Career Management

- 1. Most HR leaders are yet to finalize guidance or have decided not to issue guidance on ChatGPT —** 48% HR leaders are drafting guidance on the use of ChatGPT by employees, while 34% of organizations have decided not to issue any guidance on ChatGPT.
- 2. Data privacy/security concerns and decreased personal interaction are the top concerns against the use of ChatGPT in HR —** 59% HR leaders find data privacy and security issues as the primary concern against the use of ChatGPT. Lack of accountability with the use of ChatGPT in HR is least concerning for HR leaders out of the options given.
- 3. HR leaders are offering career pathing guidance and opportunities to upskill, reskill and cross-skill to improve career management strategies in 2023 —** 57% HR leaders chose offering career pathing guidance as a career management strategy to explore in 2023.

## Trending Topics — Well-being, Fair Pay and NonCompete Agreements

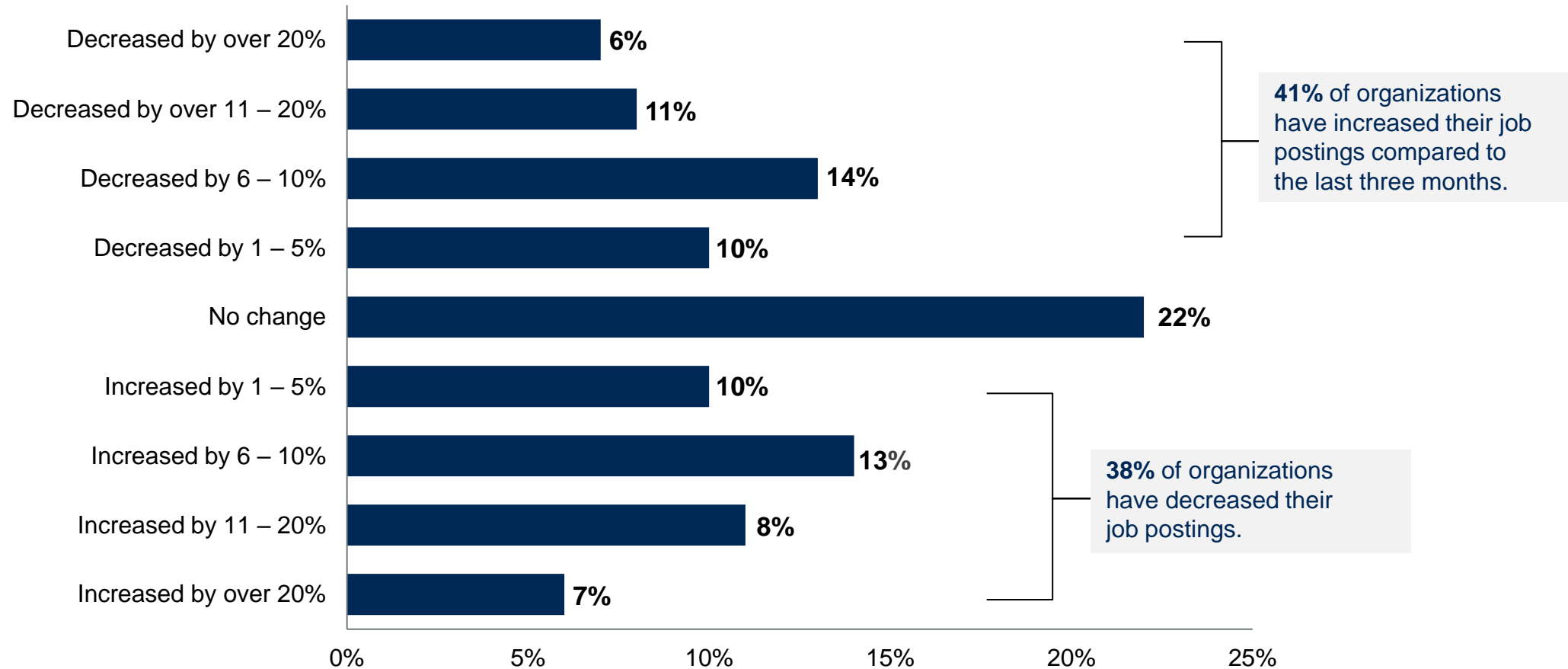
- 1. Organizations are offering 401(k)/retirement plans and access to financial management tools to ensure employees' financial well-being —** 77% organizations offer 401(k)/retirement plans as part of financial well-being, followed by 70% organizations that provide financial management tools. In addition, organizations are offering educational programs on financial wellness to increase employee awareness (67%).
- 2. Dealing with pay expectations and increments is the most likely compensation challenge for HR Leaders —** Pay expectations are the primary compensation challenge for 69% of respondents, followed by 62% of respondents selecting "balancing market competitiveness with cost control."
- 3. Organizations will offer growth opportunities in response to a potential ban on noncompete agreements —** 47% of participants report that their organization will offer learning or growth opportunities, while 41% of organizations report that they will compete with competitor salaries. In addition, organizations see the benefits of a ban to include access to a larger pool of skilled workers (72%), improved competition for talent (48%) and greater workplace diversity (46%).

# Business Climate

Benchmark projections about your operating environment

# Job postings increased for 41% of organizations

Percentage of HR leaders

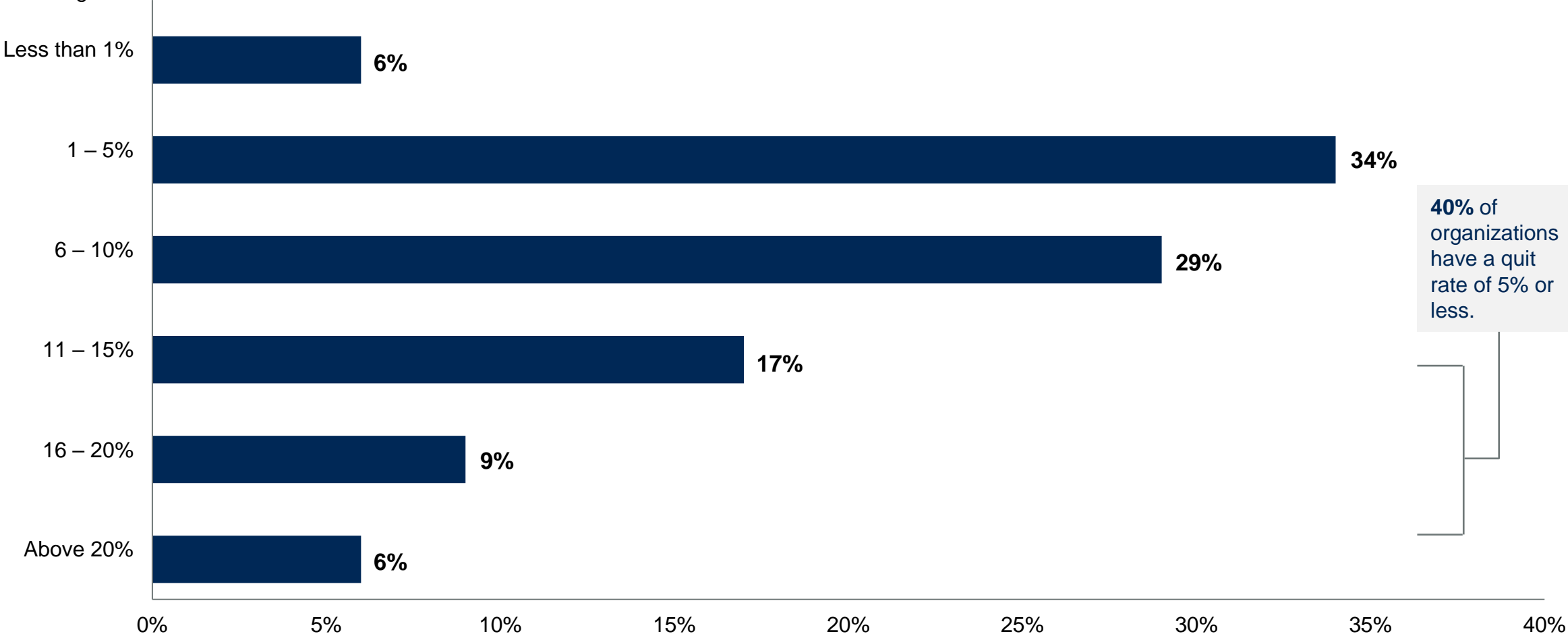


n = 105 (February 2023)  
Question: How have your organization's job postings changed this month compared to the last three months? (Select one)  
Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

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# Quit rate remains low for many organizations

Percentage of HR leaders

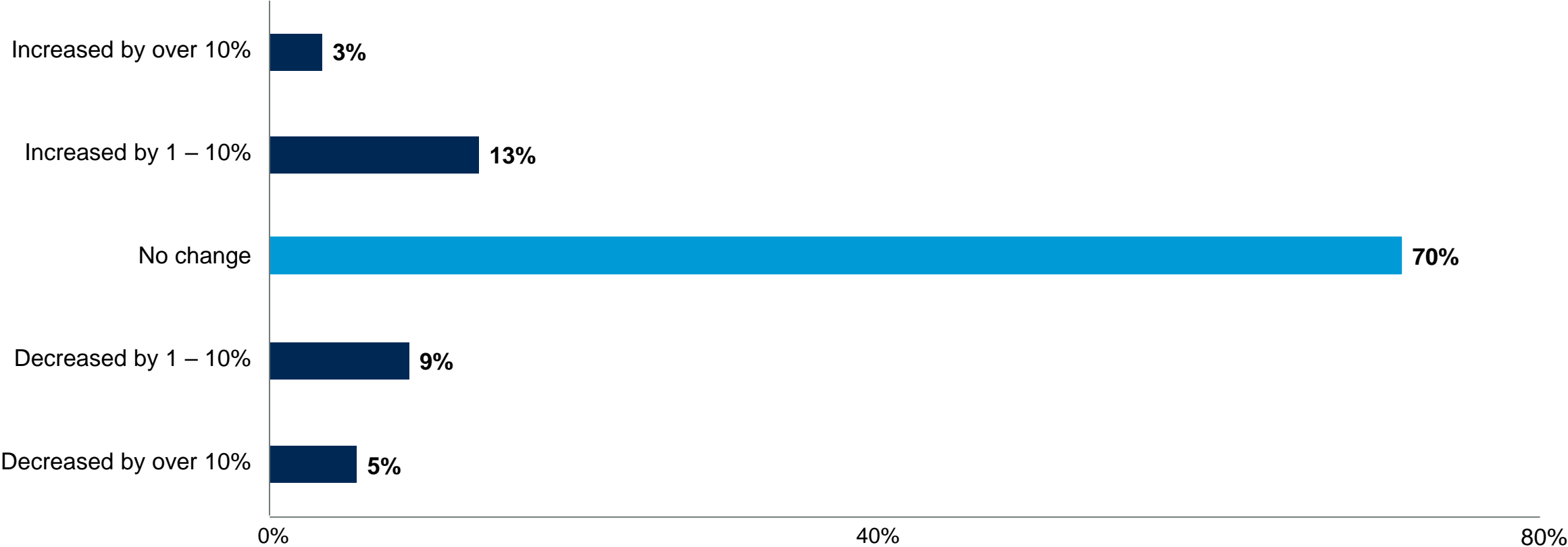


n = 105 (February 2023)  
Question: How have your organization's job postings changed this month compared to the last three months? (Select one) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)



# No change in contingent workers for a clear majority of organizations

Percentage of HR leaders



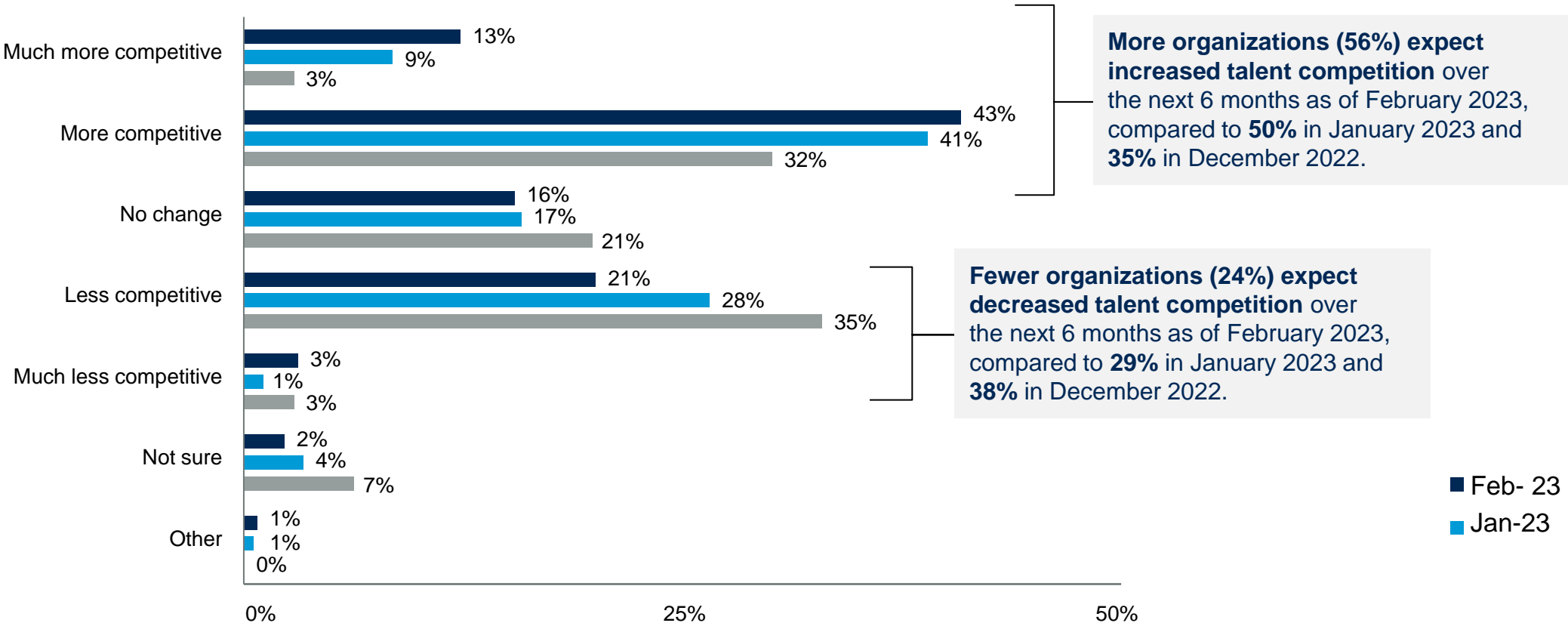
n = 93 (February 2023)  
Question: How has the level of contingent workers changed at your organization in the past six months? (Select one) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

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# Organizations still expect more talent competition

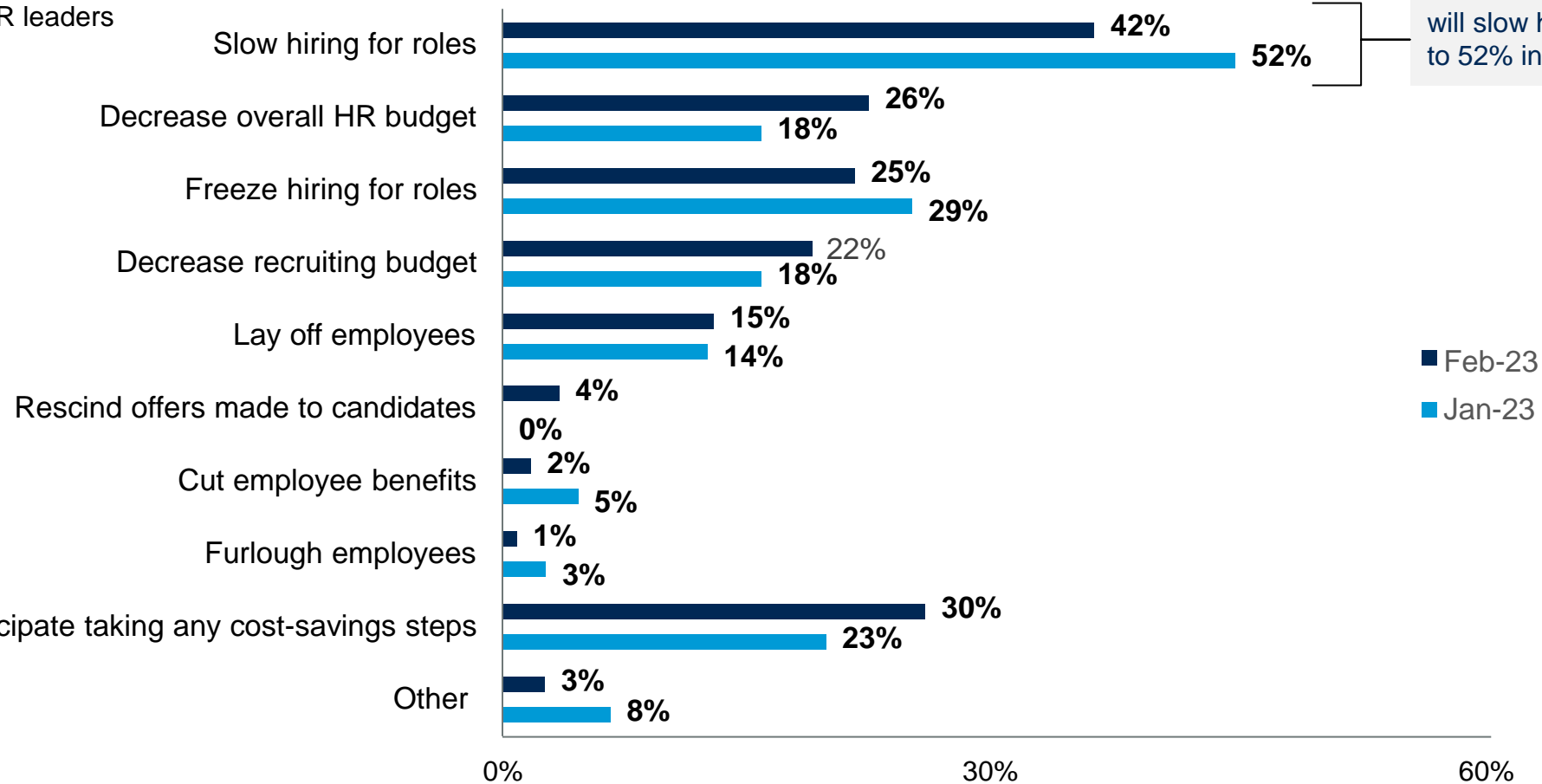
Percentage of HR leaders



n = 123 (February 2023), 168 (January 2023), 167 (December 2022)  
 Question: How do you expect talent competition to change in the next six months? (Select one)  
 Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February), Benchmark With Gartner: Employee Engagement and Overemployment Challenges (18 January), Preparing for 2023, Workforce Planning Amidst Uncertainty and Other (14 December)

# HR leaders continue to use slow hiring as a top cost-saving measure

Percentage of HR leaders



42% of organizations will slow hire, as compared to 52% in January.

n = 101 (February 2023), 132 (January 2023), 209 (December 2022)

Question: Which of the following talent cost-saving measures do you ANTICIPATE your organization taking in the next three months? (Select all that apply)

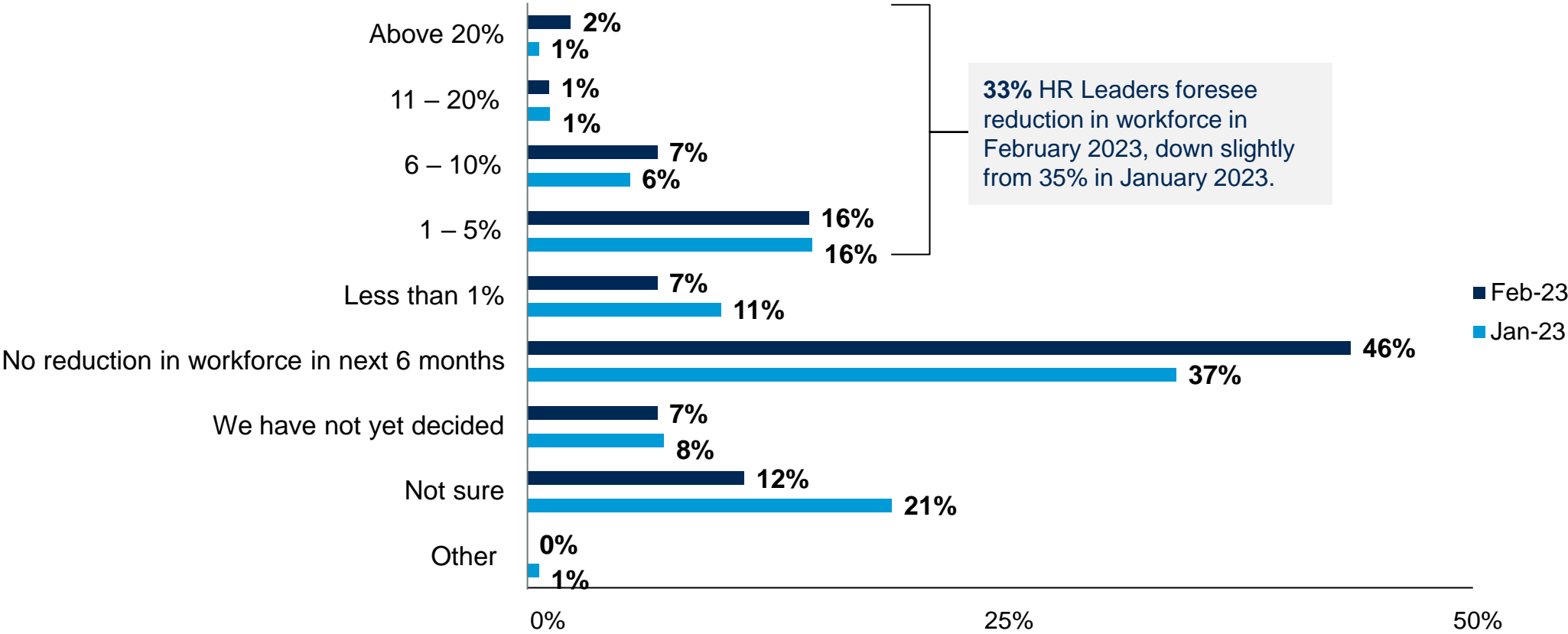
Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February), Benchmark With Gartner: Employee Engagement and Overemployment Challenges (18 January),

Preparing for 2023, Workforce Planning Amidst Uncertainty and Other (14 December)

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# Mixed results for planned reductions in workforce

Percentage of HR leaders



n = 82 (February 2023), 156 (January 2023)  
 Question: What percentage of reduction in workforce does your organization foresee in the next 6 months? (select one)  
 Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February), Benchmark With Gartner: Employee Engagement and Overemployment Challenges (18 January)



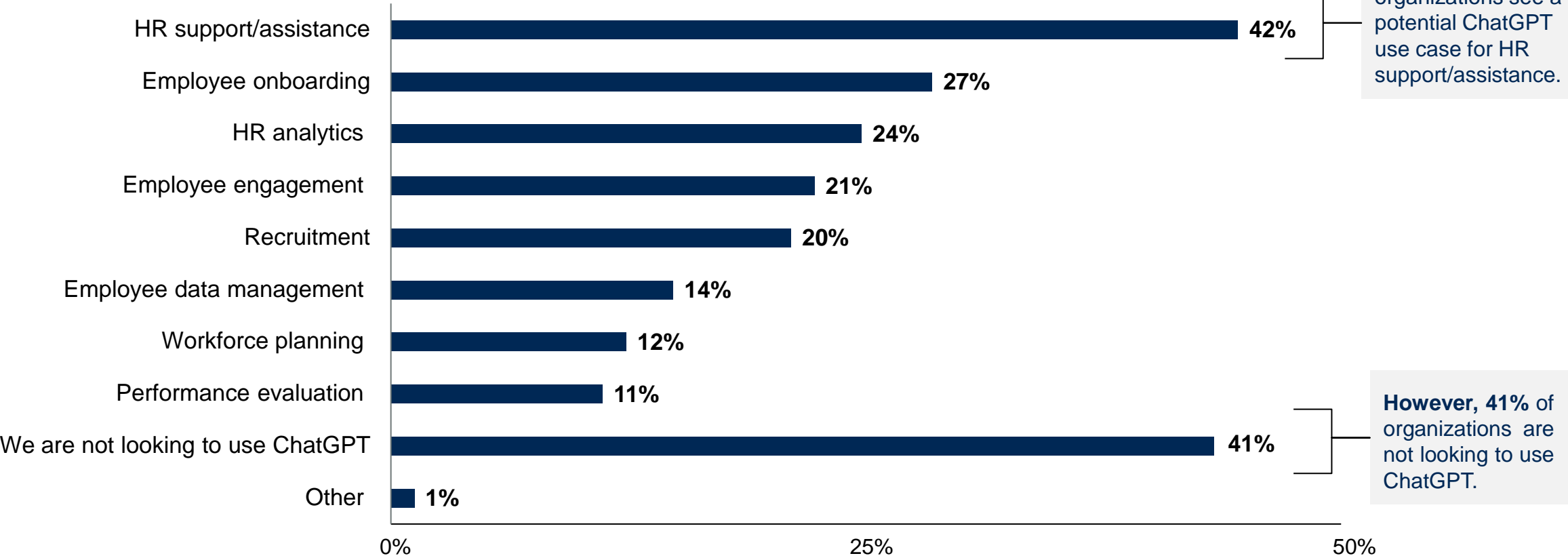
# Emerging Issues

Benchmark your assessment of rising current issues in the labor market

# AI/ChatGPT

# HR support is likely the use case for ChatGPT but many still unsure

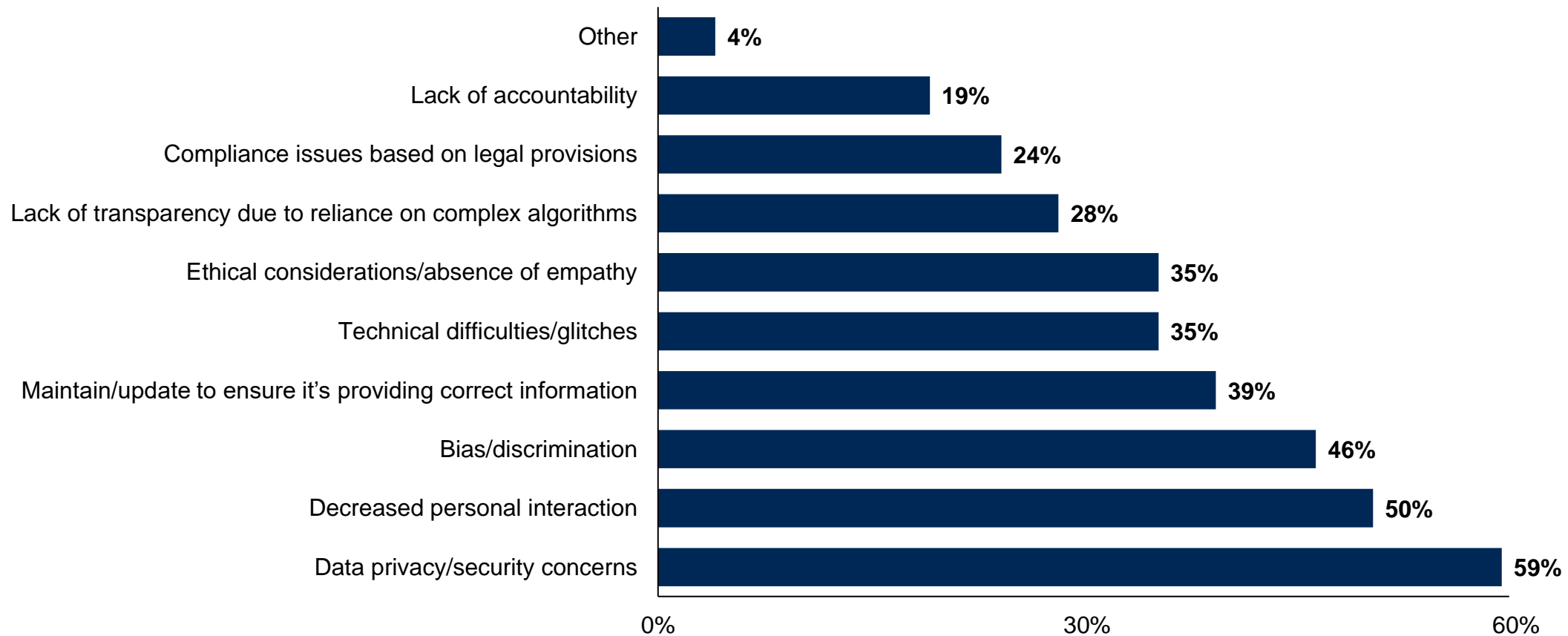
Percentage of HR leaders



n = 85 (February 2023)  
Question: What are the potential HR use cases for ChatGPT that you foresee for your organization ? (Select all that apply) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

# Data privacy and decreased personal interaction are the top ChatGPT concerns

Percentage of HR leaders



n = 54 (February 2023)

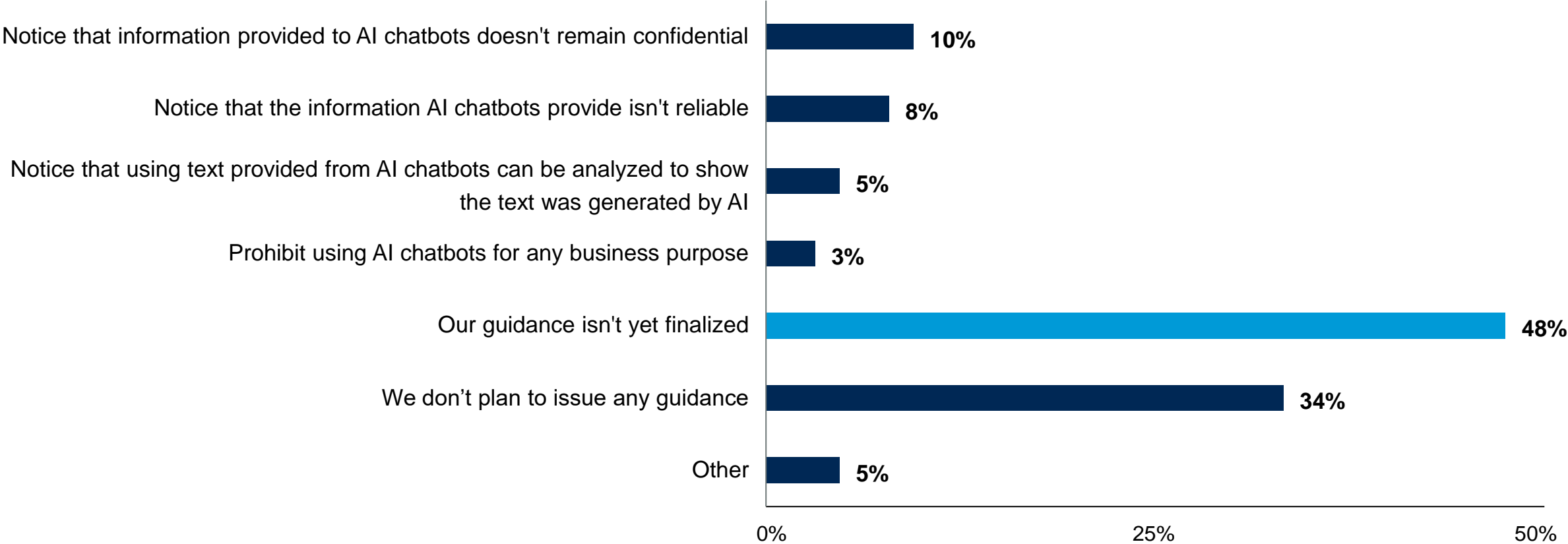
Question: In your understanding, what are some potential concerns against the use of ChatGPT in HR? (Select all that apply) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

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# Nearly half of organizations have not finalized guidance on AI chatbots

Percentage of HR leaders

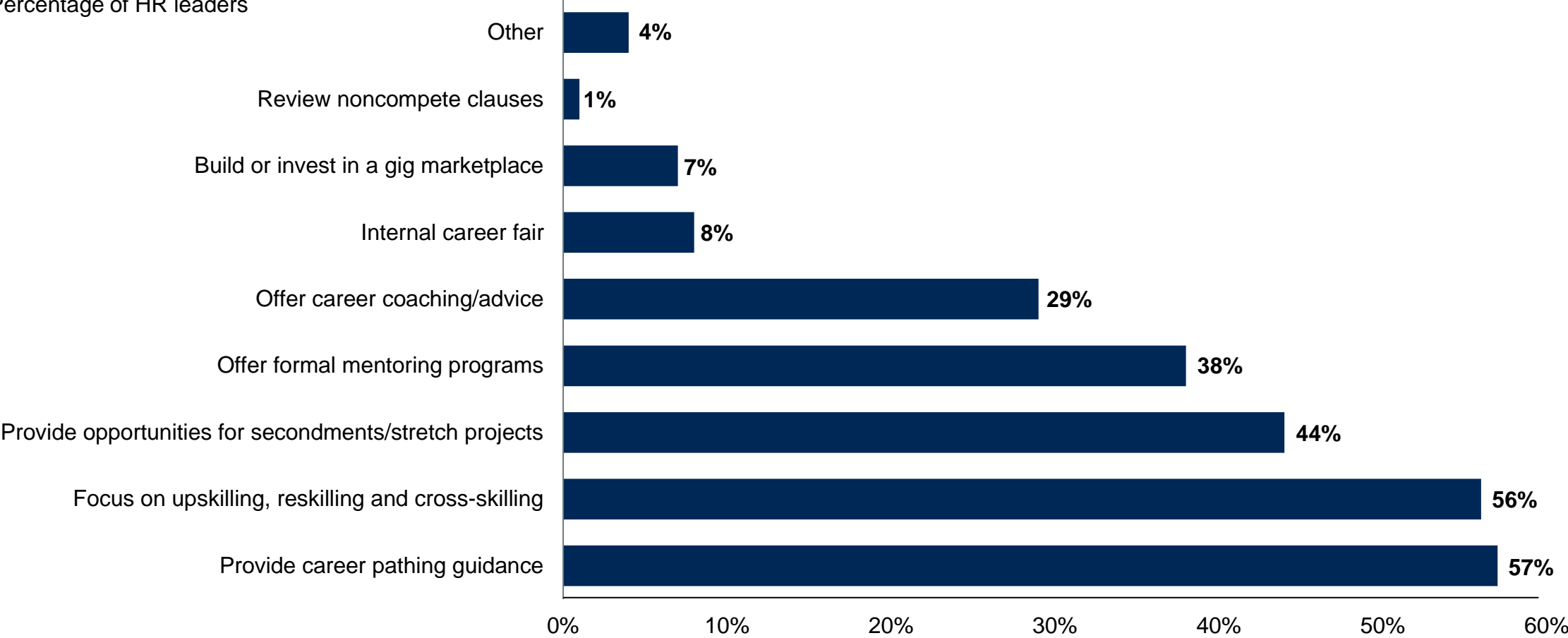


n = 62 (February 2023)  
Question: If you have issued guidance to your organization on AI chatbots such as ChatGPT, what did it include?  
(Select all that apply) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

# Career Management

# Career pathing and upskilling are the top career management strategies

Percentage of HR leaders



n = 84 (February 2023)  
Question: What are the career management strategies that your organization is exploring for 2023? (Select all that apply)  
Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

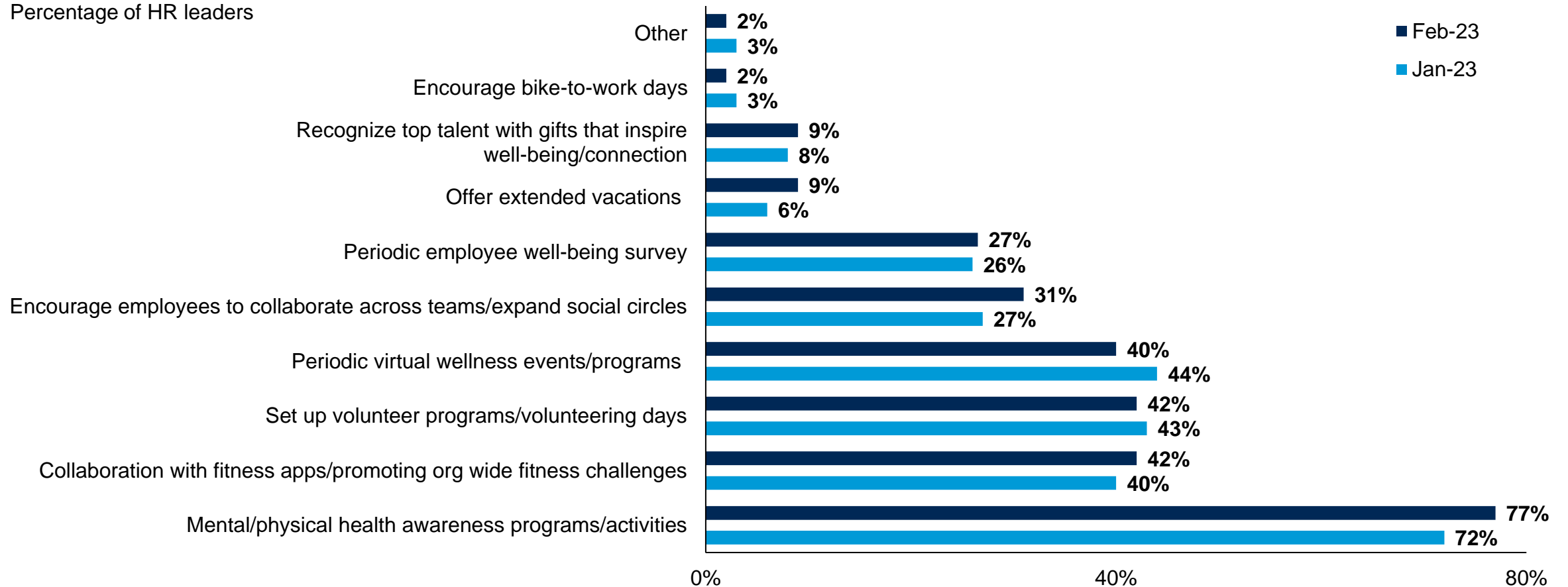
# Trending Issues

Benchmark your response to persistent current issues in the labor market

# Employee Well-being

# Mental/Physical awareness programs are the top employee well-being initiative

Percentage of HR leaders



n = 113 (February 2023), 98 (January 2023), 71 (October 2022)

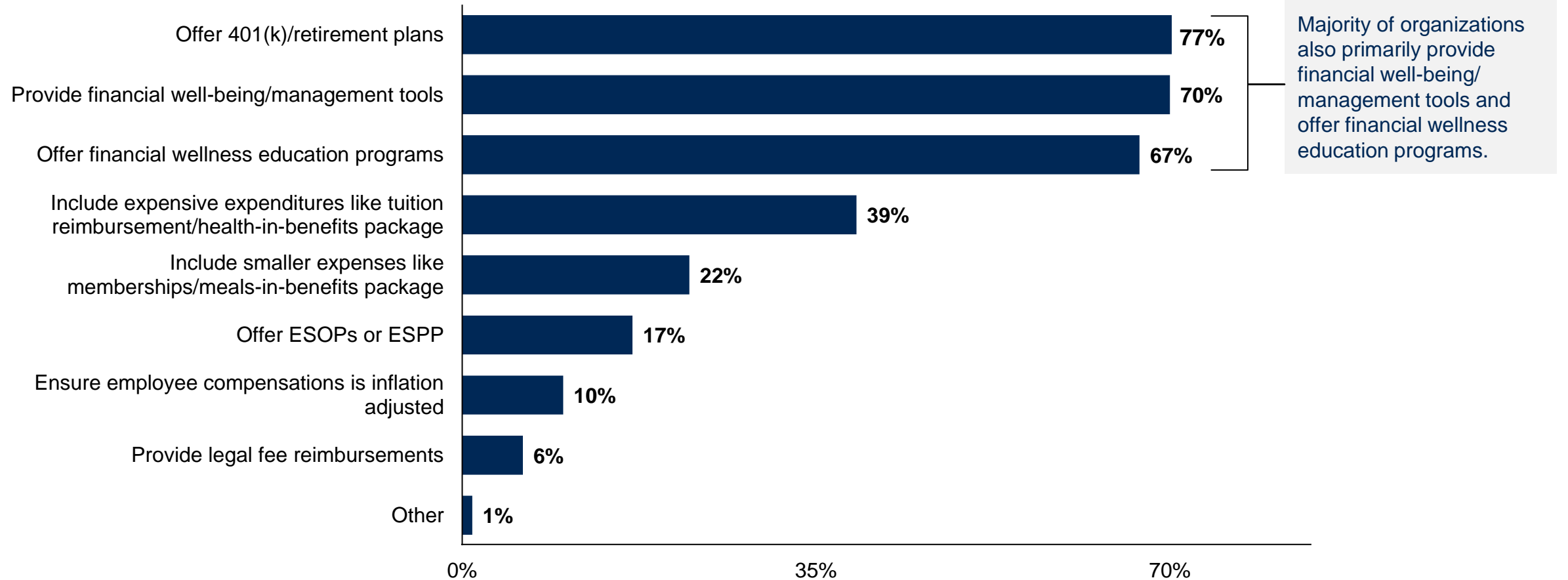
Question: What are some of the key initiatives that your organization is taking or planning to take to sustain employee well-being? (Select all that apply)

Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February), Benchmark With Gartner: Employee Engagement and Overemployment Challenges (18 January), Strategies to Attract and Retain Talent in Times of Economic Volatility (19 October)

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# Organizations ensure financial well-being with 401(k)/retirement plans

Percentage of HR leaders



n = 69 (February 2023)

Question: How is your organization ensuring financial well-being of your employees? (Select all that apply)

Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

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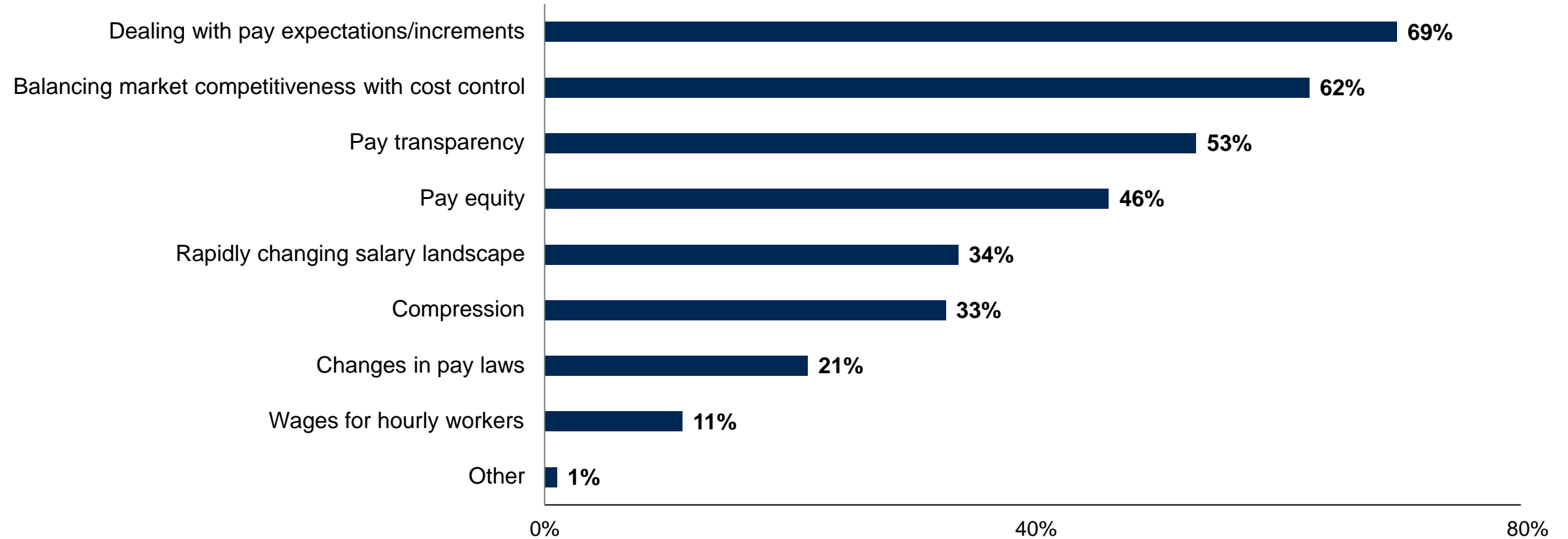
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# Fair Pay



# HR leaders foresee varied compensation challenges in 2023

Percentage of HR leaders



n = 98 (February 2023)

Question: According to you, what could be potential compensation challenges in 2023? (Select all that apply)

Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

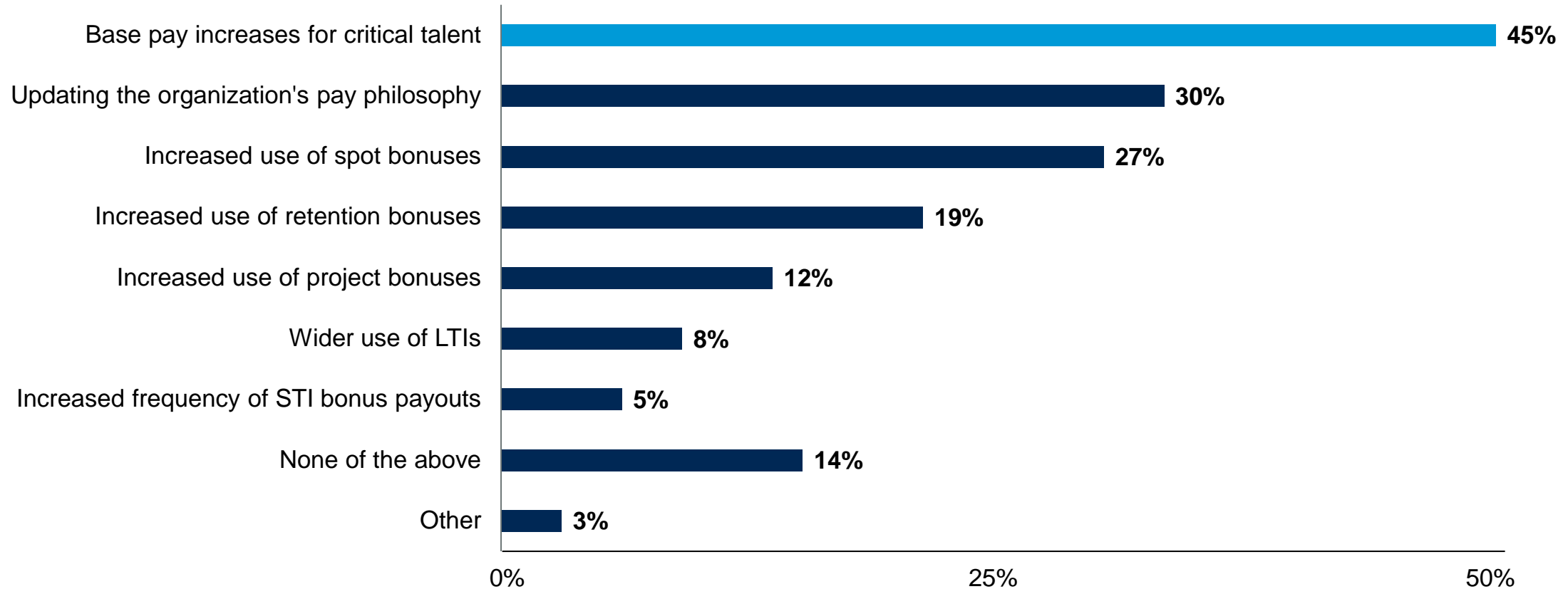
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# Nearly half of orgs will increase base pay to attract and retain talent

Percentage of HR leaders



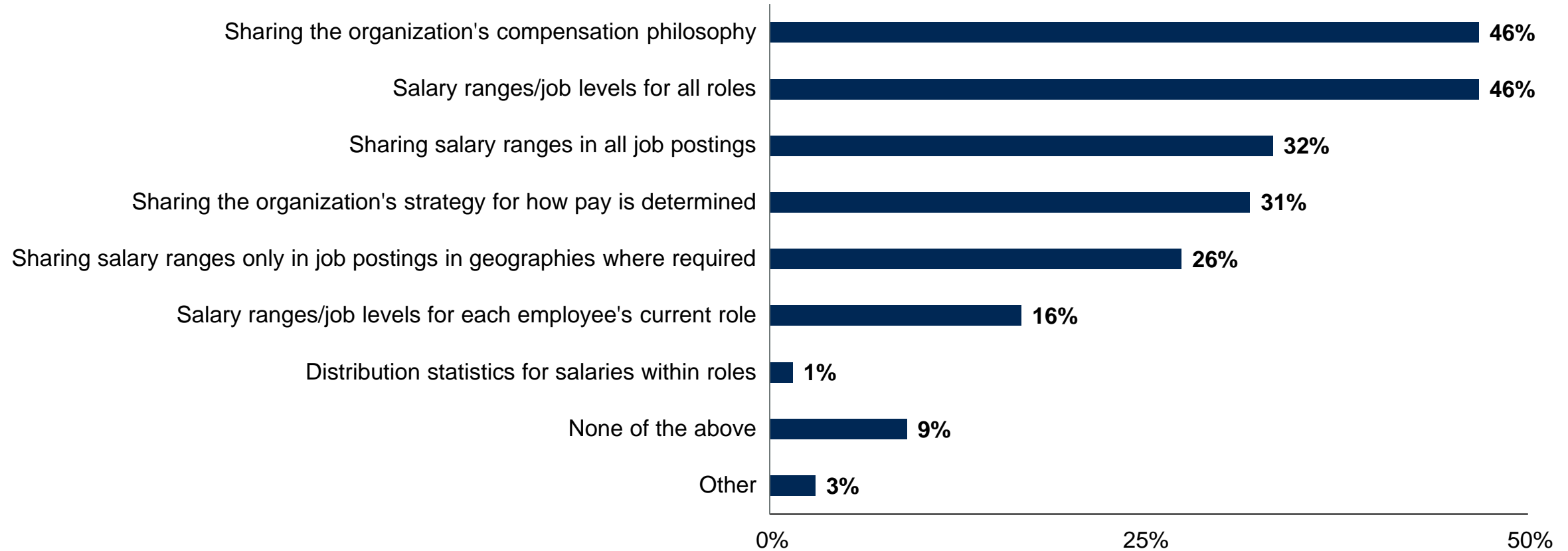
n = 74 (February 2023)

Question: Are you considering any of the following changes to your compensation strategies to help attract and retain talent in 2023? (Select all that apply) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

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# Top strategies to manage overemployment are increasing pay and development

Percentage of HR leaders



n = 68 (February 2023)

Question: Which of the following strategies is your organization planning on implementing in 2023 to improve and maintain pay transparency?

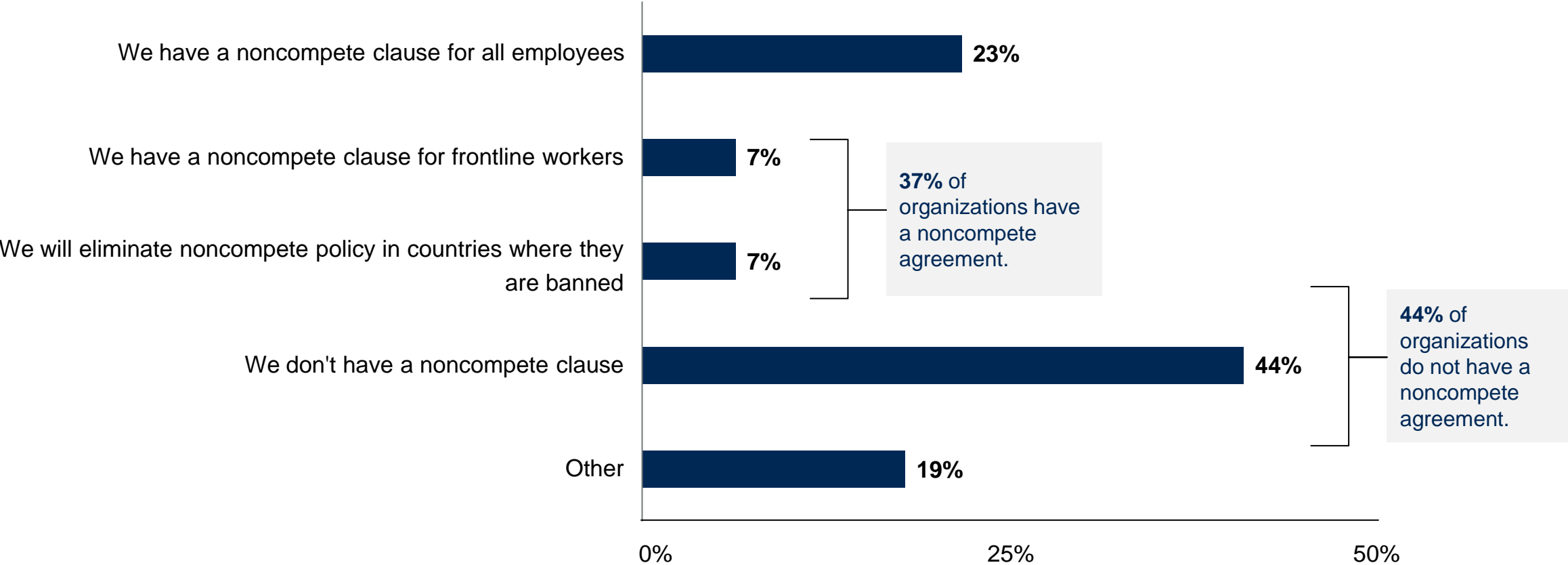
(Select all that apply) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

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# Noncompete Agreements (NCA)

# Mixed results for use of noncompete agreements

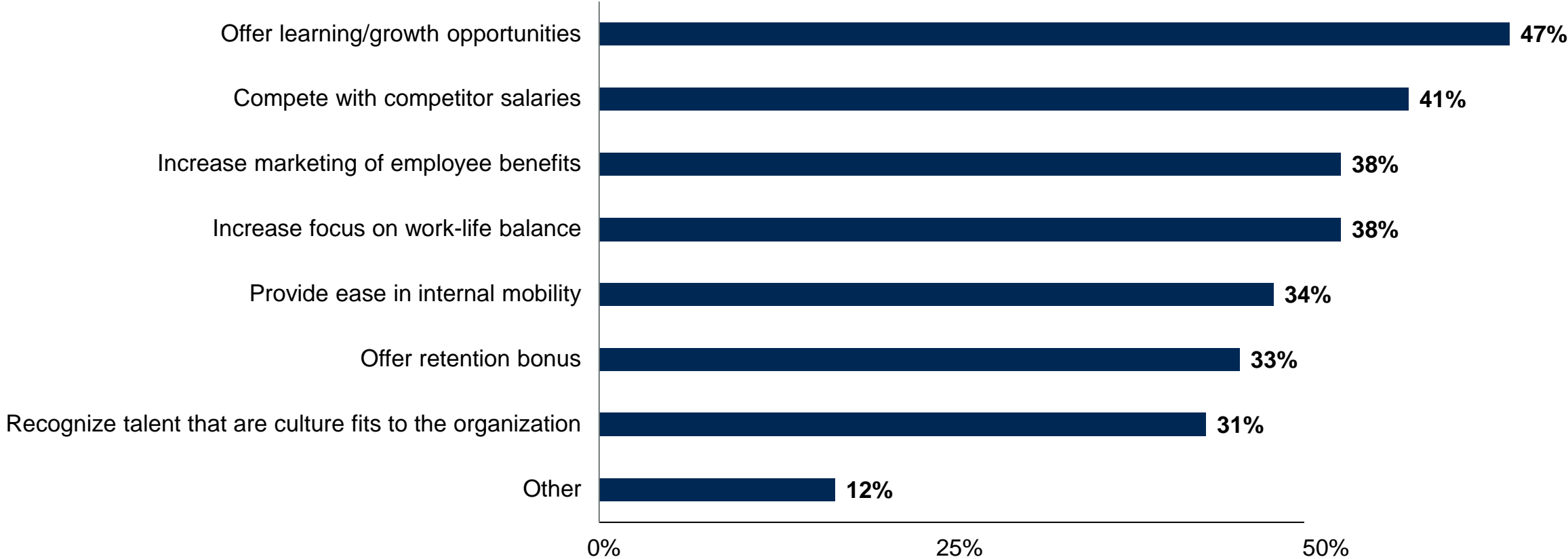
Percentage of HR leaders



n = 73 (February 2023)  
Question: In which workforce segments does your company include a noncompete agreement (NCA) for employees?  
(select one) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

# Orgs will offer growth opportunities in response to FTC ban on NCAs

Percentage of HR leaders

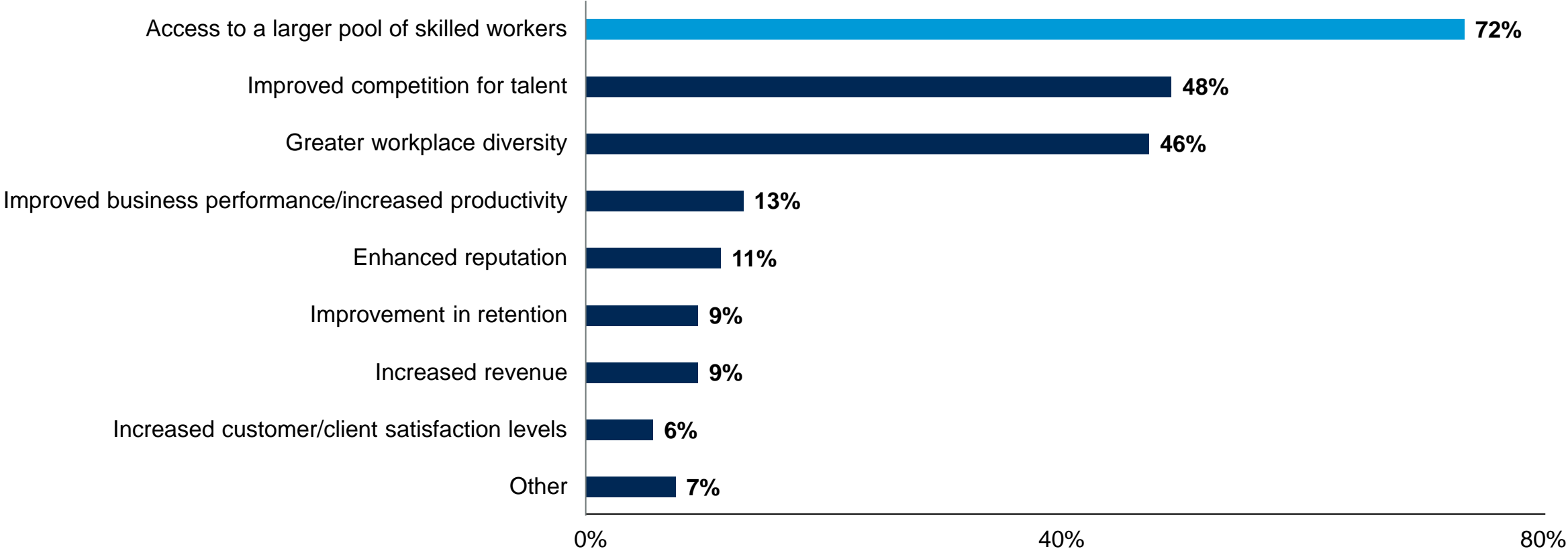


n = 58 (February 2023)  
Question: With the proposed ban on noncompete agreements, how will your organization prepare for losing valuable talent to competitors?  
(Select all that apply) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)



# Orgs will benefit from access to more skilled workers with NCA ban

Percentage of HR leaders



n = 54 (February 2023)  
Question: With the proposed ban on noncompete agreements, how will your organization benefit from the increased availability of talent?  
(Select all that apply) Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

# Appendix



# Job Postings, Quit Rate, Contingent Workers and Other

In the headlines ...

February 23, Forbes

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**The U.S. economy added 5,17,000 jobs in January, almost triple the expectation.**

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February 23, HR Director

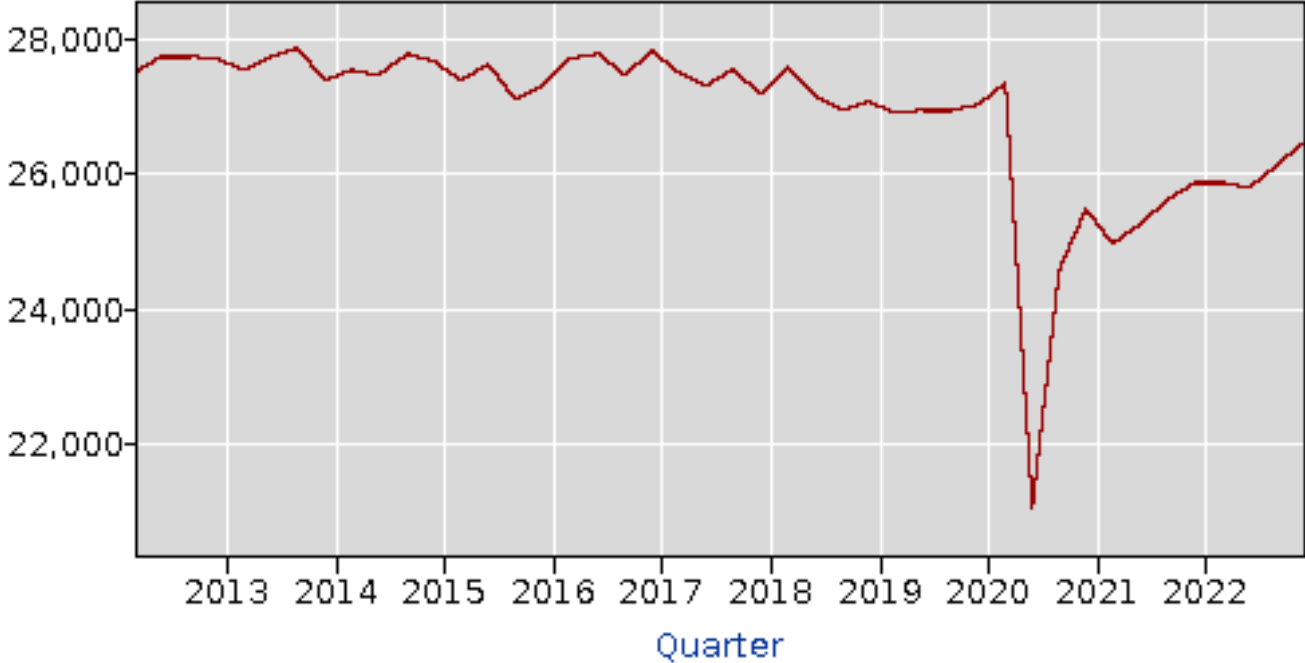
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**Employers are still struggling to fill roles despite recession fears.**

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# Labor force employed part time

Part-time employees work less than 35 hours per week



Source: Current Population Survey, U.S. Bureau of Labor Statistics Seasonally Adjusted  
Labor Force Status: Employed Part Time (people who usually work less than 35 hours)  
Age: 16 years and over  
Data extracted on: February 10, 2023

# ChatGPT and career management

In the headlines ...

February 23, HR Dive

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**Wellness programs key to fighting  
financial ‘doom and gloom.’**

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January 23, Reuters

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**U.S. business lobby group lambasts  
FTC over proposed ban on  
noncompete clauses.**

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\* Source: 2022 Gartner New Talent Landscape and Career Pathing Survey

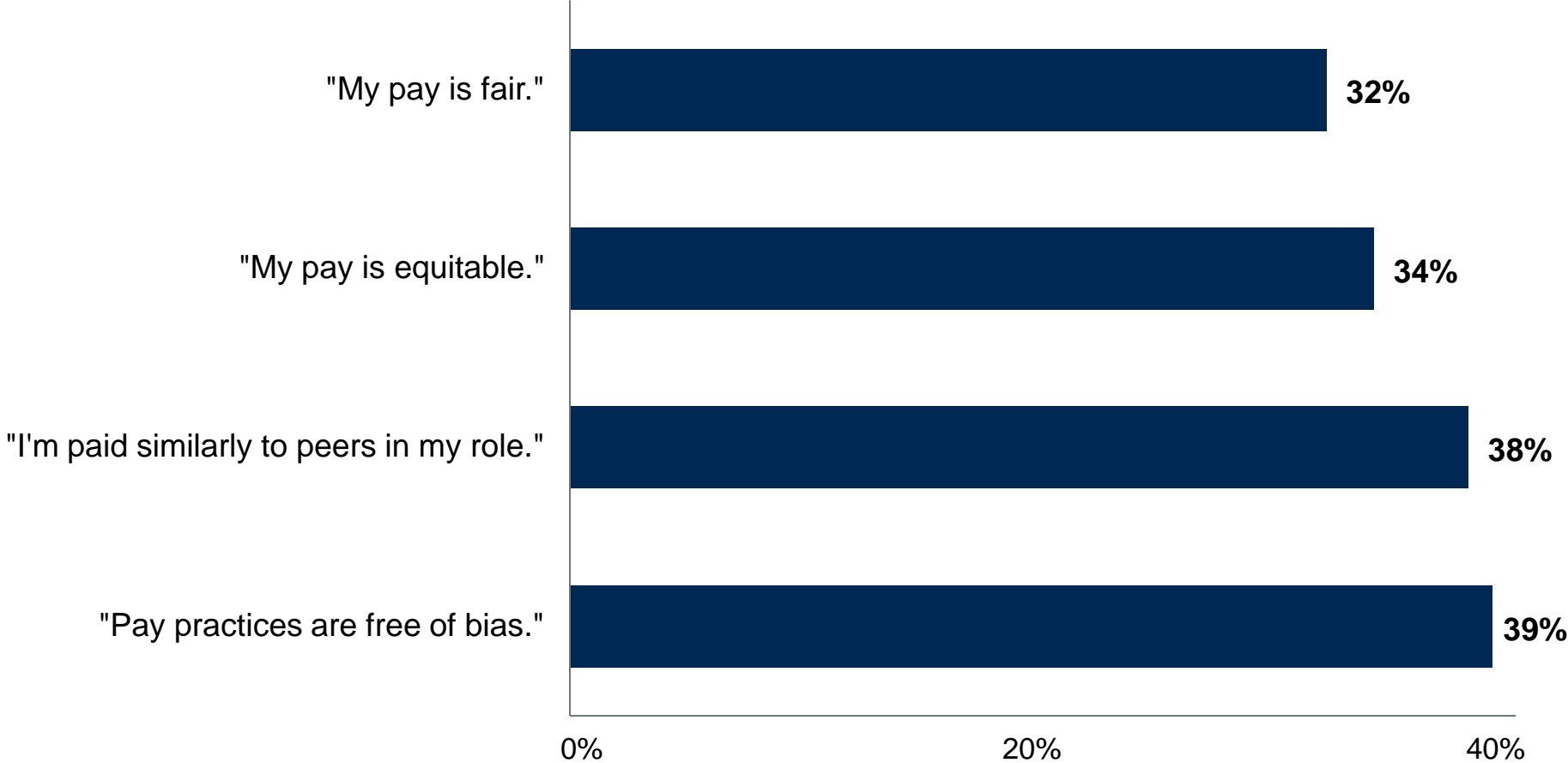
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# Fair pay

Percentage of Employees Agreeing with Statements About Pay at Their Organization



n = 3,523 employees  
Source: 2022 Gartner Pay Equity Survey



# FTC proposes a ban on noncompete contracts for employees

In the headlines ...

March 22, U.S. TREASURY DEPARTMENT

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**About 1 in 5 Americans are bound by a noncompete agreement.**

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January 23, Reuters

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**If the rule goes into effect, wages of U.S. Workers could rise by \$300 billion per year and 30 million Americans would have better career opportunities.**

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