



Leadership Vision for 2024

**Top 3 Strategic Priorities for
Chief HR Officers**

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Leadership Vision for CHROs in 2024

An “unsettled” employee-employer relationship, skills shortages, transformative technology and pressure for efficiency are shaping CHRO priorities in 2024. At the top of the list are leader and manager development, organizational culture and change management.

This research provides insights into these challenges and priorities, and it gives CHROs action steps to lead their teams and their organizations through the next year.

CHROs can use it to stay ahead of major workforce trends and lead their teams toward a successful future.

Key questions addressed

- What are the major trends affecting CHROs?
- How should CHROs prepare for the year ahead?
- What skills and capabilities do CHROs and their teams need to succeed?

Trends Impacting CHROs



**“Unsettled”
Employee-Employer
Relationship**



**Persistent
Skills
Shortages**



**Transformative
Technology
Innovations**



**Pressure for
Operational
Efficiency**


Source: Gartner

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“Unsettled” Employee-Employer Relationship

Organizations		Employees
<ul style="list-style-type: none"> • 75% have an on-site attendance requirement. • 26% report their employees fully comply.^a 	Flexibility Controversy	Almost half say the costs of going to the office outweigh the benefits (only 12% disagree) . ^b
58% are confident they can meet their performance targets in the coming year. ^c	Productivity Anxiety	45% worry they can't sustain their current level of performance over the next year. ^c
The average annual number of enterprise changes has increased from 2 to 10 since 2016. ^d	Transformation Deficit	43% are willing to change their behavior to support organizational transformation (down from 74%). ^d
63% trust their employees. ^e	Mutual Mistrust	53% trust their organizations. ^e

^a Source: 2022, Benchmark With Gartner: How HR Leaders Navigate Return to Workplace Pressures and Other Challenges, November 16, n = 51

^b Source: 2022 Gartner Hybrid Collaboration Survey, n = 3,524

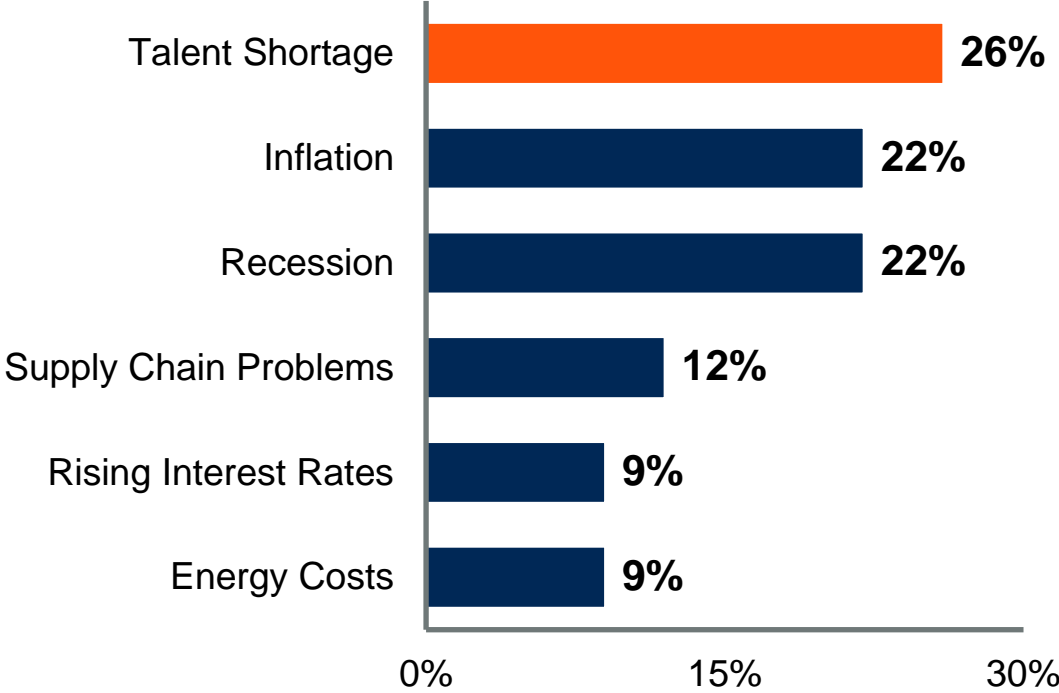
^c Source: 2023 Gartner Achieving High Performance Survey, n = 228 remote capable employees

^d Sources: Gartner 2016 Workforce Change Survey, n = 6,686 employees; Gartner 2022 Workforce Change Survey, n = 3,548 employees; Gartner Organizational Effectiveness and HR Professionals Key Priorities Survey, n = 3,497 employees

^e Sources: 2023 Gartner ReimagineHR HR Leader Survey, n = 287 HR leaders; 2023 Gartner ReimagineHR HR Leader Survey, n = 3,540 employees

Persistent Skills Shortages

Severity of Damage to Business Outlook Percentage of CEOs Ranking Factor as Most Damaging



Perceptions of Skills Shortage Percentage of HR Leaders

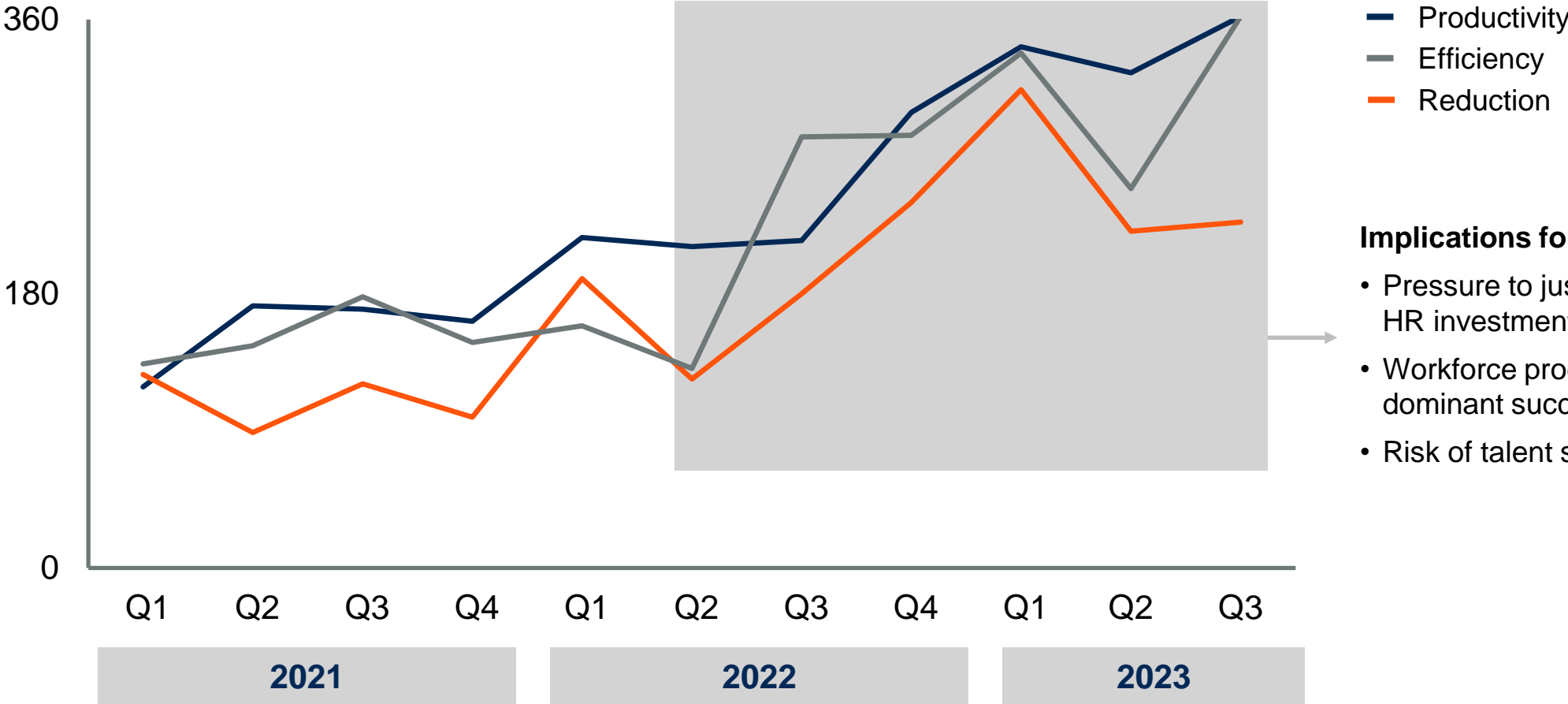


n = 312 CEOs and senior executives
Q. Rank the six items in order of the severity of their impact on the outlook for your business, from most damaging to least damaging.
Source: 2023 Gartner CEO and Senior Business Executive Survey

n = 59 HR leaders
Source: 2023 Benchmark With Gartner: Affirmative Action, Apprenticeships and Candidate Expectations (23 August)

Pressure for Operational Efficiency

Prevalence of Efficiency-Related Keywords in S&P 100 Earnings Calls



Implications for HR Leaders

- Pressure to justify the value of HR investments
- Workforce productivity, the dominant success measure
- Risk of talent supply disruptions

n = 855 earnings transcripts
 Source: Analysis of all S&P 100 Company Earnings Calls Transcripts, Jan 1, 2021 — Aug 31, 2023

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Transformative Technology Innovations



Employees Expect to Use AI

170 million+ people were immediate users of ChatGPT at home.^a



More Disruptive Tech Is Imminent

93% of HR leaders agree that new flash tech trends will be more frequent in the next three years.^c



Leaders Expect Implementation of AI

68% of executives agree benefits of AI outweigh the risks.^b



But HR Involvement Remains Limited

Only 22% of HR leaders are highly engaged in enterprisewide discussions on GenAI.^d

^a Source: Gartner Generative AI: The Basics

^b Q. Do you believe the benefits of generative AI outweigh the risks?

Source: Beyond the Hype: Enterprise Impact of ChatGPT and Generative AI Webinar Polls, 21 April 2023, n = 1,079

^c Q. Please indicate to what extent you agree with the following statements. The number of new flash technology trends (e.g., generative AI, metaverse, blockchain, etc.) arising will become more frequent within the next three years.

Please indicate to what extent you agree with the following statements. As a result of flash technology trends (e.g., generative AI), I am now having to make decisions on whether to adopt and implement it into HR or not.

Source: 31 May 2023 Gartner Benchmark: Persistent Talent Shortages, Sustaining DEI and Other Emerging Issues, n = 74

^d Q. As an HR leader, how engaged are you in enterprisewide discussions around use of GenAI?

Source: 21 June 2023 Gartner Benchmark Special Edition — Navigating the Workforce Impact of Generative AI, n = 167

CHRO Priorities for 2024

Top Focus Areas

- 1 Leader and Manager Development
- 2 Organizational Culture
- 3 Change Management
- 4 Career Management/Internal Mobility
- 5 Employee Value Proposition (EVP)
- 6 Workforce Planning
- 7 HR Talent and Operating Model
- 8 HR Technology
- 9 Organizational Design
- 10 Performance Management



n = 175 heads of HR

Q. [For each of three custom priorities shared] Please select the two key areas in which you will focus to support that priority.

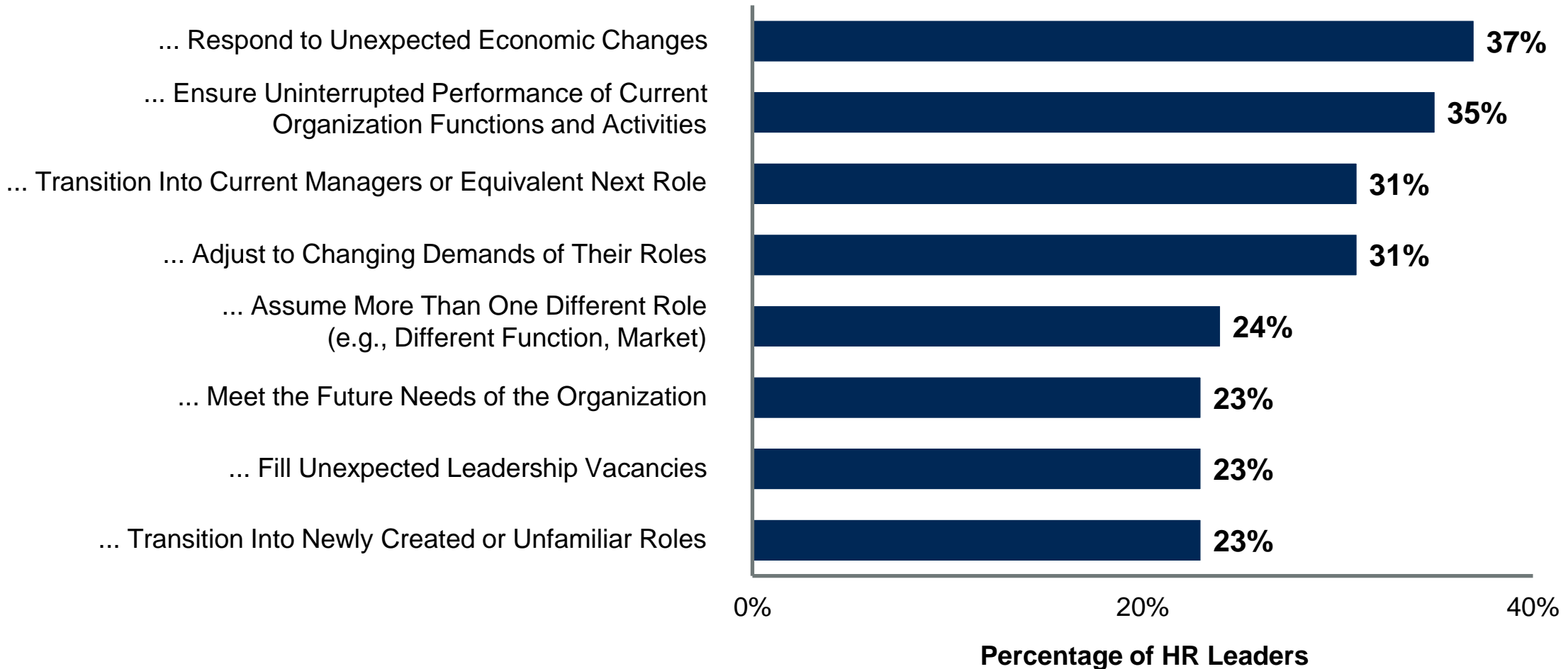
Source: 2023 Gartner HR Priorities Survey

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Low Confidence in Rising Leaders



How Confident Are You That Your Organization Has Rising Leaders Who Can ...



n = 62 HR leaders
Source: 2022 Gartner Leadership Development HR Leader Survey

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Leaders Need a New Approach

2024 Trends and Their Impact on Core Leader Responsibilities



	Core Leader Responsibility		
	 Role-Model Behavior	 Support Teams	 Deliver Results
Prior Approach	Professional Enabling workplace boundaries	Employees Addressing work needs	Efficient Managing standardized workflows
Emerging Challenges	Anxiety, confusion and mistrust in the employee-employer relationship	Blurring boundaries, fatigue and uncertainty as organizations grapple with skills shortages and productivity demands	Variety in/transformation of work norms as organizations cope with skills shortages and adapt to disruptive technologies
New Approach	Personal Enabling safe self-expression at work	People Addressing life needs	Individualized Managing tailored, flexible workflows

Source: Gartner

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The Human-Centric Leader

Components of Human-Centric Leadership



Authentic

Act with **purpose** and enable **true self-expression**, for both themselves and their teams.



Empathetic

Show genuine **care, respect** and concern for employees' **well-being**.



Adaptive

Enable **flexibility** and support that fit team members' **unique needs**.



Human Leadership

Source: Gartner

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Recommended Actions for CHROs



Assess

- With your head of learning and development (L&D) or talent management (TM), **review** human-centric leadership principles against your organization's current leadership competencies and expectations.
- **Assess** C-suite level strengths and development areas associated with human-centric leadership and discuss with your CEO.



Plan

- With your head of L&D, **identify and prioritize** necessary updates to development programs for rising leaders.
- **Build** buy-in for key leadership investments with the broader C-suite.



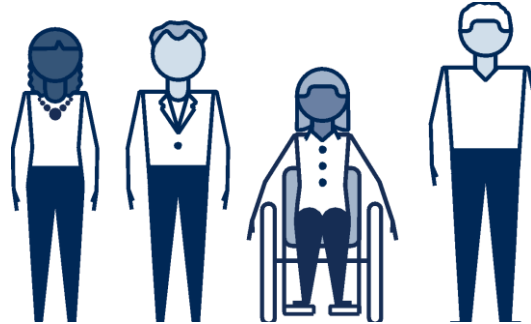
Execute

- **Work** with your CEO to build human-centric leadership principles into C-suite performance management.
- With your head of L&D or TM, **update** succession plans and processes to reflect human-centric leadership principles.

Source: Gartner

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Organizations Struggling With Inclusive Culture



Only 50% of employees believe their organization has an inclusive culture.

An inclusive culture is a culture where **employees feel respected, accepted, supported and valued**, and where they feel able to express their true selves.

n = 3,594
Source: 2023 Gartner Drivers of Global Belonging and Inclusive Culture Survey

Source: Gartner

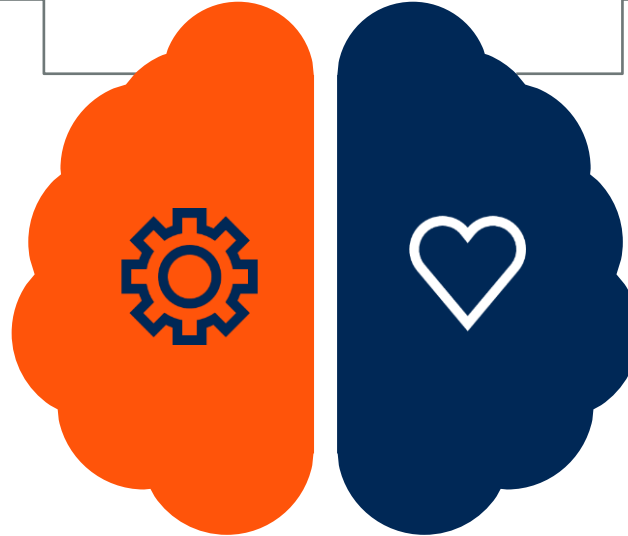
How to Make Culture Work

The 2 Essential Components to Culture Success



Alignment

- 1 I know what the culture is.
- 2 I believe the culture is right for us.
- 3 I demonstrate our cultural behaviors.



Connectedness

- 1 I identify with the culture.
- 2 I care about the culture.
- 3 I belong within the culture.

Both contribute to culture's impact on outcomes such as performance and retention.

Source: Gartner

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Facilitate Connectedness by Intention



Key Shifts to Move From Connectedness by Osmosis to Intention



Connectedness by Osmosis

Hybrid Shift

Connectedness by Intention

Diffuse culture through the **office**.

Work replaces the office as the most common, constant cultural experience.

Diffuse culture through **work**.

Connect through **physical proximity**.

Being seen becomes rarefied, placing greater weight on the need to feel seen.

Diffuse culture through **work**.

Optimize a **macro-based** experience.

Culture is experienced in smaller ecosystems with intensified relationships.

Optimize a **micro-based** experience.

Source: Gartner

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Recommended Actions for CHROs



Assess

- **Review** implications of environmental trends on the organization's desired culture with the C-suite and board.
- **Gather** employee feedback to evaluate the current state of the organization's culture.



Plan

- Work with the C-suite to **evaluate** the impact of environmental trends on cultural health.
- **Identify** opportunities to increase alignment/connection, particularly in "moments that matter."



Execute

- **Update** processes to reflect cultural priorities; make desired norms easier in the current environment.
- **Empower** teams to identify and nurture the micro-cultures that work for their context; ensure macro-culture provides safety and guidance.

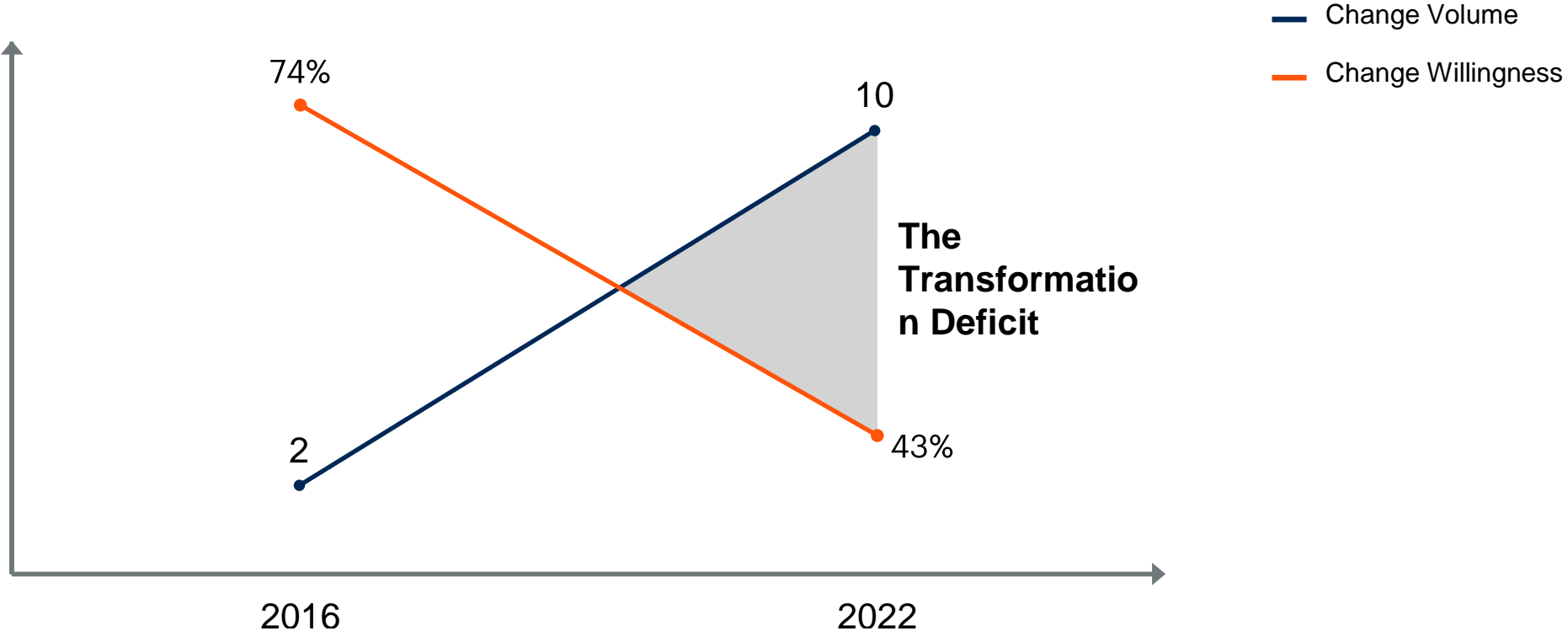
Source: Gartner

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Organizations Face a Transformation Deficit



Change Volume^a and Employee Willingness to Change^b Compared



n = 305 organization, 6,686 employees
Sources: 2016 Gartner HR Change Readiness Survey; 2022 Gartner Workforce Change Survey, n = 3,548 employees; 2022 Gartner Organization Effectiveness and HR Professionals Key Priorities Survey, 3,497 employees
a Average Number of Enterprise Changes in Past 12 Months, 2 in 2016 and 10 in 2022
b Percentage of Employees Willing to Change to Support Enterprise Change, 74% in 2016 and 43% in 2022

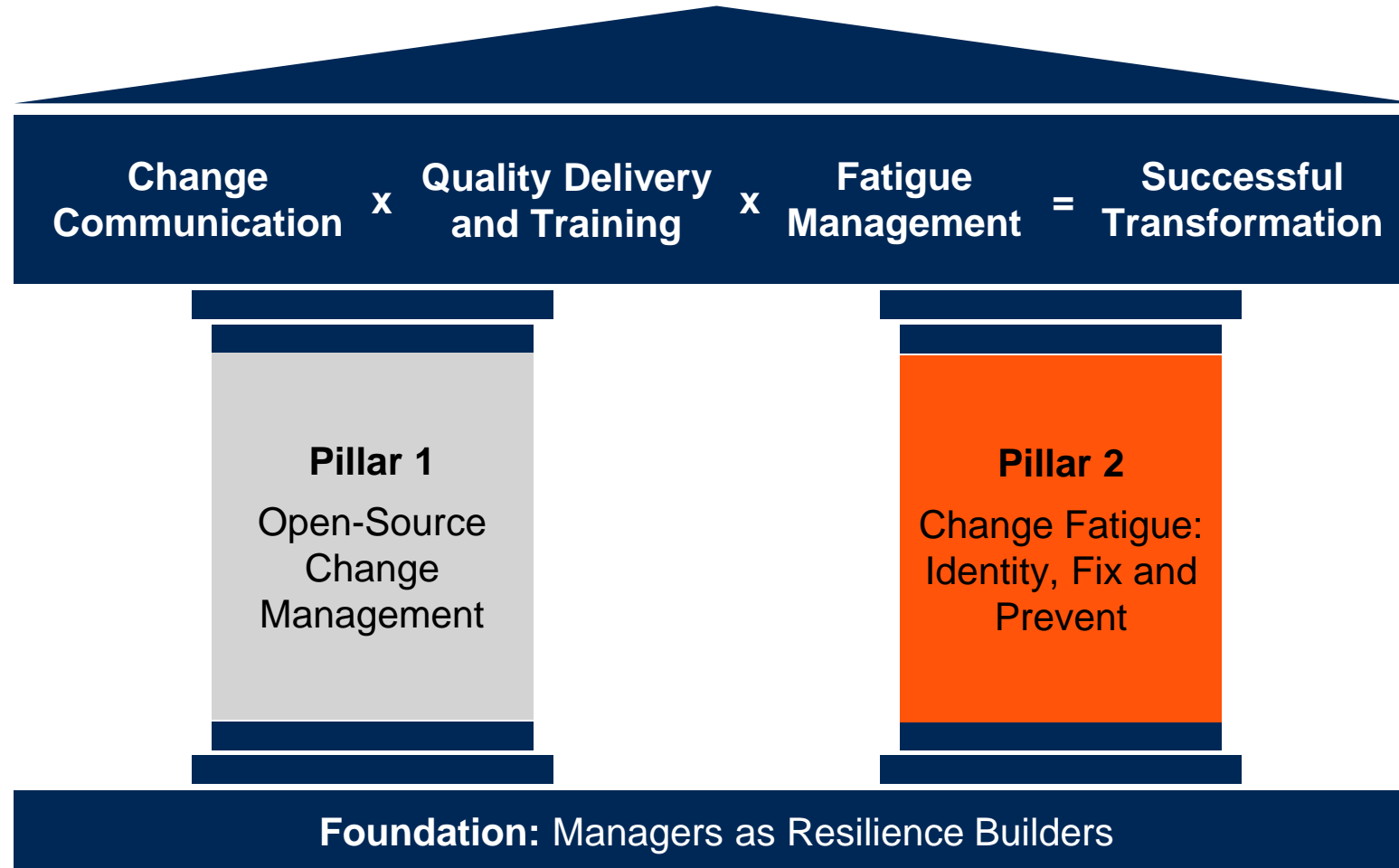
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A Holistic View of Transformation Success



Pillars of Transformation Success

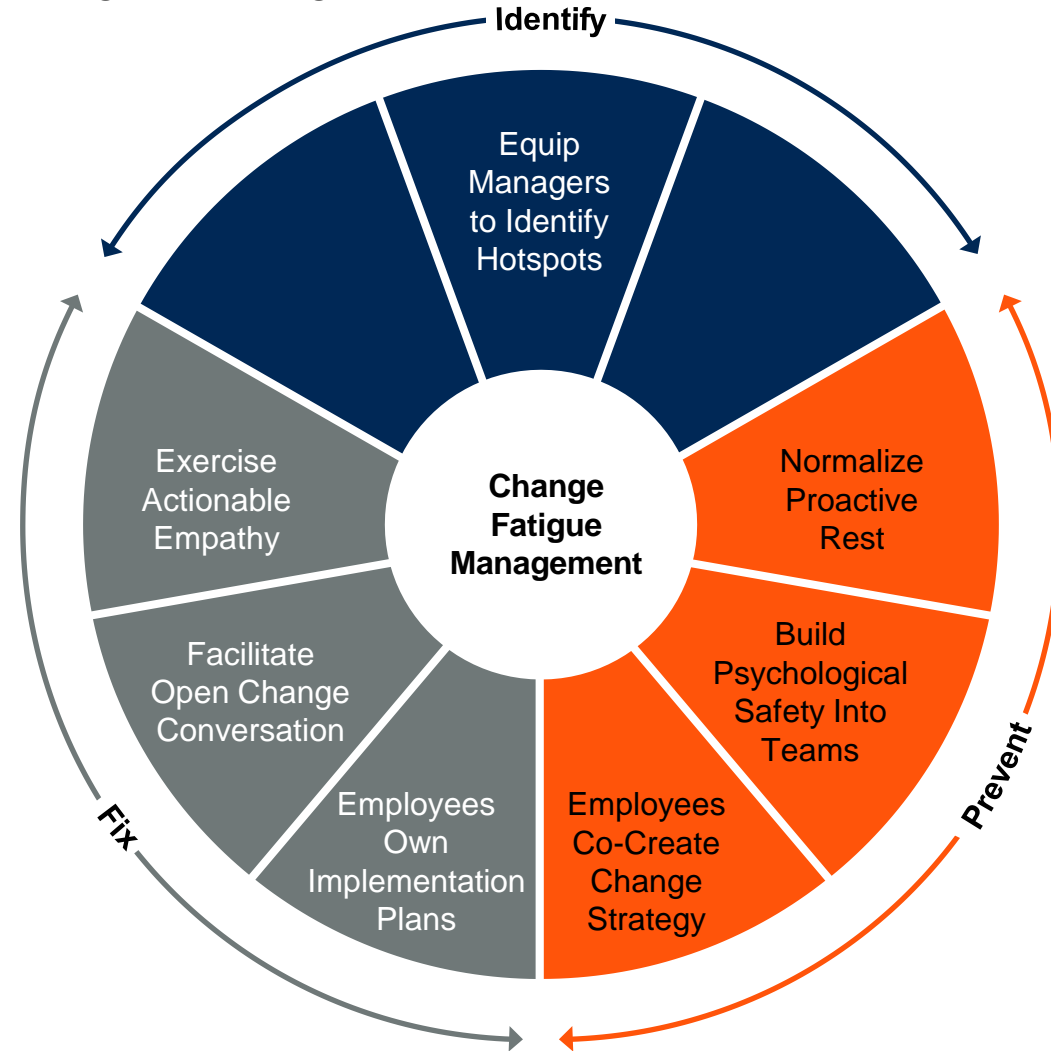


Source: Gartner

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Identify, Fix and Prevent Change Fatigue

The 3 Components of Change Fatigue Management



Source: Gartner

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Recommended Actions for CHROs



Assess

- **Assess** the current state of change fatigue across the organization and within critical talent segments.
- **Benchmark** current change management processes against open-source change principles.



Plan

- **Identify** fatigue-related risks to the success of current/planned transformations.
- **Build** buy-in for key leadership investments with the broader C-suite.



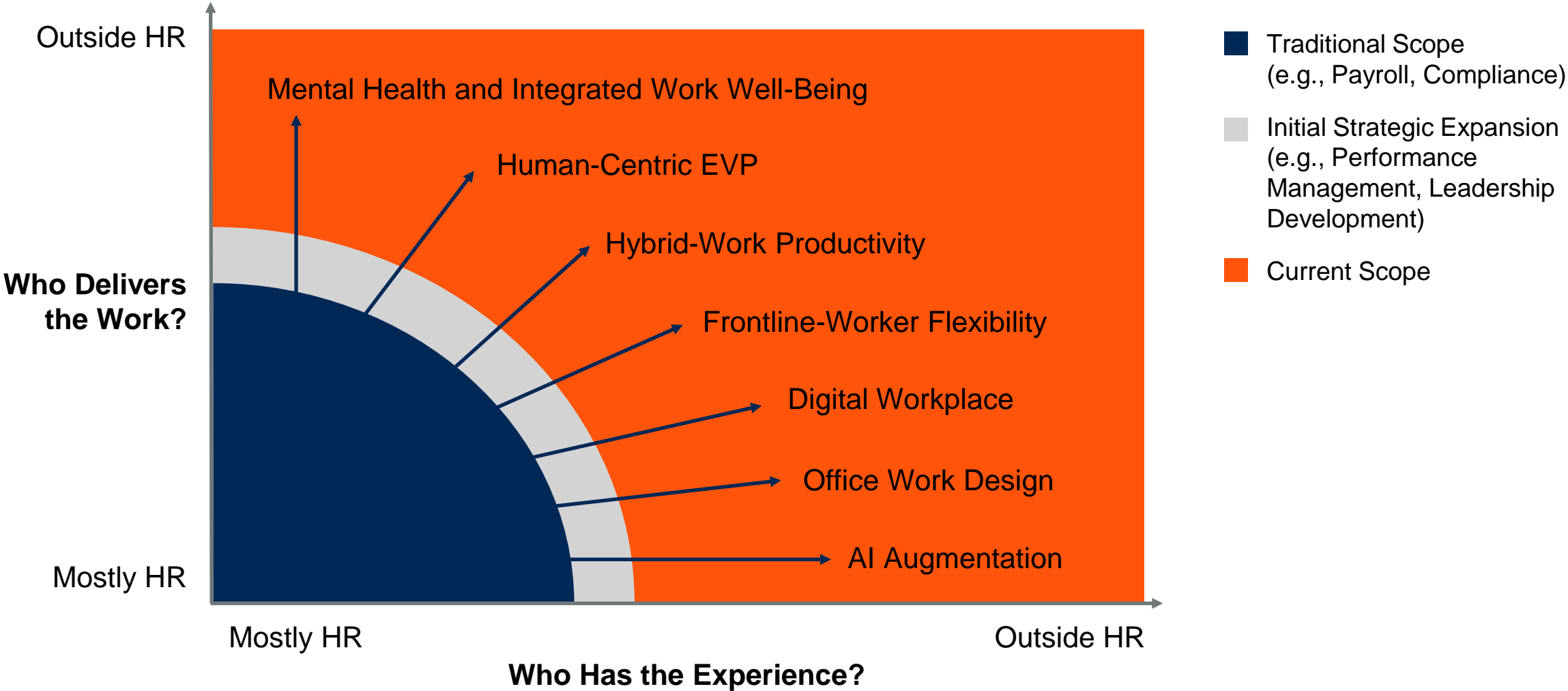
Execute

- With your head of L&D, **train** leaders and managers to identify and manage signs of change fatigue.
- With your head of TM, **apply** open-source principles and monitor fatigue associated with talent management process updates or HR transformation.

Source: Gartner

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New Demands Move HR Beyond Traditional Scope



Source: Gartner

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New Demands on HR Are Different in Kind

Attributes of HR's New Demands



Conflicting

45% of HR leaders say that meeting the **conflicting demands** of stakeholders is **more difficult** today than prepandemic.

Examples

- Employee **demand for a “human deal”** versus organizational productivity.
- **Flexibility** for frontline workers
- **Self-service** versus **“white glove”** support

n = 217 HR leaders
Source: 2023 Gartner HR Functional Excellence HR Leader Survey

Interdependent

50% of HR leaders say the **changes** happening today are **more difficult** to manage than prepandemic.

- **Digital** workplace
- **Integrating well-being** into workflows

n = 243 HR leaders
Source: 2022 Gartner ReimagineHR HR Leader Survey

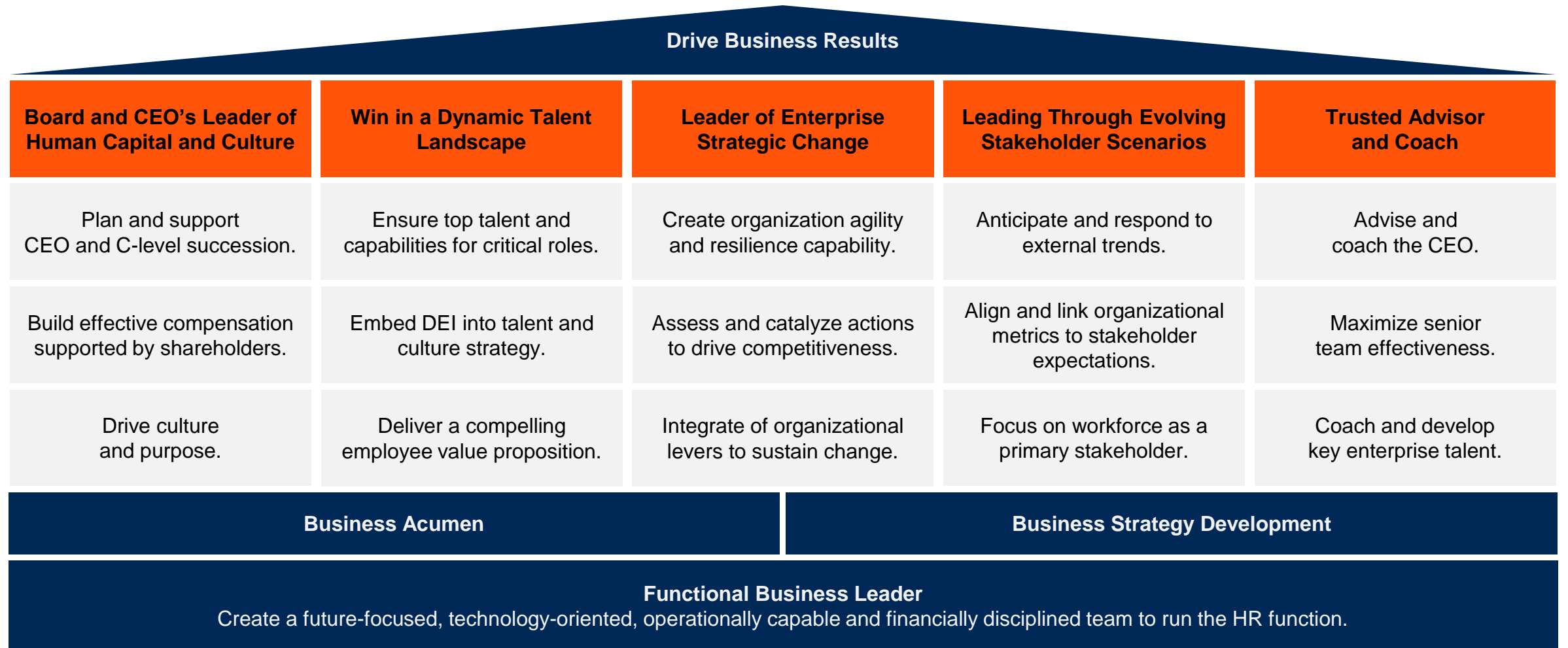
Novel

80% of HR leaders say their function is facing **different challenges** to those they faced prepandemic.

- **Hybrid work productivity**
- **AI work augmentation** and allocation
- **Talent marketplaces** and **“gig” careers**

n = 243 HR leaders
Source: 2022 Gartner ReimagineHR HR Leader Survey

Model of a World-Class CHRO



Source: Gartner

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HR Professionals Competency Model



Source: Gartner

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Address Barriers to Strategic HR Impact

What We Hear From HRBPs

Unclear Expectations

“I’m not even sure what it means to be strategic.”

Tactical Work Takes Precedence

“I wish I could get to strategic projects, but I spend most of my day putting out fires and collecting data.”

HR-Business Misalignment

“My business unit never asks for my strategic input.”

Hard to Break Habits

“Even after we put in self-service, business kept coming to me for help.”

What HR Leaders Can Do

Interest, Skills and Expectations

Identify HR staff best suited for strategic work and communicate role expectations.

HR Ecosystem

Leverage shared services for transactional work, ensure employee self-service is user-friendly and provide easy access to data.

Partnership Clarity

Define partnership principles and tie business strategy to HR outcomes.

Change Management

Involve your team and business in changing the status quo.

What HR Professionals Can Do

Develop Key Skills and Competencies

Build the competencies necessary for strategic effectiveness.

Shape Strategic Decisions

Develop strong analytical skills and use data to shape strategic decisions.

Improve Line Partnerships

Ask the right questions to challenge leader assumptions and build credibility.

Change Management

Leverage change management techniques to ensure success.

Source: Gartner

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Research



Model of a World-Class CHRO

Explore a practitioner-defined and CEO-validated model to help you become a stronger HR leader.

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Guide



A New Strategic Vision for HR's Expanding Role

Gain actionable insights to navigate the shifting demands and transform your HR function.

[Download Now](#)

Virtual Event



Overcome the Transformation Deficit: Reignite Employee Enthusiasm for Change

Boost change buy-in and reduce change fatigue by having teams own change implantation.

[Watch Now](#)

Action Plan



Evolve Culture and Leadership for the Hybrid World

Use this 12-month roadmap to build cultural connectedness and develop human leaders in your organization.

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