

An aerial photograph of a calm lake surrounded by a dense forest. Several kayakers in red and yellow kayaks are on the water. A yellow dotted line starts from the right side of the frame and extends towards the center, where it meets two vertical yellow bars. The text is overlaid on the left side of the image.

Leadership Vision for 2023

Top 3 strategic priorities for
Talent Management Leaders

Leadership Vision for Talent Management Leaders in 2023

Amidst economic uncertainties and cost pressure, and with talent both scarce and expensive, talent management leaders must understand how the trends impacting the workforce and broader organization will shape their priorities in 2023 and beyond.

In this climate, it is critical TM leaders take action to increase the positive impact that they and their teams have on the organization.

Talent management leaders can use this research to respond to major trends impacting the workforce and improve their own personal impact and effectiveness.

Key Questions Addressed



What are the major trends affecting Talent Management leaders?



How should Talent Management leaders prepare for the year ahead?



How can Talent Management leaders create a more integrated talent management function?

Organizations Face Uncertain and Confusing Times

The Triple-Squeeze

Three Compounding Pressures that Most Executives Have Likely Never Experienced

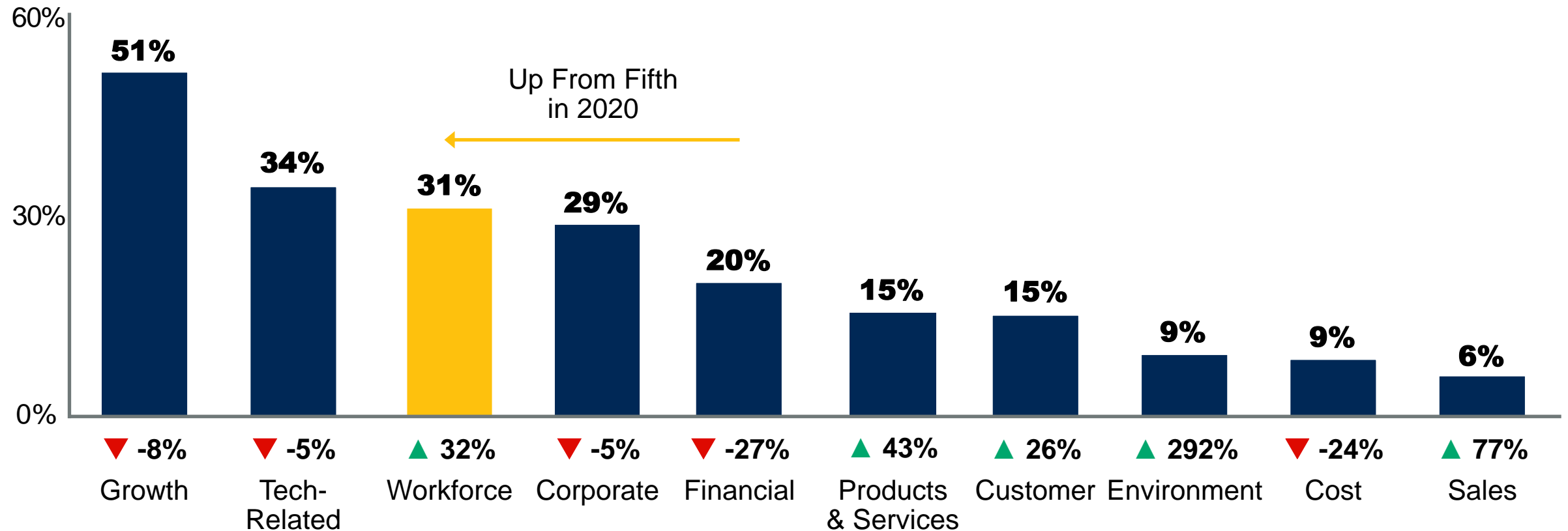


Source: 2022 Gartner CEO and Senior Business Executive Survey; 2021 Gartner CFO Capital Allocation Survey; Gartner webinar poll: CFOs' 2022 Playbook for Enhancing Profitability and Driving Digital Acceleration; Attracting and Retaining Critical Talent While Preparing HR for Disruption (July 2022); 2023 Gartner HR Priorities Survey

Workforce Is Increasingly High Priority for CEOs

Top 10 CEO Business Priorities, 2022 and 2023

Percentage of Respondents Including in Their Top Three Mentions, Coded Responses



n = 410, all respondents

Q: Please tell us about your organization's top five strategic business priorities for the next two years (2022-2023).

Source: 2022 Gartner CEO and Senior Business Executive Survey

Shifts in Employee Expectations Are Here to Stay

New Employee Expectations Impacting Retention and Attraction



Flexibility

52% of employees say **flexible work policies** will affect the decision to stay at their organizations.

n = 3,500 employees

Source: 2021 Gartner Hybrid and Return to Workplace Sentiment Survey



Shared Purpose

53% of employees want their organizations to **take actions on issues** they care about.

n = 5,000 employees

Source: 2021 Gartner EVP Employee Survey



Well-Being

70% of companies have introduced **new well-being benefits** or increased the amount of existing well-being benefits

n = 77 HR leaders

Source: 2021 Gartner EVP Benchmarking Survey



Person-First Experience

82% of employees say it's important for their organization to **see them as a person**, not just an employee.

n = 5,000 employees

Source: 2021 Gartner EVP Employee Survey

Talent Management Leaders Must Weigh Many Trade-Offs

Periods of economic uncertainty can offer business leaders the opportunity to reinvest to drive future growth, but this requires deliberate prioritization of trade-offs in budget.

Some of the most relevant and significant trade-offs HR leaders must balance are managing spend, securing talent, and accelerating growth.

Increased digitalization and automation will ultimately make workflows and processes simpler, faster, and more cost-effective while also providing HR staff with more time to focus on the activities that add business value. At the same time, HR leaders must address business leaders' concerns and ensure the organization's employee value proposition (EVP) is clear and designed to attract and retain the right talent – particularly those with digital and data skills.



Source: Gartner

Talent Management Leader Priorities for 2023

Top Business-Supporting HR Initiatives

- 1 Leader & Manager Effectiveness
- 2 Organizational Design and Change Management
- 3 Recruiting
- 4 Employee Experience
- 5 Learning and Development
- 6 Future of Work
- 7 Diversity, Equity and Inclusion
- 8 Talent Analytics
- 9 Performance Management
- 10 HR Technology Strategy and Management

n = 134 heads of talent management

Source: Gartner 2023 HR Priorities Survey

Q: Please select the two key initiatives you need to concentrate on the most in your function to effectively support each of the priorities you ranked most critical to your organization.



Leaders Need a New Approach

The shifting work environment has changed employee expectations and blurred the relationship between leader and employee. It requires leaders to approach their core responsibilities in new ways by displaying “human-centric leadership” – leading with authenticity, empathy and adaptivity. While these traits have been listed among the key qualities of great leaders in the past, today’s environment has made them imperatives that employees no longer just desire but demand.



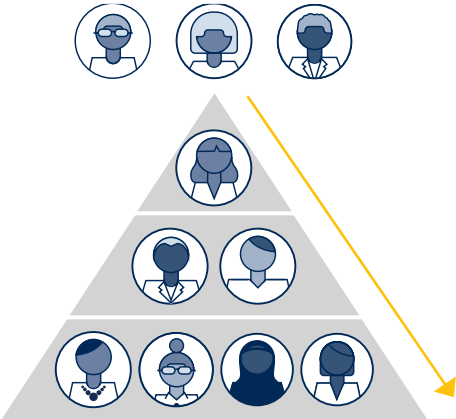
Core Leader Responsibility	Role Model Behavior	Support Teams	Deliver Results
Prior Approach	Professional Enable workplace boundaries	Employees Address work needs	Efficient Manage standardized workflows
Work Environment Shift	Social and Political Turbulence High stress and risk of controversy	Work-Life Fusion Increasingly visible personal lives	Hybrid Work More variety in work patterns and norms
New Approach	Personal Enable safe self-expression at work	People Address life needs	Individualized Manage tailored, flexible workflows

Recommended Actions for Talent Management Leaders to Build Human-Centric Leadership

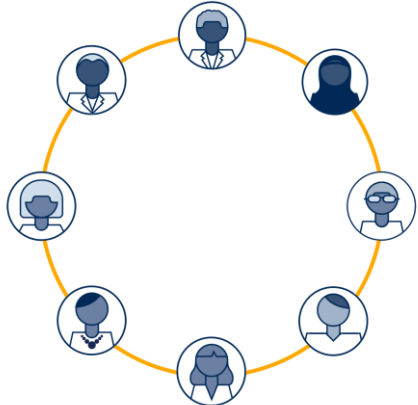
- ✓ **Evaluate** the current state of human-centric leadership at your organization and the existing HR support by partnering with C-suite and senior leaders.
- ✓ **Identify** successful human-centric leaders in high-impact roles by collaborating with business unit leaders.
- ✓ **Determine** equitable selection criteria to identify employees who can share diverse perspectives with leaders as mentors to expand leader mindsets.
- ✓ **Catalog** high- and low-stakes opportunities for leaders to display vulnerable human leadership.
- ✓ **Review** your employee value proposition to define specific employee experience attributes that leaders can impact.
- ✓ **Ask** leaders to actively commit to clear expectations for human-centric leadership by providing the option to choose between people-leadership and non-people-leadership career pathways.

Open-Source Change to Lead Through Uncertainty

To decrease change fatigue and support employees through uncertainty, talent management leaders should lead their organizations to adopt an open-source change strategy instead of a top-down change strategy. When employees are active participants with ownership in an open source-change strategy employees are 1.5x more likely to be willing to change and overall change success is 14x more likely. The risk of change fatigue also drops as much as 29 percentage points.



Top-Down Change



Open-Source Change

Set the Strategy and Define the Vision

Leaders Set the Change Strategy



Employees Co-Create Change Decisions

Plan Implementation

Leaders Own Implementation Planning



Employees Own Implementation Planning

Communicate and Sustain Change

Organizations Roll Out Communication Campaigns



Employees Talk Openly About Change

Source: Gartner

Recommended Actions for Talent Management Leaders to Lead Open-Source Change

- ✓ **Communicate** openly about disruptions and changes.
- ✓ **Encourage** employees to share change insights horizontally.
- ✓ **Identify** and engage specific groups of employees who may help increase support for change initiatives.
- ✓ **Shift** ownership of implementation planning to employees to increase change success.
- ✓ **Solicit** feedback on plans and share feedback centrally to demonstrate that employees' voices are being heard.
- ✓ **Empower** employees to provide upward feedback and constructive criticism and share negative reactions with leaders to improve feelings of control.
- ✓ **Provide** employees with prompts or questions to promote active involvement in change and to better understand its impact on their work.

Leading in a Volatile Labor Market

The labor market has fundamentally changed over the last couple of years. While some of the shifts are temporary, three shifts have changed how organizations acquire talent. Progressive talent management leaders are re-designing how they approach key elements of the recruiting process to overcome the changes in talent supply, attrition and candidate expectations.

Demand

Talent supply is low in traditional talent pools.



Build an Intelligence-Based Sourcing Capability

- Find accessible, not just available, talent with labor market intelligence.
- Identify alternate skills, locations and roles that may be able to do the job.
- Use competitive intelligence to position EVP effectively.

Attrition

Retaining talent in a hybrid and remote environment is more difficult.



Create an Equitable Internal Labor Market

- Target potential in the internal, not just external, labor market first.
- Expand equitable opportunity in the internal market.
- Incentivize managers' support for mobility.

Agency

Candidates are harder to attract and convert.



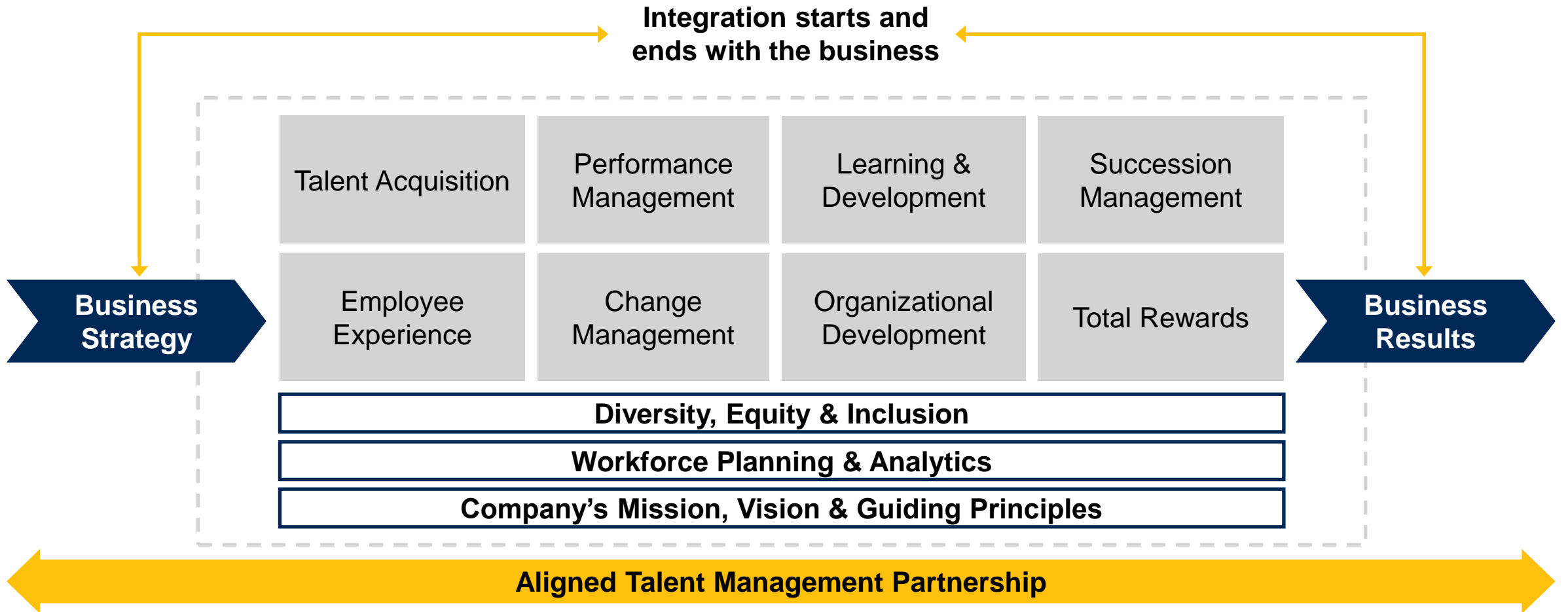
Build Onboarding for Engagement

- Create emotional proximity by connecting to the organization's mission.
- Tailor onboarding to the needs of the individual.

Recommended Actions for Talent Management Leaders to Lead in a Volatile Labor Market

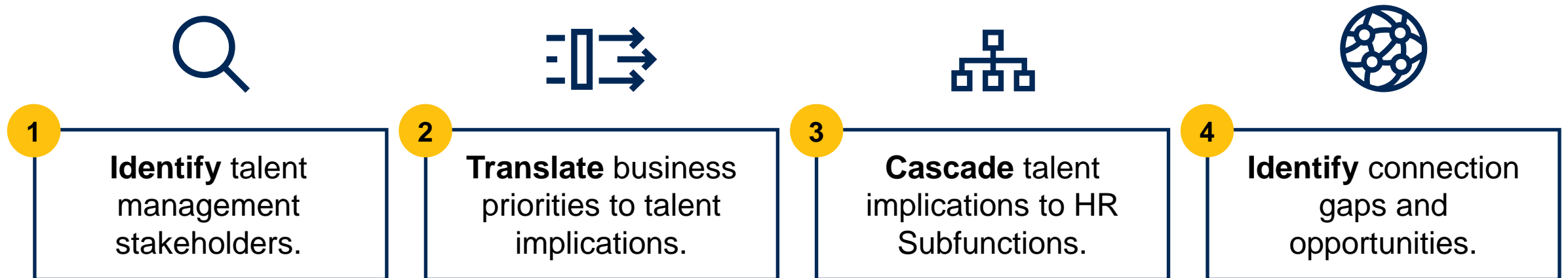
- ✓ **Adapt** hiring strategy using talent intelligence to respond to the changing competitive, sourcing and candidate landscape.
- ✓ **Leverage** labor market shifts to source talent across functions and locations.
- ✓ **Create** an equitable internal labor market by democratizing awareness through technology, opening universal access to opportunities and incentivizing support for mobility.
- ✓ **Increase** engagement during onboarding by creating emotional proximity through connecting to the organization's mission and tailoring onboarding to the needs of the individual.

Talent Management Framework



Steps to Create an Aligned Talent Management Partnership

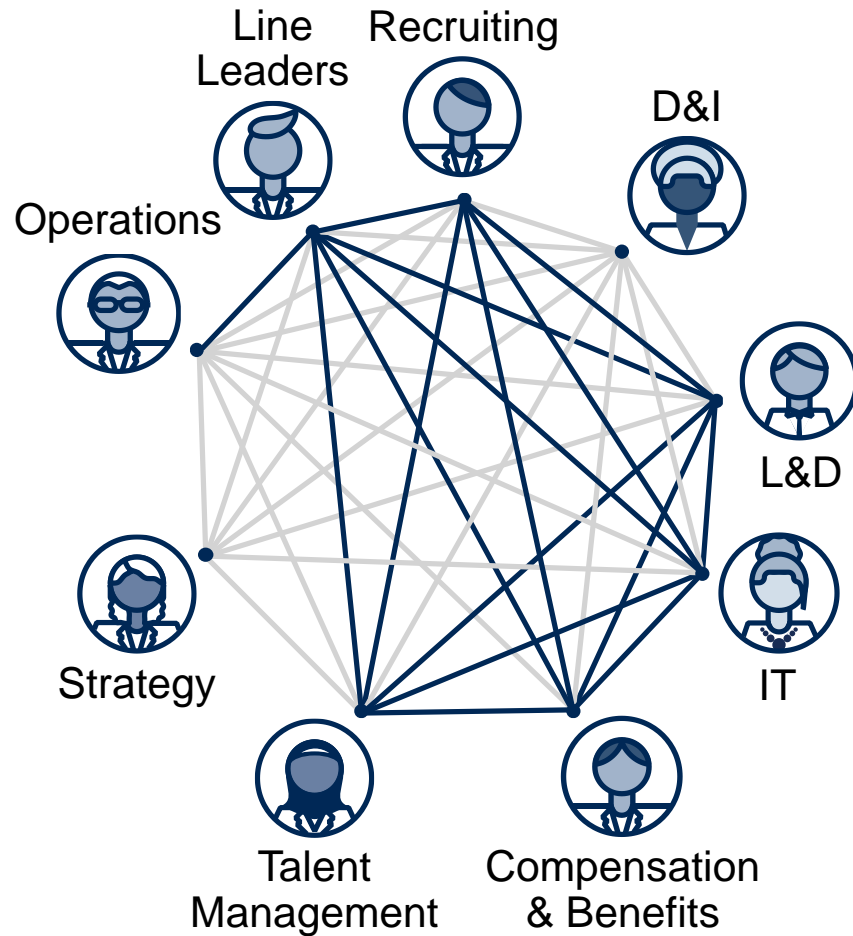
Most HR subfunctions currently operate independently with little transparency into day-to-day efforts or workstreams across teams. In fact, only 46% of HR leaders report their HR function and HR processes are designed to deliver talent management services as integrated solutions that enable key organizational capabilities. It is imperative that talent management leaders forge aligned talent management partnerships.



Source: Gartner

Step 1: Identify Talent Management Stakeholders

Example: Stakeholders Involved in Leadership Development



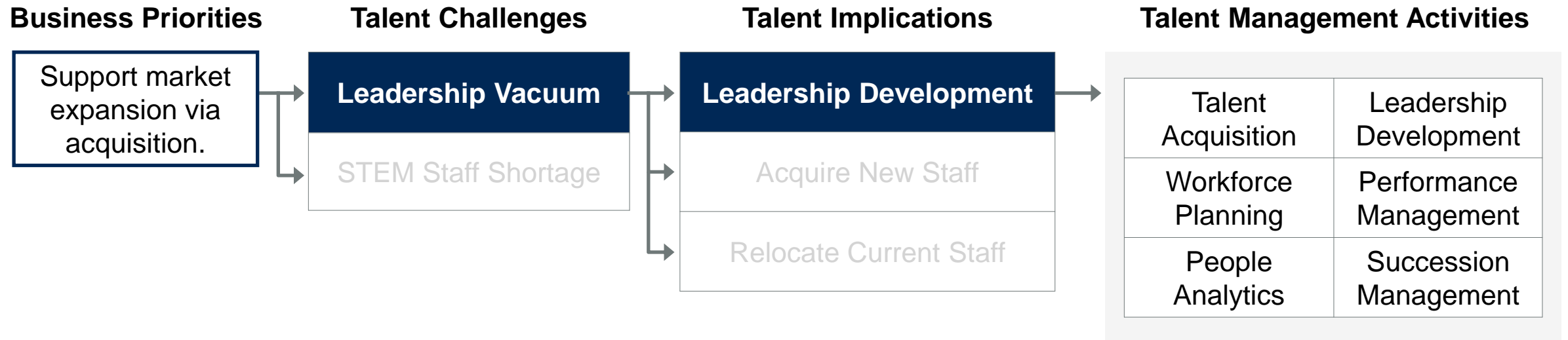
Source: Gartner

Key Questions for Consideration

- Which talent management initiatives currently exist within the organization?
- Which HR activities and other subfunctions are directly related to or have implications for talent management?
- Which HR leaders are responsible for designing and maintaining those activities and subfunctions?
- How do HR leaders currently communicate those activities and subfunctions?
- Which talent management activities do business leaders interact with most frequently?
- With whom do business leaders discuss those activities within the HR function?

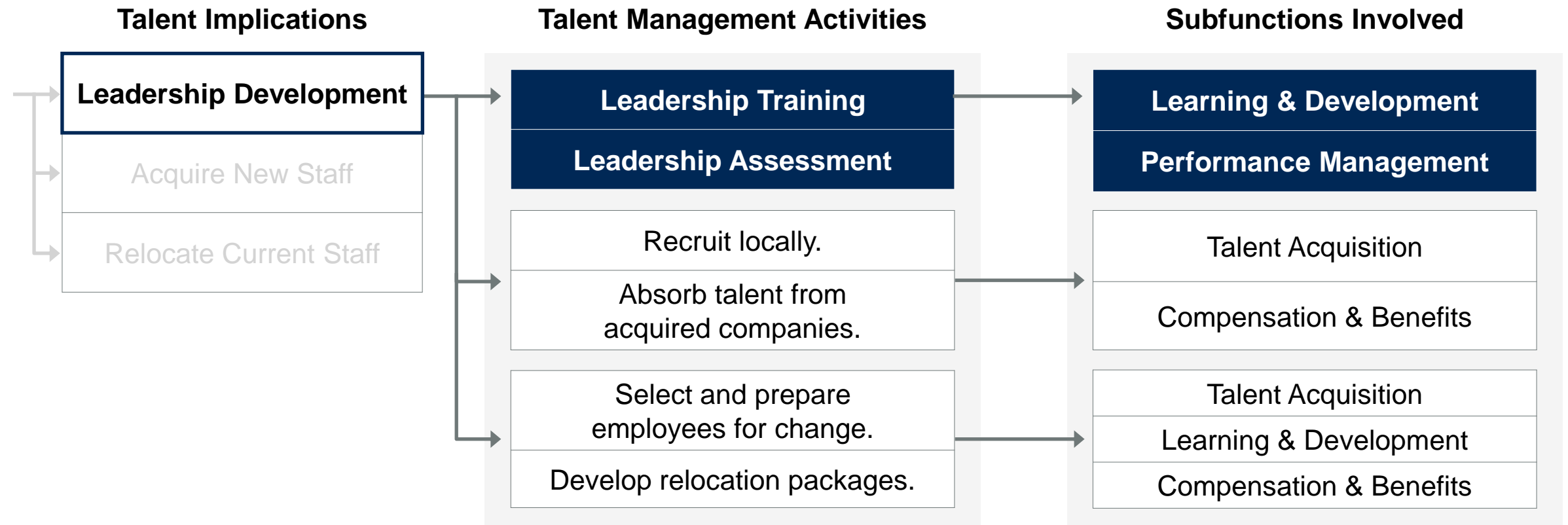
Step 2: Translate Business Priorities to Talent Implications

Talent Management Processes Aligned With Business Priorities
Illustrative



Step 3: Cascade Talent Implications to HR Subfunctions

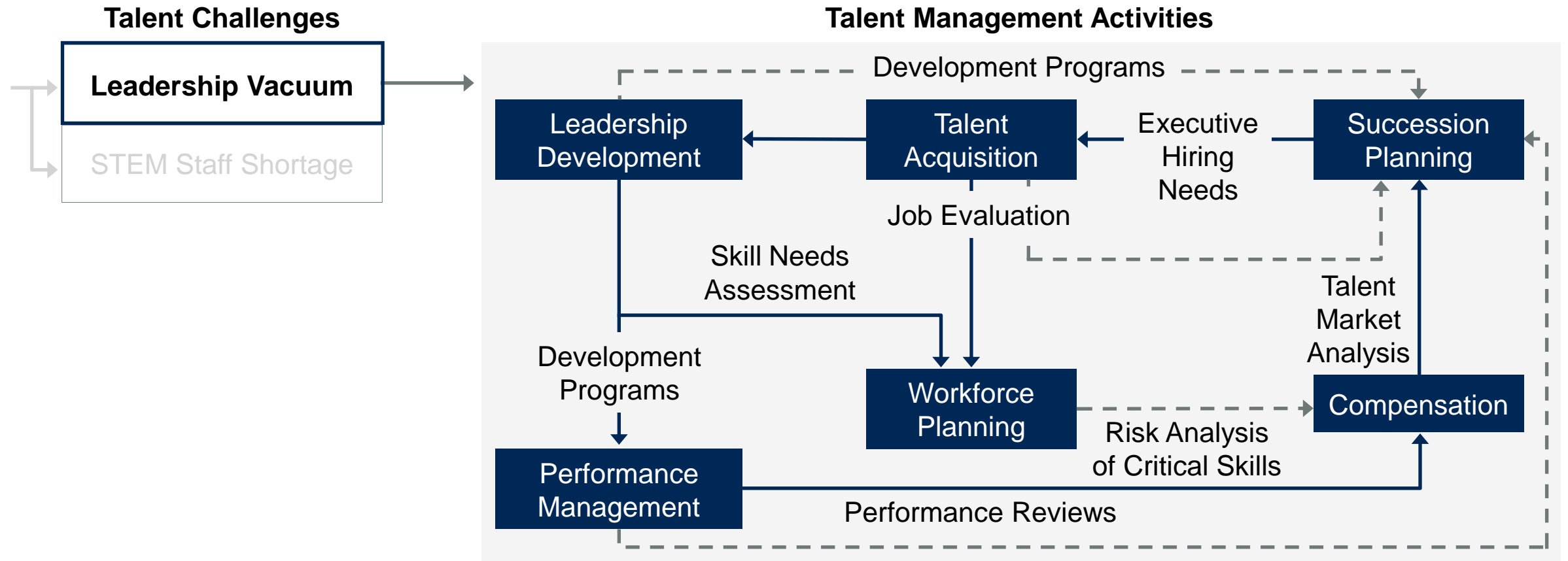
Align Business Priorities With Talent Management Activities and HR Subfunctions Involved
Illustrative



Step 4: Identify Connection Gaps and Opportunities

Sample Map of Talent Management Connections

Illustrative



Actionable, objective insight

Position your organization for success. Explore these additional complimentary resources and tools for HR leaders:

Research



Top 5 Priorities for HR Leaders in 2023

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