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# The CHRO Report

Gartner answers top CHRO challenges.

2Q26



# Delivering value through AI, skills intelligence and culture

Going into the second quarter of 2026, CHROs are focused on delivering value in HR and throughout the organization by redesigning roles and workflows for the AI era, using skills intelligence to inform talent management and shape their organizational cultures in ways that supports high performance through continuous, transformational change.

Achieving a return on their organizations' AI investments is top of mind for CEOs, and CHROs today remain focused on delivering value in HR and throughout the organization by redesigning roles and workflows for the AI era. Skills-based talent management is one area where AI can generate robust value for HR, and this ROI is beginning to show. Yet AI is by no means CHROs' only concern: They are also seeking to shape their organizational cultures in ways that support high performance.

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

- How to implement AI effectively throughout the HR function
- How to use skills intelligence to augment talent management
- How to mitigate the risk of skills atrophy and shape organizational culture

**Use this edition of The CHRO Report to enhance decision making in 2026 and strengthen your enterprise impact.**



# How can AI be strategically implemented in HR?

Achieving a return on their organizations' AI investments is top of mind for CEOs, and CHROs today remain focused on delivering value in HR and throughout the organization by redesigning roles and workflows for the AI era.

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**72%** of HR leaders already recognize that reinventing HR workflows is essential to unlocking AI-driven productivity.

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While some HR processes are fundamentally transformed by AI, others benefit from targeted enhancements, and a few remain primarily human-driven. For CHROs, understanding these distinctions is critical to making informed investment decisions, optimizing workflows and ensuring that technology augments human expertise but preserves the human element where it matters most.

## What your peers are asking

### AskGartner

An AI-Powered Tool to Access Trusted Gartner Insights

How can AI be strategically implemented in HR to maximize benefits and address key challenges and opportunities?

How can AI be leveraged to drive agility across an enterprise?

[Learn More About AskGartner ↗](#)

# Accelerate HR transformation through AI implementation

Gartner evaluates the impact of AI on HR processes using three key dimensions:

- **AI process transformation impact** — The extent to which AI changes how the process is executed, automates workflows and redefines stakeholders and their accountabilities.
- **AI decision intelligence impact** — The extent to which AI enhances how decisions are made by improving insights quality, speed and foresight.
- **AI use-case availability** — The maturity and scalability of existing AI solutions across each HR process.

Building on the analysis, HR processes can be organized into an AI impact portfolio spanning three distinct HR process groups.

- **AI transformational processes** — High impact on process transformation and decision intelligence while also demonstrating strong use-case availability.
- **Targeted AI opportunity processes** — High impact on process transformation while also demonstrating sufficient use-case availability.
- **Human-led value processes** — Limited impact on process transformation and decision intelligence with low use-case availability.

## AI impact portfolio across HR processes

AI transformational processes	Targeted AI opportunity processes		Human-led value processes
High impact on process transformation and decision intelligence while also demonstrating strong use-case availability	High impact on process transformation while also demonstrating sufficient use-case availability	High impact on decision intelligence while also demonstrating sufficient use-case availability	Limited impact on process transformation and decision intelligence with low use-case availability
Strongest immediate entry points for AI, delivering early wins and creating momentum	Scale AI selectively to improve operational efficiency	Scale AI selectively to improve decision intelligence	Differentiate yourself by deliberately elevating the human value proposition
Strategic workforce planning	Critical skills needs identification	Hiring needs and definitions	Onboarding
Assessment and selection	Employee data and document administration	Performance management	Culture
Career pathing and mobility	Time and attendance	HiPo and succession	Change management
HR help desk and first-level support		Employee experience	Employee relations and case management

Source: Gartner

# How CHROs work with Gartner



Schedule a call with a Gartner analyst to help identify which processes to transform or augment with AI and which to preserve as human-led.



Hanne Nieberg  
Senior Director Analyst



Prioritize AI investments based on this analysis, redesigning workflows for transformational processes, selecting proven AI solutions for targeted opportunities and using AI to support human decision making where it matters most.



Use the **Gartner Accelerators tool: Create an AI Strategy for Your HR Organization** as a step-by-step guide to developing your AI vision.





# How can organizations enhance their talent management strategy?

CHROs are under increasing pressure to transform their HR functions by leveraging AI-driven skills intelligence to shape business decisions.

By 2028, this capability will become essential for high-value HR functions. Organizations that fail to adopt it risk being relegated to back-office roles. Currently, 60% of organizations have implemented this approach across some or all of their talent processes, with a further 37% actively considering it. Early adopters are already realizing significant returns, yet the pace of change continues to accelerate as advances in AI and digitization raise expectations for actionable, real-time skills intelligence.

This shift creates a dual challenge for CHROs: Integrating rapidly evolving AI capabilities while responding to rising expectations from business leaders and employees for more advanced, data-driven talent insights. As the demand for real-time, decision-ready intelligence grows, those that fail to keep pace risk eroding HR's strategic influence and being repositioned as operational rather than strategic partners.

## What your peers are asking

### AskGartner

An AI-Powered Tool to Access Trusted Gartner Insights

How can organizations enhance their talent management strategy to align with business objectives and address talent gaps?

How can AI be effectively utilized to enhance talent acquisition and skills-based talent management?

[Learn More About AskGartner ↗](#)

# Use skills intelligence to drive talent management decisions and close skills gaps

Organizations investing in skills-informed approaches target improvements in three talent areas on average. CHROs can drive value by embedding skills intelligence into the following areas:

**Workforce development.** Integrate skills data into employee profiles and learning pathways. Align learning resources with current and future skills needs, and foster a culture of continuous learning and upskilling. Use AI-driven analytics to identify skills gaps and recommend targeted development opportunities.

**Leadership development.** Incorporate skills intelligence into succession planning and leadership development programs. Use skills assessments to inform coaching and mentoring initiatives. Identify high-potential employees based on skills data, not just tenure or performance.

**Mobility.** Enable employees to view and pursue internal opportunities based on their skills profiles, and leverage AI to match employees with open roles and projects. Promote transparent career pathways and encourage cross-functional movement.

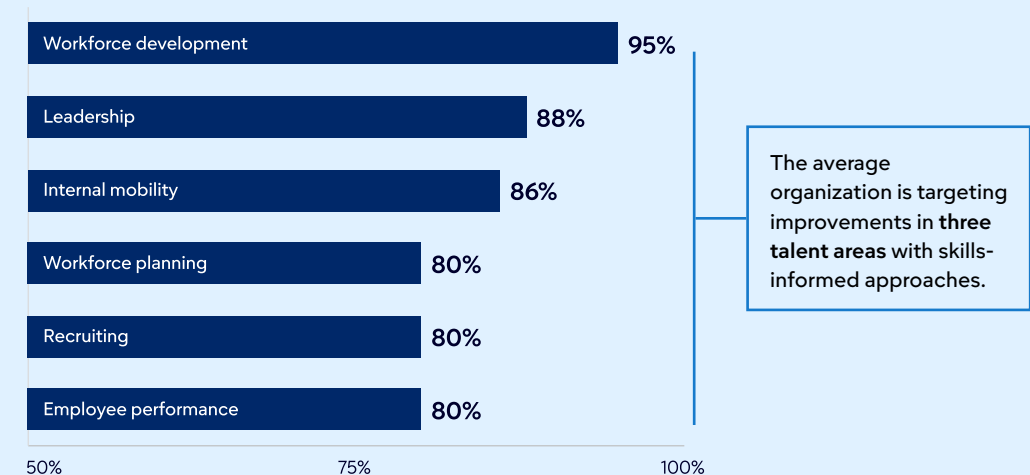
**Workforce planning.** Use skills data to inform strategic workforce planning and scenario modeling. Integrate skills intelligence with headcount and capacity planning. Identify critical skills for future business needs.

**Recruiting.** Embed skills-based criteria into job descriptions and candidate screening. Use AI-powered tools to assess candidate skills and fit. Focus recruitment efforts on skills alignment rather than traditional credentials.

**Performance management.** Incorporate skills assessments into performance reviews and goal setting. Use skills data to personalize development plans and feedback. Recognize and reward skill acquisition and application.

## Target talent areas with skills-informed methods

Percentage of organizations targeting talent area with skills-based investments



n = 95 talent management leaders overall (Development = 90; Leadership = 84; Mobility = 82; Workforce planning = 76; Recruitment = 76; Performance = 76)  
Source: Gartner

## TAKE ACTION

# How CHROs work with Gartner



See the insights [How Organizations Are Achieving ROI With Skills-Based Talent Management](#) to learn more about how skills-informed approaches deliver value.



Work with your head of talent management to identify opportunities to implement these approaches.



[Schedule a call](#) with a Gartner analyst to help decide on the right skills intelligence investments for your organization.



**Cian Ó Móráin**  
Senior Director Analyst



# What are effective strategies for organizational culture change?

CHROs are grappling with the reality that organizational culture is increasingly seen as an obstacle rather than a catalyst for performance. CEOs identify culture as a major barrier to growth, yet fewer than half of CHROs believe it drives performance, and only 43% of employees feel their culture supports their success.

In response, many leaders are calling for a “high-performance culture,” but often lack clarity on what this truly entails, reflecting uncertainty about the norms and behaviors required for success in today’s environment. As the pace of business change accelerates — particularly with AI-driven transformation — static, legacy cultures are no longer viable.

Instead, CHROs must guide their organizations through continuous cultural evolution, using insights into dominant cultural themes to differentiate from competitors, challenge outdated assumptions and secure buy-in for the changes needed to achieve ambitious performance goals.

## What your peers are asking

### AskGartner

An AI-Powered Tool to Access Trusted Gartner Insights

What are effective strategies and practices for transforming and sustaining organizational culture change?

How can performance management processes be adapted to strengthen alignment and connectedness with organizational culture?

[Learn More About AskGartner ↗](#)

# Shaping culture to drive performance in the AI era

Gartner analysis of the dominant cultural themes today, based on a survey of over 3,000 employees, can help CHROs define their desired culture, evaluate the current state of the organization, identify potential cultural misalignment and drive C-suite and board alignment on culture risks, opportunities and next steps.

Six dominant cultural themes emerged from this analysis, with the following percentages of employees identifying each of these as the dominant theme of their organization’s culture:

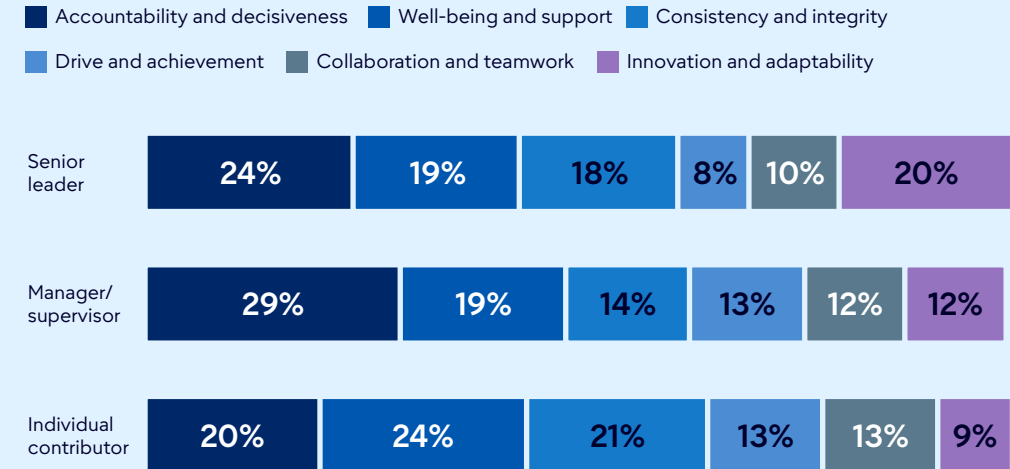
- Accountability and decisiveness (25%)
- Well-being and support (21%)
- Consistency and integrity (18%)
- Drive and achievement (12%)
- Collaboration and teamwork (12%)
- Innovation and adaptability (12%)

No single cultural theme is directly correlated with higher employee performance: Enterprise contribution levels are similar across all six themes. These themes are also consistent across regions, industries and company sizes. However, there are some notable differences in the perceptions of senior leaders, managers and individual contributors.

This finding underscores the need to design culture measurement processes to capture perspectives from all levels and roles. CHROs should work with business leaders to determine whether variation reflects intentional differentiation or indicates misalignment with desired norms.

## Dominant culture themes, by employee role

Percentage of employees



n = 3,141 employees  
 Note: Percentages may not add up to 100% because of rounding.  
 Source: Gartner

TAKE ACTION

# How CHROs work with Gartner



See [Dominant Cultural Themes in 2026: 4 Essential Insights for CHROs](#) for more insights into what these perceptions mean for defining and shaping organizational culture.



Use the [Ignition Guide to Measuring Organizational Culture](#) to assess your current culture, track progress and inform C-suite discussions on the cultural priorities that best enable your strategy.



Schedule a call with a Gartner analyst to identify the most effective approaches to culture change that fit with your organization's culture goals and strategy.



**Jessie Knight**  
Vice President Analyst

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