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Gartner for HR

Top 5 Priorities for HR Leaders in 2021



Need for critical skills again tops the list of HR priorities in 2021

Top key initiatives selected by HR leaders to support organizational priorities

01
**Building critical skills
and competencies**

68% of HR leaders
prioritizing

02
**Organizational design
and change management**

46% of HR leaders
prioritizing

03
**Current and future
leadership bench**

44% of HR leaders
prioritizing

04
Future of work

32% of HR leaders
prioritizing

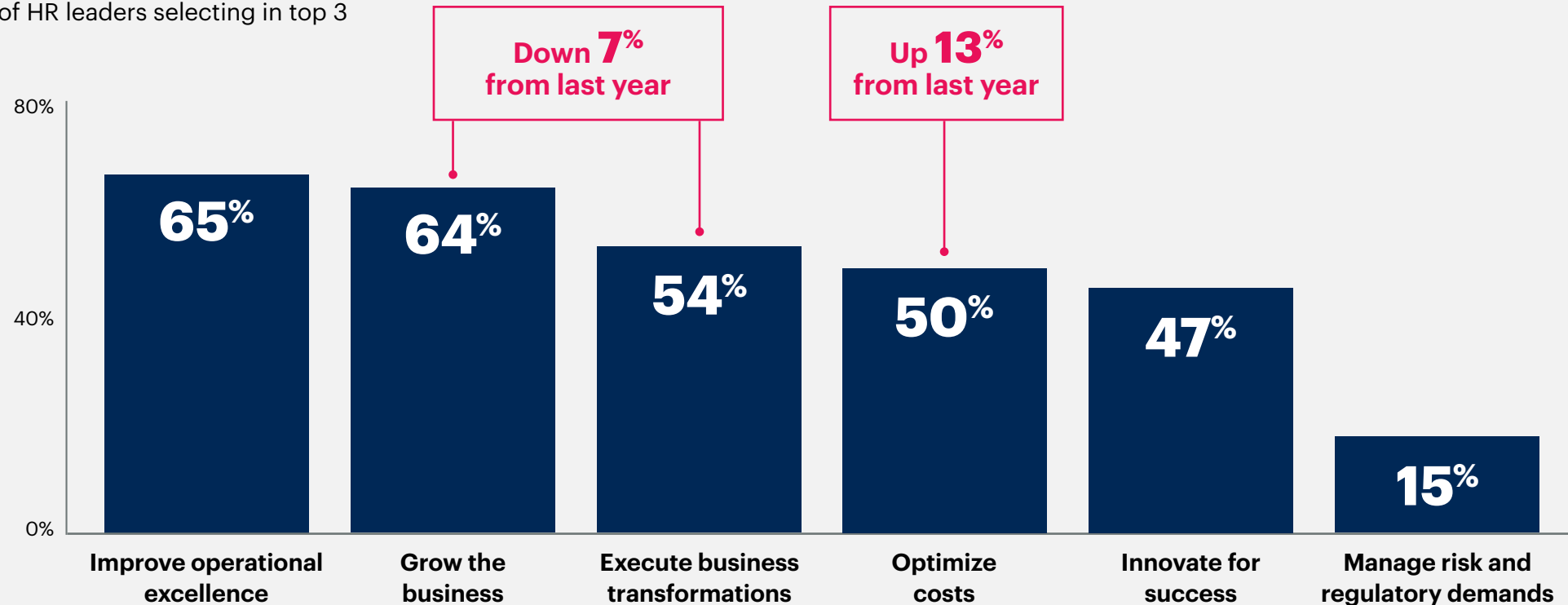
05
Employee experience

28% of HR leaders
prioritizing

Organizational structure and execution are key to business success in 2021

Top organizational priorities for 2021

Percentage of HR leaders selecting in top 3



n = 874 HR leaders

Note: Respondents were asked to select their top three priorities, in rank order, based on their importance to their organization over the next 12 months.

Source: Gartner 2021 HR Priorities Survey

01 Building Critical Skills and Competencies for the Organization

Cited by **68%** of HR leaders

“We don’t know what skill gaps our current employees have.”

36%

“We don’t effectively integrate learning into employee workflows.”

33%

“We can’t create skill development solutions fast enough to meet evolving skill needs.”

31%

Top Business Priorities

✓ Improve Operational Excellence

✓ Grow the Business

✓ Execute Business Transformations

✗ Optimize Costs

✓ Innovate for Success

✓ Manage Risk and Regulatory Demands

COVID-19 has worsened the reskilling challenge

Traditional ways of predicting skill needs aren't working. Employees need more skills for every job, and many of those skills are new. Many employees aren't learning the right new skills — for their personal development or the benefit of the organization.



Data shows the total number of skills required for a single job is increasing year-over-year by

10%

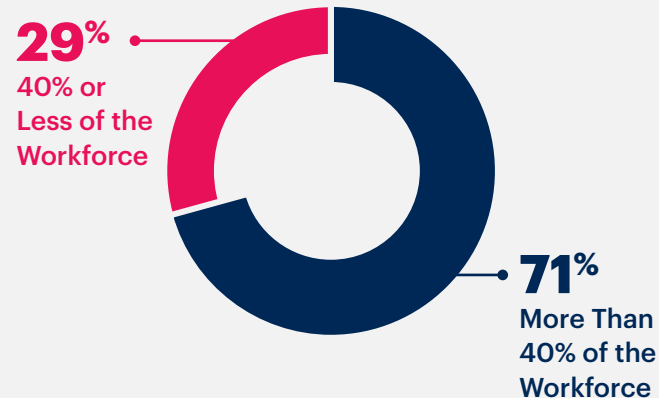


33%

of the skills that were present in an average job posting in 2017 won't be needed by 2021.

Source: 2020 Gartner Shifting Skills Survey for HR Executives; Gartner TalentNeuron™

Percentage of the Workforce That Has to Use New Skills as a Result of COVID-19



n 113 learning & development (L&D) professionals
Source: Gartner Coronavirus Polling on L&D



“I moved into a new role because of lay-offs.”

“My organization had to redeploy my team to another area of the business. I am in a brand-new role for me.”

“I have never worked virtually before and I'm now managing a remote team.”

“I have had new responsibilities added to my plate because we are short-staffed but I don't have experience with these tasks.”

“My company is cross-training us on different roles in case a colleague gets sick or everyone can't come in at the same time.”

New imperative: Take a dynamic approach to reskilling

What's needed is a dynamic approach to reskilling and redeploying talent in which all impacted stakeholders work together to sense shifting skill needs and find ways to develop skills at the time of need. Currently, only 21% of HR leaders say peers share accountability or partner with HR to determine future skill needs.



Skill-Sensing Network

Facilitate dynamic cross-organizational networks to sense shifting skill needs:

- Share ownership for identifying and addressing skill needs with relevant stakeholders.
- Monitor organizational intelligence on changing skills needs.
- Explore how to leverage labor market data to address skill gaps.



Targeted Skill Accelerators

Identify and implement skill accelerators to develop skills at the time of need:

- Recognize and adapt existing resources to develop new skill solutions quickly.
- Identify learning delivery opportunities that will have highest impact on application.



Two-Way Skill Transparency

Empower employees with relevant information to make timely skill decisions:

- Create channels for employee and organizational information exchange.
- Enable employees to make informed decisions that align their interests with organizational needs.

With the dynamic approach, employees apply 75% of the new skills they learn (far more than with other approaches) and learning begins sooner, as needs are identified faster.



Address This Priority: Reach out for supplemental insights and tools related to building current and future leaders.

02 Organizational Design and Change Management

Cited by **46%** of HR leaders

“Our managers aren’t
equipped to lead change.”

37%

“Our employees are fatigued
from all the change.”

36%

“Our leaders aren’t equipped
to lead change.”

28%

Top Business Priorities

- ✓ Improve Operational Excellence
- ✓ Grow the Business
- ✓ Execute Business Transformations
- ✓ Optimize Costs
- ✓ Innovate for Success
- ⊗ Manage Risk and Regulatory Demands

Organizations can't respond as quickly as conditions require

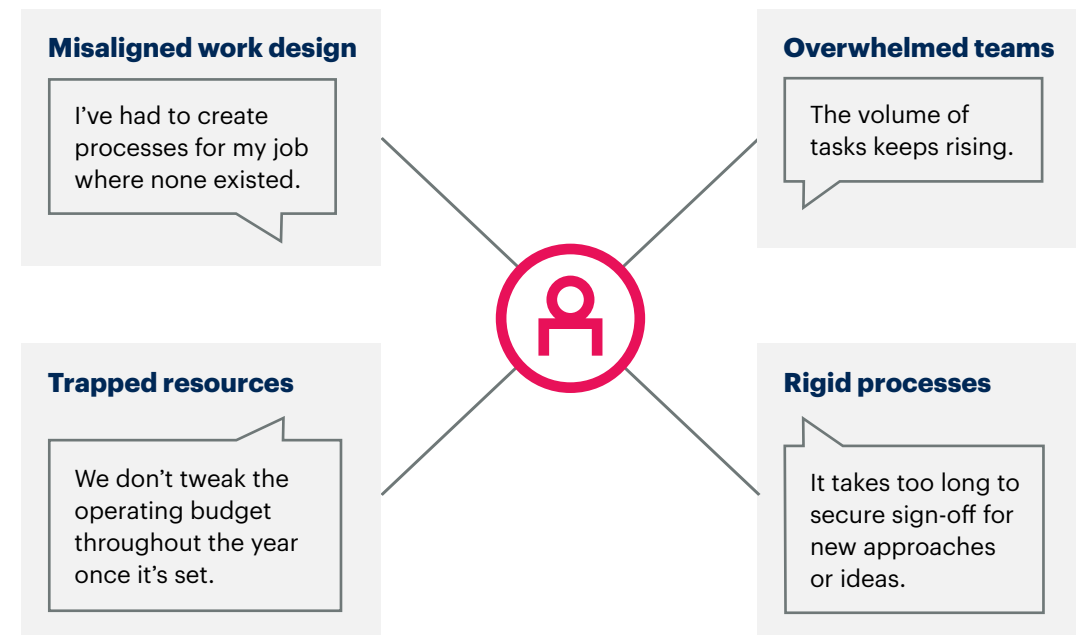
Work design, focused for years on efficiency, has left many organizations with rigid structures, workflows, role design and networks that don't meet today's needs or flex with fast-changing conditions. Employees suffer the effects in various forms of work "friction."

Very few HR leaders report that their organizations quickly respond to changing needs



n = 71 HR leaders
Source: 2020 Gartner Workforce Responsiveness Survey for HR Leaders
Note: The remaining parts of each graph represent the HR leaders that think otherwise.

Work friction keeps employees from being responsive

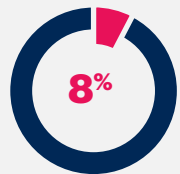


New imperative: Redesign work to enable employees to be more responsive

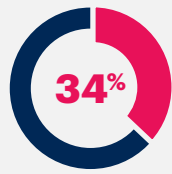
Future-forward work design is what’s needed to ensure employees can be responsive — that is, in sync with customer needs, in a position to anticipate changes in those needs, and adapt their approach and activities accordingly. It’s up to HR leaders to adapt work design strategies to unlock responsiveness at scale across the workforce and build organizational resilience.

How much of an impact you believe each trend will have on your organization over the next 12 months

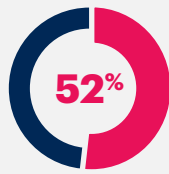
 Shift from designing organizations for efficiency to designing for flexibility



No impact



Moderate impact



Significant impact

 **Address This Priority:** Reach out for supplemental insights and tools related to organization design and change management.

Unlock organizational capacity by reducing work friction

Friction 1
Misaligned work design



Solution 1
(Re)Align work design with the way work happens by making ongoing adjustments.

Friction 2
Overwhelmed teams



Solution 2
Clarify work design boundaries to improve prioritization of effort.

Friction 3
Trapped resources



Solution 3
Move resourcing decisions closer to the end user to unlock greater resource mobility.

Friction 4
Rigid processes



Solution 4
Formalize how processes can flex to eliminate permission roadblocks.

03 Current and Future Bench Strength

Cited by **44%** of HR leaders

“Our leadership bench is not diverse.”

49%

“Our succession management processes don’t yield the right leaders at the right time.”

35%

“We struggle to develop effective midlevel leaders.”

27%

Top Business Priorities

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Leadership lacks diversity

 **44%**

Only 44% of employees say they trust their organization's leaders and managers to navigate a crisis well. Confidence and trust in leadership is also undermined by the lack of diversity.

Gartner TalentNeuron™ data illustrates the lack of diversity among the leadership of U.S. companies, showing that only 10% of senior-level corporate positions are held by a woman from a racial or ethnic minority and only 18% by a man from a minority segment.

n = 839
Source: 2020 Gartner Leadership Survey for Employees



Primary barriers to lack of advancement of underrepresented talent

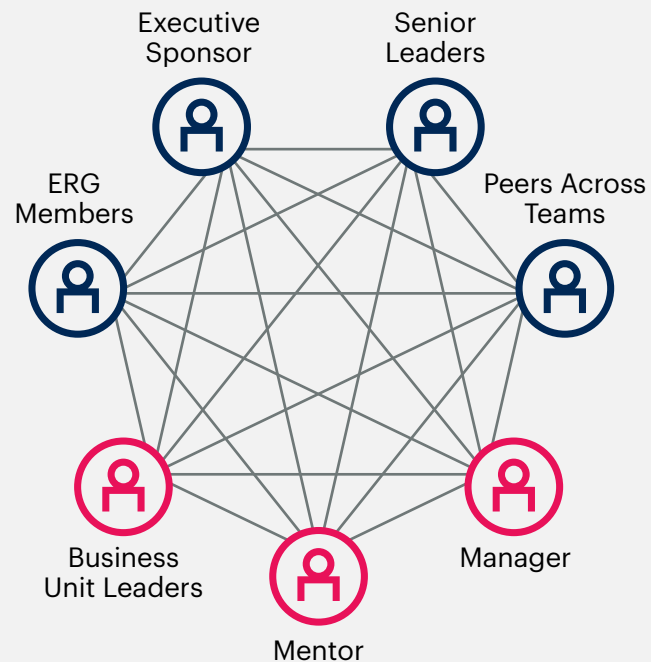
- 1 Unclear career paths and steps to advancement
- 2 Not enough exposure to senior leaders
- 3 Lack of mentors or career support

n = 113 HR leaders
Source: 2020 Gartner Advancing Underrepresented Talent Survey

New imperative: Prioritize diversity networking

Networking is a great way to provide support for employees, but networks often lack diversity in role, skill level and experience — and have limited involvement from senior leaders. Intentionally creating growth-focused diversity networks supports underrepresented talent and yields benefits for individual employees, leadership and the organization.

Growth-Focused Diversity Networks



- Intentional, growth-focused approach
- Connections are diverse in role, skills, level and experience
- Exposure to senior leaders who can support growth and advancement


Organizations that use diversity networking programs, compared to those that do not, are...

1.3x likely to report they are effective at increasing diverse employee engagement.

2.0x likely to report they are effective at improving organizational inclusion.

3.4x likely to report they are effective at increasing opportunities for talent mobility.

n = 113 HR leaders
Source: 2020 Gartner Advancing Underrepresented Talent Survey

 **Address This Priority:** Reach out for supplemental insights and tools related to building current and future leaders.

04 Future of Work

Cited by **32%** of HR leaders

“We do not have an explicit future of work strategy.”

62%

“We struggle to adapt our talent strategies and processes to align with changes in our market.”

37%

“Our organization hasn’t prepared for how to address the ways AI and automation will displace workers.”

26%

Top Business Priorities

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Problem today: Knowing where to start

The COVID-19 pandemic will have a lasting impact on the future of work. The question for HR leaders is how much these trends have and will alter pre-pandemic strategic goals and plans and what immediate action and longer-term adjustments must be made as a result.

9 Future of Work Trends Post-COVID-19

What are the long-term implications of the coronavirus pandemic on the HR function and work?



Accelerated Trends

- More employees working remotely
- Increased use of employee data
- Greater role of the employer as a social safety net
- Wider use of contingent workers



New Impacts

- Critical skills are no longer synonymous with roles
- Some employees find work more humanizing in the crisis; others find it dehumanizing
- Crisis response distinguishes top-tier employee brands



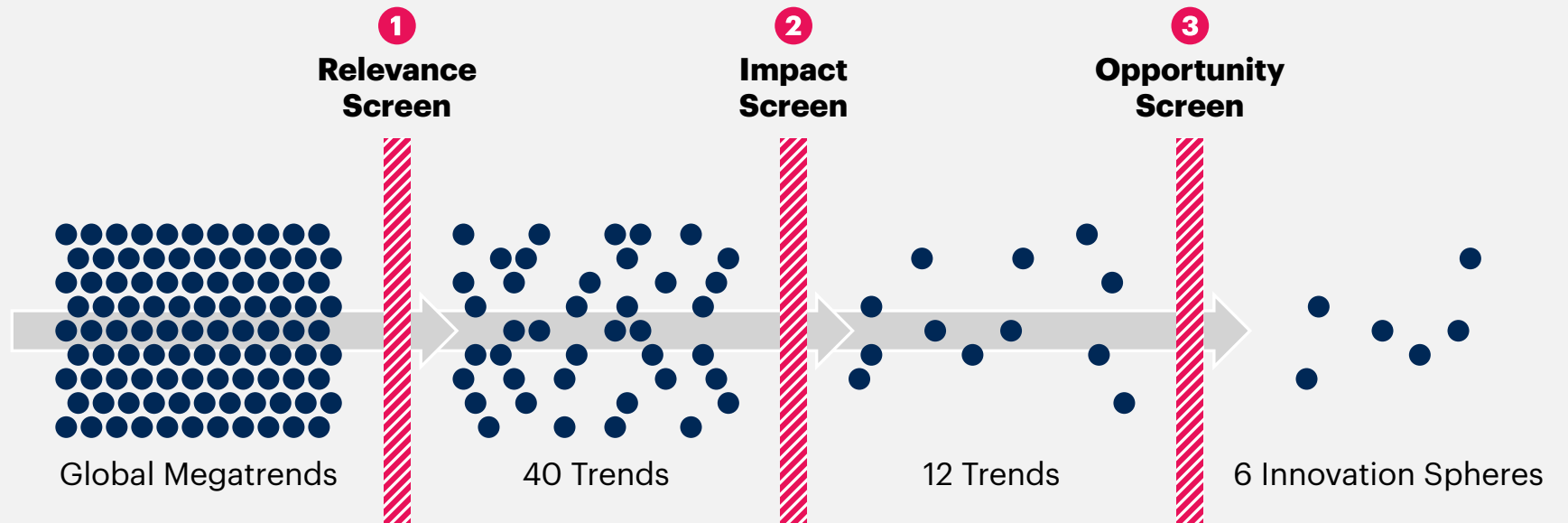
Pendulum Swings

- Organizations prioritize resilience as much as efficiency
- Crisis adds to organizational complexity, straining design, culture and value proposition

New imperative: Identify future of work trends relevant to the business

One global manufacturer, for example, screens for relevance, impact and opportunity. Whatever the methodology, this type of exercise is critical to strategic planning and scenario planning for the HR function.

3 Screens to Test for the Growth Potential of Megatrends



Source: Adapted from John Deere

 **Address This Priority:** Reach out for supplemental insights and tools related to the future of work.

05 Employee Experience

Cited by **28%** of HR leaders

Cited by **31%** of chief human resources officers

Cited by **46%** of heads of diversity and inclusion

“Our employee engagement and employee experience strategies.”
29%

“We struggle to assess the impact of our employee experience investments.”
28%

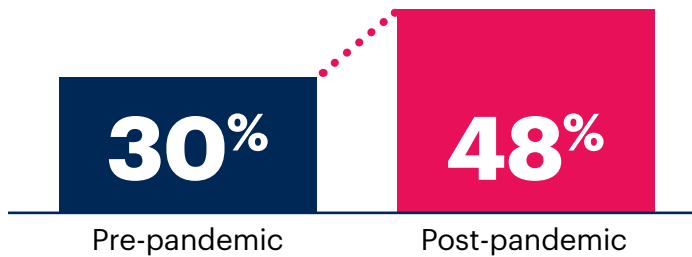
“Our employee value proposition (EVP) doesn't communicate our employee experience promise.”
25%

Note: The correlation between HR priorities and business priorities is too weak to report because of the way respondents were asked to rank-order their top three business priorities.

Hybrid workforce: Different locations offer different value

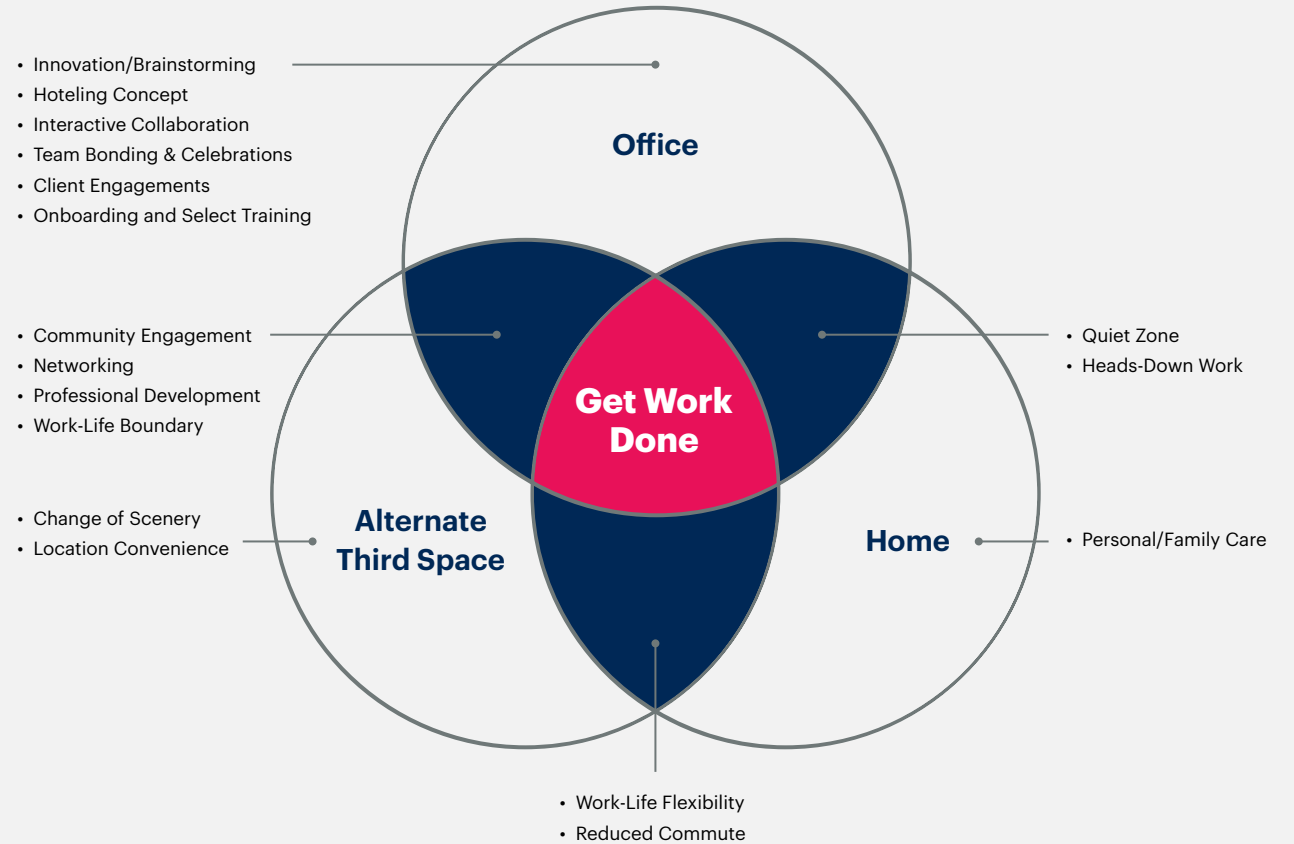
The shift to remote work has huge implications for HR. Big concerns are how to preserve company culture with a more distributed workforce, and how to ensure employee experience evolves to keep up with employees' expectations and needs in a changing environment. Hybrid workforce models are even evolving the value proposition of the office itself versus other work locations.

Nearly half of employees will work remotely at least some of the time.



Source: 2020 Gartner Workforce Responsiveness Survey

The changing value proposition of the office due to the expansion of remote working post-COVID-19 (3-5 year lens)



Source: Gartner

New imperative: Tackle employee experience impact of remote work

Hybrid workforce models aren't only about selecting one location over another; they provide an opportunity for employers, managers and employees to share ownership of location decisions around a common expectation that employees can switch locations dynamically depending on what makes the most sense to drive the highest levels of productivity and engagement. To improve employee experience, organizations have to support and enable this approach throughout the employee life cycle.






Employee experience

Adapting the employee life cycle for a hybrid workforce



Where and how do we invest in the employee life cycle for greatest returns on a hybrid workforce?

-  Improved employee engagement
-  Expanded career options
-  Improved well-being

01 Recruiting

Shift sourcing and attraction strategies and adjust EVP and employment branding strategies.

02 Virtual onboarding

Implement virtual onboarding delivery methods to reduce costs and allow for individual tailored onboarding experiences.

03 Well-being

Analyze current health and well-being strategies, and identify areas for improvement and optimization of the organization's offerings.

04 Goal setting and performance

Educate managers on how to revise performance goals as needed, and manage by those goals or outcomes versus direct observation.

05 Total rewards

Determine how compensation, rewards and recognition strategies will need to be adjusted to support a hybrid workforce and ensure parity.

06 Communications and collaboration

Implement technology solutions that improve communications, collaboration and connectivity between employees.

07 Talent development

Implement virtual learning solutions and update talent management practices to develop strategic talent pipelines in a hybrid environment.

Look ahead: Key themes for 2021

01

The New World of Remote

HR must move beyond simple questions of how remote work operates to more important questions of critical managerial and leadership roles and responsibilities, new organization structures and virtual HR strategies to create effective organizations that operate in the hybrid work environment of the future.

02

Efficient Resilience

HR leaders now realize that efficient organizations are actually fragile organizations. Rather than striving for efficiency, leading HR organizations now realize they need to build resilient organizations, leaders and employees so they are able to bounce back and thrive during disruptions.

03

Building a Diverse Leadership Bench

Despite the attention placed on building a more diverse workforce, progress has been slow and halting. The workforce and the communities in which organizations operate expect more. The pace of progress must speed up.

04

The New EVP

Employees' expectations of their employers have shifted. Mental health, purpose and social responsibility are now critical components of the value proposition. HR executives must navigate the new realities of the labor market to meet their talent needs and the expectation of their employers.

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