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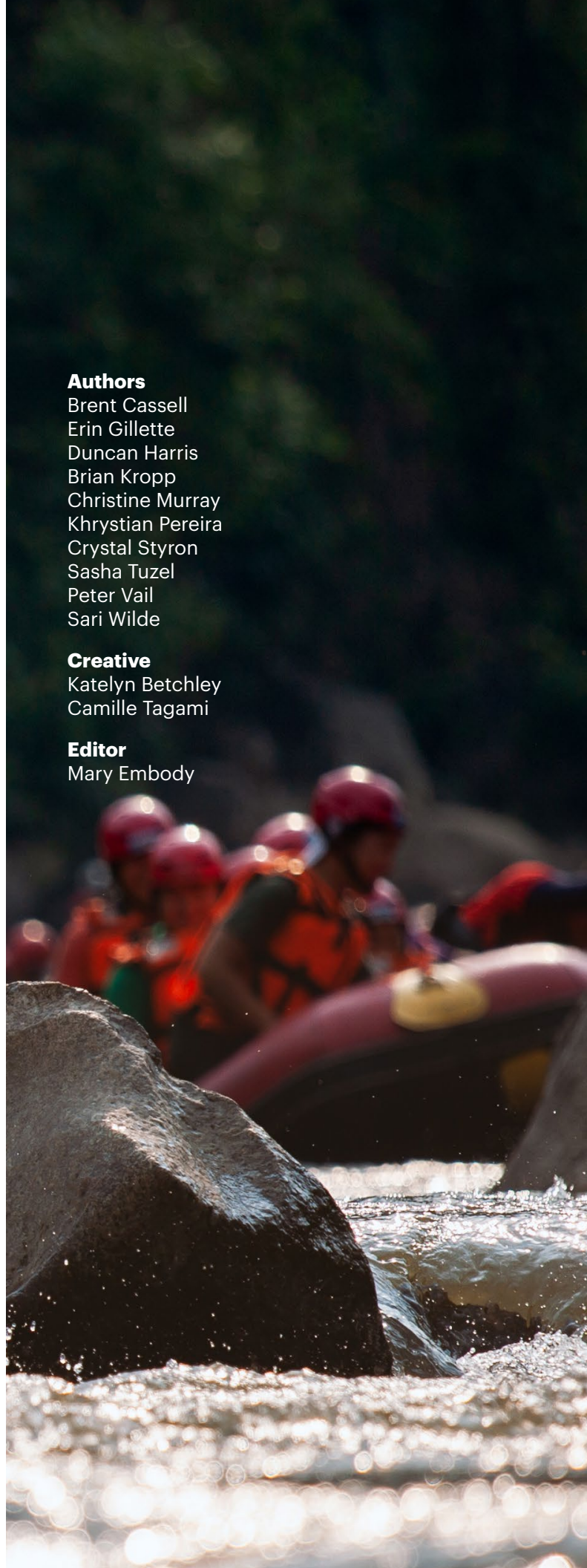Sari Wilde

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Editor's Note

by Brian Kropp and Sari Wilde

During the past two years, massive shifts in society and the business environment have changed what it means to be an effective HR leader. The COVID-19 pandemic and the rapid adoption of hybrid work have reshaped the employer-employee relationship, blurring the distinction between employees' work lives and home lives. Longstanding HR concerns — employee health and well-being; closing digital skills gaps; diversity, equity and inclusion (DEI) — have become more urgent business priorities. HR leaders today are called on to accelerate progress on these fronts while also facing new challenges, including pandemic recovery, the transition to a hybrid work environment and a labor market disrupted by the "great resignation."

In this issue of HR Leaders Monthly, we consider the question: What do HR leaders need to succeed in 2022? What skills should they develop, where should they focus their efforts, and what obstacles do they need to watch out for? Based on role-specific roundtable discussions, one-on-one client conversations and our latest quantitative research, we look at what the year ahead has in store for HR leaders in various roles.

The articles in this journal outline this year's key challenges and priorities for recruiting, total rewards, talent management, HR technology and DEI. While the individual articles provide roadmaps for HR leaders in these specific roles, we encourage clients to peruse the entire journal to see a bigger picture of what we expect a successful HR function to look like in 2022. We also discuss ways CHROs can apply lessons of the human deal to their own well-being, and how regional and business unit HR leaders can raise their profiles and build their skills and experience to become stronger CHRO candidates.

Much of this work is grounded in our recent signature research on creating a more human employee value proposition and the importance of fairness in the employee experience. Some of the themes that recur throughout this issue are transparency, adaptability and resilience to change, responding to changing employee expectations and combating burnout. As we all look forward to emerging from the pandemic this year, HR leaders will need to work as a team to put their organizations on a strong footing for the ongoing recovery.

3 Steps Regional and Business Unit HR Heads Must Take to Advance to CHRO

by Crystal Styron

Regional and business unit heads of HR often struggle to know what they need to do to become a CHRO. We have identified three main steps that are essential to their successful rise to the CHRO role.

Various paths to becoming a chief human resource officer (CHRO) are available, particularly as CHROs are increasingly expected to take on new roles outside of the traditional scope of HR. In a wide range of industries, new CHROs are coming from diverse positions, including the regional and business unit (R/BU) head of HR. R/BUs who seek to become CHROs sometimes struggle with where to begin, often feeling a sense of both geographic and functional isolation. Additionally, CHROs face a range of challenges that are even more complex than those faced by R/BUs, from working with the board to aligning priorities with the CEO and being an external face of the organization.

After interviews with a range of CHROs and R/BUs, we identified three major steps R/BUs can take toward becoming CHRO:

1. Developing their sense of self (and consequently their personal brand)
2. Diversifying their roles and exposure
3. Broadening their networks (see Figure 1)

Figure 1. Three Steps for Advancing to a CHRO Role

3. Broaden Your Networks
2. Diversify Your Roles and Exposure
1. Develop Your Sense of Self
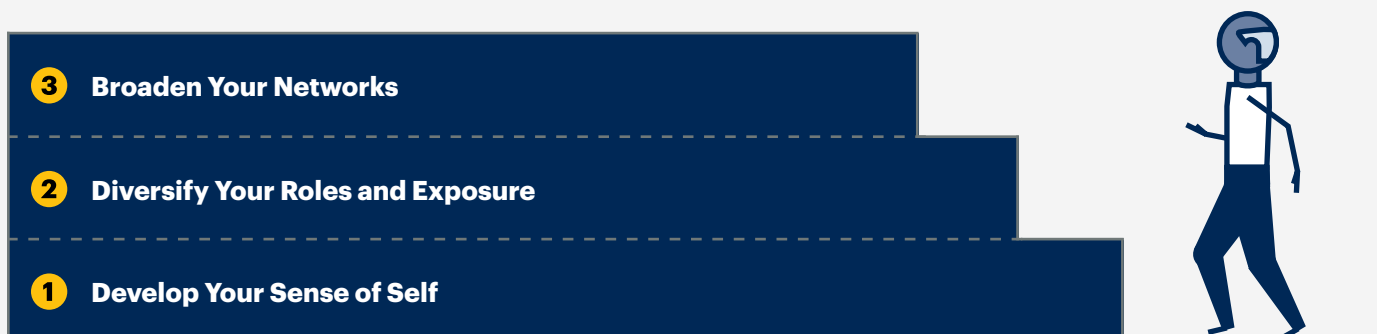
Source: Gartner

> "I turned down a CHRO role at a midsize organization as I was more motivated to take a "lower" position at a larger organization in the life sciences industry. For me, though, that move wasn't a downgrade, as it was in an industry I cared about and because it was in a larger organization, which is what I wanted. I eventually became CHRO in that industry."
>
> CHRO, multinational conglomerate

This research is drawn from extensive qualitative interviews with global HR executives as well as the CHRO Global Leadership Board to understand their own experiences as a regional or business unit HR leader and/or as a CHRO. They shared challenges they faced in those roles and identified unique practices and solutions that can apply to R/BU HR leaders aspiring to become CHROs. We also drew on quantitative Gartner survey data from HR executives to identify key challenges faced by CHROs and find solutions that lead to more successful outcomes for aspiring CHRO candidates.

By considering the steps presented here and assessing which represent the biggest challenges or areas of inexperience for them, R/BUs aspiring to become CHROs can better set themselves up for success.

Develop Your Sense of Self

Understanding what interests and drives you as an aspiring CHRO is important so you can more effectively develop your own brand and set your own goals. Are you looking to lead an organization that plays a particular role in society, or are you seeking the opportunity to challenge yourself in forming policies that lead to a more successful firm? Do you love setting strategy, or are you more operations-minded? What are your own strengths and weaknesses? Perhaps your personal interests are in the sciences, for example, so you might seek to become CHRO at an organization in a related industry.

Each organization brings its own history, challenges and industry environment, so the CHRO must have a clear sense of vision and aims while in the role. As heads of the HR practice as well as enterprisewide leaders, CHROs must embody the standards, values and priorities they are looking to promote in others. Knowing any meaningful change will likely take years to implement, a CHRO must be prepared to consistently and effectively guide the organization onward.

In conversations with your network, particularly with those with CHRO experience, you should ask about not only the professional aspects of their experience but also the personal aspects. What aspects were most stressful for them, and how did they cope with that stress? How did they approach making difficult decisions, particularly when those decisions had an impact on their personal lives? By having an internal compass indicating what direction you should go, you can better seek advice and pursue leads. Additionally, with the knowledge of your own skills and abilities, as well as where those may be lacking, you can more effectively seek out experiences and outside expertise to strengthen your own position.

Diversify Your Roles and Exposure

CHROs are increasingly called upon to weigh in on non-HR-related issues and bring in more diverse viewpoints. According to our analysis, 42% of S&P 100 CHROs have work experience outside of HR.[1] By considering their own experience and skills gaps, R/BUs can then take projects and/or positions in different functional areas. Doing so provides invaluable experience that differentiates them from their peers, as well as valuable exposure to colleagues throughout the organization they otherwise may not meet. CHROs have cited prior roles related to mergers and acquisitions (M&A), corporate affairs and centers of excellence (COEs) as proving particularly useful to them in their current positions. By working in M&A, for instance, an R/BU can better navigate the kinds of high pressure and complex projects that CHROs regularly oversee.

Several CHROs also mentioned the benefits of working in various companies or even multiple industries. These different experiences allow R/BUs to meet new colleagues and learn new skills. They also learn what kinds of strategies will help them be more effective at their jobs, what various industries are truly like and better understand their own interests and strengths. This strategy can be especially helpful for R/BUs who are feeling isolated geographically and functionally.

Approaching your CHRO for mentorship is a smart way to start. Ask your CHRO to expose you to different aspects of the job in a controlled, gradual manner. For example, you might ask if you can attend lower-pressure board meetings or smaller committee meetings, which allows you to see what those meetings are like, meet the board members and even participate as appropriate. These meetings often cover topics such as executive compensation that are likely unfamiliar to R/BUs, and so this exposure can provide you with a further boost to becoming a successful CHRO.

This type of mentoring can also help R/BUs learn more about the "unseen" aspects of the role; that is, elements such as mindset and approach that are unique to the CHRO role. Given the high level of stress and expectation that accompanies the CHRO role, learning how to prioritize appropriately, manage stress and navigate uncertainty is key for an R/BU candidate. Not all of these skills can be taught, but through mentorship and guidance, these candidates can benefit from exposure to them and the taste of the job to come.

"What helped me was having different exposures and roles — for example, working on M&A, having regional roles, COE roles and more."

CHRO, multinational conglomerate

> "I encourage people to create a "personal board" composed of CEOs and CHROs. It was through my own "personal board" that I got my position as CHRO. In our exchanges, I would offer to help them, then they'd offer to help me. It pays off to be vulnerable in these exchanges and admit what you do and don't know."
>
> CHRO, transport industry

Broaden Your Networks

A major part of becoming CHRO is simply finding open positions and knowing what organizations are looking for in a potential candidate. R/BUs can accomplish much of this step by broadening their internal and external networks, especially to include contacts who are already in CHRO positions or recruiting for those roles.

Internal networks can be invaluable in not only helping aspiring CHROs better understand the organization but also providing an internal support group that can aid and advocate for them as they move up the ranks. These network contacts can be:

- Other senior business leaders and peer-level colleagues with whom the R/BU completed a cross-functional project
- Colleagues in an employee resource group
- Co-workers they reached out to simply to discuss interesting projects they are involved in

One CHRO we interviewed described a "personal board" of CEOs and CHROs they put together while serving as an R/BU. They would read about CEOs and CHROs whose work and organizations they admired, and then contact them to ask for 10 minutes of their time. Over half of the people this aspiring CHRO contacted were willing to talk.

Through these exchanges, the aspiring CHRO was able to cultivate a network of C-suite leaders who offered valuable insights and advice — and ultimately, the lead to the CHRO's current job.

Fostering networks beyond the C-suite, including external businesses, social initiatives, recruiters and headhunters can also play a pivotal role in helping R/BUs find a CHRO position, particularly for those looking to change organizations or industries. Many of these high-profile individuals, particularly senior executive recruiters and headhunters, have deep insight and connections with the job market. They can help R/BUs find positions that suit them well, which they otherwise may not have known about. Not every role matches every candidate's preference, interests or background, so having access to advice and experience from a range of people with broader viewpoints can be an enormous asset to help inform such decisions.

The path toward becoming a CHRO can be challenging for anyone. In particular, an R/BU doesn't always benefit from working in the same location as C-suite leaders and may not have the same work experiences or network. By diversifying their roles and exposure, broadening their networks and developing their sense of self, R/BUs can better position themselves for a smoother journey toward the CHRO role.

[1] This research was conducted based on a review of 100 publicly available CHRO LinkedIn pages and corporate websites (n=100).
Note: Companies without CHROs (for example, holding companies) were replaced by the next highest-weighted company on the S&P.

3 Steps to Improve Leadership Bench Strength Amid Disruption

by Sasha Tuzel

Succession management and HIPO identification are talent management leaders' top two areas of responsibility. In a disrupted business environment with fierce competition for talent, talent management leaders need to rethink their talent planning approach to be more targeted and responsive.

Ensuring leader effectiveness is a critical priority for talent management leaders. Today, this entails not only determining what kind of leadership the organization will need in the future but also devising ways to engage, retain and develop future leaders amid disruption. Talent management leaders play a significant role in ensuring bench strength. In fact, in a recent poll, HR leaders identified succession management, high potential (HIPO) identification and development, and leadership development as the top three responsibilities for their talent management center of excellence (COE) (see Table 1).

A Challenging Moment for Talent Management

Identifying future leaders has become increasingly critical as organizations struggle to retain their best employees in the war for talent. Leaders report high-potential (HIPO) talent — individuals who frequently outperform their colleagues and create outsized value — are overstretched and at risk of being poached by competitors. With so much organizational change, it is difficult to give these employees a clear vision of their potential career pathways within the organization, increasing the risk they will seek opportunities elsewhere. Perhaps as a result, HIPOs today are 38% more likely to want to leave their organization than non-HIPOs.[1]

Amid this disruption, traditional talent management tools, processes and manager mindsets are not keeping up with current pipeline challenges. Many talent management leaders are questioning the value and efficacy of tools such as nine-box talent reviews for identifying HIPO talent. Many also recognize they must significantly adjust talent processes to reduce bias and diversify their leadership bench.

Moreover, many are rethinking their approach to talent planning. Recognizing the challenges of constant organizational change, shifting skills needs and senior leaders' limited capacity to participate in long-range planning, most talent management leaders have moved away from trying to forecast talent needs and risks. In fact, in recent meetings with over 40 heads of talent management, not a single one said they felt it would be feasible to reduce talent risks by doubling down on forecasting.

Table 1. Talent Management Leaders' Areas of Responsibility

Q: What Responsibilities Do You Include Within Your Talent Management COE? Select All That Apply.	Percentage Selecting
Succession Management/HIPO Identification and Development	66%
Leadership Development	65%
Learning and Development (Whole Workforce)	57%
Performance Management	54%
Recruiting/Talent Acquisition	41%
Talent Analytics	26%
Employee Experience/Employee Engagement	30%
Diversity and Inclusion	27%
Workforce Planning	19%
Organizational Design	21%
We Do Not Have a Talent Management COE	18%

n = 247 out of a total survey sample of 341 HR leaders

Source: 2021 Gartner HR Function Structure Benchmarking Survey

Instead, most were focused on shortening planning time horizons (that is, moving to a quarterly or more frequent planning cadence) and using scenario or trigger-based planning approaches to continuously identify and mitigate talent risks and needs.

Three Actions for Success

Overall, the talent management leaders who are making the most progress in this volatile environment are taking three key actions:

1 **Investing in leader buy-in and accountability —** Top talent management leaders ensure senior leaders understand their role in talent development, as their active involvement is critical to development follow-through after talent review discussions. To drive this buy-in, some talent management leaders are incorporating expectations for talent development into their leadership models. Others are sharing talent review best practices early in senior leader onboarding. Ultimately, progressive talent management leaders use a combination of soft and hard accountability to build "talent champions." For example, to improve leadership accountability for diversifying leadership benches, Altria has linked opportunities for progression to performance against an Inclusion Rating System. Leaders must be assessed as an "ally" or "advocate" to earn an exceptional performance rating and have opportunities to advance in the organization.

2 **Focusing on critical roles and talent segments —** As one leader explained, their most pressing need currently is not to expand talent pools or sources but rather, to deepen relationships and improve outcomes with the talent pools most aligned with their business needs. Some organizations are investing in customized messaging for key talent segments such as digital talent, while others are investing in identifying attrition risks for critical roles and conducting stay interviews to ensure they can target and personalize retention strategies.

3 **Increasing transparency —** Talent management leaders frequently say they are reluctant to be transparent about HIPO or successor status for fear of guaranteeing HIPOs a future leadership position or disengaging non-HIPOs. In fact, only 23% of HR leaders say their organization consistently informs HIPOs they have been identified.[2] But today, many leaders recognize too little transparency also carries attrition risks if star employees leave the organization because nobody told them they were high-potential successor candidates. To make the case for more transparency with talent, some talent management leaders have captured the cost of turnover among key positions (for example, by estimating time to fill and time to productivity for external hires). Others are simply investing in improving the quality of career conversations with all talent. We recommend assessing readiness for more transparency, confronting manager misperceptions and where possible, increasing transparency by preparing managers for high-quality career conversations.

Through these approaches, talent management leaders can overcome the challenges of frequently shifting talent needs and the risk of disengaged talent pipelines. By focusing planning efforts and more deeply engaging critical talent pools, talent management leaders can sense and address shifting talent needs more effectively. And by ensuring leaders are involved and invested in talent development — and increasing transparency with talent — talent managers can ensure top talent understand their growth opportunities and remain engaged and committed to the organization. Ultimately, these more dynamic and diversified engagement strategies will help talent managers execute a critical priority: improving leadership bench strength through disruption.

[1] 2020 Gartner L&D Disruption Survey; n = 8,141 employees.
[2] 2021 Gartner Diversifying Leadership Survey; n = 40 HR leaders.

Upcoming Virtual Events

Gartner regularly hosts virtual events across a variety of Human Resources topics. These webinars present an opportunity for you to gain insights from our research experts on making better decisions for your function and organization.

How CHROs Can Develop Future-Ready Leaders

11 Trends That Will Shape Work in 2022 and Beyond

Use a Data-driven Location Strategy to Compete for Talent

The Biggest Trends Impacting the Future of Work

Address Workforce Skills Readiness With Talent Insights

Risks and Opportunities for D&I Leaders in 2022

by Khrystian Pereira

The post-COVID-19 labor market, hybrid work environment and backlash to DEI initiatives will all pose challenges to diversity and inclusion leaders this year. However, each of these challenges also presents an opportunity to advance DEI solutions and make them more resilient.

Diversity and inclusion (D&I) leaders have faced a career's worth of challenges in the last two years. The COVID-19 pandemic, racial and social injustices, and the unstable economy put a spotlight on diversity, equity and inclusion (DEI) in 2020. Politicized vaccination efforts, continued social tensions and the changing work environment continued to shape DEI in 2021.

As organizations invest in and further develop their DEI function's maturity in 2022, D&I leaders will face major challenges recruiting and retaining diverse talent, managing inequities caused by increased hybrid work and addressing backlash against DEI progress. To lead their functions into 2022, D&I leaders must consider not only these risks but also the opportunities they present to build on the momentum of the past two years.

Competition for Underrepresented Talent

The economic recovery in 2021 and the optimistic business outlook in most industries increased the competition for critical talent. Hiring demand in the U.S. and the U.K. has accelerated at a historic rate, exceeding prepandemic levels and hitting a four-year high in the second quarter of 2021 (see Figure 1).

In 2022, the post-COVID-19 labor market will challenge organizations to reevaluate their talent strategies as they try to keep up with new talent demands and preferences. Organizations run the risk of ignoring DEI recruiting goals in favor of filling needed critical roles quickly.

Figure 1. Quarterly Job Postings in the United States and United Kingdom
3Q 2017-2Q 2021
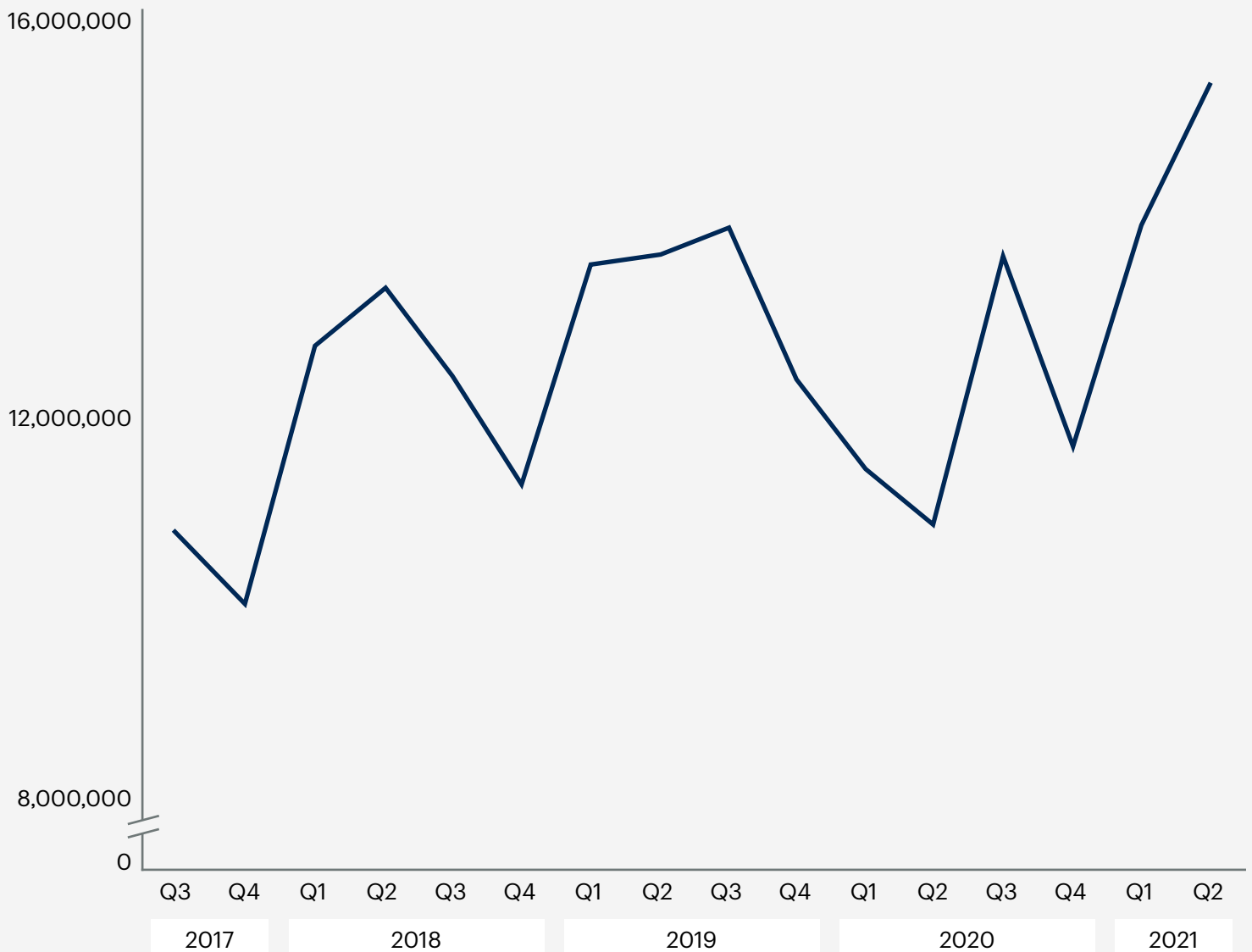
Source: Gartner TalentNeuron

The Opportunity

Achieving greater diversity in the workplace should not be just a compliance-related goal. Organizations that have a more diverse workforce outperform those that don't. Companies in the top quartile for racial and ethnic diversity are 36% more likely to have financial returns above their respective national industry medians worldwide.[1] Thus, removing the barriers that prevent underrepresented talent from completing the hiring process is vital. To remove these barriers, D&I leaders can:

- Define job requirements based on work outcomes rather than credentials, eliminate gendered language in job descriptions and cultivate partnerships with diverse organizations as a future source of talent.

- Advocate for blind résumé reviews and interviews. Selecting a hiring committee or interview panel that mirrors the desired level of diversity in the workforce is a good way to begin.

- Work with the communications function to ensure the organization's external DEI messaging provides strong examples of DEI initiatives. D&I leaders should partner with the total rewards team or equivalent to tailor the employee value proposition for the underrepresented talent segments they wish to attract.

Hybrid Work Environment and Inequity

While the hybrid work environment allows greater flexibility for employees, it can also exacerbate exclusion and inequity. More than half of managers expect hybrid work to increase inequality.[2] For example, men are much more willing to be present in the physical office space, but many women prefer to work from home due to family and household responsibilities.[3] This disparity can result in women falling behind in promotions and losing access to opportunities, which can hinder the diversification of the organization's leadership bench.

The Opportunity

In a hybrid environment, D&I leaders have a chance to reset the legacy mindset that working remotely somehow deprioritizes work. D&I leaders will need to partner with executive leaders and people managers to ensure the equitable treatment of all employees working in a hybrid world. To shift mindsets and drive fairness, D&I leaders can:

- Support leaders who are developing recognition strategies for remote workers to boost their sense of inclusion and increase their colleagues' awareness of their work. Leaders can recognize remote employees through a business newsletter or an announcement in a town hall event.

- Equip managers with tools and concepts to evaluate performance with empathy and objectivity based on the quality of work. For example, D&I leaders can reinforce the use of outcome-based performance indicators that hold employees accountable for the outcomes they achieve and give them the flexibility to achieve those outcomes creatively in whatever way works best for them.

- Work with HR business partners to spot biases against remote workers in calibration sessions, helping them identify and call out any assumptions about remote employees' performance.

DEI Backlash

DEI efforts have been met with resistance by some employees who are not part of a historically underrepresented group and perceive equity as their loss of systemic power, status and economic gain in favor of someone else's. Some individuals think the pursuit of DEI produces winners and losers. Forty-four percent of employees believe a growing number of employees feel alienated by their organization's DEI efforts,[4] which does not have to be the case. D&I leaders who do not address DEI backlash effectively will face ever-increasing rates of unsuccessful DEI programs as backlash and resistance to DEI efforts can snowball.

The Opportunity

D&I leaders can use this moment to address backlash head-on. They can do so by inviting employees who are not part of a historically underrepresented group to the table as part of the solution. Doing so can increase their support for and engagement with DEI initiatives and reduce the likelihood of these initiatives losing momentum. Leaders need to engage with different employee segments through candid two-way conversations to better understand their perspectives. D&I leaders must hear from employees to gauge where the backlash is surfacing, who is experiencing it and who does not perceive DEI as an issue.

- Pulse surveys are great tools to gather sentiment, and employees can take them anonymously, which reduces the fear of being singled out. This method ensures employees who are not part of a historically underrepresented group are heard and their perspectives included without devaluing the underrepresented employee experience.

- D&I leaders can also support "Real Talk" events, which are open discussions that address issues and events dominating news media. D&I leaders can work with employee resource groups to initiate these conversation sessions and help foster empathy and belonging in the workplace.

- While some employees who are not part of a historically underrepresented group may not perceive inequity as a problem to fix, D&I leaders should consider working with other HR partners to disclose sourcing, hiring, promotions, leadership and retention data to highlight inequity. D&I leaders can partner with the learning and development and communications functions to drive inclusion through learning programs and messaging.

DEI needs are ever-evolving, and will continue their advance in 2022. While D&I leaders may face risks and challenges this year, those risks can be sources of great opportunity to move the needle on DEI. To prevent regression on DEI outcomes in 2022, D&I leaders must address their emerging challenges and create solutions that are resilient to continuous change.

[1] Diversity Wins: How Inclusion Matters, Mckinsey & Co.
[2] Postpandemic Hybrid Working Poses New Challenges to Diversity and Inclusion, Work Foundation.
[3] For Women, Remote Work is a Blessing and a Curse, Vox.
[4] September 2021 Gartner Human Deal Benchmarking Survey. This survey was conducted between 16 August 2021 and 3 September 2021, and includes responses from 3,524 employees across all regions and all major industries. Multiple roles are represented: Forty-two percent are individual contributors, 31.1% are managers or supervisors, and 14.9% are executives.

CHROs Also Need a More Human Deal With Themselves

by Christine Murray

Even as they work to build a more human vision of the employee value proposition, many CHROs have had trouble maintaining their own well-being during the pandemic. To combat burnout in an increasingly demanding role, CHROs should apply the concepts of the human deal to their own lives.

To sustain employee engagement in a disrupted work environment, organizations need to reinvent the employee value proposition (EVP) to deliver a new, more human deal that goes beyond what employees receive in exchange for working at an organization. The human deal represents the employee's emotional response to the set of attributes perceived as the value they gain in their life through employment in the organization, recognizing that "employee" is not the sole identity of any individual. Furthermore, this framework reimagines the concept of work-life balance with the understanding it is no longer an either/or proposition; rather, work is part of life (see also Reinventing the Employee Value Proposition: The Human Deal).

The obvious champion of a human deal is the leader of the HR function. Who better to lead a "person-first understanding" of employees than the leader most connected to them?
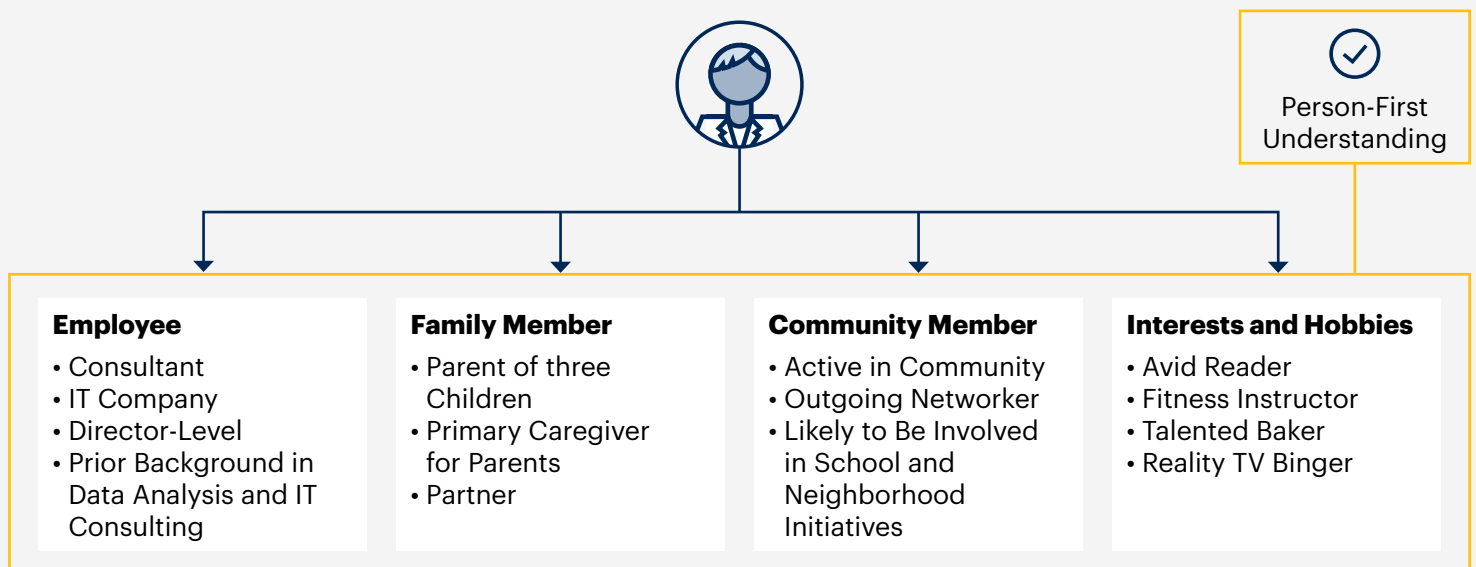
Yet even CHROs who are eager to embrace and promote the human deal have struggled to live those principles in their day-to-day reality. As the COVID-19 pandemic continues to upend the workplace for far longer than anyone expected, the role of the CHRO has adapted, scaled and mutated accordingly. Heading into year three, boards and C-suites now look to CHROs for direction, advice and decisions on a wide range of issues. In a single day, and often into the night, CHROs ricochet from defining essential employees, drafting remote work policies and interpreting vaccine mandates, to reevaluating executive compensation and asserting the company's position on social justice movements. At the same time, CHROs maintain their strategic footing, supporting executives with scenario planning, organizational design and fiscally responsible talent investments in an unprecedented macroeconomic environment.

CHROs are well aware of how the pandemic has caused employee burnout, fatigue and mental health challenges. Gartner's Global Labor Market Survey shows a decline in favorable responses from HR professionals on questions related to emotional or mental well-being, physical well-being, exertion of discretionary effort and intent to stay between 1Q and 2Q of 2021.[1] A 2021 survey of HR leaders about the hybrid work environment validates this finding, revealing that 65% of employees are more anxious because of the pandemic, and 40% of employees are emotionally drained from their work.[2] And while 93% of HR leaders are more concerned about employee burnout today versus before the pandemic, HR leaders have personally experienced most risk factors for burnout in an exacerbated way.[2]

Beyond simply being tired, a recent virtual roundtable of CHROs quickly exposed the real pressures on those in the role that can be characterized as symptoms of burnout. CHROs described their job as "always on" and "unrelenting." They have little time off, given that in most cases, their "computer is literally in the next room" and they are checking email "right after dinner," saying "new technologies make it hard to recharge and eliminate boundaries." And while they are proponents of the person-first understanding of employees (see Figure 1), the reality is they are spending 75% of their time or more in the "employee" identity, leaving little time for family, hobbies or relaxation.[3] As unrealistic as maintaining this lifestyle seems, few of them see an end in sight.

Figure 1. Person-First Understanding of Employee Experience

Person-First Understanding

Employee
- Consultant
- IT Company
- Director-Level
- Prior Background in Data Analysis and IT Consulting

Family Member
- Parent of three Children
- Primary Caregiver for Parents
- Partner

Community Member
- Active in Community
- Outgoing Networker
- Likely to Be Involved in School and Neighborhood Initiatives

Interests and Hobbies
- Avid Reader
- Fitness Instructor
- Talented Baker
- Reality TV Binger

Source: Gartner

But what exactly is burnout? And how is it different from being anxious and emotionally drained?

Prepandemic, the World Health Organization added burnout to the International Classification of Diseases. It defines burnout as "a syndrome … resulting from chronic workplace stress that has not been successfully managed." It is characterized by three dimensions:

1. Feelings of energy depletion or exhaustion

2. Increased mental distance from one's job, or feelings of negativism or cynicism related to one's job

3. A sense of ineffectiveness and lack of accomplishment.[4]

According to a 2018 Gallup study on the top causes of employee burnout, "Employees who consistently experience high levels of burnout are two times more likely to strongly agree the amount of time their job takes makes it difficult to fulfill their family responsibilities."[5] In a 2015 paper, scholars from Harvard and Stanford business schools estimated burnout was responsible for anywhere from $125 billion to $190 billion in healthcare costs a year in the U.S.[6] Gallup's study found burned-out employees were 23% more likely to visit an emergency room.[5]

In the Gallup study, "lack of role clarity" is cited as one of the top five factors contributing to burnout. Right behind it is "unreasonable time pressure."[5] While being sought out for strategic partnership is fundamental for a CHRO, the intricacies of a public health crisis were uncharted territory. Yet most were expected to not only participate in the organization's pandemic response but also lead the decision making and communicate about it to employees. These actions included furloughs and layoffs at the start of the pandemic, as well as vaccination policies 18 months later.

The significant increase in responsibility and required expertise, practically overnight, put many CHROs at risk for burnout. One roundtable member described it as "the feeling of needing to prove yourself over and over and show you are continuing to bring value to the organization."

All participants agreed with the notion that the velocity of change is so high it is "almost too fast to provide information to the people who work for us."

There may not be a crystal ball to predict the pandemic's end, but there are solutions CHROs can use to combat chronic workplace stress. Many of the CHRO roundtable participants identified valuable self-care "hacks" that can make a meaningful difference in overcoming burnout. These can be characterized as "adopting an ownership mindset" in a simple Start/Stop/Continue framework.

Start Treating Your Well-Being Holistically

Our research shows a holistic approach to employee well-being — combining physical, financial and mental/emotional well-being offerings — has a greater impact on engagement than one that focuses on just one of these pillars.

In our roundtable conversation, CHROs said they felt a remarkable difference in their energy levels and disposition by applying this concept to their own lives. Intentionally scheduling physical activities such as working out, walking meetings or bike rides at the end of the day creates a sense of responsibility for well-being. Further, it foils the biochemistry of burnout by introducing neurotransmitters that help relieve stress and elevate mood.[7]

Combating burnout with physical activity is also a good practice to model for others. CHROs are often frustrated that despite the new and innovative well-being programs they offer employees, most employees still don't participate in these programs. CHROs need not feel obligated to always act as role models, but they can have a lot of influence by demonstrating the value of taking care of their own physical and mental health. By visibly making their own well-being a priority, CHROs can set an example of the behavior they want to encourage among their team members, their peers in leadership and employees throughout the organization.
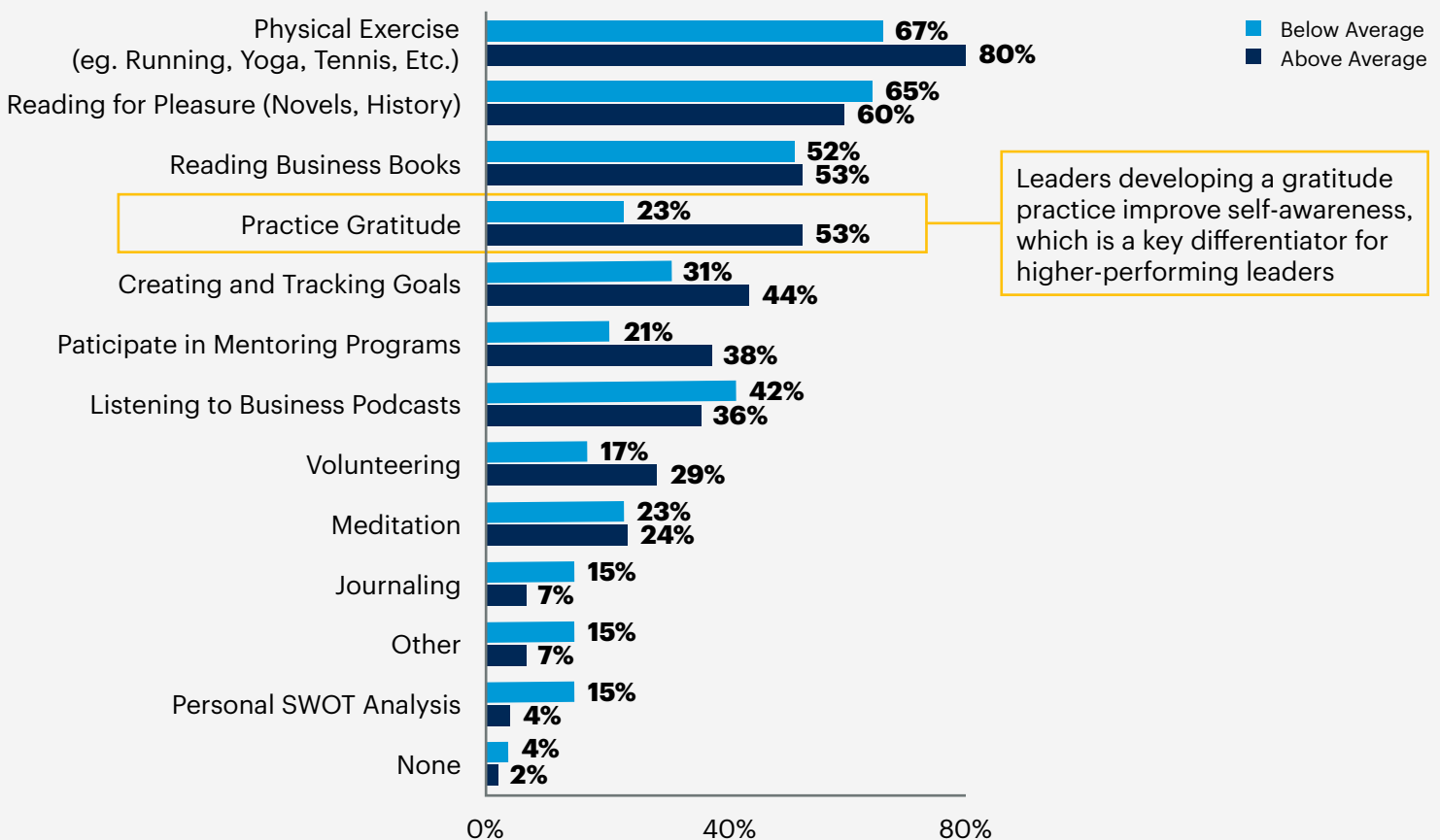
Start Practicing Gratitude

The benefits of practicing gratitude include improved physical and psychological health, better sleep, more empathy and greater self-esteem. Practice can be as simple as starting the day with a grateful mantra, taking pictures or journaling about things that create feelings of thankfulness, and genuinely saying "thank you" to family, friends and colleagues who make a positive impact. Gratitude is one of a range of self-awareness practices that can help guard against burnout, and a Gartner survey of executive leaders (CIOs) found it was much more common among above-average than below-average performers (see Figure 2).[8]

Stop Working All the Time

While easier said than done, CHROs felt they had more control over their day when they had finite boundaries for when they would check and respond to emails. The same was true when they were more selective about what meetings to join. One CHRO encouraged the group to "get ruthless with saying 'no,' and don't feel guilty about it." Another reminded everyone that sending emails only during work hours also serves as good modeling to direct reports. "Protecting your time" was a recurring phrase during the conversation.

Figure 2. Self-Awareness Practices Among Leaders (Percentage of Respondents)

Leaders developing a gratitude practice improve self-awareness, which is a key differentiator for higher-performing leaders

Legend: Below Average, Above Average

Practice	Below Average	Above Average
Physical Exercise (eg. Running, Yoga, Tennis, Etc.)	67%	80%
Reading for Pleasure (Novels, History)	65%	60%
Reading Business Books	52%	53%
Practice Gratitude	23%	53%
Creating and Tracking Goals	31%	44%
Paticipate in Mentoring Programs	21%	38%
Listening to Business Podcasts	42%	36%
Volunteering	17%	29%
Meditation	23%	24%
Journaling	15%	7%
Other	15%	7%
Personal SWOT Analysis	15%	4%
None	4%	2%

n = 48 (below average), 45 (above average)

Q. Which practices, if any, do you do regularly to develop your self-awareness?
Source: Gartner 2020 CIO Emotional Intelligence Competencies Survey
Note: Multiple responses allowed

As businesses turn the corner toward the "next normal," CHROs have an opportunity to engage their CEOs and peers on how to manage the burden on the function as HR's role evolves. This means having a frank conversation about what postpandemic responsibilities will remain within HR and what is better suited for risk management, compliance or legal. Revisiting and defining the parameters of HR's mandate can significantly relieve the burnout that results from a lack of role clarity. If the scope of the CHRO role has expanded permanently, CHROs should be properly resourced to meet these additional requirements so they can effectively focus on the company's human capital priorities.

Continue Connecting With People

Engaging with others is a big part of the CHRO's job, and CHROs can easily devote too much of their energy to work relationships at the expense of other parts of their lives. However, precisely because social skills and emotional intelligence are so vital to the role, protecting time spent with family, friends or people with common interests is just as important as protecting a work calendar. Interactions that intentionally draw CHROs out of the employee identity and into others, such as friend, nonprofit member, or baseball player can also trigger beneficial neurotransmitters that counteract the negative effects of burnout.

As the mastermind behind an organization's human deal, CHROs assume the responsibility of ensuring the employee experience encompasses a greater understanding of both the features and feelings that motivate and satisfy individuals so they can be at their best. As the human behind the human deal, CHROs must also internalize the practices they work tirelessly to install for the benefit of others and examine their own needs for personal growth, holistic well-being and deeper connections. This is perhaps the best prescription for alleviating burnout. After all, if you expect the whole person to come to work, you should also recognize that periodically, the whole person needs to leave it behind as well.

[1] Gartner Global Labor Market Survey, 2021 1Q-2Q.

[2] 2021 Gartner Hybrid Work HR Leader Survey.

[3] Gartner CHRO Community Session: The Human Behind the Human Deal, 23 September 2021. Over 40 CHROs participated in this roundtable discussion on managing stress, burnout and well-being in their role. This data was collected by polling the participants in the meeting.

[4] Burnout an "Occupational Phenomenon": International Classification of Diseases, World Health Organization.

[5] Employee Burnout, Part 1: The 5 Main Causes, Gallup.

[6] "The Relationship Between Workplace Stressors and Mortality and Health Costs in the United States," Management Science: 13 March 2016, Vol. 62, Issue 2, Pages 608-628.

[7] Working Out Boosts Brain Health, American Psychological Association.

[8] 2020 Gartner CIO Emotional Intelligence Competencies Survey. This survey was conducted online between 14 September and 28 September 2020, with 93 members of the Gartner CIO Research Circle (a Gartner-managed panel) to identify the key leadership competencies in CIOs and how they develop these. The survey was developed collaboratively by a team of Gartner analysts and was reviewed, tested and administered by Gartner's Research Data Analytics team. To discern the behaviors that lead to better leadership, the analysis divided the sample into two cohorts: the "Above Average" performance group, who self-scored above average on 10 performance metrics, and the "Below Average" cohort, who scored themselves lower on these metrics, on average.

How to Redefine Total Rewards for the Hybrid Workforce

by Brent Cassell

To meet the needs of an increasingly hybrid workforce, total rewards leaders must ensure their 2022 strategies address four key challenges: the relocation of existing employees, perceptions of pay fairness, recruiting from more diverse geographies and employee burnout.

During the past two years, location flexibility has emerged as an increasingly critical component of the employee value proposition (EVP). Fifty-five percent of employees agree that whether or not they can work flexibly would impact whether they stay at their current organization.[1] Forty-three percent of employees also say if they were to look for a new job, they would only consider roles that offer remote work.[2]

While hybrid work delivers a number of benefits to both employees and their organizations (for example, increased productivity, improved work-life balance), it also creates challenges for total rewards leaders. In conversations with Gartner clients this summer and fall, we identified at least four issues they will need to address in 2022 to capture the full benefits of hybrid work:

- Relocation of existing employees
- Perceptions of fairness
- Recruiting from more diverse geographies
- Employee burnout.
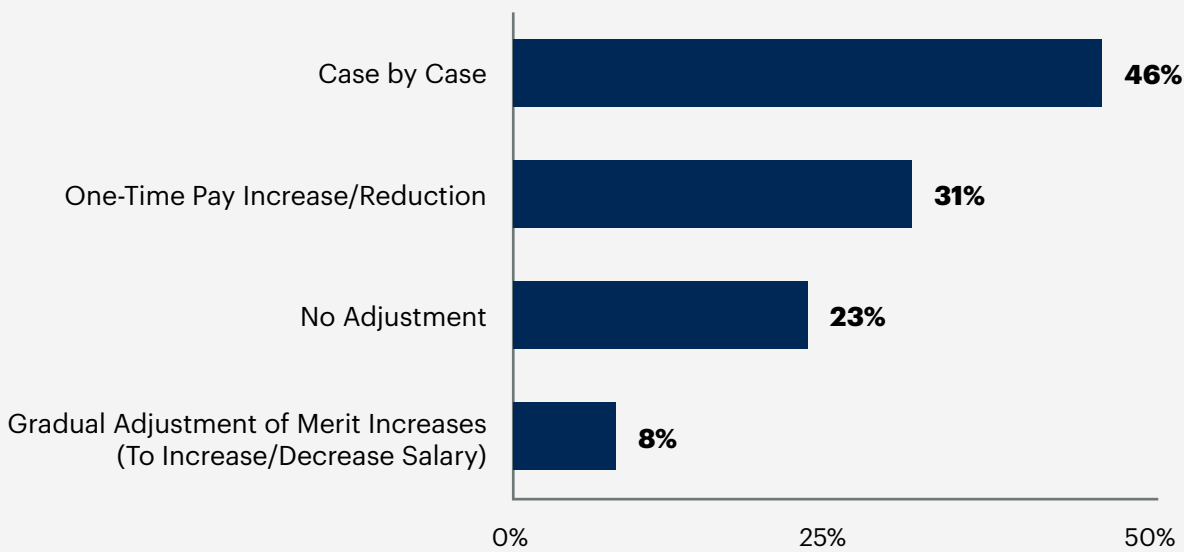
Employee Relocation

In a recent Gartner survey, 39% of employees said they would consider relocation if their organization allowed them to work from home permanently. An additional 9% of employees noted they had already relocated within the past 12 months. With close to half of employees potentially or actively relocating, total rewards leaders must consider whether to adjust employee pay in accordance with any change in cost of living.[3] While nearly two-thirds (63.3%) of organizations factor employee location into pay decisions, less than half (46%) of HR leaders say they have a standard practice for scaling compensation following a move. Instead, these decisions are made on a case-by-case basis or at the discretion of individual managers or business leaders (see Figure 1).[4]

For our clients in the public sector, relocation has been a nonissue. For example, in the United States, when federal employees choose to relocate, their locality pay automatically adjusts to the new market. Meanwhile, some total rewards leaders in the private sector have responded by placing all remote employees on a single, national salary scale. Some have even formally adapted their compensation philosophy to reflect this shift, stating, for example, that they now pay for "cost of labor," not "cost of living."

On the whole, though, most employees have not seen their pay decrease because they moved to an area with a lower cost of living. In the Gartner 2021 Pay Perceptions Survey, only 3% of employees said their pay decreased after a relocation, but then again, only 8% of employees actually moved to less expensive locales. Most employees who relocated (67%) moved to places with higher costs of living, and 60% said their pay increased after their relocation.[5] Many employers are hesitant to cut pay for employees whose living costs decrease because they fear this might lead to unwanted attrition. However, some have slowed the rate of future pay increases for those individuals by placing them in a different pay band. Regardless of the path you choose, remember the vast majority (95%) of employees who saw their pay change due to relocation believed the adjustment was fair.[3]

Figure 1. Methods Organizations Use to Adjust Compensation After Relocation

n = 26 HR leaders worldwide whose organizations allow employee relocation

Q. How does your company adjust pay when an employee moves to live in a different location while working in the same role? Select all that apply.

Source: 2Q21 Gartner Compensation Watch Survey

Note: "Case by case" includes, "We don't have one practice, HR makes decisions on a case-by-case basis" and, "We let managers and business leaders decide what they want to do."

Perceptions of Fairness

Despite the considerable investments that total rewards leaders have made in manager pay training and increasingly transparent pay communications, significant numbers of employees still feel they are underpaid. In our pay perceptions survey, 15.8% of employees said they thought their base pay was lower than other employees in their position at their organization, and 18.5% thought it was lower than employees in their position at other organizations, while 19% disagreed with the statement that the pay they receive is fair.[3]

While these concerns of unfairness were present before the pandemic, many HR leaders are worried they will worsen because not all roles are equally well-suited to hybrid work (for example, field service technicians, retail employees and other site-dependent personnel). As a result, we've heard many leaders worry about further contributing to a culture of "haves and have nots" in their organization. While some total rewards leaders may have been able to postpone their concerns by offering bonuses during the earliest days of the pandemic, most organizations have told us these were temporary measures that did not persist into 2021.

To combat employee concerns about pay fairness, some total rewards leaders have continued to rely on more traditional pay communication strategies. For example, some have created TR statements and trained managers on explaining some of the more complex calculations in those documents, such as compa-ratios. Others have set boundaries on location flexibility, stating, for example, that employees must live within 90 miles of their home office and will not be reimbursed for any new, travel-related expenses resulting from their relocation.

Another trend that emerged in our conversations with clients this summer was the impact of an increasingly tight labor market on emerging pay inequities. One client told us, "We have to pay a lot for talent right now, and that creates pay inequities with our current employees." Our research refers to these moments when an employee's experiences do not match their expectations as "expectation gaps." Unfortunately, due to the abundance of pay benchmarking online and the weakening taboos surrounding

pay discussion, these gaps, while painful, are increasingly unavoidable. We recommend companies rethink their pay communication strategies so they focus on not only preventing these gaps but also helping employees recover from them. For example, one retail company has begun to proactively audit online sources of pay data so they can alert managers to potential discrepancies and prepare them for potential pushback from their employees.

Recruiting From More Diverse Geographies

Hybrid and remote work provide organizations with the ability to recruit talent from more geographically diverse candidate pools. Since the start of the pandemic, 37% of companies have begun offering remote work or location flexibility in a large percentage of their open roles.[5]

As with the relocation challenge, we've seen organizations (particularly in the U.S.) experiment with migrating to a national pay scale to support their expanded recruiting operations. Others have chosen to limit choice by placing restrictions on geographies they would not consider: for example, places where labor laws are restrictive and difficult to manage and/or where a cost-of-living premium would be too high. Others recommend partnering with external pay benchmarking vendors immediately to benchmark compensation for key roles in a particular geography before you start hiring there. While skipping this expensive and time-consuming process and relying on one-off judgments can be tempting, miscalculations can come back to haunt you for years to come.

In addition to concerns about compensation, as organizations expand the geographical range of their recruiting, they may encounter a patchwork of laws and regulations regarding benefits. This variability is especially true in the U.S., where benefits such as paid sick leave are mandated in some states or cities but not others.

Hybrid and remote work provide organizations with the ability to recruit talent from more geographically diverse candidate pools.

Organizations that operate internationally also have to contend with a wide variety of national parental leave laws. Employers have three options for addressing this challenge, none of them ideal:

- Create different policies for different geographies.
- Create a universal policy that meets the highest applicable regulatory standard.
- Avoid recruiting in locales with regulations that are expensive or difficult to comply with.

To design policies for a more distributed workforce, total rewards leaders will need a solid understanding of regulations, benchmarks, and employee and candidate expectations in any new areas where their organization is hiring.

Burnout

Finally, total rewards leaders must address the mounting symptoms of employee burnout that overwork and the erosion of the traditional boundaries between work and life have created in their organizations. In our latest well-being survey, 57% of respondents said they were worried about the pandemic, 33% said they were angry, 31% said they were stressed, and 29% said they were depressed.[6] In response to the pandemic's impact on employees' physical and mental health, 64% of organizations have introduced at least one new well-being offering, and 34% have expanded access to an existing offering.[7] Adoption of a variety of mental well-being programs increased significantly in 2020 (see Figure 2).

Figure 2. Mental Well-Being Programs Offered (Percentage of Organizations)
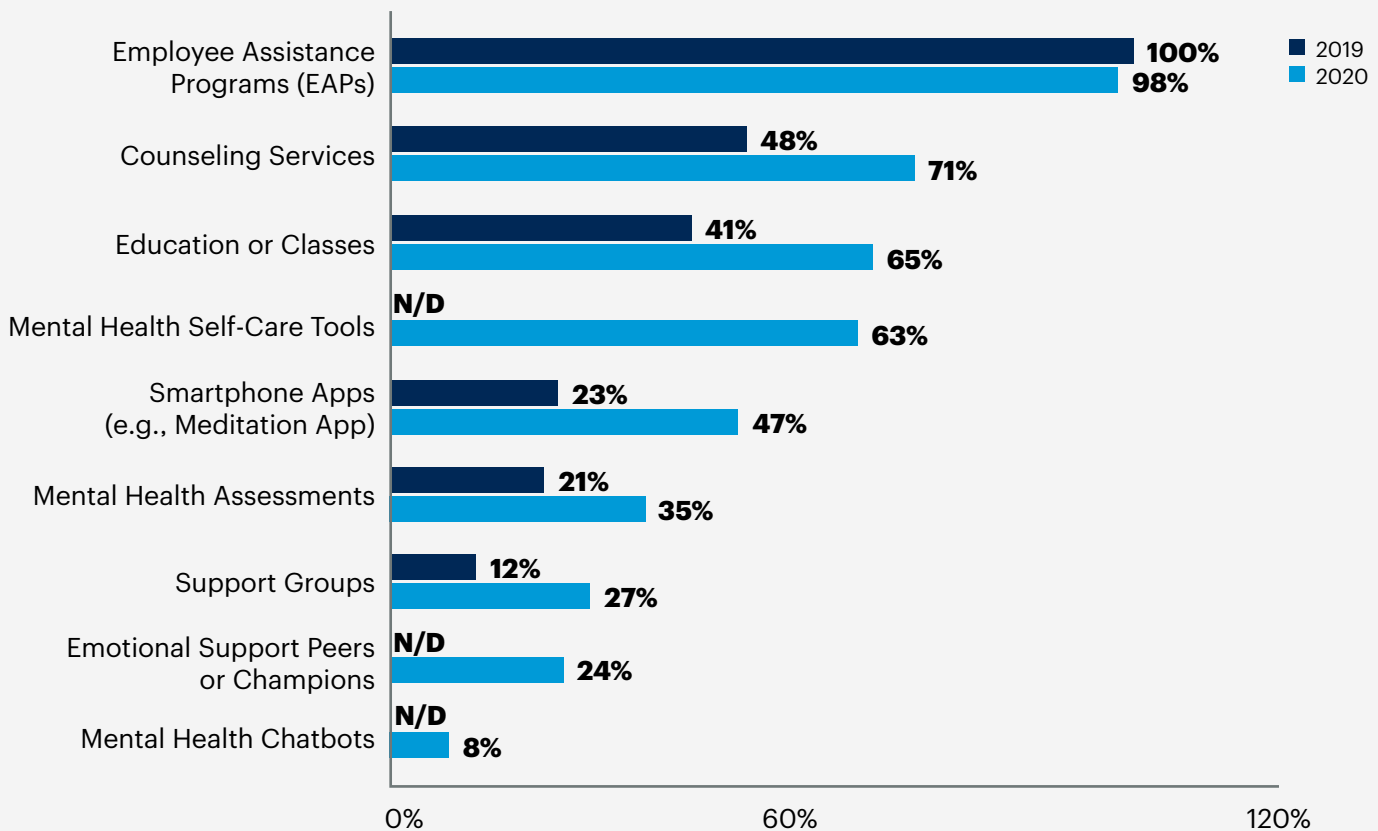
n = 61 (2019); 51 (2020) organizations that offer mental/emotional well-being programs

Source: 2019 Gartner Well-Being Benchmarking Survey; 2020 Gartner Well-Being Benchmarking Survey

Note: "N/D" indicates that no data was collected.

Recognizing the role excessive meetings play in contributing to burnout, many organizations have begun to declare "quiet hours," typically on Friday afternoons or between 11 a.m. and 1 p.m., during which they actively discourage employees from scheduling meetings.

Beyond policies, we've also seen many organizations focus on new well-being technologies, such as Calm, Headspace, Wellbeats or Thrive Global. One engineering firm has even begun to offer free one-on-one online tutoring for their employees' children, and one financial services company created a "virtual summer camp" for 1,200 of their employees' children in 16 countries in 2020. Another company brought in on-site behavioral health specialists to help their employees cope with the stresses of the pandemic. Others have expanded access to their employee assistance programs (EAPs) or enhanced their dependent care benefits to better support working parents during a time of increased stress and anxiety. Some have implemented "mental health days" or made wellness training an ongoing part of internal meetings. In 2021, 34% of employees said their organizations offered additional paid time off for mental health.[8]

However, even as companies introduce new well-being offerings, they must also address the challenge of underutilization of those benefits. One total rewards leader told us this fall that she was canceling her organization's membership with a backup childcare service because only 12 employees out of 5,000 used it. As organizations consider expanding their existing well-being offerings, we believe they must consider new and innovative ways to increase the utilization of existing offerings. For example, we've seen more and more organizations relying on direct managers, peers and even senior leaders to boost participation rather than focusing exclusively on TR-led communications.

By addressing the four challenges discussed here, total rewards leaders will enable their organizations to reap the full benefits of hybrid work and update their EVP to meet employee and candidate needs in an increasingly tight labor market.

[1] 2021 Gartner Hybrid Work Employee Survey. This survey was fielded in November and December 2020 to over 4,000 employees in APAC (Australia, China, India, Singapore), ANZ (New Zealand), EMEA (Germany, France, Spain, South Africa and the U.K.), Latin America (Brazil and Mexico) and North America (the U.S. and Canada). Respondents worked for organizations employing more than 1,000 people. All industries were eligible for participation. The survey was web-based.

[2] 2021 Gartner Hybrid and Return to Work Sentiment Survey. This poll, conducted in October 2021, surveyed 3,000 employees across a wide range of industries, functions, geographies and current work statuses to understand their preferences and challenges related to current and future work design.

[3] 2021 Gartner Employee Pay Perceptions Survey. This survey was administered to 3,668 employees around the world on various aspects of their pay in March and April of 2021.

[4] 2Q21 Gartner Compensation Watch Survey. This survey was administered between June and August 2021 to HR leaders worldwide and received a total of 31 responses. The data shown here are from 26 respondents whose organizations allow employee relocation.

[5] Gartner Work Location Flexibility Webinar Poll (26 May 2021). This poll was conducted during the webinar "Benchmark With Brian: Work Location Flexibility." Participants included over 80 HR leaders from a wide spectrum of industries. A large majority were based in North America, though the perspectives and practices they shared were developed to support their global organizations.

[6] 2020 Gartner Well-Being Employee Survey. This survey was conducted online from 29 October to 27 November 2020, and contains responses of 5,055 respondents belonging to 23 countries. Respondents belonged to organizations with over 1,000 employees with representation from all industries and functions.

[7] 2020 Gartner Well-Being Benchmarking Survey. This survey was conducted online from 25 September to 18 November 2020, and contains responses from 53 total rewards executives from organizations across 19 industries and headquartered across 13 countries.

[8] 2021 Gartner Human Deal Benchmarking Survey: This survey was conducted from 24 August through 6 September 2021 among 3,548 employees worldwide on various topics relating to the employee value proposition (EVP). Respondents were permanent employees between the ages of 18 and 65 at organizations with more than 1,000 full-time employees, with representation from all industries and employee functions.

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How to Accelerate Talent Outcomes Through HR Technology in 2022

by Duncan Harris

The evolution of hybrid work and digital capabilities means HR leaders with responsibility for the HR technology portfolio will have a renewed mandate to innovate in 2022. HR leaders can take advantage of this momentum to maximize the impact of HR technology on talent outcomes.

As business confidence begins to increase and the hybrid work environment continues its early evolution, HR leaders are firmly shifting their agenda from more cautious cost optimization to executing business transformation.[1,2] Following signals from CEOs, this shift will inevitably mean tackling the expansion of digital capabilities, which continues to be the business area where most CEOs intend to increase investment globally.[3]

For HR leaders charged with managing the HR technology portfolio, this increased investment provides a mandate for innovation. However, it also shines a spotlight on how talent management technology can enhance or hinder the digital enterprise. Organizations' acute need to retain talent, foster an organizational culture in a virtual workplace, and source and develop the critical skills needed for the future further amplifies this scrutiny.

Given this situation, HR leaders worry HR technology is not enhancing the employee experience, but that is not the only technology challenge HR leaders face (see Figure 1). This research explores how HR leaders in charge of the HR technology portfolio can accelerate their plans in 2022 and align them with their most pressing challenges. These challenges include targeting the evolving employee experience in the hybrid work environment, using business model and process disruption to prompt innovation, and driving agility and digital dexterity in the HR function and throughout the workforce.

Target the Evolving Employee Experience in the Hybrid Environment

To say employees are often dissatisfied with the tools and solutions the organization provides for them has become somewhat of a cliché. The two primary concerns are that digital experiences are not as satisfying as in-person interactions, and that employees expect a consumer-grade experience that mirrors the algorithmic personalization of services like Netflix or Amazon.

To meet these demands, the focus of human capital management (HCM) technology has shifted toward personalized employee paths and journeys and an increasing emphasis on the integration of learning experience into the learning management system (LMS).

However, these concerns may be overemphasized. During the shift to a hybrid work environment, 83% of employees say the digital technology supplied by their organization allows them to efficiently accomplish their tasks, and 76% say they have the technology they need to do their job now.[4,5]

If employees believe they have the technology to accomplish their day-to-day work, HR technology's role in the employee experience should shift toward supporting their aspirations, well-being and career progression, as well as ensuring they understand the organization's evolving culture. This new focus comes with tangible benefits. Employees who have seen their organization's culture improve since working remotely are:

- 2.4 times more likely to report high engagement
- 2.7 times more likely to report high discretionary effort and intent to stay
- 3.5 times more likely to report high inclusion[6]

Figure 1. Top HR Technology Strategy and Management Challenges

HR Leader Actions

Challenge	Percentage
Our Current HR Technology Solutions Hinder, Rather Than Improve Employee Experience	43.2%
We Struggle to Integrate Our Function's Technology Systems	28.4%
Our Learning, Recruiting or Total Rewards Technology Solutions Do Not Match Our Current and Future Business Needs	26.1%
We Struggle in HR to Have the Right Competencies to Manage Our HR Technology	20.5%
We Struggle to Drive Employee Adoption of HR Technology Solutions	15.9%

Support the evolving employee experience in the hybrid environment.

Take advantage of business model transitions to prompt innovation.

Drive agility and digital dexterity.

n = 88 HR leaders

Source: 2022 Gartner HR Agenda Poll

HR leaders responsible for HR technology can help their organizations reap these benefits in 2022 by taking three key actions:

1. Invest in understanding how the hybrid experience is changing the way the organization's critical talent segments interact with their platforms and solutions.

2. Emphasize the voice of the employee and continue to investigate the growing sophistication of sentiment analysis.

3. Balance workplace influences and personal influences to determine how a solution impacts the employee (see Figure 2).

These steps will help ensure HR technology supports new ways of being an employee in a hybrid world, now and in the future, rather than focusing on employees' current tasks, for which they are already receiving adequate support.

Take Advantage of Business Model Transitions to Prompt Innovation

Technology investment and application continues to become more democratized, with more decisions being made outside IT functions. HR leaders tasked with their technology portfolio should take advantage of this trend to build momentum for talent management innovations.

Figure 2. Influences on the Employee Experience

■ Workplace
■ Personal

Strategy
Culture
Values
Values
Career Attitude
Responsibilities

Leaders
Physical Workspace
Customers
Systems and Technology
Co-workers
Work Processes
Home
Ambitions
Health
Financial Well-Being
Family
Commute

Employee

Source: Gartner

There will still be centralized efforts to integrate processes throughout enterprisewide ERP systems, as well as other limitations, such as legacy governance and the reality of a select number of vendors who can serve a large enterprise. However, as business models continue their transition toward greater digital investment, the HCM market will also rebound to double-digit growth through 2022 to 2025, offering a buyers' market (See Figure 3).
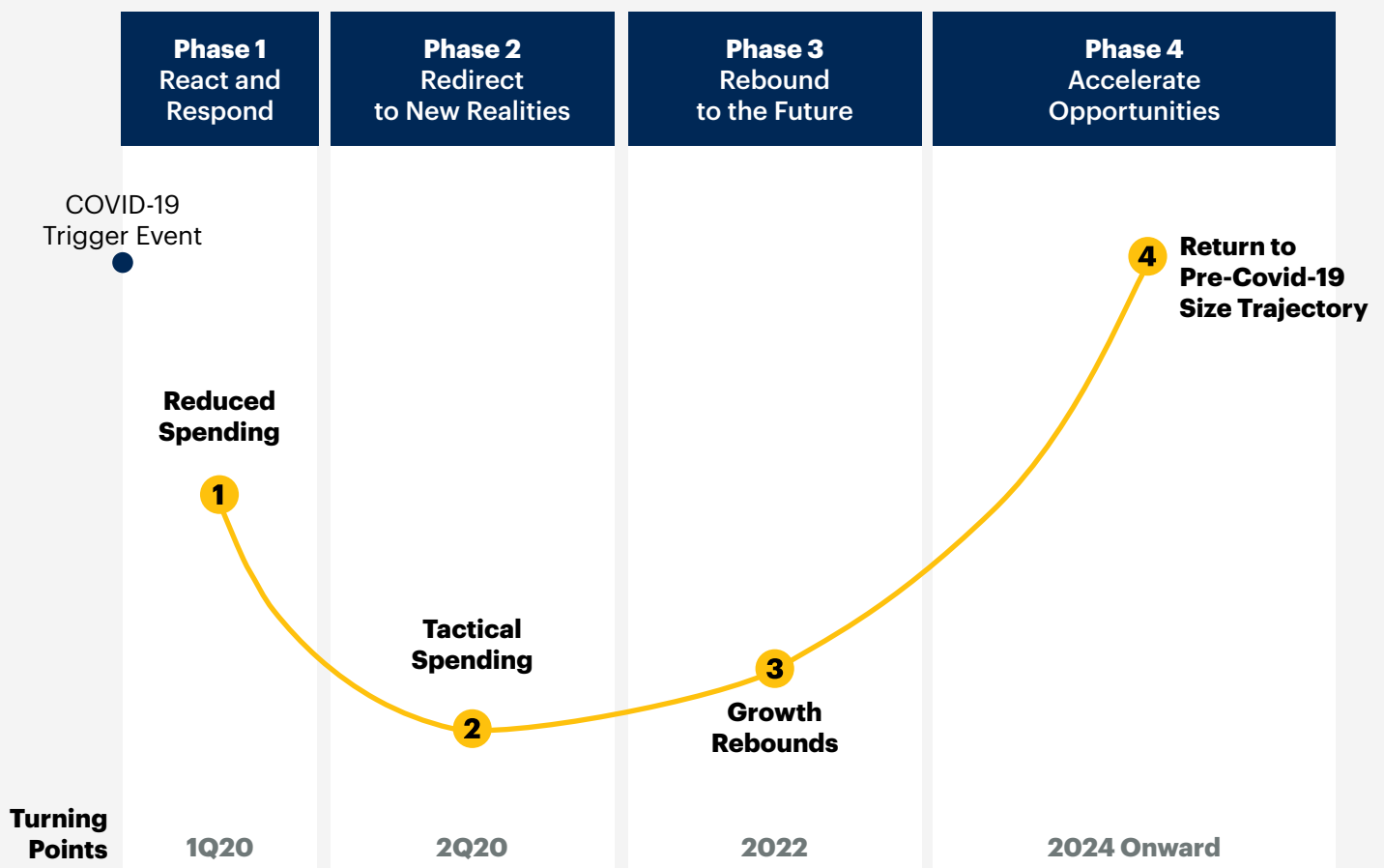
This time of change for businesses and continued investment presents the opportunity to establish how HR technology will move from supporting legacy processes to leading more adaptive integration between the business and HR.

To shift HR technology from supporting processes to driving innovation, HR leaders should aim to:

- Source partners throughout HR and the business who have an appetite to pilot new ways of working at a local or unit level.

- Investigate the innovation roadmap of incumbent systems and pressure-test them against potential alternatives. This investigation should include automation and AI use cases, as well as ease of integration between modules or systems.

- Use Gartner's Hype Cycle for Human Capital Management Technology, 2021 to explore emerging HCM capabilities.

Figure 3. The HCM Software Market Trajectory 2020-2025
Illustrative

Phase 1 React and Respond	Phase 2 Redirect to New Realities	Phase 3 Rebound to the Future	Phase 4 Accelerate Opportunities

COVID-19 Trigger Event

4 — Return to Pre-Covid-19 Size Trajectory

Reduced Spending
1

Tactical Spending
2

3
Growth Rebounds

| Turning Points | 1Q20 | 2Q20 | 2022 | 2024 Onward |

Source: Gartner

Drive Agility and Digital Dexterity in HR and the End User

Greater investment in HR technology has little impact if employees are not benefiting from or utilizing new or upgraded solutions. This is especially true in an era when self-service capabilities will expand dramatically. And although 73% of employees now believe they are digitally proficient or have digital expertise, this finding does not necessarily translate to greater employee adoption.[7] Neither does providing additional training for new systems.[7]

Here HR leaders have to work on two fronts if they wish to make the best use of their investments in 2022. The first is turning toward HR capabilities. HR technologists may currently have the technical skills to implement preferred systems in partnership with enterprise IT. However, HR leaders believe the greatest gap in their teams' capabilities is being adaptive, which will require greater competency in change management, business acumen and agility.[8]

The second front is HR's recognition that proficiency alone does not drive digital-solution adoption. Individuals who have digital dexterity are three times more likely to launch, complete and gain value from digital initiatives, but digital dexterity also requires the ambition to work digitally. Employees must see the link between solutions and their activities and aspirations, as well as how digital solutions are changing the future of their organization's vision and effectiveness (see Figure 4).

Figure 4. Digital Dexterity Matrix

	Working Digitally	Building Digital Businesses
Ambition	**Ambition to Work Digitally** • Believes in technology's ability to augment personal tasks and activities • Willing to take on new roles to support digitization plans • Views data and technology proficiency as critical to career advancement	**Ambition to Build Digital Businesses** • Considers digitalization to be critical to company effectiveness • Innovates and takes risks in pursuit of digital opportunities
Ability	**Ability to Work Digitally** • Adapts to work on initiatives with unclear and changing requirements • Works iteratively to improve outcomes • Can work from anywhere, with the right technologies	**Ability to Build Digital Businesses** • Collaborates across seniority levels to set company digitalization direction • Surfaces digitalization opportunities to improve department/function operations • Obtains technologies independently to succeed on the job

n = 3,481 employees from all industries and functions; 1,227 enterprise leaders

Source: 2018 Gartner Digital Dexterity Survey; Q219 Gartner Global Labor Market Survey

To ensure 2022 investments and innovations are embedded in new ways of working, HR leaders should be prepared to:

- Tackle and remove the highest-impact barriers to using new solutions, which include relevance to the employee's role, speed of response and accessibility. Focus on these barriers rather than lower-impact concerns such as personalization, training or the simplicity of the tool.[4]

- Invest in development opportunities that improve agility, rather than technical proficiency, within the HR function.

- Demonstrate how new HR solutions are changing the way employees work, collaborate and advance within or outside the organization.

Maturing hybrid work models and digital capabilities create the opportunity for HR to gain a deeper, more flexible relationship with employees' needs and aspirations, improving engagement and productivity without sacrificing well-being. To deepen this relationship in 2022, HR leaders should use this moment to equip employees and the organization for the future by redesigning their hybrid experience, investing in timely innovation and building HR's agility and employees' digital dexterity.

[1] 2022 Gartner HR Priorities Survey.
[2] 2021 Gartner HR Priorities Survey.
[3] 2021 Gartner CEO and Senior Business Executive Survey.
[4] 2021 Digital Worker Experience Survey (n = 10,080 employees). The survey was conducted online during November and December 2020 among 10,080 respondents from the U.S., Europe and APAC.
Participants were screened for full time employment, in organizations with 100 or more employees and required to use digital technology for work purposes. Ages ranged from 18 through 74 years old, with quotas and weighting applied for age, gender, region and income, so results are representative of working country populations.
[5] 2021 Gartner HR Technology Employee Experience Survey (2Q21) (n = 1,713 employees).
[6] 2020 Gartner Improving Employee Engagement Survey (n = 5,000 employees).
[7] 2020 Gartner HR Technology Employee Adoption Index Survey.
[8] 2021 Gartner HR Technology Leader Survey (n = 43 HR Technology Leaders).

Quant Corner
## Hybrid and Remote Employees Experience More Design Friction

By Peter Vail

As HR leaders prepare their organizations to adapt to the realities of 2022, many are focusing on their ability to attract and retain talent. At the same time, employees have increasingly sought to retain the flexibility they've had in their roles during the pandemic — or have found more flexibility in new roles. With such a transformation occurring in the global labor market, it's equally important for HR leaders to understand how their organizational design can impact employees' work experience, as well as how employee flexibility impacts this.

Employees with a high level of organizational design friction — such as process inefficiency or decision-making bottlenecks — are much more likely to leave their organization. In a recent global survey of over 3,000 employees, we found that employees who work in a hybrid or remote role are 40% more likely to report a high level of design friction (see Figure 1). To mitigate the risk of attrition among these employees, HR leaders should consider how leaders and managers can equip their teams to create new processes that better fit the current work environment and ensure their teams are not being overwhelmed by the volume of tasks. By safeguarding the employee experience, this can help to stem the most adverse impacts of employee attrition.

Figure 1. Level of Design Friction by Employee Work Status
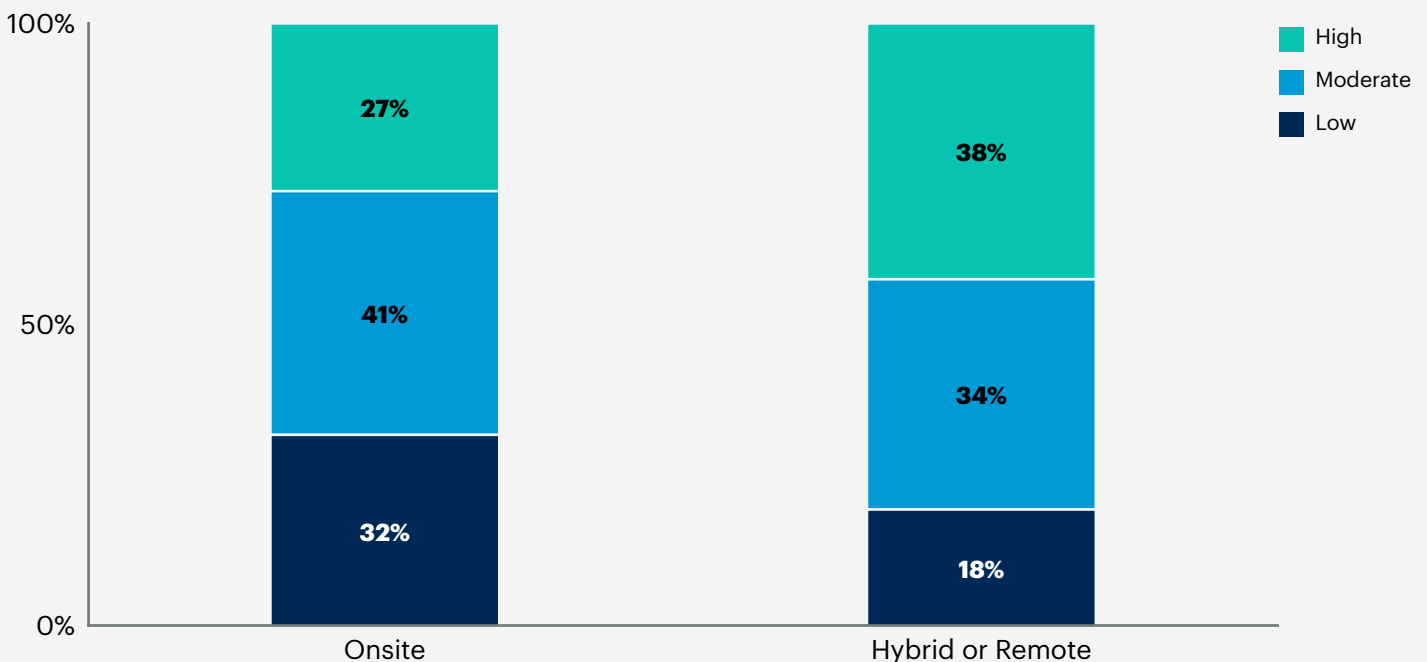
n = 3,351 employees
Source: Gartner 2021 Change Management Employee Survey