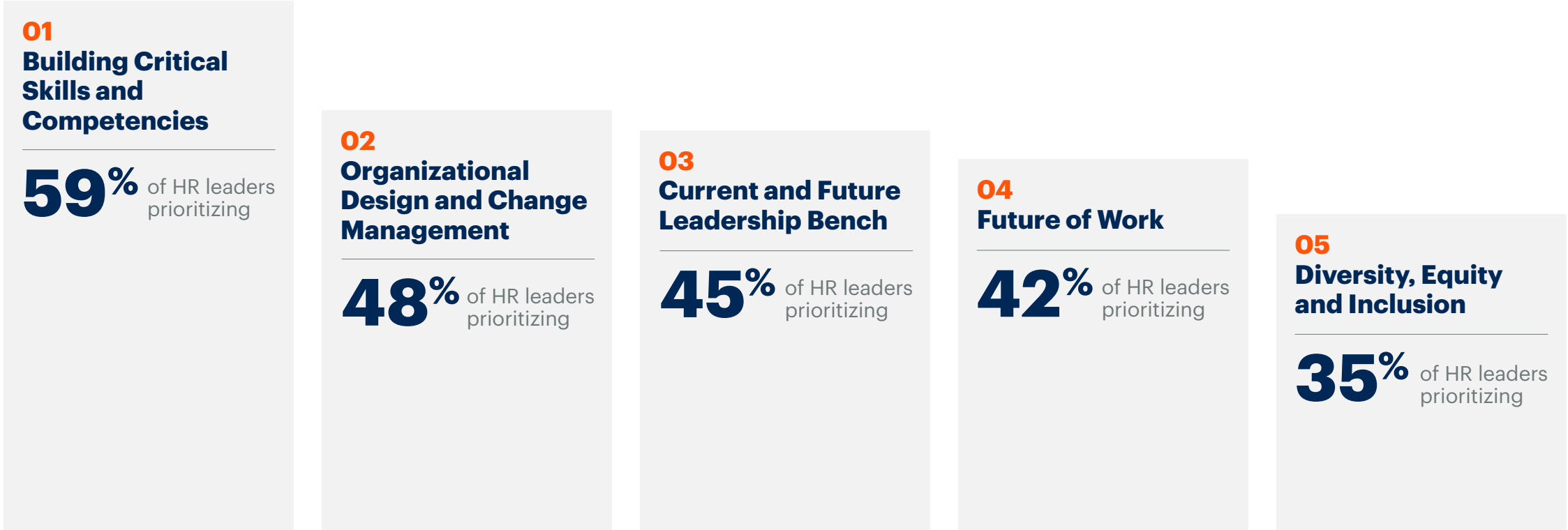**Gartner for HR**

Top 5 Priorities for HR Leaders in 2022

Actionable and objective advice to tackle top HR challenges

Gartner

Top 5 priorities for HR leaders in 2022

We surveyed more than 500 HR leaders across all major industries to assess their priorities and expected challenges in 2022. Building critical skills and competencies tops the list, but many HR leaders will also prioritize change management, leadership, and diversity, equity and inclusion (DEI) initiatives.
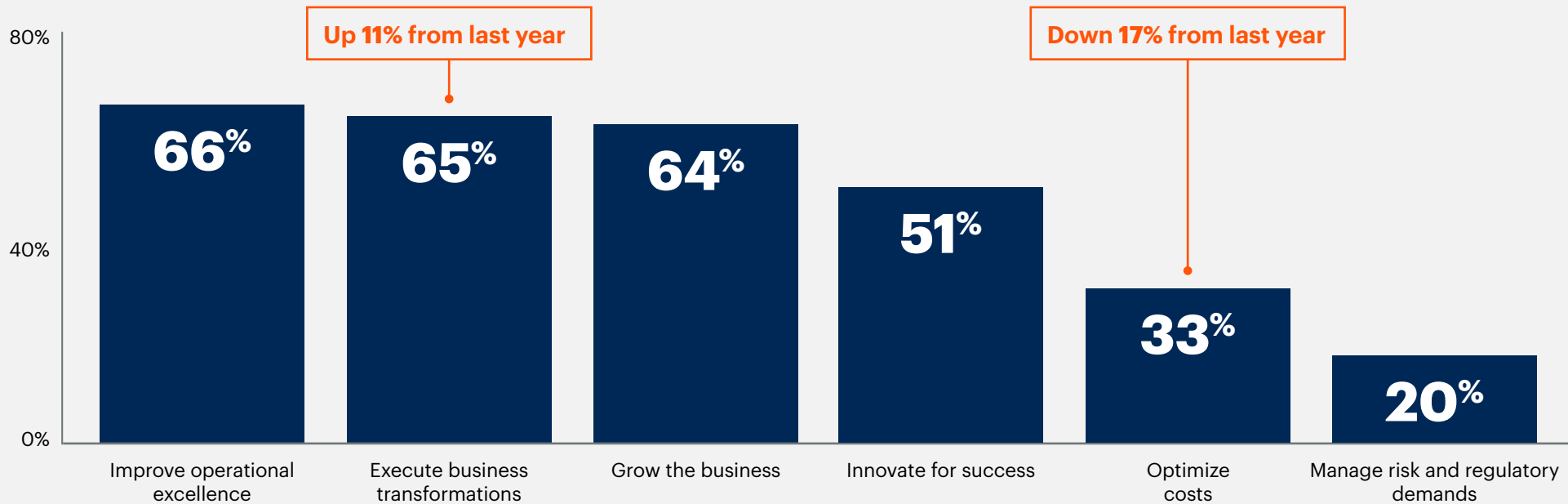
01
Building Critical Skills and Competencies

59% of HR leaders prioritizing

02
Organizational Design and Change Management

48% of HR leaders prioritizing

03
Current and Future Leadership Bench

45% of HR leaders prioritizing

04
Future of Work

42% of HR leaders prioritizing

05
Diversity, Equity and Inclusion

35% of HR leaders prioritizing

n = 572 HR leaders
Source: 2022 Gartner HR Priorities Survey; for more on demographics, see Page 23.

How HR leaders see business priorities for 2022

While many HR leaders still expect a focus on improving operational excellence in 2022, executing business transformations is a close second, up significantly from a year before.

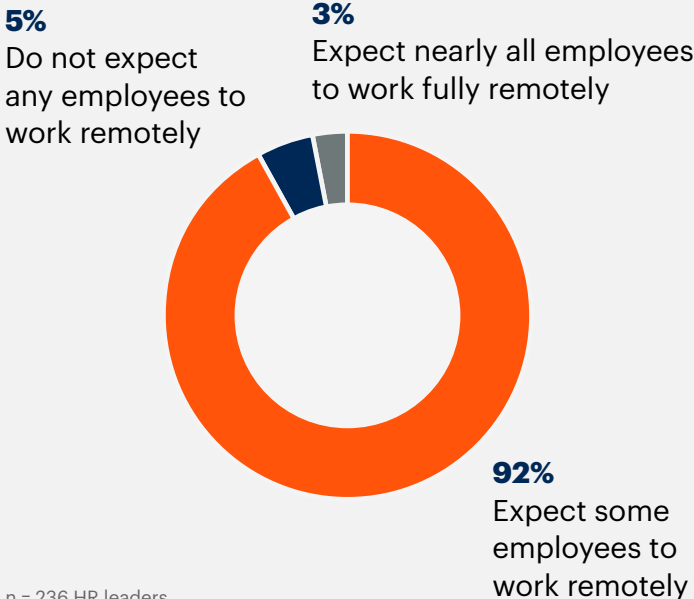## Organizations are transforming and increasing spending

Top organizational priorities for 2022
Percentage of HR leaders selecting in top 3

Up 11% from last year

Down 17% from last year

	66%	65%	64%	51%	33%	20%
	Improve operational excellence	Execute business transformations	Grow the business	Innovate for success	Optimize costs	Manage risk and regulatory demands

Source: 2022 Gartner HR Priorities Survey

What is driving these priorities?

Hybrid work is driving business transformation

5%
Do not expect any employees to work remotely

**3%**
Expect nearly all employees to work fully remotely

92%
Expect some employees to work remotely

n = 236 HR leaders
Source: Gartner Workplace Reopening Amid Vaccine Rollout Webinar Poll (16 March 2021)
Q. What percentage of your workforce do you expect will work remotely full-time after COVID-19?

Rising turnover is increasing competition for talent

Q: "How concerned are you about employee turnover in the next few months?"

9%
Not concerned

48%
Significantly concerned

43%
Somewhat concerned
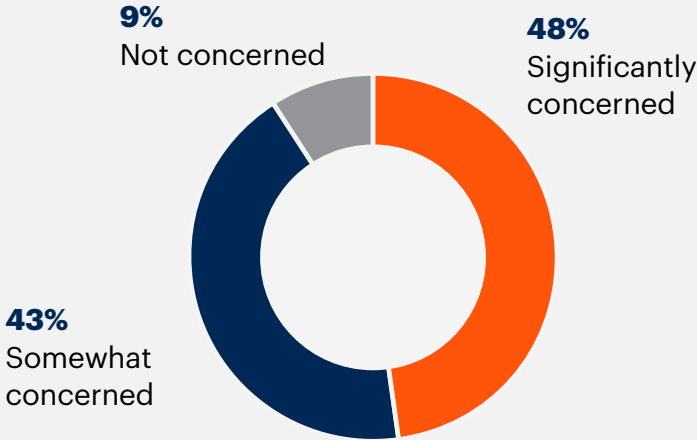
n = 572 HR leaders
Source: 2022 Gartner HR Priorities Survey

Pressure is mounting to make progress on DEI

CEO

Nearly 2,000 CEOs have signed the CEO Action for Diversity & Inclusion pledge.

Employees

76% of employees and job seekers say a diverse workforce is important when evaluating companies and job offers, and 37% wouldn't apply to a company that had negative satisfaction ratings among people of color.

Customers

Twitter saw **85%** more mentions of inclusive talent processes in 2020 compared to 2016.

01

Building Critical Skills and Competencies for the Organization

A top priority for **59**% of HR leaders

Common challenge

40% of HR leaders say they can't build skill development solutions fast enough to meet evolving skill needs.

Problem today

It's tough to predict future skill needs

HR leaders are under pressure — intensified by the economic and humanitarian crises triggered by the COVID-19 pandemic — to ensure their workforce has the skills it needs when it needs them. In an effort to get ahead, many HR leaders try to predict the skills their employees will need to ensure organizational success in the future. Without a crystal ball, however, this predictive approach to skills management often results in organizations investing in the wrong skills.

Employees need more skills ...

6.3%

Annual increase in total skills required for a single job in IT, finance or sales since 2018.
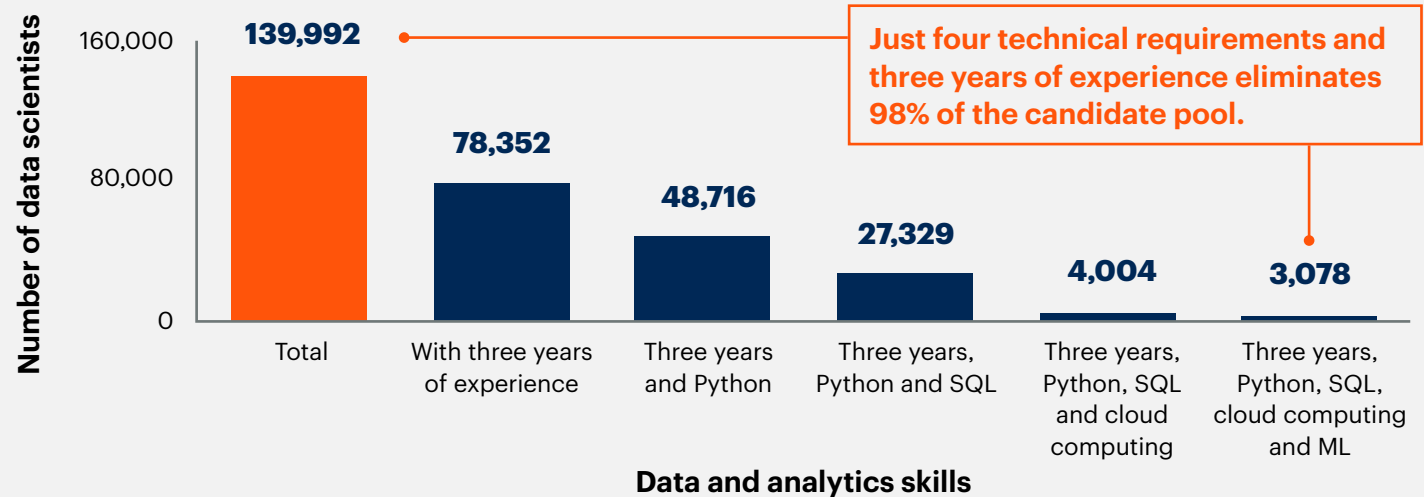
... and new skills

Nearly **one in three skills** needed for a job in 2018 will not be needed by 2022.

Options to buy in-demand skills are limited

Example: Data science job candidates by skills requirement

Just four technical requirements and three years of experience eliminates 98% of the candidate pool.

Number of data scientists

	Number of data scientists
Total	139,992
With three years of experience	78,352
Three years and Python	48,716
Three years, Python and SQL	27,329
Three years, Python, SQL and cloud computing	4,004
Three years, Python, SQL, cloud computing and ML	3,078

Data and analytics skills

Source: Gartner

New imperative

Structure talent management around skills, not roles

Skills-based organizations structure their talent strategies around skills, not just roles, resulting in a more adaptable workforce.

Keys to building a skills-based organization

Key No. 1

Share ownership for skills throughout the organization

Key No. 2

Gather dynamic skills data

Key No. 3

Use skills, not just roles, in talent decisions

Key No. 4

Embed skills in talent management processes

Outcomes

Centralized data analysis can occur at the pace that skills change, take account of change across the organization, enable flexible skills solutions and offer all stakeholders a consistent view on the state of available and required skills.

Tool to Get Started: **Explore how to leverage labor market data to address skill gaps.**

Source: Gartner

02

Organizational Design and Change Management

A top priority for **48**% of HR leaders
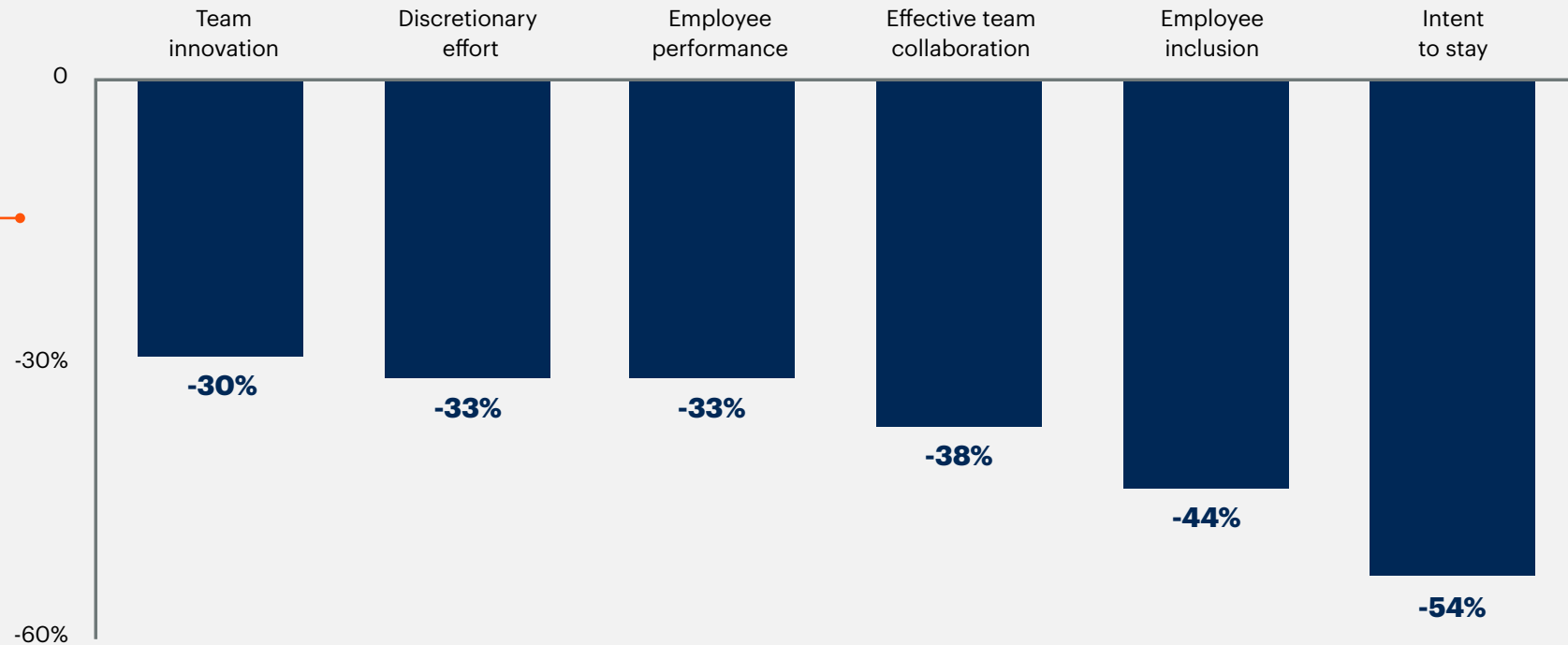

Common challenge

54% of HR leaders say their employees are fatigued from all the change.

Problem today
Employees are fatigued by months of change

Maximum impact of employee fatigue on organizational outcomes

Today's average employee can absorb half as much change before becoming fatigued as they could manage in 2019.
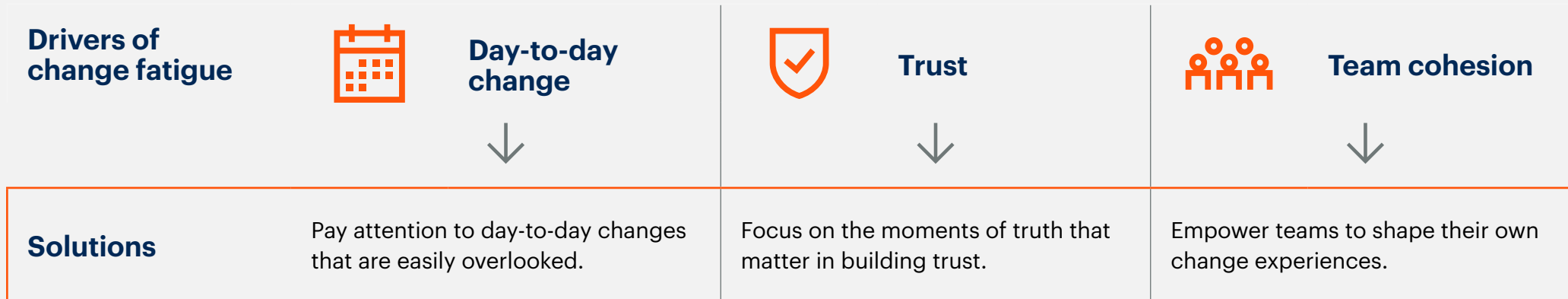
Team innovation	Discretionary effort	Employee performance	Effective team collaboration	Employee inclusion	Intent to stay
-30%	-33%	-33%	-38%	-44%	-54%

n = 951 remote knowledge workers
Source: 2021 Gartner Hybrid Work Employee Survey

New imperative

Target a positive change experience

HR's ability to influence day-to-day changes and create trust and team cohesion share a common factor — a positive employee change experience. To create a positive change experience, HR leaders need to identify "moments of truth" the organization must get right, monitor the impact of day-to-day and higher-level change and empower teams to shape their own change experiences.

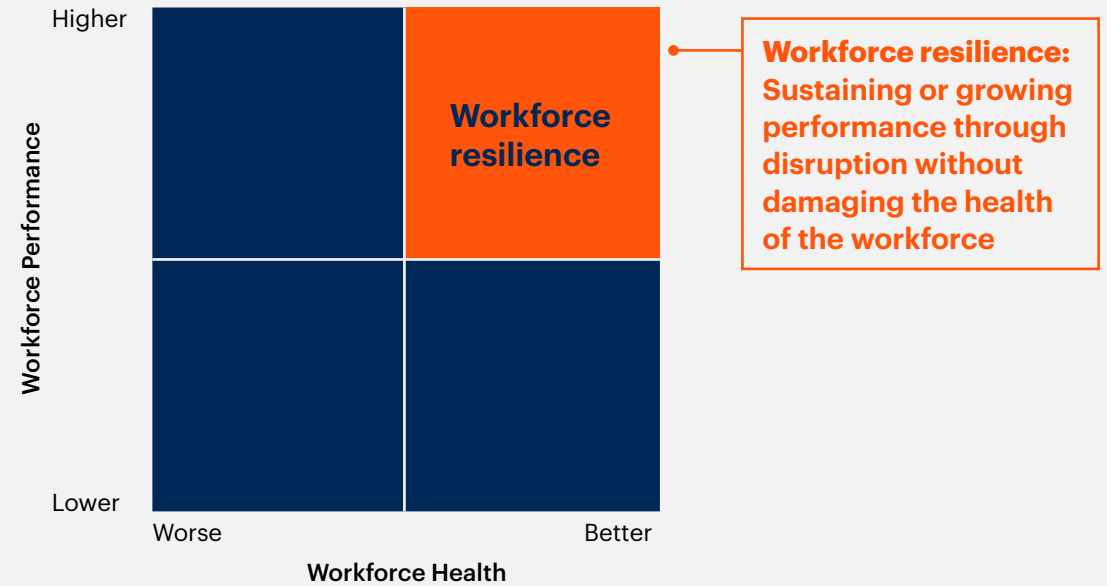## Building a positive change experience

Drivers of change fatigue	Day-to-day change	Trust	Team cohesion
Solutions	Pay attention to day-to-day changes that are easily overlooked.	Focus on the moments of truth that matter in building trust.	Empower teams to shape their own change experiences.

Source: Gartner

New imperative
Increase workforce health overall and drive resilience

Gartner Measure of Workforce Health Has Three Components

Healthy Employees + **Healthy Relationships** + **Healthy Work Environment**

Healthy Employees	Healthy Relationships	Healthy Work Environment
Physical Well-Being	Trust in Teams	Innovation
Financial Well-Being	Employee-Manager Relationship Quality	Responsiveness
Work-Life Balance	Trust in Leadership	Development Opportunity
Stress Level	Psychological Safety	Change Receptivity
Burnout Level	Collaboration	Inclusion
Exertion Level		

Source: Gartner

Gartner Model of Workforce Resilience

Workforce Performance (Lower → Higher)

Workforce Health (Worse → Better)

Workforce resilience

Workforce resilience: Sustaining or growing performance through disruption without damaging the health of the workforce

Tool to Get Started: **View additional insights on workforce resilience**

03

Current and Future Leadership Bench

A top priority for **45**% of HR leaders

Common challenge

24% of HR leaders believe they do not effectively develop midlevel leaders.

Problem today

Advancing the right talent

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.

Primary barriers to the lack of advancement of underrepresented talent

1 Unclear career paths and steps to advancement

2 Too little exposure to senior leaders

3 Lack of mentors or career support

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

n = 839
Source: 2020 Gartner Leadership Survey for Employees

New imperative

Equip midlevel managers to lead with empathy

Anatomy of an empathy-driven manager

Prioritizes people over processes

Embraces growth mindset

Creates transparency

Asks, doesn't tell

Safeguards confidentiality

Contextualizes employee mindset

Common barriers to empathy

Skill

"Empathy doesn't come naturally to me. What do I do?"

Mindset

"What should I be responsible for supporting employee personal needs?"

Capacity

"I'm already overloaded. Where will I find the time?"
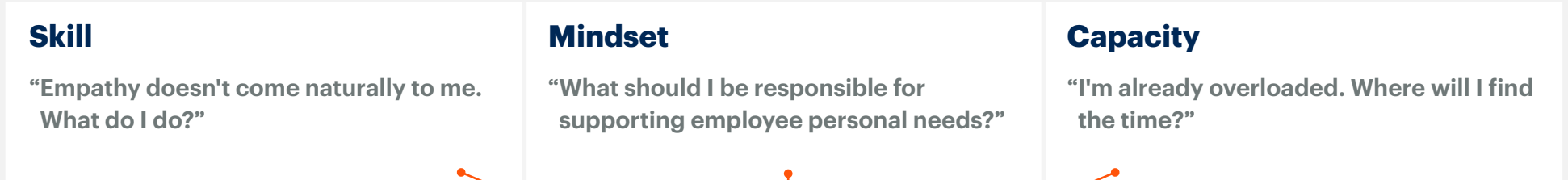
Source: 2020 Gartner Leadership Survey for Employees

04

Future of Work

A top priority for **42**% of HR leaders

Common challenge

49% of HR leaders say they do not have an explicit future of work strategy.

Problem today

Postpandemic disruption upends workforce planning

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 their organization's strategic goals and plans and what immediate and longer-term workforce adjustments are required 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 the future of work trends most relevant to your business

Screening megatrends for relevance, impact and opportunity is a critical first step in HR scenario planning and strategic workforce planning.

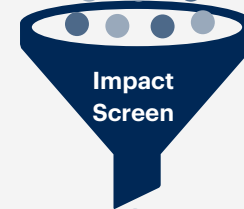**Executive leaders can craft a future of work strategy using the following process**

Trend analytics

Scenario creation

Future of work strategic planning
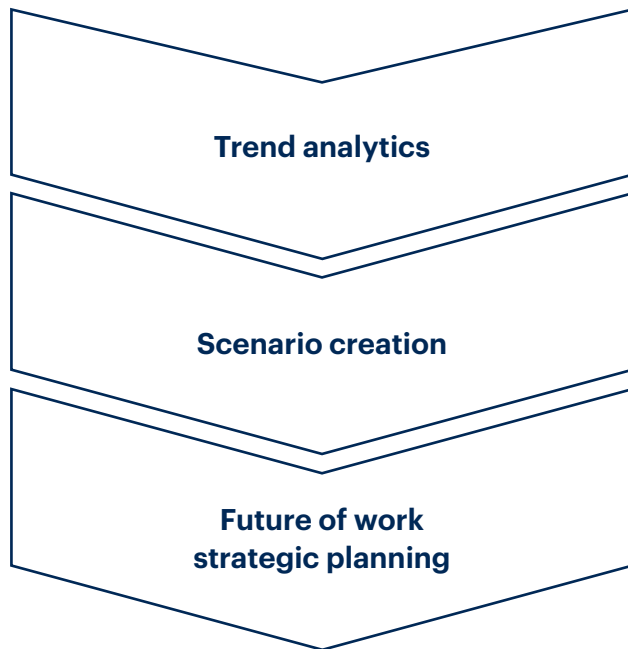
Prioritize megatrends by business impact and opportunity

Potential trends

Impact Screen

Determine how a trend impacts the organization's core businesses and capabilities.

Determine whether a trend has potential to create a competitive advantage.

Opportunity Screen

Relevant trends

Source: Adapted from John Deere

New imperative
Scenario plans assess evolving talent needs

Analyze the impact of multiple potential scenarios to identify and prepare for technological, social and labor changes that could significantly shift talent needs.

Scenario matrix exercise

Force A (+)
(e.g., Launch a new product line in China.)

Scenario A talent needs

Scenario B talent needs

Force B (-)
(e.g., sales growth is 10% less than expected.)

Force B (+)
(e.g., sales growth is 10% more than expected.)

Scenario C talent needs

Scenario D talent needs

Force A (-)
(e.g., Don't launch a new product line in China.)
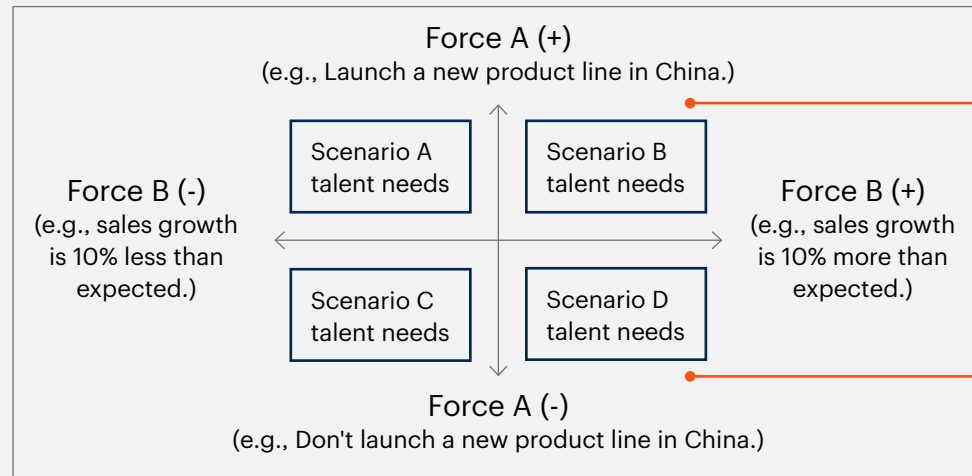
Step 1: Partner with business leaders to identify business/environmental forces that could significantly change the talent required to execute strategy (i.e., talent criticality, importance, location).

Step 2: Select two forces and plot them on a matrix to create different scenarios. Work with the business to predict how the talent needed to execute business strategy would shift in each of those scenarios.

	Scenario A			Scenario B			Scenario C		
	Criticality	**Quantity required**	**Location**	**Criticality**	**Quantity required**	**Location**	**Criticality**	**Quantity required**	**Location**
Capability A	High	Same	Same	Medium	Same	Different	High	More	Different
Capability B	Medium	More	Same	High	More	Different	Low	Less	Same
Capability C	Low	Less	Different	Low	Less	Same	High	Same	Different

Source: Gartner Strategic Workforce Planning Playbook

05

Diversity, Equity and Inclusion

A top priority for **35**% of HR leaders

Common challenge

36% of HR leaders say they struggle to hold business leaders accountable for DEI outcomes.

Problem today
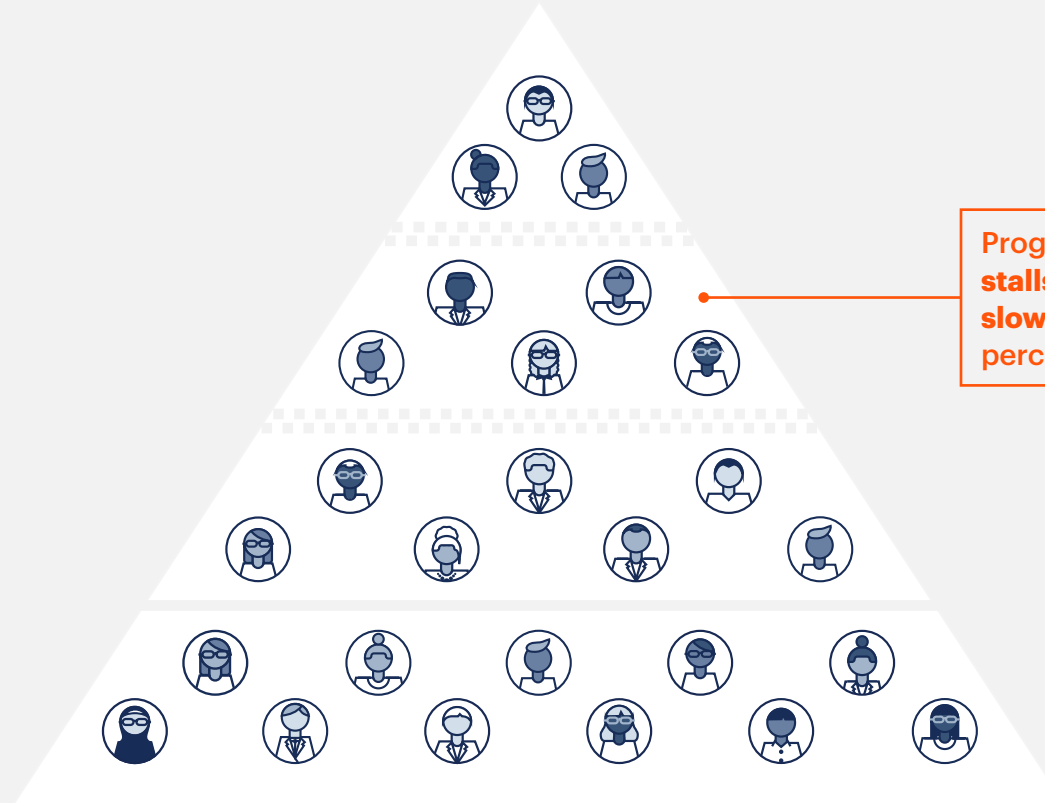# Low diversity in the leadership pipeline

C-Suite

29% Women
17% Racial Minorities

Midlevel and Senior Leaders

41% Women
25% Racial Minorities

Frontline Employees

56% Women
31% Racial Minorities

Progression of underrepresented talent **stalls in the middle.** They experience **slower rates of promotion** and worse perception of leadership potential.

Source: Bureau of Labor Statistics, Current Population Survey
Note: Data is cited for management, professional and related occupations in the United States.

New imperative
Adopt a consequential accountability DEI strategy

Many organizations currently focus their DEI approach on collective accountability, but that doesn't produce real results on DEI outcomes. HR should hold leaders accountable, using a DEI approach that leads to consequential accountability.

Approaches that create collective accountability don't produce results on DEI outcomes

| Shift mindsets | + | Cascade goals | + | Track metrics | = | **Collective accountability** Creates diffuse leader responsibility for DEI outcomes |

⊗

| **Inform decision making** Use objective criteria and integrated data to drive equitable talent decisions. | + | **Customize strategies** Support customized strategies to enable leader execution of DEI goals. | + | **Require progress** Expect and require progress on DEI goals for any leader to advance in the organization. | = | **Consequential accountability** Meaningfully impacts behavior and outcomes for individual leaders. |

⊘

About Gartner Top 5 Priorities for HR Leaders in 2022

The top priorities are derived from the 2022 Gartner Future of HR Survey, which polled HR leaders about their priorities and expected challenges in 2022.

Respondents

500+
HR leaders*

39%
CHROs/heads of HR*

All major industries

60
Countries

*HR leaders include heads of enterprise HR (chief human resource officer [CHRO] or head of HR) and heads of a functional/regional/business HR subfunction.

Actionable, objective insight

Explore these additional complimentary resources and tools
for HR leaders:

Research
Build resilience for an increasingly hybrid world of work

Gain strategic insights for HR leaders on workforce resilience.

Download Research

Webinar
The Top 5 Priorities for HR Leaders in 2022

Get insights and recommended actions for HR priorities in 2022.

Watch Webinar

Research
Do More With Data to Close Critical Skill Gaps

Learn the three imperatives of a "skills adjacencies" approach.

Download Research

Conference
Gartner ReimagineHR 2021

Learn to design talent processes around this year's theme, The Equity Imperative: How Fairness Improves Performance.

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