

# HR Leaders Monthly

December 2021/January 2022

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# HR Leaders Monthly

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## Authors

Swagatam Basu  
Devika Chopra  
Sara Clark  
Kartik Deo  
Jack Fuller  
Erin Gillette  
Annika Jessen  
Jessica Knight  
Brian Kropp  
Rebecca Lane  
Rachael Marshall  
Caroline Ogawa  
Alex Pavel  
Iga Pilewska  
Jonah Shepp  
Gurbani Singh  
Caroline Walsh  
Sari Wilde

## Creative

Tim Brown  
Camille Tagami

## Editor

Meghan Cortez



# Editor's Note

by Caroline Walsh and Brian Kropp



Each fall, we look forward to sharing our most innovative work, connecting with HR leaders and facilitating connections among them at our ReimagineHR conferences. In 2021, we held these events virtually for the second year in a row. Throughout the COVID-19 pandemic, we, and the HR leaders we work with, have become more fluent in a variety of virtual interactions. At the same time, we long for the chance to spend time with our colleagues and clients in person again. At ReimagineHR 2021, we not only discussed the work environment of the future; we also experienced it.

Our keynote theme for ReimagineHR 2021 was the “Equity Imperative — How Fairness Improves Performance.” As the business world moves toward more virtual, hybrid and remote models of work, we see new barriers to equity emerging in the workplace and new lines of stratification among the workforce. At the same time, more attention is being paid to inequity — within organizations and in society as a whole — than ever before.

We recognized that making this new, evolving work environment fair and equitable for all employees would be among HR leaders’ most critical tasks in the months and years to come. Furthermore, this issue could not remain siloed in diversity and inclusion: The equity imperative permeates every corner of the HR function and, indeed, the entire organization.

In this issue of HR Leaders Monthly, we showcase some of the key insights from ReimagineHR and look ahead to the opportunities and challenges awaiting HR leaders in 2022. We explore our signature research on how HR can create a more fair employee experience to improve talent outcomes and how equity will drive employee engagement in the hybrid world. Other articles delve into how HR leaders can bring more nontraditional talent into the organization, make the internal labor market more equitable and build a skills-based talent strategy. We cover how the new environment has (and has not) changed what it means to be an effective manager and why organizations need to rethink their approach to employee well-being. Finally, we look at what HR leaders are most concerned about heading into the new year and how progressive organizations are taking on these priority challenges.

The ideas and insights presented in this journal are propelling our research into 2022. As HR leaders face the headwinds of the current moment — labor market volatility, skills shortages, employee burnout and other challenges — they would do well to keep this core principle of equity at the front of their minds. Now, more than ever, equity is a key ingredient of a healthy, productive workforce.

# How to Create a More Fair Employee Experience

by Brian Kropp, Jessica Knight, Devika Chopra, Kartik Deo, Rebecca Lane, Caroline Ogawa and Jonah Shepp



A more fair work environment is associated with higher employee performance and retention. As they strive for equity in the workplace, HR leaders should also work to increase fairness in the everyday employee experience by helping employees feel informed, supported, considered and acknowledged.

Inequity is one of the most pressing issues of our time, and the impact of the COVID-19 pandemic has made it even more urgent. Business leaders recognize this: Nearly nine in 10 of the Fortune 100 companies list equity as one of their corporate values.<sup>1</sup> Mentions of diversity, equity and inclusion (DEI) on S&P 500 earnings calls have increased 658% just since 2018.<sup>2</sup>

Despite all the attention given to equity and purpose, most employees still don't feel like their work environment is fair. Of the 3,500 employees we surveyed worldwide, only

18% indicated they work in a high-fairness environment.<sup>3</sup> Among HR employees, who might have a better understanding of the organization's equity commitments, that number is barely higher: just 22%.<sup>3</sup>

And this is a problem for organizations, because a more fair employee experience improves employee performance by up to 26% and employee retention by up to 27%.<sup>3</sup> What's more, we expect fairness to become more important in the coming years, not less.

Historically, organizations have tried to create fairness through policies that remove unfair advantages from talent decision moments. For example, recruiters remove candidates' names from résumés so hiring managers can't judge them on the basis of their presumed gender or ethnicity. Or an organization might set strict pay bands to ensure employees aren't paid more or less than their colleagues at the same level.

But policies like these are generally applied only to big decision moments. When we looked more closely at where employees experience unfairness, we found these decision points only account for one-quarter of employees' perceptions of unfairness. The rest happen day-to-day (see Figure 1).

To address these more pervasive fairness challenges, HR leaders need new philosophies, not just policies. Instead of just trying to remove unfair advantages, organizations should look for opportunities to minimize disadvantages in ways that benefit most or all of the workforce.

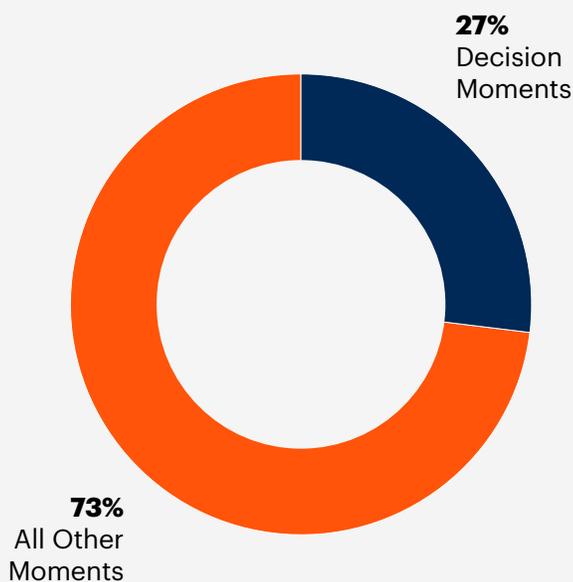
## Four Elements of a Fair Experience

We identified four key questions that distinguish a high-fairness work environment from a low-fairness one:

- **Are employees informed?** Does the organization provide the information they need to succeed at their jobs and advance their careers?
- **Are they supported?** How well does the organization help them manage their well-being and work-life balance?
- **Are they considered?** Do all employees get a fair chance at opportunities they are qualified for?
- **Are they acknowledged?** Do leaders and managers recognize the contribution each employee makes to the organization?

For each of these elements, we identified a new approach HR leaders can take to make the employee experience more fair (see Figure 2).

**Figure 1. A Bigger Picture of Unfairness**



Source: 2021 Gartner ReimagineHR Employee Survey

**Figure 2. Framework for a More Fair Employee Experience**



Source: Gartner

## Are They Informed?

Employees live in a high-information environment where they can find extensive information online about their real estate agent, their dentist or their child's teacher, and they expect the same kind of information transparency from their employer. In one survey, 70% of employees said they would take one job offer over another because one organization was more transparent.<sup>4</sup>

Despite this growing demand, only 33% of organizations practice information transparency.<sup>3</sup> HR and business leaders often worry about sharing sensitive information too broadly, giving employees too much information without proper context, or giving them information they don't know what to do with.

These are reasonable concerns, but when organizations try to contain information, it still has a tendency to leak out — and it does so unevenly. This can lead to unfairness, for example, when some candidates receive preparatory information in the recruiting process and others don't. Men are more likely to receive this information than women (see Figure 3).

Some companies are taking innovative steps to improve transparency in their talent processes. These companies are not only making more information available but also providing two additional components of transparency:

- **Balance** — Leaders give information to all employees at the same time.
- **Actionability** — They not only give the information to employees but also provide guidance or tools for using the information.

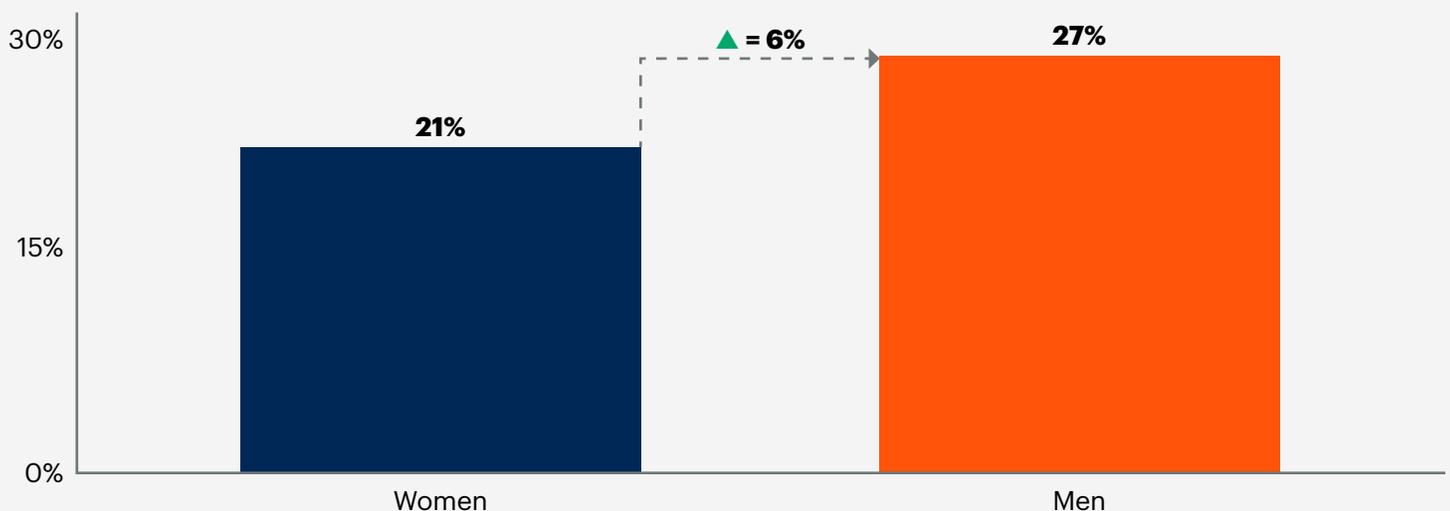
This guided transparency leads to even better fairness outcomes than transparency without guidance: More than half of employees whose organizations practice guided transparency report a high-fairness experience.

## Are They Supported?

The pandemic has put unprecedented stress on the workforce, and employers have had to work harder to support employees' well-being: 64% of organizations have added or expanded well-being programs in response to the pandemic.<sup>5</sup> But despite these investments, only 32% of employees feel supported at work.<sup>3</sup>

### Figure 3. Information Asymmetry in Talent Processes

Employees Given Practice or Preparatory Materials In Advanced of Their Interview or Assessment



Source: 2021 Gartner ReimagineHR Employee Survey

We also found some striking differences in how likely different sets of employees are to feel supported. For example, 37% of parents felt supported, compared to 27% of employees without children.<sup>3</sup> Employers have done a lot to help working parents during the pandemic, but many of their colleagues without children have resented what seemed like their teammates getting special treatment. As we know from psychology literature, when people see others doing the same work as them but getting more rewards or support, they tend to become less satisfied with what they have.

And again, other dimensions of difference are emerging to fuel these comparisons, particularly between remote and in-office workers. Employees are asking: “Why do they get flexibility in where and when they work, but I don’t?”

Employers can’t just give employees every form of support they could ever want. At the same time, it’s inefficient and ineffective to give every employee the same thing, and it would be unfair and harmful to create equality by taking away support from some employees. You can’t solve the support problem through investment alone.

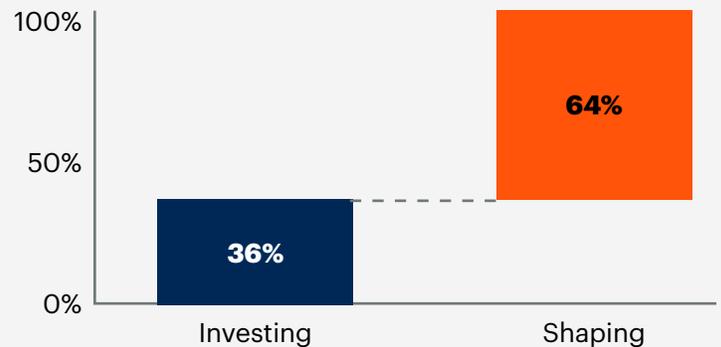
However, we know the employee experience depends only partly on the investments the organization makes: Nearly two-thirds of the impact comes from how the organization shapes the employee experience (see Figure 4). That doesn’t mean tricking employees into thinking they are getting support when they are not but rather framing the support you provide so they understand how it benefits them, their colleagues and the organization.

This shaping involves three components:

- **Tell the story** — Be explicit about why you are providing the support and how it will help the organization achieve its goals.
- **Design for all** — Wherever possible, design support to be universal, even if it is primarily intended to benefit a specific segment of the workforce.

**Shape the comparison** — Acknowledge that all employees are struggling in different ways and help them understand why different people need different things.

**Figure 4. Relative Impact of an Investment Approach and a Shaping Approach**



n = 2,848 employees

Source: 2019 Modern Employee Experience Workforce Survey

Note: Reported talent outcomes compare the maximum difference in outcomes of employees whose organizations are at an average level and a high level of the shaping approach. The reported high performance talent outcome considers an employee’s effectiveness at performing day-to-day work tasks and enabling and improving the work of colleagues.

## Are They Considered?

When employees feel considered for opportunities they are qualified to pursue, more than one in two report a high-fairness experience. However, only 18% of employees feel they are considered for these opportunities.<sup>3</sup>

Traditionally, organizations have taken two approaches to expanding opportunities to more employees: First, managers are asked to consider more people. Second, employees are encouraged to raise their own profiles by building their brands and growing their networks. The first approach puts too much burden on managers, while the second approach puts too much on employees, particularly those from underrepresented groups for whom this approach may involve more risk.

At the same time, we see many organizations innovating in talent management with strategies that rely on peer networks. This includes peer-to-peer development and coaching and even employees supporting each other’s workflows.

Might there be a similar peer-driven strategy for expanding access to opportunities?

Most organizations use employee referrals to source new talent externally, and this is often one of the most reliable channels for high-quality hires. At many organizations, every qualified candidate who comes in through the referral channel gets an interview.

Employees' knowledge of the opportunities on their teams and the interests/skills/experiences of their colleagues throughout the organization uniquely positions them to recommend qualified candidates that managers would not otherwise consider. Most organizations have implemented employee referral programs for external candidates. Referral programs come with their own fairness risks, but if properly implemented, we believe peer connections can help more employees be considered for opportunities without relying solely on individual employees to promote themselves or on managers to identify them.

To include peer referrals in a broader strategy for increasing access to opportunities, HR leaders need to take three key steps:

- **Set expectations** regarding the desire for peer referrals alongside manager accountability for equitable assignment of opportunities; reinforce the specific goal of ensuring underrepresented employees are fairly considered.

- **Build transparency** into the internal marketplace of opportunities so employees can make informed choices and strong cases for peer nominations and/or self-nominations.
- **Monitor** to ensure peer referrals function as intended alongside other efforts — to increase consideration of employees from underrepresented groups and/or outside managers' immediate lines of sight — and do not inadvertently perpetuate bias and unfairness.

## Are They Acknowledged?

Only 24% of employees currently feel acknowledged for the contributions they make, and this number has gotten worse in the past two years.<sup>3</sup> The rise of remote work has put distance between employees and managers and made it harder for managers to see and recognize the work their team members are doing.

Data shows employees who work in a remote or hybrid setting perform just as well as those who work in a shared office, if not better. Yet 64% of managers say those who come into the office are higher performers than remote workers, and 72% say on-site workers are more likely to be promoted.<sup>6</sup> This bias is unfair to remote employees. It also could worsen gender inequality, as women are more likely than men to want to work remotely if given the choice.



In the transition to hybrid work, we have seen companies starting to use technology to monitor the work their remote employees are doing. For instance, online interactions and video calls can be recorded and analyzed to generate new insights into how employees are collaborating and contributing.

These technologies have troubling implications if they are misused, and nobody should replace their managers with artificial intelligence just yet. Rather, the point is employees generate a lot of data in their virtual interactions. With fast-evolving technology, this data can be used to illuminate the contributions they are making, which are becoming harder for managers to see. Combining manager, peer and technology inputs into evaluations can help more employees feel acknowledged (see Figure 5).

As they incorporate technological inputs into performance evaluations to illuminate employee contributions, HR leaders must ensure employees are partners in the process. Employees should:

- Be comfortable with, and consulted on, the privacy implications of the technology their employer is adopting.
- Understand how the data will be collected, what it will be used for and how it relates to their work.
- Be aware of what behavior changes will affect the results of the evaluation.

## Why It Matters

First and foremost, HR leaders should create a more fair employee experience because it's the right thing to do, but the changing work environment also underscores the business case for focusing on fairness. Employees want to work for organizations that treat them and their colleagues fairly. When they do, they perform better, have a better experience at work and are more likely to remain with the organization for a long time.

<sup>1</sup>Gartner analysis of value statements of Fortune 100 companies.

<sup>2</sup>Gartner analysis of earnings calls transcripts for S&P Global 500 for 1Q18 and 1Q21.

<sup>3</sup>2021 Gartner ReimagineHR Employee Survey: This survey was conducted online from 28 June 2021 to 19 July 2021 and contains responses from 3,500 full-time employees, including individual contributors and managers across 13 countries, 23 industries and 20 functions. The survey design and development, administration and data analysis was done by Gartner's HR practice research team.

<sup>4</sup>What Does Transparency in Business Look Like After a Global Pandemic?, The Org.

<sup>5</sup>2020 Gartner Well-Being Benchmarking Survey. This survey was administered to a random group of Gartner client HR leaders between September and November 2020. Respondents included 53 total rewards leaders globally. The survey design and development, administration and data analysis was done by Gartner's HR practice research team.

<sup>6</sup>2020 Gartner Improving Employee Engagement Survey. This survey was conducted in November 2020 among a respondent pool of over 5,000 employees and managers worldwide, including 2,971 managers. The survey design and development, administration and data analysis was done by Gartner's HR practice research team.

**Figure 5. Potential Impact of Expanding Inputs to Evaluation**



Source: 2021 Gartner ReimagineHR Employee Survey

# How to Make the Internal Labor Market More Equitable

by Iga Pilewska



Organizations are losing high-quality employees and candidates to the “great resignation” at troublingly high rates. To retain talent in this environment, HR leaders should focus on putting equity at the center of their internal labor market.

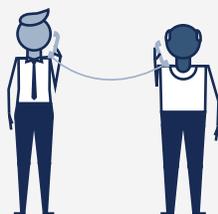
As organizations compete to attract top talent, HR leaders must prioritize retaining the talent they already have. Unfortunately, most employees are not looking for new job

opportunities within their organizations: Only 33% of employees who searched for a new opportunity in the past 12 months searched internally first.<sup>1</sup> With an increasingly competitive external labor market, HR leaders face added pressure to make sure the internal labor market is working for all. However, most organizations’ internal labor markets do not work for all employees fairly. Many employees know more about opportunities at competitor organizations than within their own organization.

## The Three Inequities in the Internal Labor Market

You may ask yourself: How is my internal labor market inequitable? When we looked into the big inequities in the internal labor market, three rose to the top: awareness, access and support (see Figure 1).

**Figure 1. Three Big Inequities in the Internal Labor Market**



### Awareness

Openings are communicated through connections.



### Access

HIPO talent are prioritized for opportunities.



### Support

Managers hoard talent and block internal moves.

Source: Gartner

**Awareness:** Openings are often communicated informally, only to employees who managers already know or have worked with before. Only 51% of candidates feel aware of the internal job openings available at their organization.<sup>1</sup>

**Access:** High-potential (HIPO) talent tends to be prioritized for opportunities. When an organization posts job openings internally, the top barrier preventing candidates from pursuing them is a preidentified favored candidate for the role.<sup>1</sup>

### **Equitable Internal Labor Market:**

The processes and infrastructure within an organization that facilitate fair treatment and equal access to mobility of employees from their current roles to roles with a mutual fit of skills and interest.

**Support:** Managers hoard talent and block internal moves. Many employees find it easier to look externally because they do not need to alert their managers of the application — avoiding the awkward potential hint at dissatisfaction. Only 17% of candidates feel their manager facilitates the process of applying for internal job openings.<sup>1</sup>

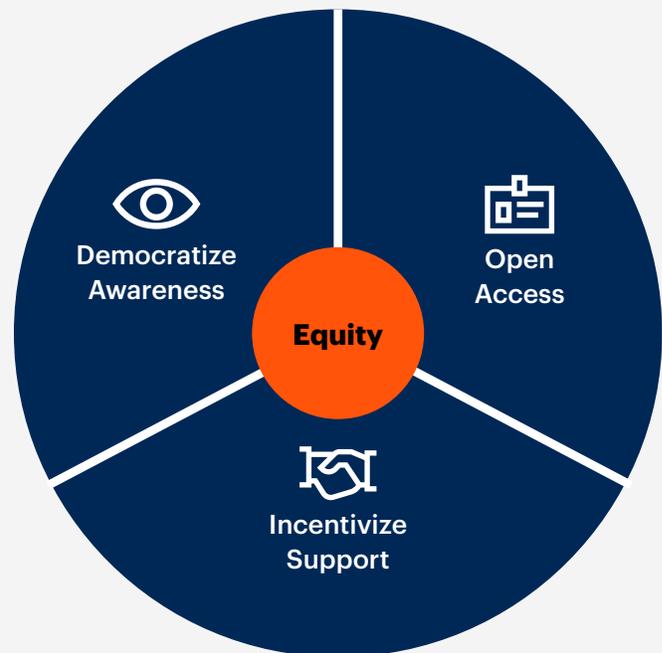
## **Creating an Equitable Internal Labor Market**

To create a more equitable internal labor market, HR leaders must target these three big inequities by democratizing awareness of internal opportunities through technology, opening universal access to opportunities and incentivizing support for mobility (see Figure 2).

### **Democratize Awareness Through Technology**

The “tap the shoulder” approach, where managers share opportunities with existing connections, perpetuates inequity. To ensure all employees are aware of the available opportunities, HR leaders can use technology to democratize awareness. In the same way employees receive alerts about opportunities outside of the organization, HR leaders

**Figure 2. An Equitable Internal Labor Market**  
Putting Equity at the Center



Source: Gartner

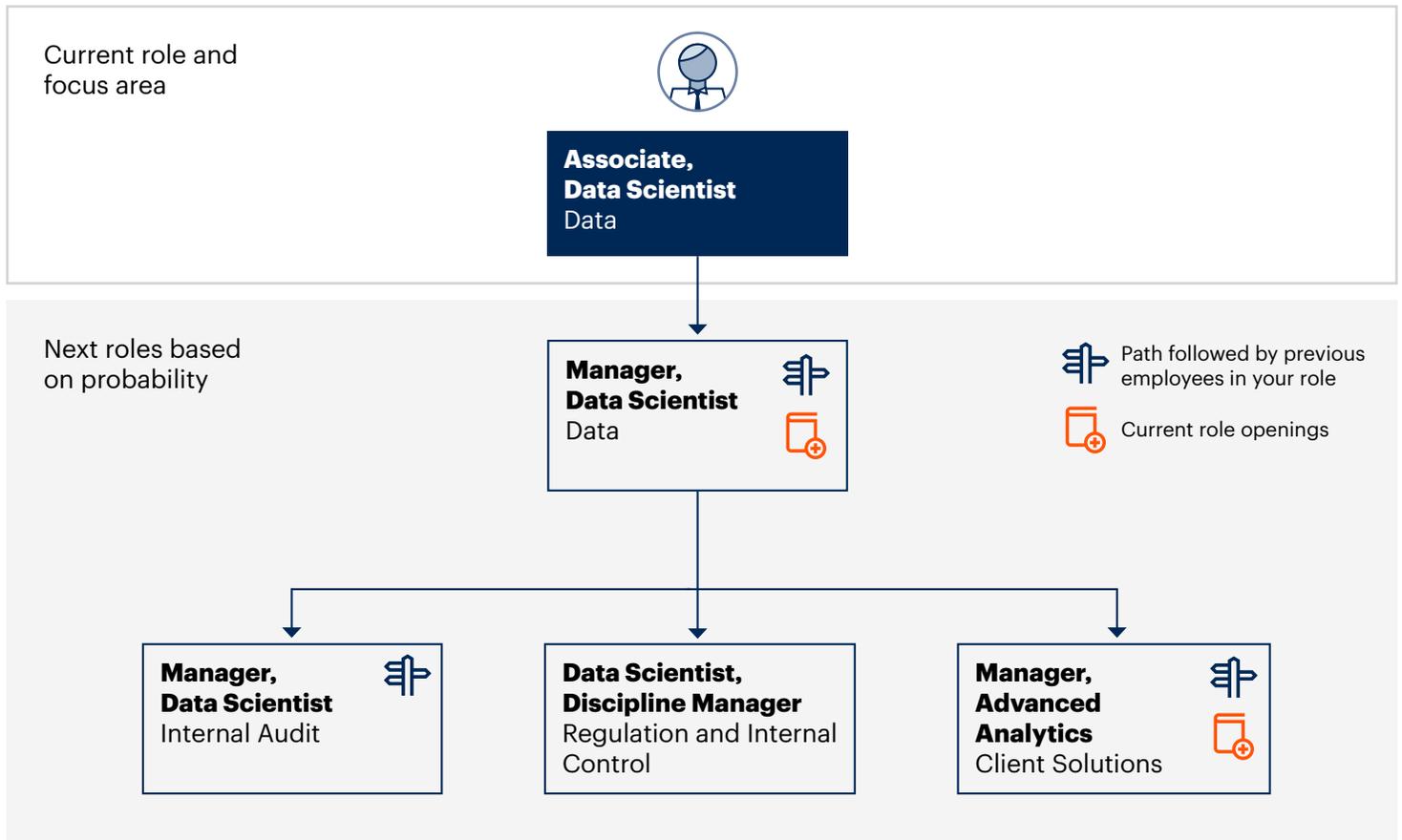
should make sure they are also aware of the opportunities internally. HR leaders should follow three critical steps to democratize awareness:

- Ease the exploration of internal opportunities.
- Enable employees to signal their interest in roles.
- Alert employees when an opportunity opens.

### **Ease Exploration of Roles and Careers**

For all employees to better understand the opportunities available, technology can provide constant access to roles and careers. For example, BBVA, a financial services organization, uses technology to help employees understand what potential career paths could look like, showing the path followed by previous employees in the role as well as where role openings exist. Through a series of advanced search filters, BBVA ensures all employees have equal and fully transparent access to all roles, requirements, job openings and potential career paths. Employees can use this information to inform their own upskilling strategy (see Figure 3).

**Figure 3. BBVA's Opportunity Platform: Role Tree Module Employee View**



Source: Adapted From BBVA

### Enable Employee Preference Signaling

In addition to providing constant visibility into role and career options, organizations can also use technology to allow employees to signal which jobs they are interested in, whether or not they are available at the moment. That helps HR leaders ascertain not only the level of interest that a specific role is generating but also the nature and quality of the internal pipeline for this role. It also gives candidates time to learn about the role, schedule informal connections with people in the role and consider whether it is the right fit for them before applying.

### Alert With Tailored Notifications

Job search platforms automatically send your employees alerts with new opportunities available outside your company. It sends “based on your profile, we think you would be great at

X,” or “we think you would be interested in Y.” Why not create an email with tailored notification on internal opportunities to balance that? This can better engage employees, especially those who approach their career paths more passively, by reaching out to them with new openings that match their skills or interests.

## Open Universal Access to Opportunities

After increasing the awareness of internal opportunities, HR leaders must widen the access. Just because employees are aware of opportunities does not mean all employees have fair access to them. Some may be better positioned to apply, for example, due to a mentorship they have established or because they have a clearer vision of the career path they

are following. S&P Global, a financial information and analytics organization, has achieved more universal access by providing each employee with one-on-one professional coaching that includes regular career conversations and exploration of opportunities. S&P's approach is so successful because the company does three critical things:

- Connect all employees with career coaches.
- Guide aspiration-based career conversations.
- Facilitate exploration of opportunities.

### Connect All Employees With Career Coaches

Rather than having career coaches solely available for HIPO talent, S&P decided to make them available to all employees in the organization. Guided by a people-first philosophy, the company believes its employees should have equitable access to career coaching. Sessions are customized experiences based on what the individual wants to discuss. Further, employees own the frequency and agenda of the conversations (see Figure 4).

### Guide Aspiration-Based Career Conversations

After connecting employees with coaches, S&P makes sure coaches guide career conversations based on employees' aspirations. To understand what the individual truly wants and what opportunities would motivate them, career coaches have conversations beyond the individual's current role and job trajectory. They

work to uncover employees' interests, passions and motivations outside of the traditional organizational context. By expanding the scope of these conversations, S&P's career coaches can recommend and help connect employees with opportunities that match up best with their aspirations.

### Facilitate Exploration of Opportunities

Last, S&P makes sure coaches facilitate exploration of opportunities. Once coaches have diagnosed employee aspirations, they facilitate the exploration of opportunities by connecting employees with internal opportunities.

### Encourage Support for Mobility

Unfortunately, even if employees are aware of internal opportunities, they don't always feel supported in taking those opportunities. Internal mobility relies on managers promoting their reports and senior leaders being willing to recruit internally, so HR leaders must keep internal mobility at the forefront of business leaders' attention. HR leaders can take three actions to encourage support for mobility:

- Equip managers with knowledge.
- Incentivize leaders to prioritize mobility.
- Relax notification requirements to allow exploration.

**Figure 4. S&P Global's People-First Approach to Career Coaching**



Source: Adapted From S&P Global

### Equip Managers With Knowledge

HR leaders need to equip managers with knowledge about internal opportunities. Managers often have a lot on their plate, and they may lack the time to keep up to date with what is available. HR leaders can help by putting together potential career paths for each role that managers can use in conversations with their reports. When an internal opportunity opens, managers usually learn about it from their colleagues or internal email communications, but if the opportunity is in a different department, for example, or they miss the email, they often do not hear about it at all. It's crucial to have all available internal opportunities in one place. Finally, managers need to know the requirements for the role, so they can advise their reports on what opportunities are best for them or what work they need to do to be considered for a new position.

### Incentivize Leaders to Prioritize Mobility

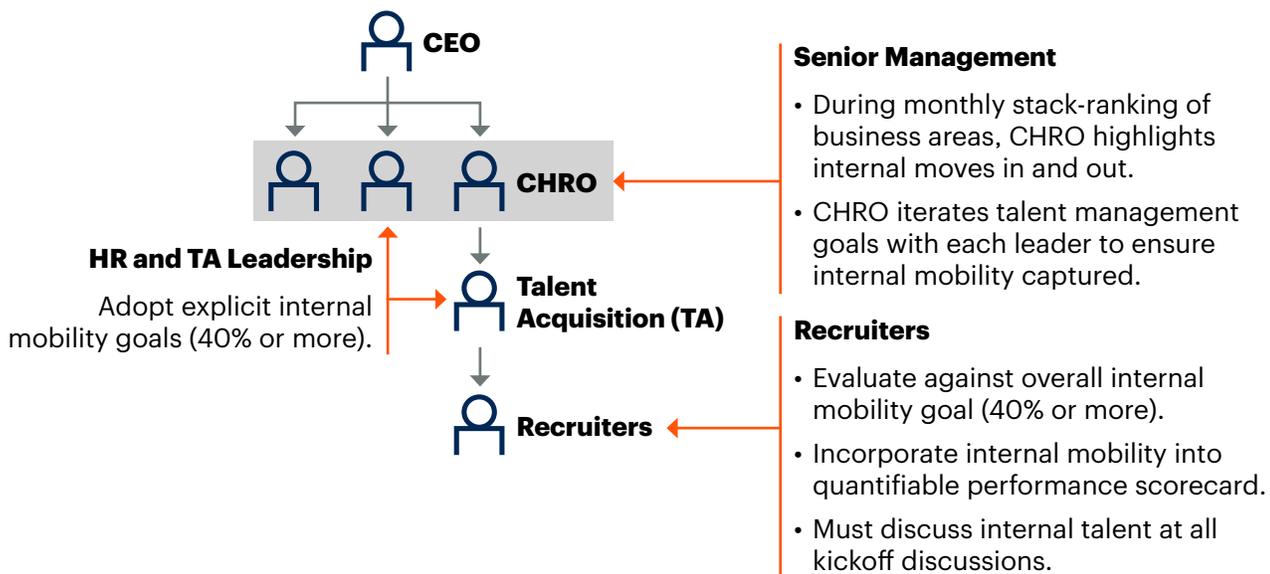
Managers and HR leaders are more likely to prioritize mobility when they are given specific incentives to do so. To this end, in 2018 we

studied a practice the technology company Pitney Bowes developed to include specific and measurable internal mobility goals in the performance objectives of key stakeholders within and outside of HR. Most organizations don't have explicit internal mobility performance objectives. Instead, they have general talent-related goals, which may touch on internal mobility. Recognizing that this approach wouldn't drive the focus it desired, talent management at Pitney Bowes instead set specific and measurable goals. For instance, its head of talent management, head of talent acquisition and CHRO have an overall performance goal of a 40% internal fill rate per year (see Figure 5).

### Relax Notification Requirements to Allow Exploration

Organizations should also relax notification requirements between managers and their reports so employees can explore opportunities more freely. Notification requirements give managers an opportunity to hoard. Relaxing notifications helps to reduce the risk of hoarding and lets employees explore without fear of consequences.

**Figure 5. Pitney Bowes' Internal Mobility Goals**



Source: Adapted From Pitney Bowes

## Conclusion

To retain top talent, organizations need to make sure their internal labor market is working for everyone. Unfortunately, many organizations have internal labor markets where not everyone has visibility into the opportunities available, has access to obtain the opportunities or is allowed to take them on. HR leaders should use the technology and tools available to them to put equity at the center of their internal labor market.

<sup>1</sup> 2021 Gartner Candidate Panel Survey. This survey, conducted in May and June 2021, collected the preferences, experiences and behaviors of 3,000 candidates across the globe. The survey polled recent candidates in 10 countries, 24 industries and 21 functions. Respondents were required to have met the following criteria to qualify for the survey:

- Applied for one or more jobs in the past 12 months
- Contacted by at least one organization to complete an assessment or participate in an interview in the past 12 months
- Participated in one or more interviews in the past 12 months
- Worked at an organization of 1,000 or more employees

Results of this survey do not represent global findings or the market as a whole but do reflect the sentiments of the respondents surveyed.

The organizations profiled in this research are provided for illustrative purposes only, and do not constitute an exhaustive list of examples in this field nor an endorsement by Gartner of the organizations or their offerings.

## 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.

[The Equity Imperative:  
How Fairness Improves Performance  
and Employee Experience](#)

[Address Workforce Skills Readiness  
With Talent Insights](#)

[The Future of Hybrid Work in Government:  
Key Hiring Strategies for HR Leaders](#)

[The Top 5 Priorities for HR Leaders in 2022](#)

[Future-Proof Your Workforce Strategy:  
Build Skills and Fill Gaps](#)



# Overcome Hiring Manager Resistance to Nontraditional Candidates

by Jack Fuller

Recruiting leaders recognize the value of tapping into nontraditional candidate pools, but hiring managers and business leaders are often resistant to hiring these candidates. Recruiting leaders must act now to change these mindsets and reshape the hiring landscape.

Ask a recruiter what they are thinking when deciding which candidates not to present to a hiring manager. If the answer has anything to do with how the hiring manager might initially react to the résumé instead of how the candidate is not the best person for the role, you have a problem.

In an honest attempt to hire the best candidates, hiring managers typically have a narrow target in mind, and recruiters know it.<sup>1</sup> If it's an early career hire, the candidate's education, internships and GPA carry a lot of weight. For midlevel and senior-level hires, prior experience in their role, function or industry, as well as role-specific hard skills, are top of mind.

Any candidate who deviates too far from the narrowly prescribed profile (usually modeled on a pattern of previous hires) is unlikely to get

an interview at all.<sup>2</sup> These candidates are called “nontraditional” candidates, and they are likely to be discounted, overlooked or excluded from the hiring process (see Figure 1).

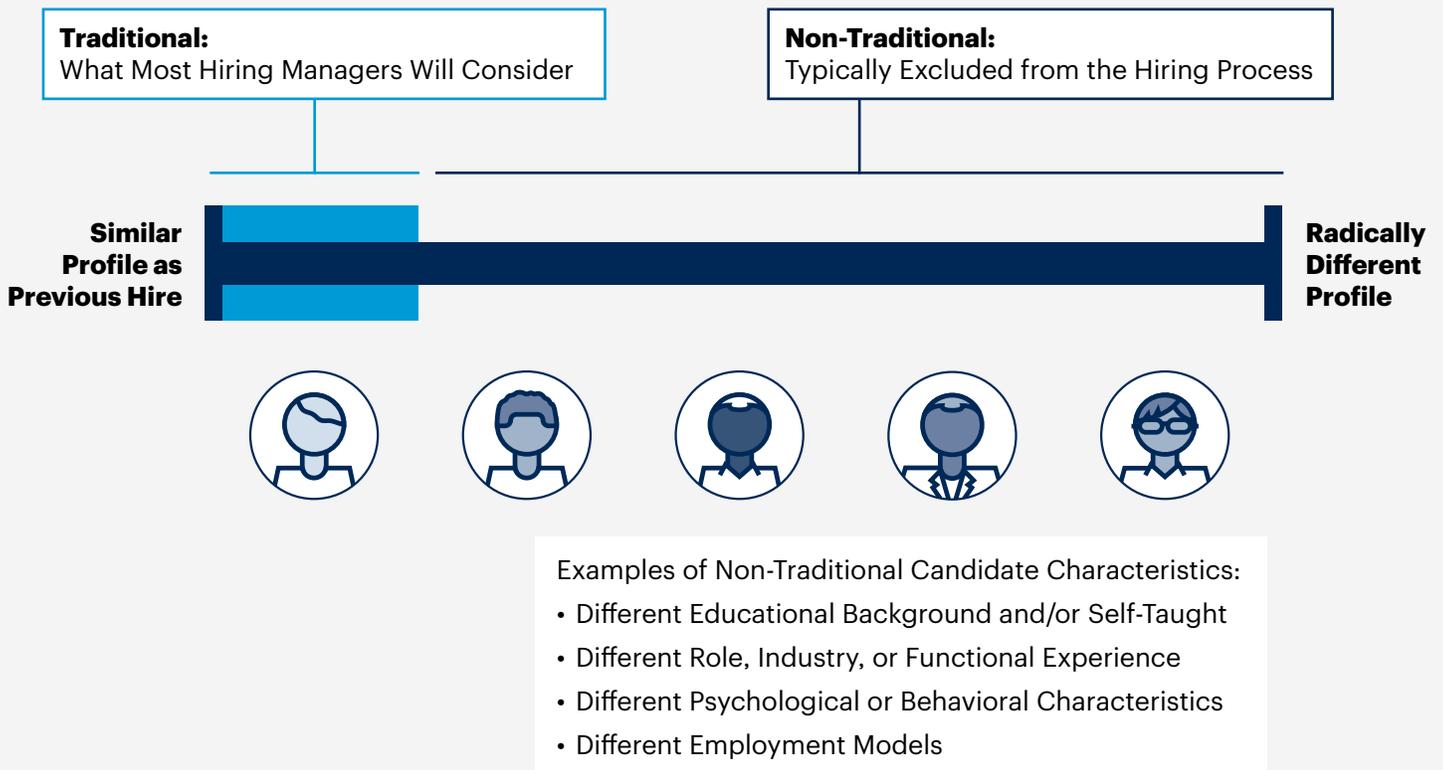
**Nontraditional candidates** are individuals with qualifications, skills or experiences that differ from those typically sought to fill a given role. Nontraditional talent sources are often discounted, overlooked or excluded from the hiring process. Examples include individuals from different functions, roles, industries, educational backgrounds or employment models, or with different psychological or behavioral characteristics.

## Why It Matters

Most team managers, business executives and HR leaders theoretically recognize the value of tapping into nontraditional candidate pools. They bring diverse experiences and perspectives. Considering them in sourcing opens up wider talent pool options and removes traditional barriers to access, such as cost of education or access to networks. They can even be more cost-effective (e.g., outsourced or contingent labor).

Most importantly, teams and organizations cannot thrive as homogeneous groups: They need individuals who approach problems in different ways and have different experiences. In practice, however, hiring manager resistance to nontraditional candidates during the hiring

**Figure 1. Traditional vs Nontraditional Candidate Spectrum**  
Illustrative



process — and recruiters’ corresponding hesitancy to propose them — can be a huge problem for modern organizations as they confront a rapidly changing business context. If left uninterrupted, the problem will only worsen as habits become more deeply ingrained.

**Recruiting’s mandate** is narrow: It is not to hire a radically different candidate at the other end of the talent spectrum. Rather, it is to start the cycle in motion with small deviations from the traditional candidate profile, one hire at a time.

## Recruiting’s Mandate

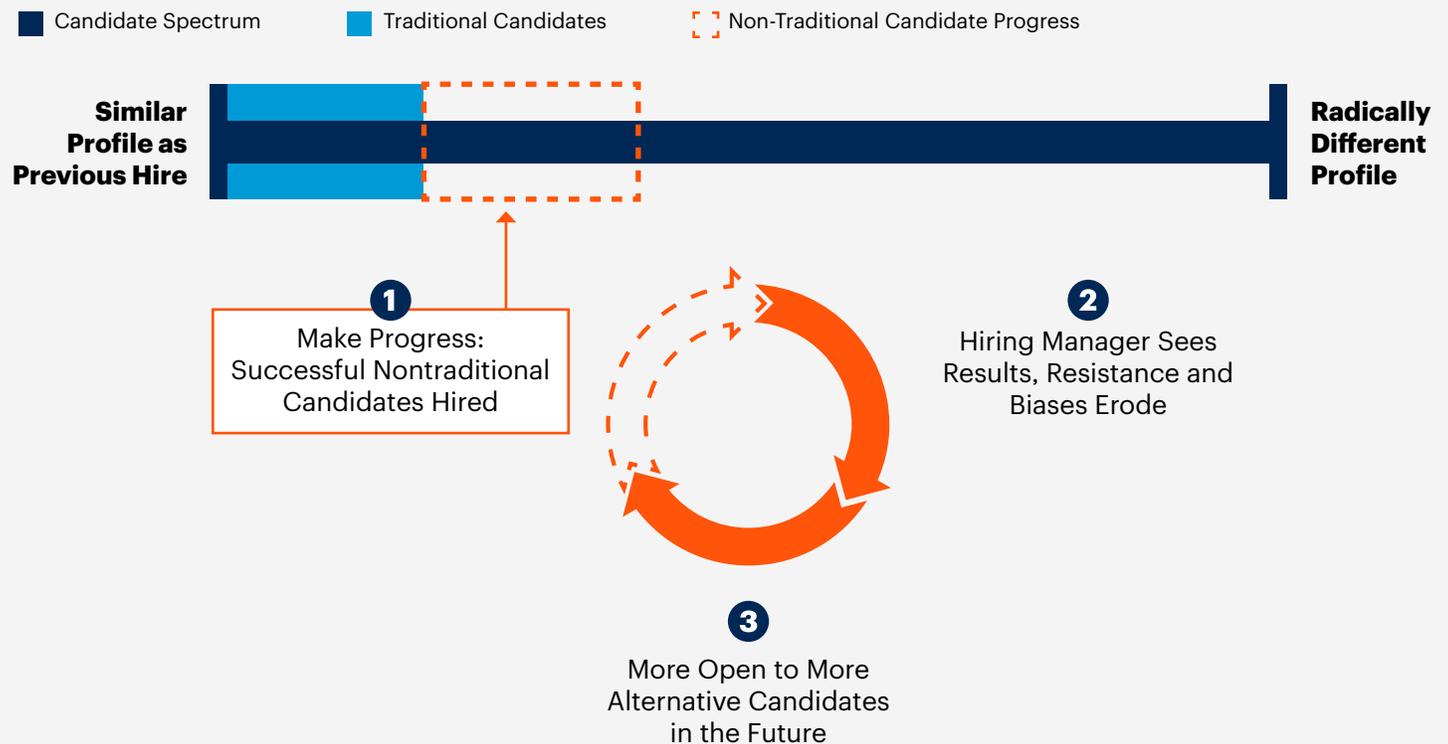
Given that 81% of organizations give line managers ownership of candidate selection, the central question for recruiting is ambitious: How

do you convince hiring managers to go against their instincts?<sup>3</sup>

In the long term, the answer is to change their instincts and assumptions, which is easier said than done. The way to achieve this begins with hiring just a few nontraditional candidates, ensuring they are successful, allowing the hiring manager and other leaders to come to their own conclusions about the quality of the hire and then capitalizing on their increased openness to hire even more nontraditional candidates. In a perfect world, the cycle reinforces itself.

In the short term, recruiting leaders must focus on the initial push to confront assumptions about nontraditional talent (see Figure 2). If this is not successful, the long-term goal of overcoming hiring managers’ resistance will fail.

**Figure 2. Recruiting’s Current Mandate**



## Five Steps to Influence Hiring Managers

### Step 1: Set Expectations With Your Recruiting Team

The first step is to make the goal attainable and the task manageable. Recruiting leaders should communicate to their staff that hiring nontraditional talent is a priority, but they should also clarify what is not expected. Recruiters need to know they are only expected to make incremental progress initially (and why) and that not every hiring manager needs to be influenced right away.

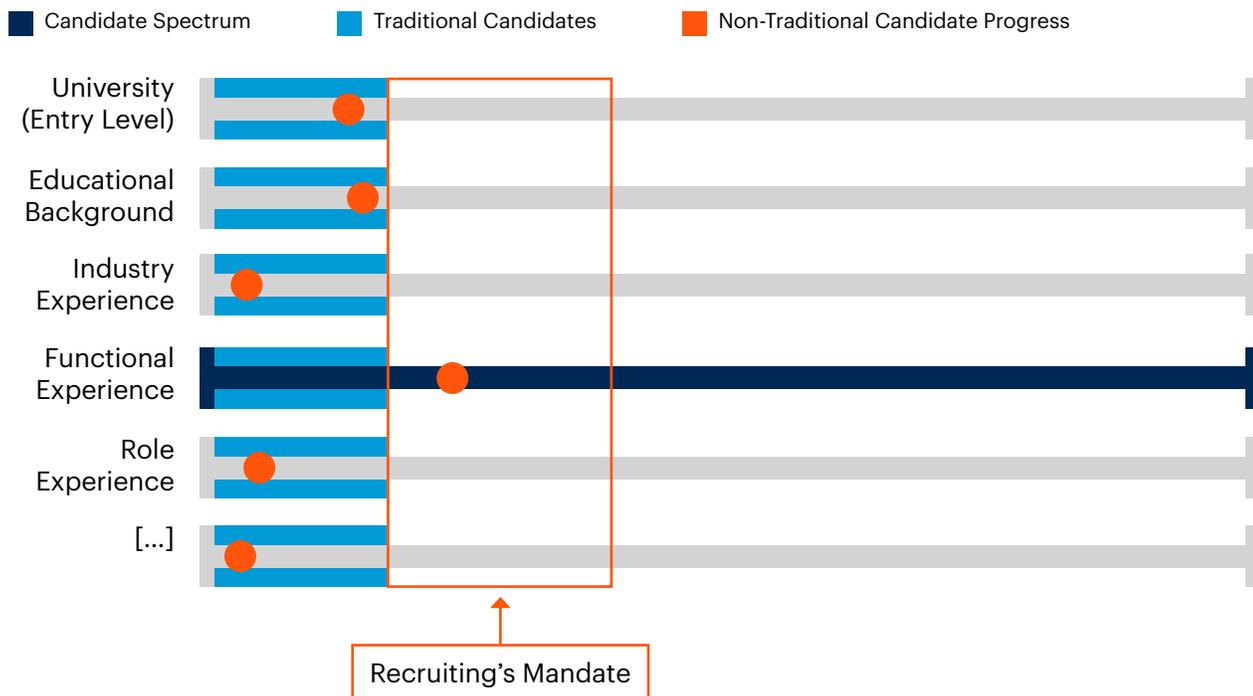
Recruiters must also understand that progress has many different avenues and that a candidate can be considered nontraditional in many

different ways (see Figure 3). It could mean a candidate has a slightly different educational background, or it could mean the candidate has served in adjacent roles or functions. So long as one element of the candidate's profile deviates from what a hiring manager would traditionally ask for, they have the potential to start breaking down assumptions.

### Step 2: Target Engagement With Hiring Managers Most Likely to Change

Naturally, some hiring managers will be more open to taking a chance on nontraditional candidates than others. With hiring managers who haven't explicitly expressed willingness to consider these candidates, recruiters and recruiting leaders can use three criteria to identify those most likely to be agents of change.

**Figure 3. Multiple Avenues for Progress**  
Non-Traditional Talent Spectrum Examples



Source: Gartner

Note: Left End of the Spectrum Denotes, "Same Profile as Previous Hire" While the Right End Denotes, "Radically Different Profile"

- **Work Dynamics** — Identify hiring managers who are filling roles in areas that are rapidly evolving or transforming (e.g., IT, customer service), ideally where the skills requirements are ambiguous. Not only are these areas primed to benefit the most from the nontraditional perspectives, but hiring managers also may not be able to rely on patterns of previous hires because the roles did not previously exist or existed in a very different form.
- **Hiring Requirements** — Look for managers hiring either entry-level talent or for high-volume roles. Because entry-level hires are not as critical to the business's performance and are theoretically the most malleable from a development perspective, hiring managers may be less averse to staffing teams with one or two nontraditional candidates. Hiring managers aligned to high-volume roles have more room for compromise (e.g., three traditional hires and one nontraditional hire).
- **Development Experience** — Early nontraditional candidates must succeed in the organization or at least demonstrate potential. If they do not, biases against nontraditional talent will worsen. For this reason, target hiring managers (or corresponding team managers) with strong track records of developing talent.

### Step 3: Engage Hiring Managers Before Vacancies Occur

When a manager loses a member of their team, they may naturally default into “replacement mode,” seeking to quickly hire a candidate with the same skills as the previous team member.

Our data indicates, however, that hiring managers are much more likely to buy in to hiring nontraditional candidates in the future as opposed to when they are trying to backfill a vacancy. When asked about the next open position on their team, 76% of hiring managers said they would be willing to hire internal employees who needed to be upskilled to qualify, 61% would be willing to redesign the role and 61% would be willing to hire employees on temporary rotation from another organization.<sup>4</sup>

Recruiting leaders and recruiters alike have an opportunity to capitalize on this openness by engaging hiring managers about plans for future vacancies, rather than trying to convince them to take a chance when the team is missing a key member.

In these conversations, recruiters can bring information about the estimated supply of talent and time to fill and then prompt hiring managers to describe how the role is evolving and which skill requirements are flexible or inflexible.

### Step 4: Involve Diverse Inputs to Define Hiring Needs

Once vacancies do occur, informed hiring requires more than just hiring manager input. Many hiring managers today are unfamiliar with the roles they are hiring for: 68% of hiring managers say they have low or medium familiarity with the role they are hiring for, and 72% have never worked in that role.<sup>5</sup> This does not mean they are not a valuable source of information during the needs definition phase, but their instincts for backfilling are more likely to be shaped by the status quo than by experience. Unsurprisingly, the target candidate profile for



many roles today reflects the characteristics of those who have filled the roles in the past.

Recruiting must leverage 360-degree needs definition when defining hiring needs, seeking perspectives below, above and at the same level as the target hire. First, target the leadership team, prompting them to define common traits for success and articulate their view for the team's evolution in the next two to five years. Next, seek the opinions of the associates who will likely be peers of the new hire, prompting them to define the skill sets most needed from a peer and to describe the ideal next hire on the team. Finally, if possible, engage the more junior associates the new hire might manage or mentor, prompting them to articulate how the best managers/mentors have helped them in the evolution of their role.

## Step 5: Create Exposure to Nontraditional Talent Outside of Specific Hiring Decisions

Hiring manager bias against nontraditional talent is not caused by malice. More often than not, they lack exposure to nontraditional candidates. Outside of hiring for specific roles on a hiring manager's team, many opportunities exist to increase hiring manager exposure to these candidates so they can see the potential for themselves before they are ever faced with a hiring decision.

Recruiting events, case competitions, company-sponsored workshops and even interview panels (for candidates on other teams) are all places where hiring managers and business leaders

**Figure 4. 360-Degree Needs Definition**



have a chance to see nontraditional candidates in action. Recruiting leaders must leverage every opportunity possible to involve these would-be hiring managers and build their comfort level with nontraditional talent.

## Conclusion: The Time Is Now

At its core, hiring manager resistance to nontraditional talent is rooted in an uncomfortable truth: Everyone is influenced by cognitive biases, even if unconsciously.

To influence hiring manager decisions, recruiting must confront these biases one hire at a time.

The key is to start small: If recruiting leaders begin to push the issue now, a hiring manager's ideal candidate for a role in several years might be considered radically nontraditional today.

This will not only allow business and team leaders to meet tomorrow's challenges with new perspectives, it will also open up more options for recruiters to source high-quality talent.

In today's hypercompetitive labor market, no organization should miss this opportunity.

<sup>1</sup> 2019 Gartner Hiring Manager Panel Survey (n = 3,517 hiring managers) asked respondents the following question about their most recent hire: "If you had to hire this position again, what would you focus on improving?" Seventeen percent said "Hiring someone with a different skill profile" and 11% said "Hiring someone from an alternative work model (e.g., temporary or contingent)." The most common response was "None of the above."

<sup>2</sup> Only 6% of recruiting staff report their last requisition filled was from a nontraditional source. 2020 Gartner Future of the Recruiter Survey (n = 253 recruiting staff).

<sup>3</sup> 2021 Recruiting Executive KPI Benchmarking Survey (n = 36 recruiting executives).

<sup>4</sup> 2019 Gartner Hiring Manager Panel Survey (n = 3,517 hiring managers). Note: Willingness was measured on a five-point scale: Very Unwilling, Somewhat Unwilling, Neutral, Somewhat Willing, Very Willing. Stated results reflect "Very" and "Somewhat" categories.

<sup>5</sup> 2019 Gartner Hiring Manager Panel Survey (n = 3,517 hiring managers)

The organization profiled in this research is provided for illustrative purposes only, and does not constitute an exhaustive list of examples in this field nor an endorsement by Gartner of the organization or its offerings.

Case in Point

## Clorox



Recruiting leaders at Clorox realized recruiting from the same core schools year after year meant new hires were likely to have similar education, experiences, backgrounds and perspectives. Rather than sourcing from specific schools, Clorox hosts case competitions at its regional offices, inviting students from schools in the surrounding region. Additionally, recruiters at Clorox deliberately invite students from additional schools throughout the country to ensure a good mix of perspectives and backgrounds.

The case competition allows hiring stakeholders to assess and observe students' interpersonal skills and abilities while they work in groups, and Clorox brings in hiring managers and business leaders to serve as mentors and judges. This allows them to see quality through candidates' work and behaviors, not their university affiliations or line items on their resume.

The title 'Gartner ReimagineHR Conference 2022' is written in large, bold, white sans-serif font. It is flanked by two vertical yellow bars. The background of the entire top section is a photograph of Brian Kropp, a man with a beard and short hair, wearing a dark suit jacket over a light blue button-down shirt. He is speaking into a lapel microphone and gesturing with his hands.

Brian Kropp, Distinguished VP,  
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# How to Start Building a Skills-Based Organization

by Sara Clark and Rachael Marshall



Most HR functions do not effectively coordinate the use of skills data to inform talent strategies. However, HR leaders at a few organizations are beginning to embed information about skills, not just roles, throughout their talent management processes, resulting in a more adaptable workforce.

## Emergence of Skills-Based Talent Management

A skills-based approach to talent management is emerging in HR functions at leading

organizations. At organizations using this approach, talent strategies are structured around skills insights, not just around the roles employees occupy.

Greater attention to skills makes sense because organizations face a growing challenge in which employees need more new skills. In fact, the total number of skills required for a single job in IT, finance or sales at S&P 100 organizations is increasing by 6.3% year over year since 2018, and nearly one in every three skills needed for a job in 2018 may not be needed by 2022.<sup>1</sup>

Most HR leaders try to keep up with fast-changing skills needs by reacting to the business's requests for skills. They look to business leaders to spot skills gaps as they set business strategy. Next, HR responds by implementing a talent solution to address that need, and these solutions usually fit neatly within the limits of specific HR subfunctions. For example, learning and development (L&D) leaders may deliver a learning solution, recruiting leaders may recruit a new employee to fill the gap or talent management leaders may identify an opportunity for workforce redesign.

But these strategies are independently insufficient in today's hypercompetitive labor market, defined by fast-changing skills. Recruiting new full-time employees is often unrealistic when candidates with in-demand skills are in short supply (see Figure 1). New learning solutions take time to create and are often delivered after the need has passed. This means employees waste time learning skills that are no longer in demand by the time they are ready to apply them.

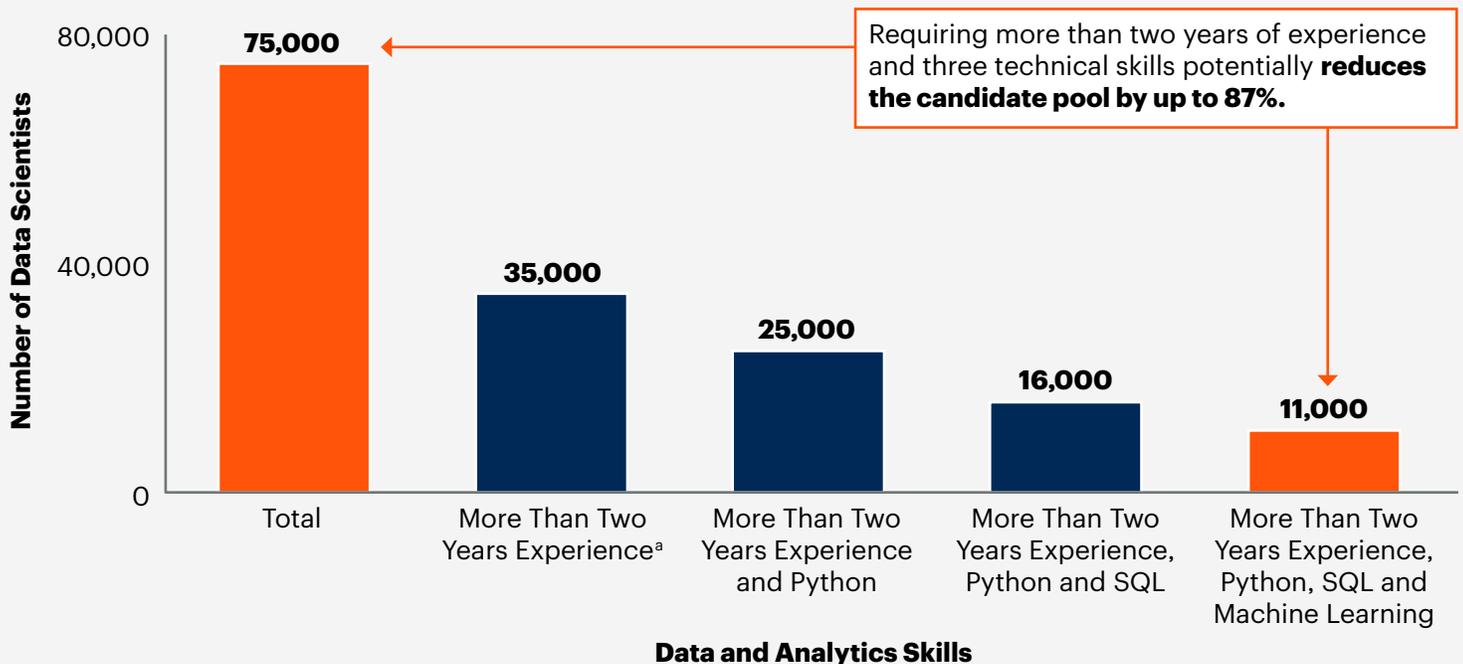
## Centralize Skills Information to Increase Talent Flexibility

However, when you consider the challenge of collecting employee skills data, it's easy to understand why organizations look to these approaches to meet their needs. At some

organizations, skills information may not exist anywhere in any system. Of the organizations currently using skills information to inform talent processes like L&D, recruiting or workforce planning, most of this information is fragmented across information silos. This means HR leaders in different subfunctions waste time arriving at the same insights, redundant data is stored, cross-cutting solutions are overlooked and information is not shared or may be inconsistent.

A skills-based approach to talent management is a much needed upgrade for today's fragmented skills landscape. In this approach, talent management processes revolve around shared information on employees' current skills and those the organization needs. Centralizing skills information creates a consistent and common way for leaders to communicate their needs and for employees to share how they can or want to meet those goals.

**Figure 1. U.S. Data Science Job Candidates by Skills Requirement**



n = 75,000 data scientist candidates in the market, January 2018 through September 2021

Source: Gartner TalentNeuron

Note: This analysis includes all job postings with "data scientist" included in the job title (e.g., senior data scientist, lead data scientist), while excluding temporary roles (e.g., intern data scientist).

<sup>a</sup> Excluding entry-level positions (Zero to two years' experience required.)

As a result, HR leaders can more easily identify and implement multidimensional skills solutions (e.g., build and buy and borrow, not build or buy or borrow) at the pace skills change. For example, rather than competing to hire several experienced data scientists for each business unit, HR leaders taking a skills-based approach could address the need for increased data science expertise by:

- Creating a citizen data science training program to increase digital literacy overall and to identify current employees with desire to grow these skills
- Mobilizing existing expert data scientists to a pool that serves many business units
- Looking beyond traditional data science talent sources at top universities or candidates with past IT experience to hire more diverse talent

The workforce that results from this approach can more readily adapt to fast-changing organizational skills needs.

## Four Keys to Skills-Based Talent Management

To begin building a skills-based organization with increased workforce adaptability, HR leaders should:

- **Use skills, not just roles, in talent decisions.** HR leaders should begin by training leaders and managers to break down roles into their component skills. This training equips leaders to make talent decisions based on required skills and tasks, not legacy role profiles.
- **Embed skills in talent management processes.** Build momentum for skills-based talent management by starting with existing processes that already use skills information to guide decisions. Next, HR leaders can expand skills-based talent management slowly by focusing on processes with high downstream impact like recruiting and onboarding.
- **Share ownership throughout the organization.** Skills-based talent management is not just an HR solution; it requires support from stakeholders throughout the organization. HR leaders can share responsibility for identifying and addressing skills needs by facilitating a flexible network of stakeholders



from HR and the business that reviews skills data regularly.

- **Gather dynamic skills data.** Rather than collecting exhaustive data or prioritizing perfect definitions, HR leaders should use a quick start, imperfect skills taxonomy to deliver “good enough” skills data that’s useful today and revised over time.

These recommendations represent early signs of success at organizations tackling skills-based talent management and are a natural extension of our research on Building a Dynamic Skills Organization. Some organizations are putting these ideas into practice in the following ways.

## 1. Use Skills, Not Just Roles, in Talent Decisions

Many organizations today use a traditional role-based approach to talent planning. In other words, they begin by reviewing existing roles, then target a role for intervention, and then consider build, buy, borrow and other strategies applied to the targeted role to meet the talent need or goal. Finally, HR leaders implement one solution for one role.

By identifying the skills required to perform roles, HR leaders instead gain flexibility to make talent decisions based on skills and task requirements, not limited by the boundaries of existing roles. To do this, leaders and employees need help shifting their mindsets toward this approach.

To encourage this mindset shift, Unilever arranged a bootcamp-style training that brought together managers, leaders and HRBPs for an intensive one-day course on how to leverage nontraditional talent sources. One part of this bootcamp taught leaders how to break large projects into bite-sized tasks and uncover the underlying skills needed to accomplish them. Like most organizations, Unilever previously divided work among FTEs according to their job descriptions. By guiding leaders to staff projects based on the skills needed to complete them, Unilever enabled them to more readily use a mix of nontraditional talent sources to meet staffing needs.

Thinking about needs in terms of skills instead of people empowers leaders to identify and fulfill talent needs using combinations of current

and temporary workers. For instance, Unilever can deploy existing talent where their skills and interests are best aligned and bring in other talent quickly and affordably, such as contingent workers. By ensuring leaders can source from a broader pool, Unilever can add crucial skills exactly when, where and for however long they are needed.

## 2. Embed Skills in Talent Management Processes

One of the challenges that may hold back organizations from taking on a skills-based approach to talent management is the lack of a clear starting point for how to embed skills in existing processes. The idea of having to update all talent processes at once is overwhelming and, presumably, resource-intensive. Instead, early lessons from organizations beginning to employ skills-based talent management indicate that a better approach is to identify and begin with those programs that already focus on skills to build momentum.

Workday recently began its own journey toward what it calls “skills-first talent management.” Recognizing that change will not happen all at once, Workday developed a multiyear strategy that will ultimately affect every talent management process. By assessing each phase of the talent life cycle, Workday’s HR team plans to redesign systems, or remove barriers where necessary, to promote a systemwide uptake of the skills-based approach. As a starting point, Workday identified its career and mobility talent process as having “skills centrality momentum” because an agile careers program is already in place, 15% of employees’ time is already encouraged for part-time projects and the company already has skills data for 75% of its workforce.

Next, Workday expanded by identifying processes most likely to benefit the organization in the long term as it shifts toward focusing on skills. Workday identified recruiting and onboarding as two such processes because of their downstream implications. First HR leaders could focus on capturing information about new employees’ current skills and skills interests. Using this information, they could then connect employees to career opportunities.



### 3. Share Ownership Throughout the Organization

At most organizations, L&D leaders are the default owners of the organization's skills strategy. And although L&D and a business leader or HRBP often collaborate directly, the use of skills to inform talent strategies remains mostly disconnected from other HR initiatives and business functions. To redistribute responsibility for organizational skills, the most effective HR functions facilitate flexible networks of skills stakeholders who incorporate viewpoints from throughout the business and HR. Together, these stakeholders identify, address and monitor changing skills needs.

Lloyds Banking Group's skills-based action planning approach offers one model for how to share ownership of skills-based talent management throughout the organization. Lloyds created a cross-HR team, which includes representatives from total rewards, talent management and recruiting as well as L&D, that meets regularly with business leaders, HRBPs and a capability manager to gain more accurate insight into skills needs.

By including the relevant HR subfunctions and business unit representatives, it created a team

that identifies the skills implications of local business shifts, which then informs a centralized strategy for addressing the organization's needs. This cross-functional alignment enables Lloyds to take an iterative approach to planning and make timely adjustments.

### 4. Gather Dynamic Skills Data

Today, when HR leaders try to gather skills data, they often get hung up on trying to reach 100% agreement on skills definitions or on creating a perfect skills taxonomy to organize the skills their employees need. And once they start collecting data, they grapple with how to keep this data relevant without using too many resources. While the intention to carefully collect skills data is sound, ambitions of perfection slow down or sometimes halt data collection altogether. Instead, HR leaders should gather skills dynamically by starting with an imperfect skills taxonomy and focusing on delivering "good enough"—not perfect—skills data. It's better to have imperfect skills information today than "perfect" but already outdated skills information tomorrow. Skills data can then be updated and improved iteratively, rather than by creating exhaustive snapshots that are time-consuming to create and quickly outdated.

As part of Workday’s transition to “skills-first talent management,” its HR team created a holistic skills taxonomy. It employs a simplified organizing principle that captures the nuances of individual skills and provides a common language to discuss skills at scale (see Figure 2).

Workday categorizes skills into three categories: core skills required for any employee to be successful at the organization, job skills and skills proficiency unique to a part of the business, and unique skills above, beyond and outside those required in a given role. This approach to a skills taxonomy allows Workday to capture the complete skill set of each employee and the collective workforce. Employees can then be developed and deployed based upon

their skills and experiences, not just a role that they’ve held.

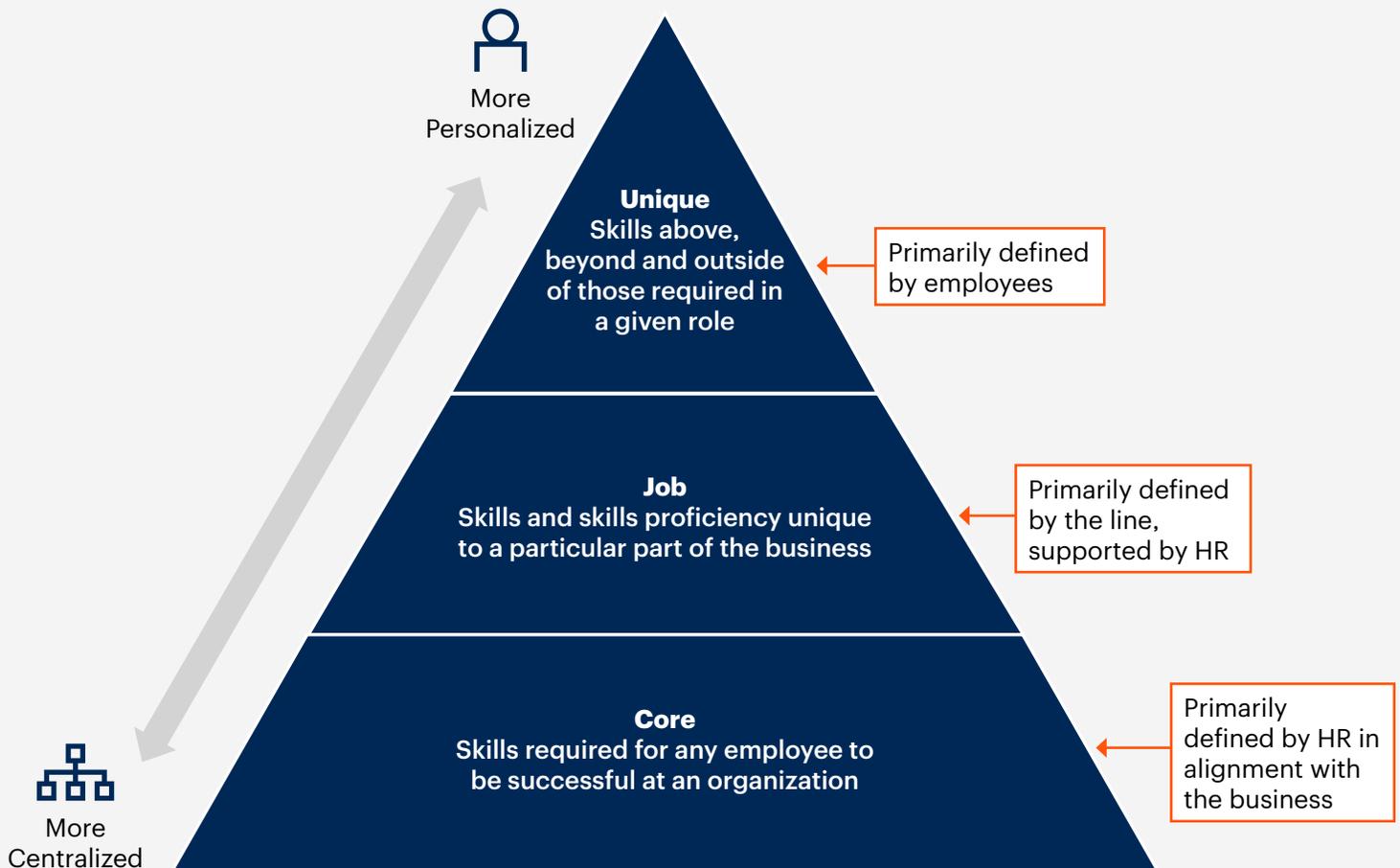
A taxonomy like this can be used to frame data-gathering conversations with individual business units about their skills needs and goals and, ultimately, to funnel up insights for use in multiple HR processes like workforce planning, recruitment, development and internal mobility.

By building in regular opportunities to review skills data, HR leaders can make adjustments to their skills strategy at the pace that skills change.

<sup>1</sup> Gartner TalentNeuron; n = 7,601,705 S&P 100 job postings (1 January 2018 through 9 February 2021)

The organizations profiled in this research are provided for illustrative purposes only, and do not constitute an exhaustive list of examples in this field nor an endorsement by Gartner of the organizations or their offerings.

**Figure 2. Workday’s Holistic Skills Taxonomy**



Source: Adapted From Workday

# Top 5 Priorities for HR Leaders in 2022

by Erin Gillette

In this article we share insights on HR leaders' top five key HR priorities for 2022: critical skills and competency development, organization design and change management, current and future leadership bench, the future of work, and diversity, equity and inclusion.

Heading into 2022, HR leaders are looking at their strategic priorities and initiatives. To provide insight into what lies ahead for the HR agenda in the coming year, we surveyed 572 HR leaders across 60 countries and all major industries. We conduct this survey of HR leaders annually.

When asked to identify their top priorities for 2022, HR leaders chose improving operational excellence, executing business transformations

and growing the business.<sup>1</sup> Since last year, optimizing costs has become a significantly lower priority as organizations recovered quickly from the economic downturn caused by the COVID-19 pandemic and focused on growth. In contrast, executing business transformations and innovating for success both increased in importance as HR leaders prepare for the largest business transformation they have seen in decades: creating a truly hybrid workplace.

Looking toward 2022, HR leaders selected the following as their top five key HR initiatives: building critical skills and competencies, organization design and change management, developing current and future leadership bench strength, strategizing for the future of work, and making demonstrable progress on diversity, equity and inclusion (DEI) (see Figure 1).<sup>1</sup> This article will explore these five priorities, looking at the existing challenges and exploring solutions.

## Priority No. 1: Building Critical Skills and Competencies for the Organization

Critical skills and competency development is top of mind for HR leaders. Key problems in this area include that HR leaders don't know what skills gaps their current employees have and that organizational skill needs are rapidly growing and

**Figure 1. Top Key Initiatives to Support HR's Organizational Priorities**

Top 10 Key Initiatives for 2022	% Of HR Leaders Prioritizing
<b>1</b> Building critical skills and competencies	<b>59%</b>
<b>2</b> Organizational design and change management	<b>48%</b>
<b>3</b> Current and future leadership bench	<b>45%</b>
<b>4</b> Future of work	<b>42%</b>
<b>5</b> Diversity, equity and inclusion	<b>35%</b>
<b>6</b> Employee experience	34%
<b>7</b> Recruiting	33%
<b>8</b> Technology for my function	32%
<b>9</b> Working with the CEO, board and C-Suite	22%
<b>10</b> Performance management	22%

n = 572 HR leaders

Source: 2022 Gartner HR Priorities Survey

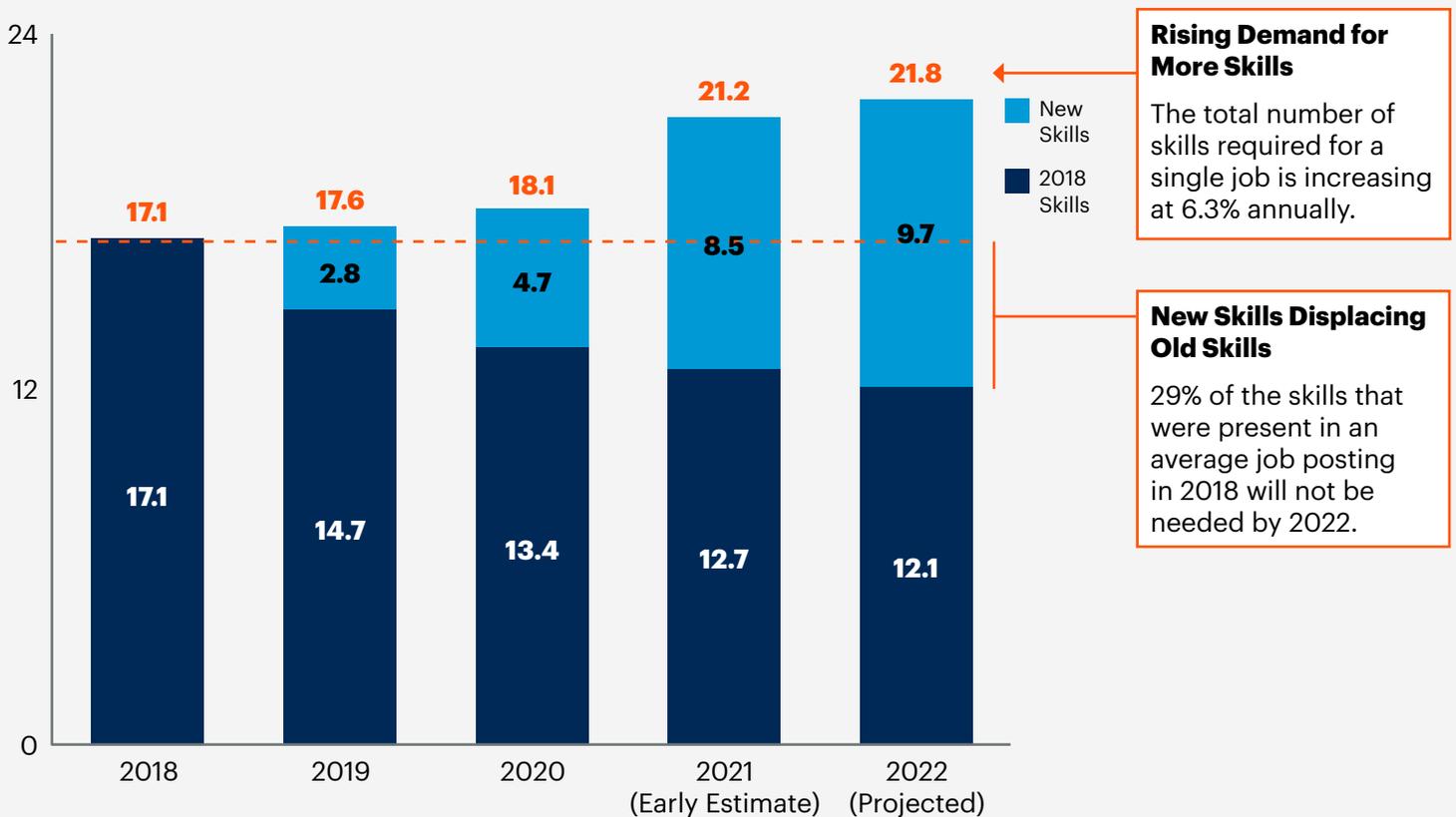
changing.<sup>2</sup> According to Gartner TalentNeuron, based on data from over seven million job postings from 2018 to 2021, there has been a 6.3% annual increase in total skills required for a single job in IT, finance or sales since 2018. Additionally, nearly one in three skills needed for a job in 2018 will not be needed by 2022 (see Figure 2).<sup>3</sup>

Many HR leaders struggle with building critical skills because they exist in a fragmented skills landscape. Skills data may not be collected or standardized, and in many organizations, it is stored across a highly fragmented landscape of systems built for learning, recruiting, workforce planning and project management.

To address this issue and meet the changing

skills needs, HR leaders should implement skills-based talent management. This approach structures talent strategies around skills, not just roles, resulting in a more adaptable workforce. For example, Workday recognized that talent management processes revolve around skills and feed into one another. By assessing each phase of the talent life cycle, Workday identified and documented processes and programs that already had skills data and then determined how those areas could feed into other systems throughout the talent management process. This process provided Workday with a foundation upon which to build its future strategies and initiatives, taking advantage of the assets it already had.

**Figure 2. Average Skills Required per Job Posting**  
IT, Finance and Sales Roles in the U.S.



n = 7,601,705 S&P 100 job postings (from 1 January 2018 to 9 February 2021)

Source: Gartner TalentNeuron

Note: Compound annual growth rate from 2018 to 2022



## Priority No. 2: Organization Design and Change Management

The implications of the COVID-19 pandemic have seen an increase in the volume and rate of changes organizations and their employees face. The increased change load has led to a rise in employee fatigue and negative impacts on workforce health: 55% of employees reported experiencing significantly damaged health during the COVID-19 pandemic.<sup>4</sup> HR leader concerns in this area have grown since 2020, with 54% of HR leaders selecting fatigue as their top problem in this key initiative compared with 36% last year.<sup>5,6</sup>

To reduce employee fatigue and minimize the friction caused by frequent changes, HR leaders should focus on improving processes and making work easier. HR leaders must encourage employees throughout the organization to share feedback and foster a culture in which processes can be adapted and regularly reviewed. These actions will signal to employees that the organization recognizes added effort and is committed to learning lessons. By doing so, HR

leaders can strengthen the resilience of their employees, reducing fatigue and increasing their ability to absorb change.

## Priority No. 3: Developing Current and Future Leadership Bench Strength

In considering the challenges surrounding the current and future leadership bench, HR leaders highlighted the problem of effectively developing managers. This is not a new challenge, but with the shift to the remote and hybrid work environment, developing effective, empathetic managers is more important than ever. Eighty-nine percent of HR leaders agree leading with empathy is more important in a hybrid environment.<sup>7</sup> And employees want empathy from their managers: 82% of employees say they want their organization to see them as a person, not just an employee.<sup>8</sup>

To better support leaders and managers, organizations must help them develop their empathy-based management skills. To do this, HR leaders need to create holistic strategies to address the three main barriers facing empathy-based management: skills, mindset and capacity.

One challenging aspect of empathy-based management is the increase in vulnerable conversations with employees, often on topics outside of traditional work concerns. Many leaders feel unprepared to navigate these situations, particularly in the remote setting. To help leaders succeed in these situations, and to better meet the needs of employees, Cisco created a safe-to-fail learning environment where leaders role play vulnerable conversations with improv actors in a variety of realistic scenarios (see Figure 3). By giving leaders opportunities to practice conversations, Cisco builds their confidence and readiness to deal with more personal and difficult subjects, preparing them to respond from a place of empathy when faced with real conversations.

## Priority No. 4: Strategizing for the Future of Work

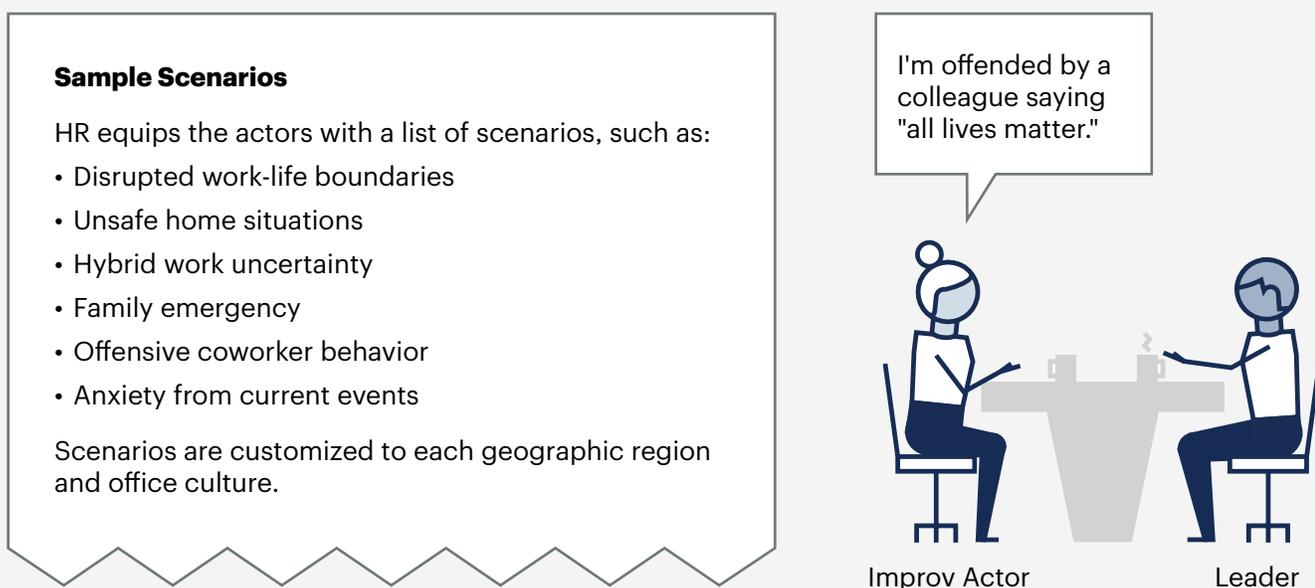
Reflecting the changes of the modern work environment, HR leaders' top concerns in this key

initiative are workforce planning being limited to headcount (51%) and lacking an explicit future of work strategy (49%).<sup>9</sup> A new concern from HR leaders is also that they lack a future of work strategy apart from remote and hybrid work (32%).<sup>9</sup>

A future of work strategy should address the uncertainty and implications of future events that lead to changes in how, when and where work is done. In creating a future of work strategy, HR leaders should follow a three-step process of trends analysis, scenario creation and strategic planning to generate a plan with prioritized, achievable objectives that align with the business environment and the organization's strategic priorities.

In the current environment, with change happening so rapidly, many organizations are struggling with the first step of narrowing their focus on the trends most applicable to them. The talent strategy and engagement team at NASA has implemented a three-filter approach, which

**Figure 3. Courageous Conversations Sample Scenarios**



Source: Adapted From Cisco

evaluates longevity, alignment and opportunity and allows it to define a mission-specific vision for their future of work strategy (see Figure 4). NASA then prioritizes these trends into themes, helping it simplify the complex variables into relevant and specific categories.

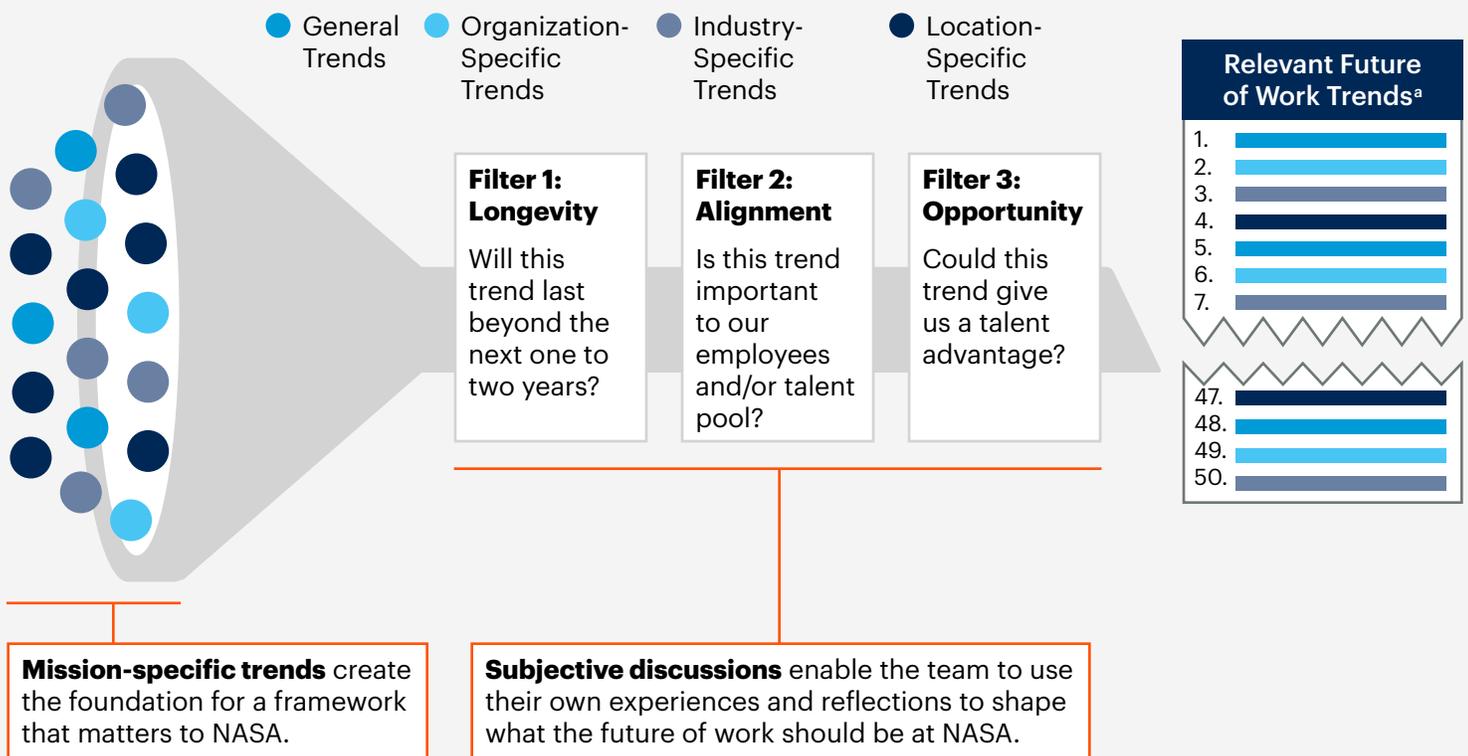
## Priority No. 5: Making Demonstrable Progress on DEI

Along with expectations of greater empathy and a more human work environment, organizations face increasing pressure to improve equity and inclusion. In particular, they have mounting pressure from internal and external stakeholders

to make real progress on diversifying leadership. For example, 76% of U.S. employees and job seekers say a diverse workforce is important when valuing companies and job offers, and 37% wouldn't apply to a company with negative satisfaction ratings among people of color.<sup>10</sup>

CEOs, employees and the public increasingly expect organizations to prioritize and make demonstrable progress on DEI. Strategies to date have made little progress, however, and organizations must respond to the low level of diverse talent representation in the leadership pipeline. Many organizations focus on expanding the talent pool at junior levels with underrepresented talent stalling in the middle. They experience slower rates of promotion and worse perceptions of leadership potential.

**Figure 4. NASA's Three-Filter Approach to Narrowing Focus of Trends**



Source: Adapted From NASA

<sup>a</sup> Output is 50 relevant trends from a list of 123 mission-specific trends.

**Figure 5. Altria’s Inclusion Rating System**

Inactive	Aware	Ally	Advocate
<b>What it is (descriptor):</b>			
Does not demonstrate support for change to advance inclusion, diversity, and equity	Recognizes the need for change to advance inclusion, diversity, and equity.	Supports change to advance inclusion, diversity, and equity.	Proactively leads change to create a more equitable and inclusive environment, and helps others deepen their advocacy.
<b>Example Behaviors:</b>			
<ul style="list-style-type: none"> <li>Does not participate in programs or initiatives that help advance inclusion, diversity, and equity.</li> <li>Does not participate in discussions about issues related to inclusion, diversity, and equity.</li> <li>Does not participate in trainings that help deepen cultural fluency.</li> </ul>	<ul style="list-style-type: none"> <li>When asked or encouraged, participates in programs and initiatives that help advance inclusion, diversity, and equity.</li> <li>When asked or encouraged, participates in discussions about issues related to inclusion, diversity, and equity.</li> <li>When asked or encouraged, participates in trainings that help deepen cultural fluency.</li> </ul>	<ul style="list-style-type: none"> <li>Actively participates and helps develop programs and initiatives that help advance inclusion, diversity, and equity</li> <li>Actively participates in discussions about issues related to inclusion, diversity, and equity</li> <li>Actively participates in trainings that help deepen cultural fluency.</li> </ul>	<ul style="list-style-type: none"> <li>Takes a leadership role in developing and championing programs and initiatives that help advance inclusion, diversity, and equity</li> <li>Proactively initiates and leads discussions about issues related to inclusion, diversity, and equity</li> <li>Proactively builds own and helps other’s build cultural fluency.</li> </ul>

Source: Adapted From Altria

To improve DEI outcomes, organizations should move beyond collective accountability approaches, which fall short on delivering results. Instead, HR leaders must work to create consequential accountability, which meaningfully affects behavior and outcomes for individual leaders, by revising leadership models and criteria, contextualizing DEI goals and strategies, and requiring that leaders deliver DEI outcomes if they wish to advance (see Figure 5). Such an approach makes individuals accountable for DEI outcomes and will accelerate and sustain diversity in the leadership bench across organizations.

To implement this approach, Altria redesigned their leader accountability by linking leader progression with DEI progress. Through individual leader scorecards, Altria created a standardized mechanism to monitor and track a leader’s progress against individual DEI goals. HR then integrates DEI into performance management and leaders are unable to progress in the organization without achieving sufficiently high performance on inclusion and advocacy measures. Since transitioning to this strategy, Altria has seen an increase in gender and ethnic/racial diversity in leaders as well as improved diversity and inclusion outcomes more broadly.

<sup>1</sup> Gartner’s 2022 HR Priorities Survey was conducted from 7 July 2021 through 28 July 2021 and includes responses from 572 HR leaders globally and across all major industries.

<sup>2</sup> 2022 Gartner HR Priorities Survey; n = 339 HR leaders/572 HR leaders

<sup>3</sup> TalentNeuron data was collected from job postings from 1 January 2018 to 9 February 2021. This analysis includes 7,601,705 job postings from roles within IT, finance, and sales at S&P 100 companies. Compound annual growth rate from 2018 to 2022.

<sup>4</sup> 2021 Gartner Workforce Resilience Employee Survey. This survey was conducted from 26 January 2021 to 23 February 2021 and contains responses from 3,690 full-time employees across 16 countries, 23 industries and 20 functions. The survey design and development, administration and data analysis was done by Gartner’s HR practice research team. Significant damage is defined as experiencing acute decline in at least three elements or a moderate decline in at least nine elements of workforce health.

<sup>5</sup> 2022 Gartner HR Priorities Survey; n = 274 HR leaders/572 HR leaders

<sup>6</sup> 2021 Gartner HR Priorities Survey; n = 339 HR leaders/874 HR leaders. The 2021 Gartner HR Priorities Survey was conducted from 30 June 2020 through 14 August 2020 and includes responses from 874 HR leaders across 60 countries and all major industries. Multiple HR leadership roles are represented: 35.5% are CHROs, 10.6% are business unit heads of HR and 8.9% are regional heads of HR. The firms represented include 44.2% of large enterprises with annual revenue of at least \$1 billion.

<sup>7</sup> 2021 Gartner Hybrid Work HR Leader Survey; n = 75 HR leaders

<sup>8</sup> 2021 Gartner EVP Employee Survey; n = 5,000 employees. The Gartner 2021 EVP Employee Survey polled 5,000 employees globally on their experiences and expectations of their organizations’ employment value proposition and employee experience in December 2020.

<sup>9</sup> 2022 Gartner HR Priorities Survey; n = 238 HR leaders/572 HR leaders

<sup>10</sup> [Glassdoor Diversity and Inclusion Workplace Survey](#), Glassdoor. (September 2020)

The organizations profiled in this research are provided for illustrative purposes only, and do not constitute an exhaustive list of examples in this field nor an endorsement by Gartner of the organizations or their offerings.

# The Equity Imperative: How Fairness Improves Performance and Employee Experience

Less than 20% of today's employees believe they work in a "high fairness" environment, according to Gartner research.

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# 3 Implications for Employee Engagement and Equity in a Hybrid World

by Annika Jessen



The hybrid world is innately uneven, more distributed and more dynamic. HR leaders need to evolve their understanding of engagement in a hybrid world with these characteristics in mind, focusing on equity, connectedness to work and the increased variability of the employee experience.

After 18 months of proving productivity in nontraditional environments is possible, employees throughout all industries are reevaluating what they want from their work

and how their organization adds value to their lives. They also have greater expectations for flexibility and a more satisfying work environment. When these expectations are not met, engagement plummets as does inclusion, job satisfaction, psychological safety and well-being. Employee burnout and retention become serious risks. Unfortunately, while the need to monitor and measure engagement is clear, in this nontraditional, hybrid environment, it is more difficult to know what a highly engaged employee looks like.

## Hybrid Environment Implications for Employee Engagement

The current hybrid environment is fundamentally different from the traditional, daily on-site environment. It is innately uneven, more distributed and dynamic. These differences have significant implications for understanding and measuring engagement.

- **Equity** — In an innately uneven environment, equity will be a key driver of engagement.
- **Connectedness to work** — In a more distributed environment, traditional indicators of engagement are no longer as visible, and measuring how connected employees are to their work will become imperative.
- **Frequent measurement** — In a more dynamic environment, employers will need to measure engagement more frequently throughout the year.

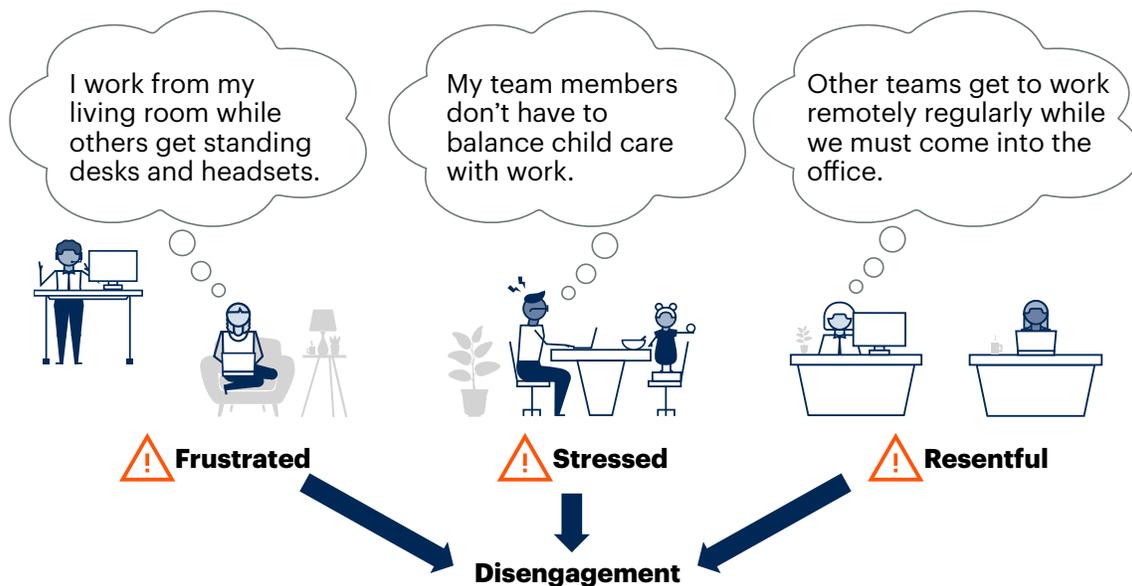
## Equity Will Be a Key Driver of Employee Engagement

In the hybrid world, employees work in a variety of environments, and what they experience in these environments is also variable and uneven. The virtual interactions inherent to hybrid work also provide windows into aspects of colleagues’ lives that were previously private, making employees acutely aware of these uneven experiences in ways they weren’t before (see Figure 1).

Employees easily question why some of their peers may have certain resources that they themselves do not, leading to feelings of stress, resentment and frustration. This small snapshot of unevenness can quickly escalate to a perception of inequity, which can pose a threat to engagement. HR leaders face the challenge of ensuring employees feel the policies of their organization are equitable.

In addition to the perception of inequity, uneven experiences of the hybrid world can lead to actual inequities. Current in-office policies and norms for working still favor physical presence: 64% of executives and managers believe in-office workers are higher performers than remote workers.<sup>1</sup> Colleagues who commute into the office with a manager likely see their manager more often, have more access to chance encounters or last-minute meetings and can make new introductions to a wider network. These important aspects of work often factor into promotions, and 76% of executives and managers believe in-office workers are more likely to get promoted than remote workers.<sup>1</sup>

**Figure 1. Causes of Perceived Inequity**



Source: Gartner

A colleague who works from home will not have as easy access to these important aspects of work, posing a serious threat to their potential future career trajectory and to their engagement.

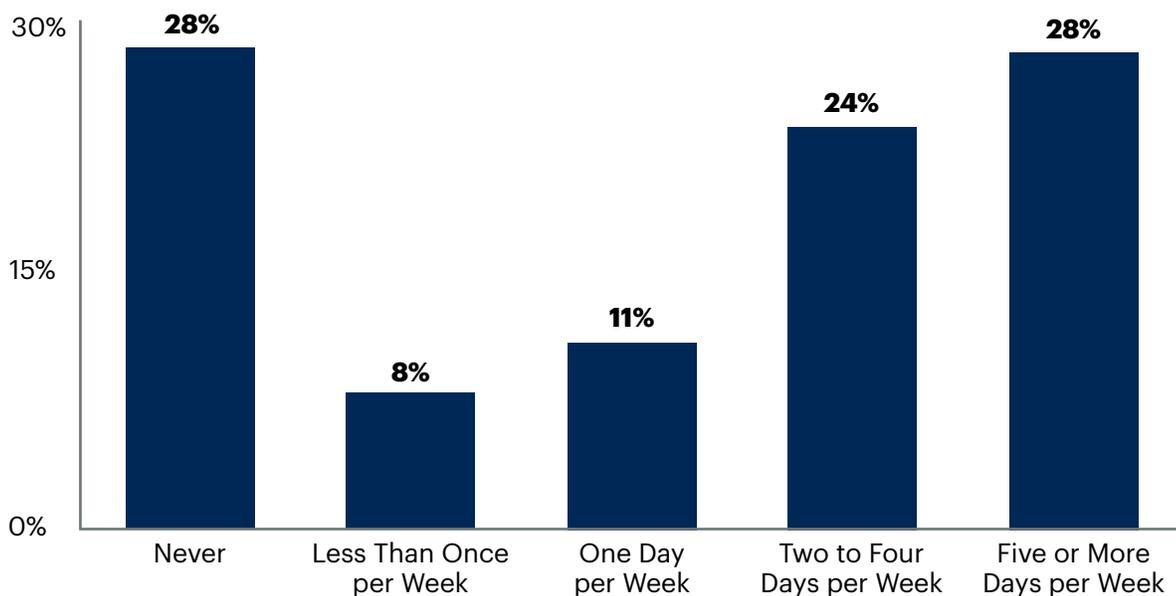
HR leaders must strive to create equity among different working environments and include equity when analyzing and understanding employee engagement. It needs to be examined at the individual, team and manager levels to identify the extent to which inequity is present in the work environment and thus the extent to which it is having an adverse impact on engagement.

Does the individual feel they have access to the tools and technology they need to succeed? Do teams feel a high degree of accountability to be inclusive? Is the manager providing equal access to opportunity? Are there differences across employee populations, specifically those who are more remote versus those who are more in-office? Organizations should begin incorporating questions like these in engagement surveys and analyses of engagement data.

## Traditional Indicators of Engagement Will No Longer Be As Visible

The hybrid environment introduces more opportunities for employees to work from separate physical locations and at different times. Employees have varying patterns of working remotely in any given week, influencing the number of times they are on-site or in the same location at the same time (see Figure 2).<sup>2</sup> A majority of meetings are now virtual: 93% of HR leaders say most employee interactions occur through virtual meetings.<sup>3</sup> With employees working physically apart from each other more often, managers can no longer rely on in-person cues for engagement. Subtle changes in employees' mood, affect and body language are not as noticeable through a video conference call. Impromptu catch-ups, lunch breaks and observations of employee frustration in the office are less accessible.

**Figure 2. Variation in Employee Work Patterns**  
Q: "How Often Do You Currently Work Remotely?"



Source: 2021 Gartner Hybrid Work Employee Survey



One constant remains across these inconsistent environments and infrequent in-person interactions: the actual work. Employees are consistently exposed to their work every day, whether from an office, group setting, home or third-party location. Their connection to their work is the most unchanging experience in the hybrid world and should be considered when understanding engagement (see Figure 3).

Organizations should examine four key items:

- **Absorption** — To what extent does an employee feel absorbed in their work?
- **Vigor** — To what extent does an employee feel energized by their work?
- **Dedication** — To what extent does an employee feel challenged by and enthusiastic about their work?

- **Organizational purpose** — To what extent does an employee feel like their work lets them be part of something greater and worth investing in the long term?

Expanding engagement to include an employee’s connection to their work can provide HR leaders with a more holistic view of how engaged an employee is in their job. By looking at absorption, vigor, dedication and organizational purpose, HR leaders will be able to see much more clearly in the hybrid environment whether an employee is truly satisfied in their job. If their employees are looking forward to their work or feeling like their work is connected to a greater purpose, these are good indicators they find their job enjoyable and meaningful, even if they are experiencing stress in other aspects of their lives.

**Figure 3. Connectedness to Work Model**



Source: Gartner

## Variability Will Be a Key Characteristic of Engagement

As employees work frequently from different locations, their day-to-day environment is more dynamic (see Figure 4). They no longer have the predictability and consistency of the daily morning commute, eight- or nine-hour work day on-site and evening commute. In the hybrid world, employees may experience a multitude of environments within just one week. All of these options in the hybrid environment for where, when and with whom you work creates a more fluid environment, and employee engagement levels are likely to fluctuate.

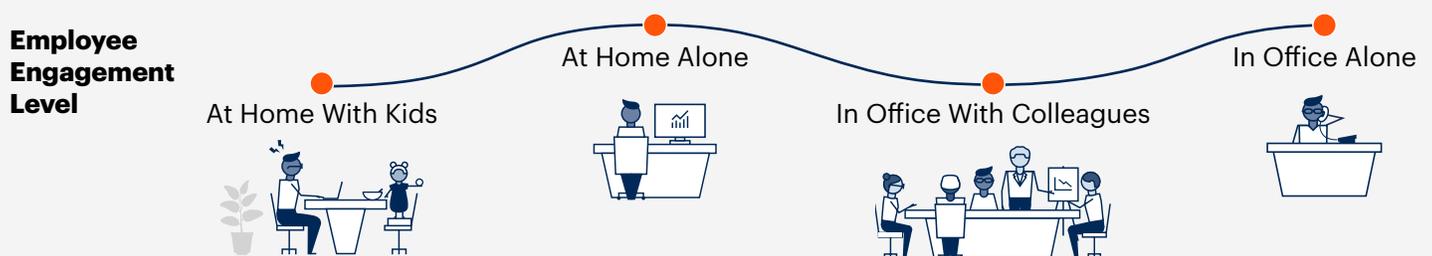
Measuring engagement in a static way through an annual survey no longer makes sense. Organizations should adopt a measurement approach that is more frequent throughout the year, such as pulse surveys, to get a better handle on the patterns of fluctuating employee engagement. Just one point in time will not pinpoint potential aspects of the hybrid work environment affecting engagement.

Without multiple points in time, organizations may miss signs that their employees are regularly disengaged by policies the organization can change.

Pulse surveys or continuous listening allow organizations to keep up with the ever-changing work environment and its influence on their employees. Organizations should follow five steps to optimize their use of pulse surveys (see Figure 5):

1. Clearly define the goal of the pulse survey to guide the question selection or creation process.
2. Intentionally select the target audience to guarantee the right voices are included.
3. Ensure the number of employees is sufficient to support any action or conclusions from this survey.
4. Consider the appropriate frequency based on the fluctuations of the topic or survey focus.
5. Communicate results and take action to demonstrate to employees that their voices are valued.

**Figure 4. Engagement in a Dynamic Environment**



Source: Gartner

**Figure 5. Five Steps to Support a Frequent Pulse Check Strategy**



Source: Gartner

## Conclusion

HR leaders must evolve their understanding of engagement as the working environment evolves, and the fundamental differences of the hybrid environment must be considered. Equity must be taken into account as a key driver of engagement. The connection to work must be considered as an indicator of engagement. Measurement must be more frequent, through pulse surveys or continuous listening, to pick up on the more varied, fluctuating levels of employee engagement.

By evolving the understanding of and approach to measuring employee engagement, HR leaders can improve their identification of employees at risk of disengaging and ultimately leaving and pinpoint practices driving engagement to scale across the organization.

<sup>1</sup> 2020 Gartner Improving Employee Engagement Survey. This survey polled 5,000 employees globally from November to December 2020.

<sup>2</sup> 2021 Gartner Hybrid Work Employee Survey. This survey polled 4,264 employees globally to determine how work design changed in a hybrid work environment and test hypotheses for how leading organizations adapted.

<sup>3</sup> 2021 Gartner Hybrid Work HR Leader Survey. This survey polled 75 HR leaders globally in February 2021 to determine how work design changed in a hybrid work environment and test hypotheses for how leading organizations adapted.





# How Connector Managers Drive Sustainable Performance in the New Work Environment

by Sari Wilde and Swagatam Basu

Managers today face intense pressure to support employees. HR leaders can improve manager effectiveness by building Connector managers, who drive sustainable employee performance by focusing on diagnosis with direction, team health and cohesion, and organizational advocacy and connections.

Pandemic-era work realities, shifting skills needs and new employee demands have intensified the pressure on managers everywhere. Despite these new tensions, HR leaders' focus on managers is not new. At Gartner, we have been studying managers for decades. Our most recent manager research began five years ago and includes more than 15,000 employees, 10,000 managers and more than 200 organizations globally. In September 2019, we published our findings to date in a book, [The Connector Manager: Why](#)

[Some Leaders Build Exceptional Talent — and Others Don't.](#)

The new challenges of managing through the COVID-19 pandemic and changing work environment have inspired us to continue our research on managers. We used quantitative and qualitative approaches to test all of our original findings from our Connector manager work to understand what held true, what had changed and what was new.

Before delving into our latest findings, here is a review of what we found in our original research on managers from 2016 through 2019:

## Four Types of Managers

The most important initial finding from our original research is that every manager — regardless of tenure, geography, industry, function or company size — falls into one of four coaching profiles (see Figure 1):

- **Teacher Manager** — The Teacher manager coaches employees based on their own experience and expertise. Their mantra is “I did it this way, and therefore you should do it this way too.” These are typically tenured experts with deep institutional or technical knowledge.
- **Always On Manager** — The Always On manager provides continuous coaching to address all their direct reports’ needs. They want to review all of their team’s work and will provide frequent feedback. This approach is the one we frequently hear promoted within organizations today, using the common language of “continuous coaching.”
- **Cheerleader Manager** — The Cheerleader manager tends to take a more hands-off approach to management and development.

When they do provide feedback, it tends to be positive and empowering, but they encourage a lot of self-development and focus more on helping employees “learn by doing.”

- **Connector Manager** — The Connector provides targeted feedback and then connects employees to others who might be better suited to provide coaching and development on specific skills than themselves. They are also known for creating a trusting and transparent team environment that supports peer-to-peer coaching.

## Connectors Improve Performance By Making Three Connections for Their Employees

When we took each profile and regressed it against employee performance, we found Connectors improve employee performance by 26% and triple the likelihood their direct reports are high performers. On the other hand, the Always On manager, who spends more time continuously coaching employees, degrades employee performance. Interestingly, our research found no significant relationship existed between time spent coaching by managers

Figure 1. The Four Types of Managers



Source: Gartner



and employee performance. The Teacher and Cheerleader showed moderate impacts on employee performance.<sup>1</sup>

Connectors succeed by making three key connections for their employees: the employee, team and organization connections.

- **The Employee Connection** — Connectors really get to know their employees by investing in diagnosis and understanding their employees’ strengths and needs. They focus on coaching the person, not the problem.
- **The Team Connection** — Connectors create an environment based on trust that facilitates peer-to-peer skill sharing. They recognize they should not be the sole source of coaching and feedback for all of their employees.
- **The Organization Connection** — Connectors provide targeted coaching and feedback, but they also help their employees connect to others who are best suited to provide coaching and feedback on needed skills. They also take an active role to ensure their employees are learning from their connections.

## A New Measure of Manager Success

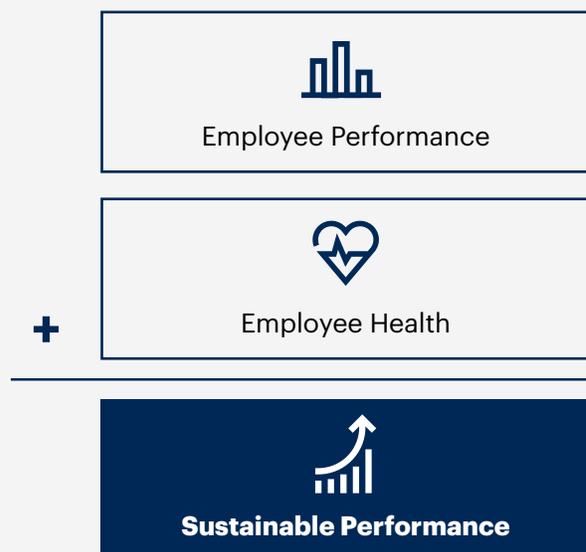
As we reflected on our prepandemic findings in the current work environment, we believed many of the results still held true. However, it became clear our original research question — “How do the best managers coach and develop their teams to improve performance?”— was incomplete because our metric for manager success was current employee performance. In our new world, we knew simply measuring current employee performance was no longer sufficient.

As we studied employees throughout the COVID-19 pandemic, we found as they experienced more disruptions at work, performance levels actually increased. Employees leaned in even

more — working harder, putting in longer hours and becoming even more productive. However, in contrast with this increasing trend in performance, we saw the opposite trend in other measures, such as psychological safety, inclusion and intent to stay.

With raging employee burnout and escalating attrition rates, we realized we needed to look at sustainable performance that indicated employees could more easily adapt to changing conditions. We needed to consider employee health and well-being so high levels of performance could actually be sustained over time (see Figure 2). We built a new outcome measure for our research that we called “sustainable performance ” so our new research question became: “What are the best managers doing to build sustainable performers?”

**Figure 2. Model of Sustainable Performance**



Source: Gartner

We continued our quantitative and qualitative approach, surveying thousands of employees and managers and interviewing leaders across hundreds of organizations. We found sustainable performers were 17% more productive than other employees and 1.7 times more likely to stay at their organizations.<sup>2</sup> We knew we needed to identify the managers who could build sustainable performers.

## The Four Manager Types Hold Steady

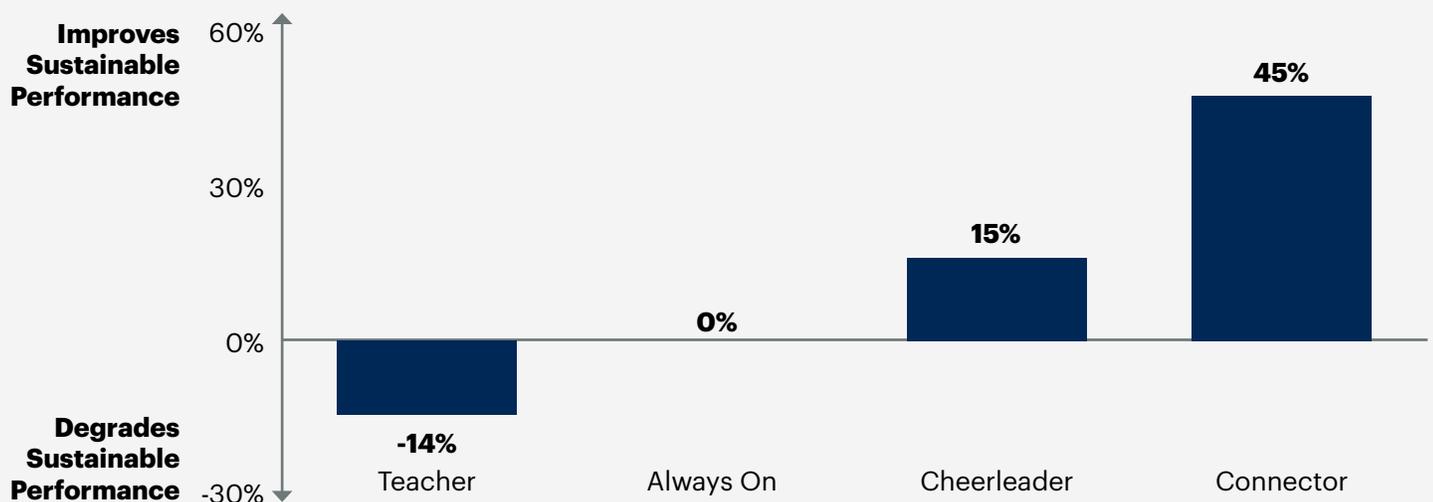
First, we found the four types of managers we identified in our original research remained the same. They each adapted their approaches to the new conditions of work, but the types were largely consistent. Teachers still relied on their own experiences and expected their employees to work in the same ways they did throughout the pandemic. Always On managers were constantly checking in, providing feedback and monitoring their employees. Cheerleaders provided even more autonomy and empowerment to their employees. Connectors focused on diagnosis, followed by action and team health and cohesion.

## The Connector Still Wins, and the Teacher Harms

This time, when we regressed each type of manager against our outcome of sustainable performance, we found the Teacher manager actually degraded sustainable performance (see Figure 3). The Teacher does not have all the answers to the changing work environment, and they anchor their guidance on past experiences that are no longer relevant to the current situation.

The Always On manager, which many organizations are still investing energy and resources to develop, has no real impact on sustainable performance. Providing more feedback and check-ins does not generate sustainable performance. Cheerleaders have a marginally greater positive impact on their staff, which they achieve through sheer positive empowerment. Finally, the Connector boosts sustainable performance by as much as 45%.<sup>2</sup> This means Connector managers still provide better support to their employees in their day-to-day tasks and also help them grow their future career potential.

**Figure 3. Maximum Impact on Sustainable Performance, Given Manager Profile**



n = 4,787 employees

Source: 2020 Gartner Manager of the Future Survey

Note: Analysis done on subset of employees who are experiencing multiple elements of the future work environment.



Connectors were also the only type who improved every other employee outcome we measured, including skills preparedness, inclusion and intent to stay.

## Connectors Have Evolved the Three Connections

Connectors still succeed as managers by making the employee, team and organization connections, but they have adapted the ways they create these connections to meet the needs of the new work environment. Instead of trying to provide or facilitate coaching to drive current performance, they focus on supporting the whole person to drive well-being and sustainable performance.

- **The Employee Connection: Diagnosis With Direction** — Asking questions and leading with empathy still underpin the employee connection. However, in our uncertain and fast-paced environment, Connectors realize simply asking questions is insufficient. Although

they still ask powerful questions, they follow up with concrete actions so individuals can move forward.

- **The Team Connection: Flexible and Cohesive Teaming** — Connectors have focused on building teams that are flexible, resilient and cohesive and that can learn from one another. They regularly assess and monitor the health and cohesion of their teams over time.
- **The Organization Connection: Organizational Advocacy** — During a period when many employees have felt “unseen,” Connectors have been advocating for their employees’ personal and professional growth and connecting them with the right individuals and opportunities. They support all employees to achieve their full potential, even when that full potential isn’t as obvious to the individual. This could mean connecting an employee to their next role or helping them find the right people or experiences to help them grow within their current roles.

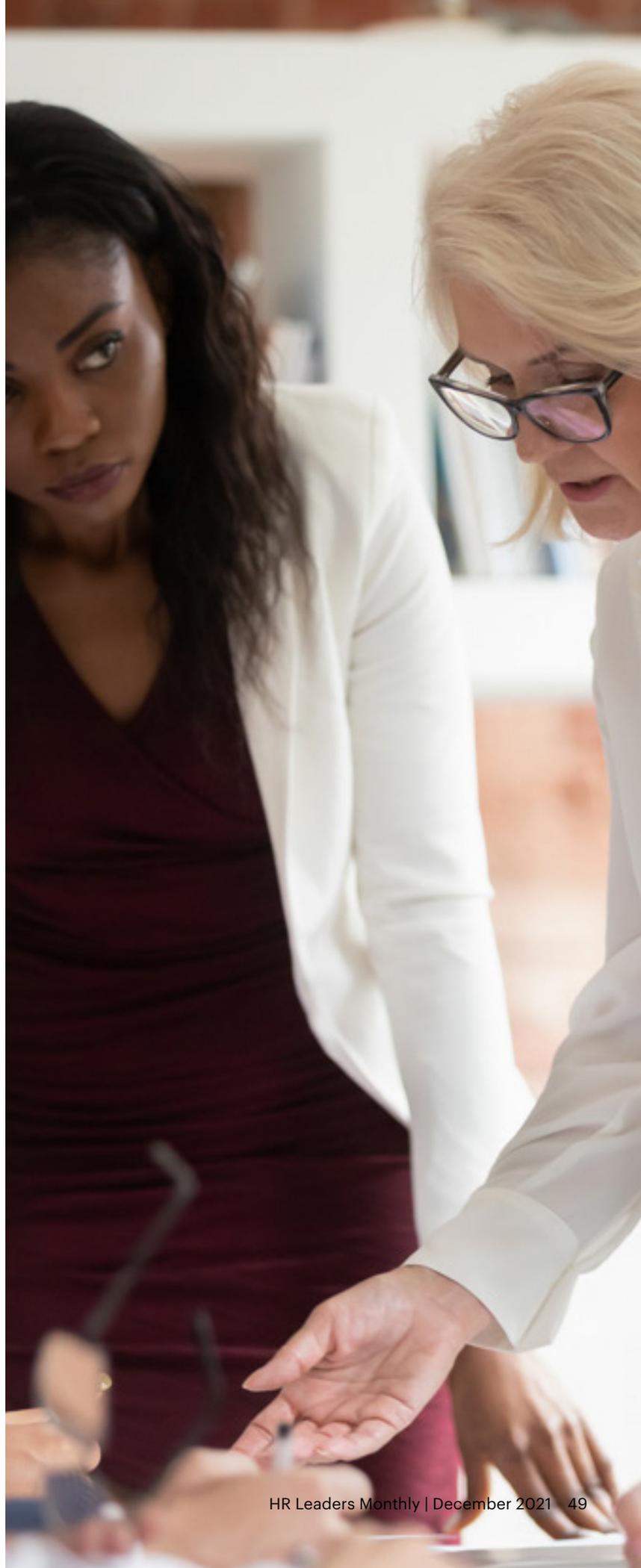
## Recommendations for HR and Senior Leaders

- **Assess Yourself and Your Managers Against Connector Behaviors:** To build a successful Connector organization that's focused on sustainable performance, each leader must understand their current manager approach. Assess yourself and your managers against Connector manager behaviors with our quiz (see What Type of Manager Are You?).
- **Ensure Organizational Communications Do Not Promote Other Approaches:** By encouraging managers to “continuously coach” or promote employees into manager roles who excel at technical roles but are unproven in management, you may be sending the wrong messages to employees and managers.
- **Set Expectations for Managers, Senior Leaders and Employees About Their Roles in Creating a Connector Company:** Senior leaders need to support the Connector model through their own actions and messaging, and employees themselves need to be bought into the approach. For Connectors to provide targeted feedback and make the right connections, employees must be transparent with what they need to perform at their best.

<sup>1</sup> 2017 Gartner Manager Effectiveness Survey. The survey was conducted online from 16 February 2017 to 10 March 2017 and contains responses from 7,309 full-time employees across 30 countries, 25 industries and 18 functions. The survey design and development, administration and data analysis was done by Gartner's HR practice research team.

<sup>2</sup> 2020 Gartner Manager of the Future Survey. The survey was conducted online from 1 through 19 December 2020 and contains responses from 4,787 full-time employees across 14 countries and 24 industries. The survey design and development, administration and data analysis was done by Gartner's HR practice research team.

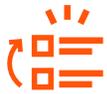
Sustainable performance is defined as an employee's ability to maintain/increase performance without compromising on their long-term health. It is the combination of two components: employee performance and employee health. Employee performance (also known as enterprise contribution) is an employee's effectiveness at doing their own individual tasks and contributing to others' performance. Employee health is an employee's ability to respond to and thrive in changing work conditions personally and with a team.



# Top 5 Priorities for HR in 2022

Gartner surveyed more than 500 HR leaders across all major industries to assess their priorities and expected challenges in 2022.

This report highlights key findings from the survey, detailing:



The 5 initiatives CHROs and HR leadership are prioritizing in 2022



Common challenges HR leaders are facing in each priority



Actions HR leadership should take to address each priority in the year ahead

View the key findings and assess your top priorities for 2022.

[Download Report](#)



# The Future of Well-Being Strategy

by Alex Pavel



Responding to poor employee wellness by expanding well-being programs treats the symptoms of the problem but not the cause. In the future, total rewards leaders will also have to consider preventative tactics to meet employees' well-being needs.

Organizations are responding to increased employee burnout and decreased work-life balance satisfaction stemming from the COVID-19 pandemic by expanding well-being programs. This approach can have a positive impact, especially if there are minimal or no programs in place. However, it is insufficient, as it treats the symptoms of the problem, not the cause.

In the future, organizations will not be able to rely solely on providing and ensuring usage of well-being programs — what we call “responsive well-being” — but will also have to consider more preventative tactics to address the full spectrum of employees' well-being needs.

## Adding and Expanding Is Insufficient

Over the past year, only one in two employees said they were able to maintain a healthy work-life balance.<sup>1</sup> In response, organizations have begun to offer new well-being programs and/or expand existing programs. For example, in response to the COVID-19 pandemic, 70% of companies have introduced new well-being benefits or increased the amount of existing well-being benefits.<sup>2</sup> But is this current strategy of adding and expanding truly helping organizations achieve talent and health outcomes?

Through multiple research efforts this year, we've observed that during disruption, adding more benefits through well-being support cannot, in and of itself, fix employees' health and wellness in the long term. Adding basic programs around core well-being pillars like physical, emotional/mental and financial well-being can positively affect employee wellness to a certain point, especially when there are no or minimal programs in place to start (see Figure 1).

However, organizations reach a point of diminishing returns where continuing to add or expand programs no longer increases wellness because it only treats the symptoms of a deeper underlying issue. If organizations do not address the root causes driving poor wellness, they will never be able to fully solve the problem.

**Figure 1. The Impact of Well-Being Offerings on Employee Wellness Over Time**



Source: Gartner



## Close the Well-Being Participation Gap

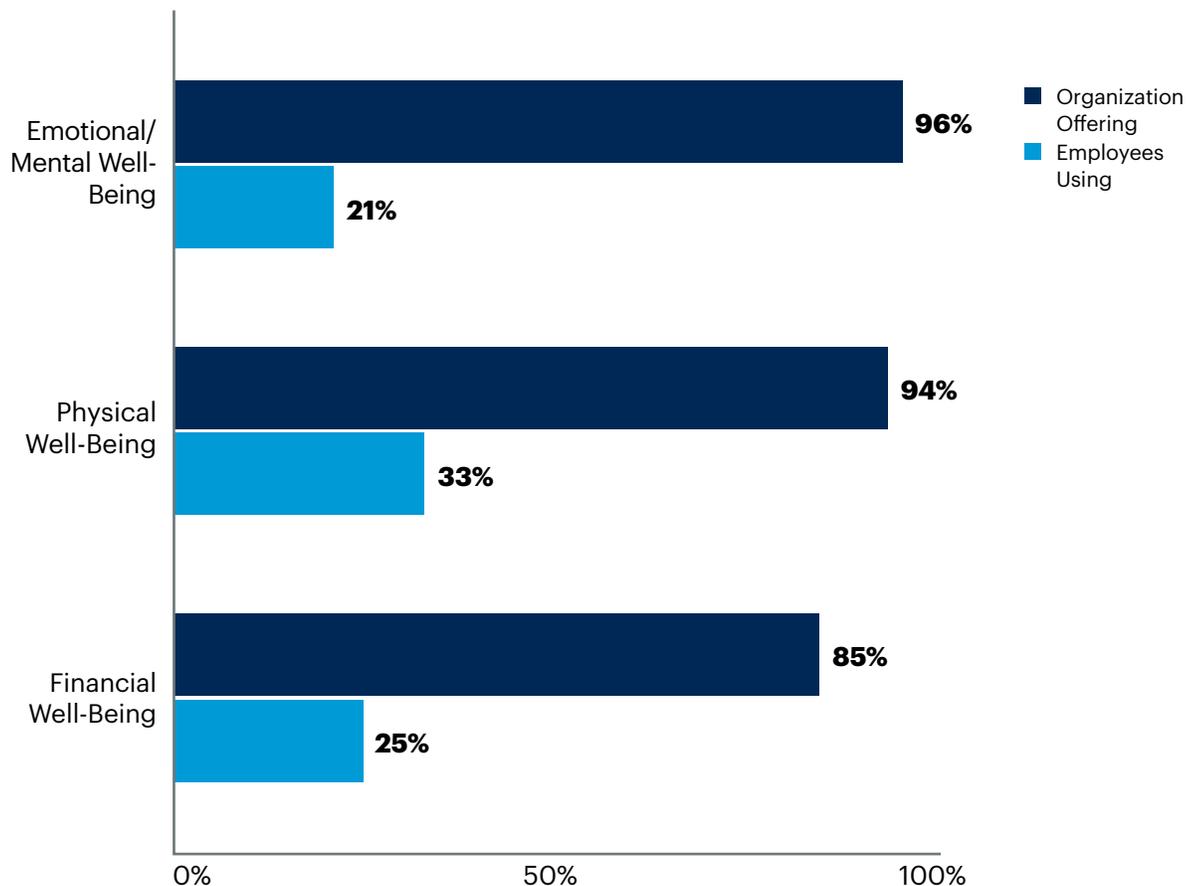
As an initial measure, organizations must ensure employees are participating in the new and expanded well-being programs currently in place. Despite the extent to which organizations have invested in their well-being programs to date, employee participation remains very low. For example, 96% of companies today are offering mental well-being programs, yet only 21% of employees are actually participating in

those programs (see Figure 2). A similar situation can be seen in the case of physical and financial well-being offerings.

## Preventative Well-Being Is the Future

Going forward, organizations need to shift toward a longer-term, preventative approach to avoid poor wellness in the first place. To do so, HR leaders must fundamentally redesign work and people processes in three key ways:

**Figure 2. Employees Using Versus Organizations Offering Well-Being Programs**



n = 53 organizations; 5,055 employees worldwide

Source: 2020 Gartner Well-Being Benchmarking Survey, 2020 Gartner Well-Being Employee Survey

Note: The data for employees using the program is calculated as follows: The assumption is that if the employees are not aware about programs, they're not using it.

- Provide radical flexibility.
- Reduce work friction.
- Drive empathetic management.

## Provide Radical Flexibility

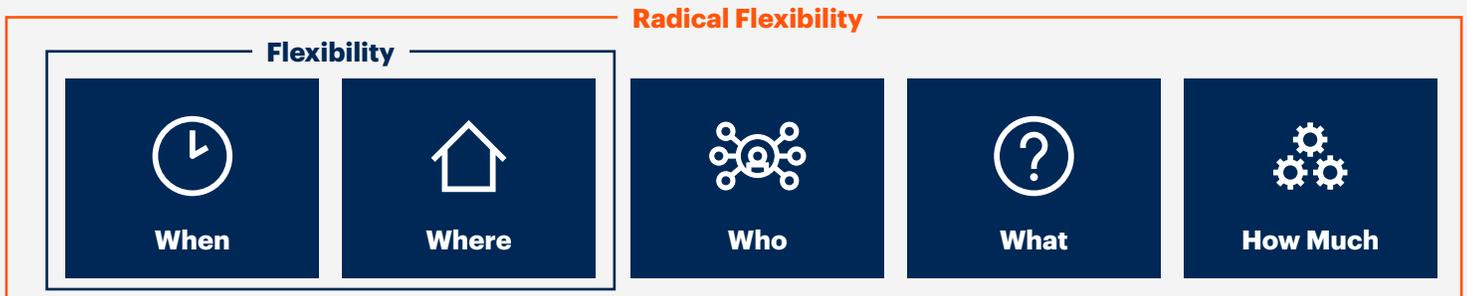
To manage work and life, employees want and need to feel autonomous across multiple dimensions. To achieve that feeling of autonomy, it's not just a matter of offering remote work or flexible hours, or even both. Radical flexibility is flexibility across all dimensions of work: not just when and where but also who, what and even how much (see Figure 3).

Pharmaceutical company Novartis employs a “choice with responsibility” model that empowers employees to establish new norms around their work. These norms not only ensure work gets done but also provide employees with the choice and flexibility to manage the stress of their various work and at-home responsibilities. Employees are free to choose their work styles based on the type of work and team alignment.

They are also free to choose their work locations within their country or state of employment and to determine their work schedules. Novartis's preventative approach to well-being supports its associates to navigate the demands of their responsibilities and choose their patterns of work, while still taking personal responsibility to inform their managers and align with teammates for effective collaboration.



**Figure 3. Radical Flexibility Definition**



Source: Gartner

## Reduce Work Friction

It's easy to overlook that the way work is designed today can negatively affect employees' wellness. It can be hard to keep up with projects, deadlines and customer service when everything is deemed a "priority." It's difficult to anticipate changing team and organizational needs when there's no mechanism or even appetite for reevaluating whether priorities should shift. And, it's hard to adapt to changing requirements when employees don't have authority to change anything. To combat this, organizations should identify and address points of work friction that could be driving employee fatigue and stress.

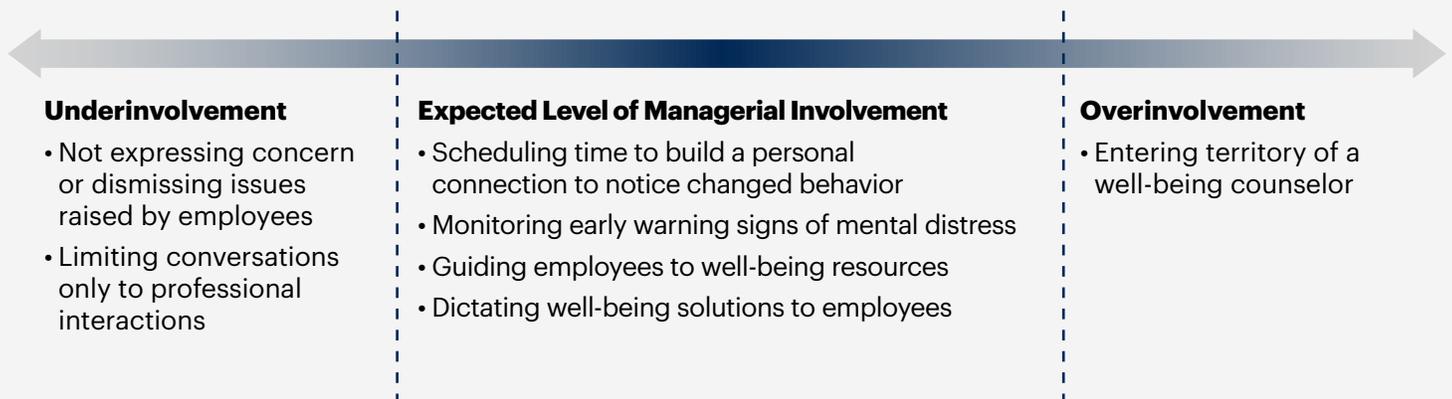
Hilti is a global manufacturing organization that identifies and executes the team-level interventions necessary to uncover points of work friction through a series of interactive workshops. These off-site team gatherings balance full team and one-on-one sessions that focus on finding the shared points of work friction and performance barriers as well as forging one-on-one connections. The goals of the workshop are to include perspectives from all team members and improve interpersonal relationships throughout the team. Naming individual and team-level friction points ultimately helps employees get ahead of potential stressors that contribute to poor wellness.

## Drive Empathetic Management

While employees continue to acknowledge the toll of mental and emotional health issues on their work, managers often lack confidence in their ability to support the well-being of employees. To prevent poor employee wellness, organizations should provide managers and leaders with clear guardrails and coaching that clarifies what to say and do, as well what not to say or do, to effectively support employees' mental and emotional health. While managers at some organizations feel they lack the skills to confidently address mental wellness, others may be too willing to get involved. To address these situations, healthcare company EarlyValue\* developed a program to equip managers with the skills they need to play a role in addressing and getting ahead of mental wellness issues while establishing clear boundaries for their involvement.

EarlyValue's guidelines clarify what to do and what not to do when engaging with employees (see Figure 4). These guidelines make it clear managers should build personal connections with employees to notice any behavior changes, monitor early warning signs of mental distress and promote available well-being resources. Similarly, managers are told to avoid limiting conversations to only professional interactions or dictating the well-being solution employees must use.

**Figure 4. Spectrum and Guidelines for Manager Involvement in Employee Well-Being**



Source: Gartner

EarlyValue wants to avoid situations where managers may overstep and enter territory of a mental health counselor. Managers are expected to take the first step and initiate conversations with their direct reports to get ahead of any wellness challenges. And as part of this effort, they're given tools such as conversation starters and guides to understand the appropriate ways to build personal connections and navigate conversations.

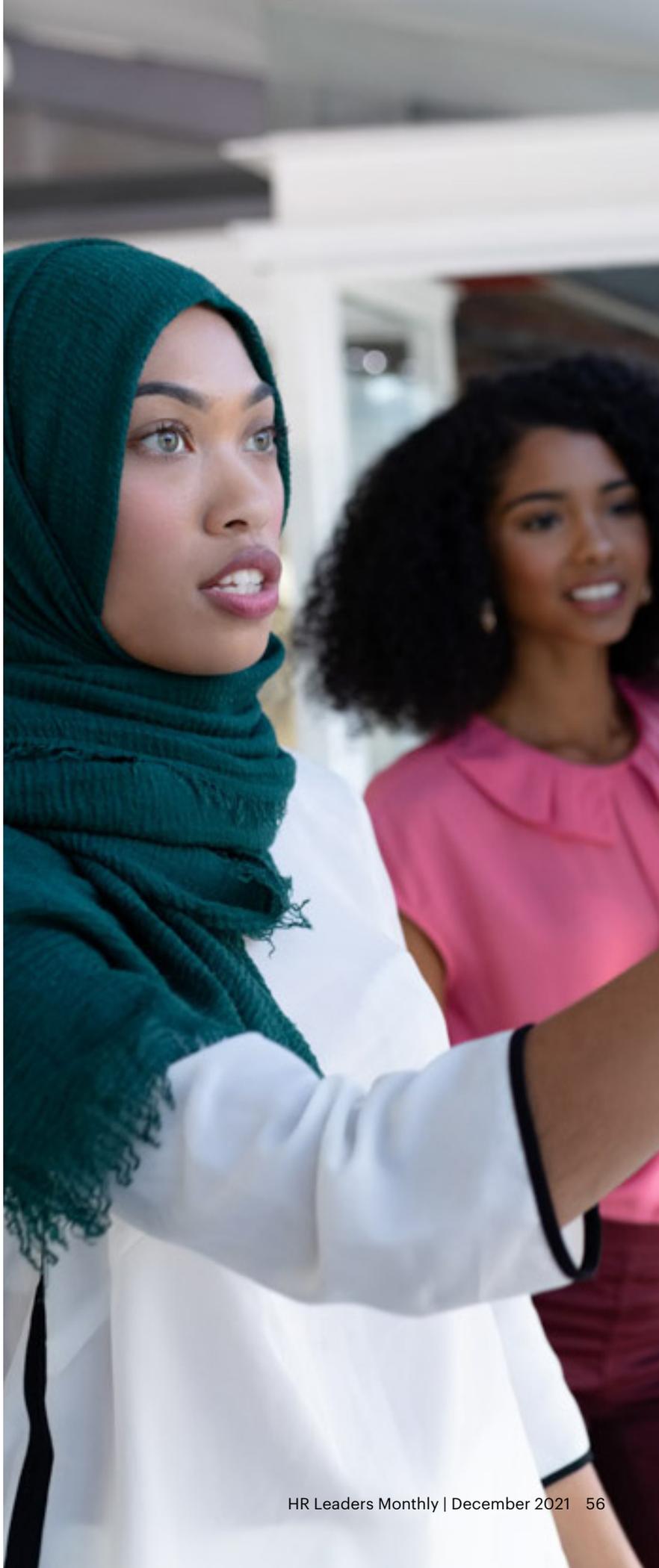
In the future, organizations will have to consider more preventative tactics to address the full spectrum of employees' well-being needs by redesigning work and people processes. Companies should (1) offer radical flexibility to help employees feel autonomous in making decisions about what works best for them, (2) engage employees to find work process pain points and remove work friction, and (3) drive empathetic management by equipping managers with guidance and conversation starters to get ahead of employee wellness challenges.

\* Pseudonym

<sup>1</sup> 2021 Gartner Workforce Resilience Employee Survey. This survey was conducted online from 26 January 2021 to 23 February 2021 and contains responses from 3,690 full-time employees across 16 countries, 23 industries and 20 functions. The survey design and development, administration and data analysis was done by Gartner's HR practice research team.

<sup>2</sup> 2020 Gartner Well-Being Benchmarking Survey. This survey was conducted online from 25 September 2020 to 18 November 2020 and contains responses from 53 total rewards executives from organizations across 19 industries and headquartered across 13 countries. The survey design and development, administration and data analysis was done by Gartner's HR practice research team.

The organizations profiled in this research are provided for illustrative purposes only, and do not constitute an exhaustive list of examples in this field nor an endorsement by Gartner of the organizations or their offerings.



# Quant Corner

## Manager Ethics and Effective Decision Making Improve Talent Outcomes

By Gurbani Singh

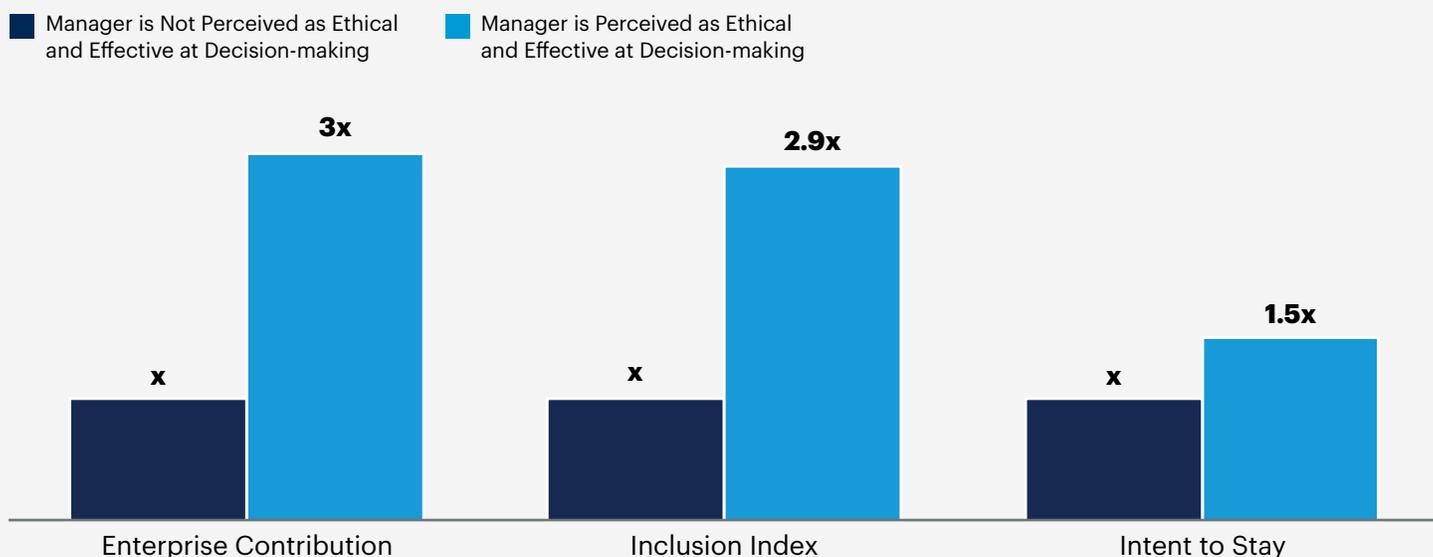


As HR leaders consider how to make the employee experience more fair and equitable at their organizations, they must also take into account the role of managers in shaping that experience. Managers have a direct impact on employees' sense of inclusion, fair treatment and belonging in the workplace. These aspects of the employee experience are increasingly critical factors in retaining talent and driving performance.

To understand managers' impact in greater depth, we examined how employee perceptions of manager effectiveness correlated with key talent

outcomes. Our research shows that employees who perceive their managers as ethical and effective in their decision making are significantly more likely to be high performers, feel included at their organization and want to continue working there (see Figure 1). This finding underscores the importance of ensuring not only that managers conduct themselves ethically, but also that employees trust them to do so.

**Figure 1. Impact of Manager Effectiveness in Ethics and Decision Making on Talent Outcomes**  
Likelihood of Employee Outcomes



n = 4,787 employees

Source: 2020 Gartner Manager of the Future Survey

Note: These ratios were computed from employees' responses to two questions on a seven-point scale: "How effective is your manager at the following?" 1. "Being ethical and trustworthy" and 2. "Decision making." We then compared these answers to variables of Enterprise Contribution, Inclusion Index and Intent to Stay, respectively, to measure the impact of managers' perceived ethics and decision making effectiveness on these outcomes.