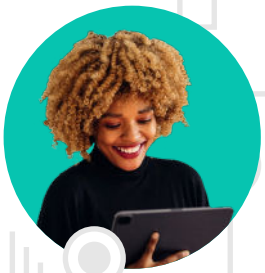
March 2023

Gartner®

HR Leaders Monthly





Technology for the Human Organization



HR Leaders Monthly

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Editor's Note

by Jonah Shepp



During the past three years of the COVID-19 pandemic, two seemingly contradictory trends have played out in workplaces around the world. Work has become increasingly digitally mediated, and employees' human needs and experiences have become more prominent in the employee value proposition (EVP) and the employer-employee relationship.

HR leaders have certainly felt the tension between these changes: They have never needed more technological savvy than they do today, and in the years to come, they will never need less. It's no surprise that technology is one of HR's top budget priorities this year, as organizations look to increase efficiency in an uncertain economic climate and compete for talent in a challenging labor market.

Yet the role of technology, in HR and in employees' day-to-day work lives, is not only to drive efficiency but also to enable human experiences such as personal growth and interpersonal connections. In this issue of HR Leaders Monthly, we explore some of the major technology trends HR leaders need to be aware of in 2023, particularly in the context of this evolving role. We look at the ways HR technology can advance a more human EVP as well as how to use Gartner's EX-ready model to strategize technological and nontechnological investments in the employee experience.

Our expert analysts:

- Outline the macro trends shaping the recruiting tech market.
- Discuss how learning technology can be used to improve the onboarding experience.
- Explain how artificial intelligence (AI) changes the way organizations think about skills and internal mobility.

On the topic of skills, we also look at how to build digital dexterity throughout the workforce and prepare employees to meet fast-changing digital skills needs. Finally, professor and author Gerald Kane discusses how HR leaders can leverage the pandemic's disruption to continue making progress on their organizations' digital transformations and avoid falling back on old patterns and outdated mindsets.

As the breadth of these articles makes clear, this journal is not just for HR technology leaders. Technological fluency is an essential competency for CHROs and increasingly important for heads of recruiting, talent management and learning and development — in terms of the tools their teams use and the digital skills they work to build throughout the organization. Our goal in this journal is to offer insights into technology that can benefit the entire HR leadership team.

Driving the Human Deal Through HR Technology

by Duncan Harris

Despite uncertain economic conditions, technology is one of HR's highest priority investments in 2023. By aligning the HR technology operating model to the human deal, HR technology leaders can ensure their investments will increase performance and enhance the employee experience.





In 2023, HR leaders are balancing necessary innovation with fiscal discipline. Yet people matter more for organizational success than ever before. The workforce — including issues related to talent retention, hiring, and diversity, equity and inclusion — is the third-highest business priority for CEOs.[1] And these priorities have risen substantially for two consecutive years, becoming a higher priority than financial concerns for the first time since we began tracking CEO priorities. But due to substantial economic headwinds, many organizations are starting to reduce spending.

Even with a potentially turbulent economic outlook, HR leaders are still investing, and HR technology is their No. 1 area of investment in 2023.[2] HR leaders also reported a lack of technology infrastructure as the most common barrier for restructuring to improve HR's impact.[3] Hybrid working has ensured technology now touches every part of an employee's daily work, including HR processes, so it is no surprise that HR leaders are increasingly focused on upgrading their technology portfolios.

This focus provides a unique opportunity to make technology investments that change the way employees approach work and their careers. However, spending alone is not enough to make that change. When we analyzed the difference between high- and low-performing HR organizations, those that had higher investment in technology did not see an impact to talent outcomes — including retention, enterprise contribution and engagement.

The Value of the Human Deal

To ensure real returns, HR leaders must align their technology selection and implementation decisions in a principled manner toward what we know makes a difference to the talent outcomes organizations care about. To do that, HR technology leaders need a validated framework that addresses employee needs and values throughout the talent life cycle.

The human deal is an approach to the employee value proposition (EVP) that emphasizes

employees' emotional response to the five attributes that they perceive as the value they gain from employment in the organization:

- Deeper connections
- Radical flexibility
- Personal growth
- Holistic well-being
- Shared purpose

Currently, HR technology is doing a mediocre job of supporting these EVP attributes, with the percentage of employees saying their organization provides technology to support each attribute ranging from 22% to 56% (see Figure 1).[4]

Yet, when technology investments do align to the five components of the human deal, organizations can see up to a 30% increase in enterprise contribution and employee discretionary effort (see Figure 2).[4] To get the most from current or new HR systems and solutions, HR can reorient toward an operating model that puts the human deal at the heart of decisions about HR technology priorities.

Three Shifts to Align the HR Technology Operating Model to the Human Deal

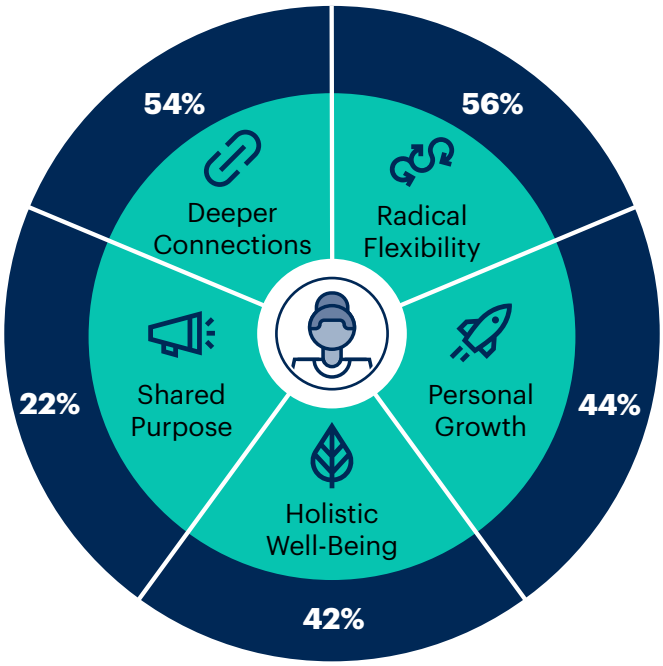
Delivering the human deal through technology requires three major shifts in the current HR technology operating model:

1. **New Governance** — Create a principled innovation framework for targeted investment.
2. **New Teams** — Fuse HR and IT skills for delivery in complex hybrid environments.
3. **New Capabilities** — Understand the market to align to core human deal capabilities.

New Governance

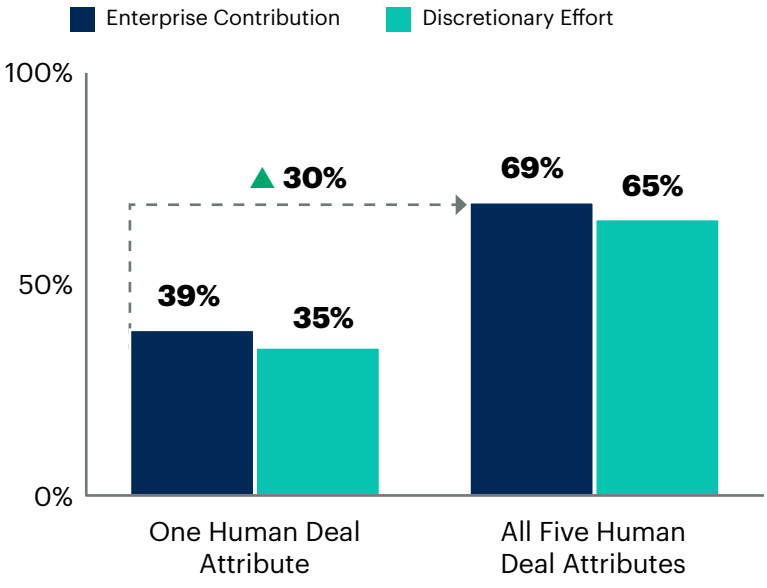
HR has no shortage of areas where it could currently invest to further the human deal, and HR technology leaders are currently spread among a wide range of options. Analytics, talent acquisition, employee experience and onboarding are at the top of their investment priorities, but HR technology leaders also have an appetite for experimentation.

Figure 1: Percentage of Employees Who Believe Their Company Provides the Technology to Support Human Deal Attributes



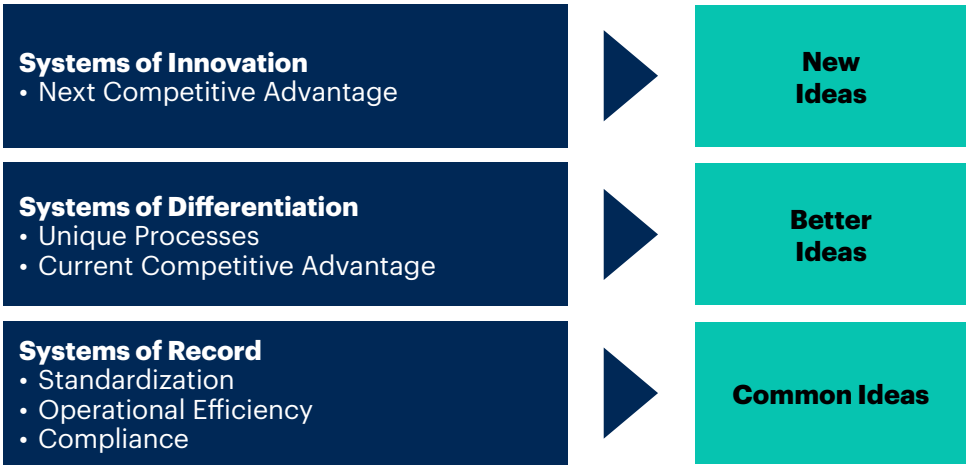
Source: 2022 Gartner L&D Model Impact Survey

Figure 2: Impact on Talent Outcomes When Technology Supports the Human Deal



Source: 2022 Gartner L&D Model Impact Survey

Figure 3: The Gartner Pace Layering Model



Source: Gartner

Ten percent of HR technology budget spend is allocated to research and development, doubling 2020 spending commitments.[5] However, most HR functions are not making the best use of what they already have, let alone getting the best from new solutions. Only one in five HR technology leaders say they have optimized their current systems.

HR technology leaders require a set of flexible rules that will allow them to make principled decisions about their current stack as well as where to target new additions. For example, Gartner's Pace-Layered Application Strategy is a simple but robust way of organizing technology strategy to introduce innovation where it's needed, rather than for its own sake (see Figure 3).

New Teams

There is little point aligning solutions to the human deal, or having an innovation engine in place, if you can't deliver. Although three-quarters of organizations we spoke to have a dedicated HRIT team in place,[5] HR leaders and professionals still struggle to use data to shape business decisions, align systems to virtual and hybrid work, and redesign or gain value from new processes.

As the move to digital businesses has led to tech and HR being more entwined than ever, it surprisingly has not been reflected in how HR delivers solutions. To be fit for purpose, some progressive organizations have fused HR and IT roles, rather than having them work in parallel.

These teams blend subject matter expertise and technical proficiency to establish a foundational assumption that HR will work digitally. For example, to make this intention and change clear, GE took the practical step of building these fusion team competencies straight into its job descriptions (see Figure 4).

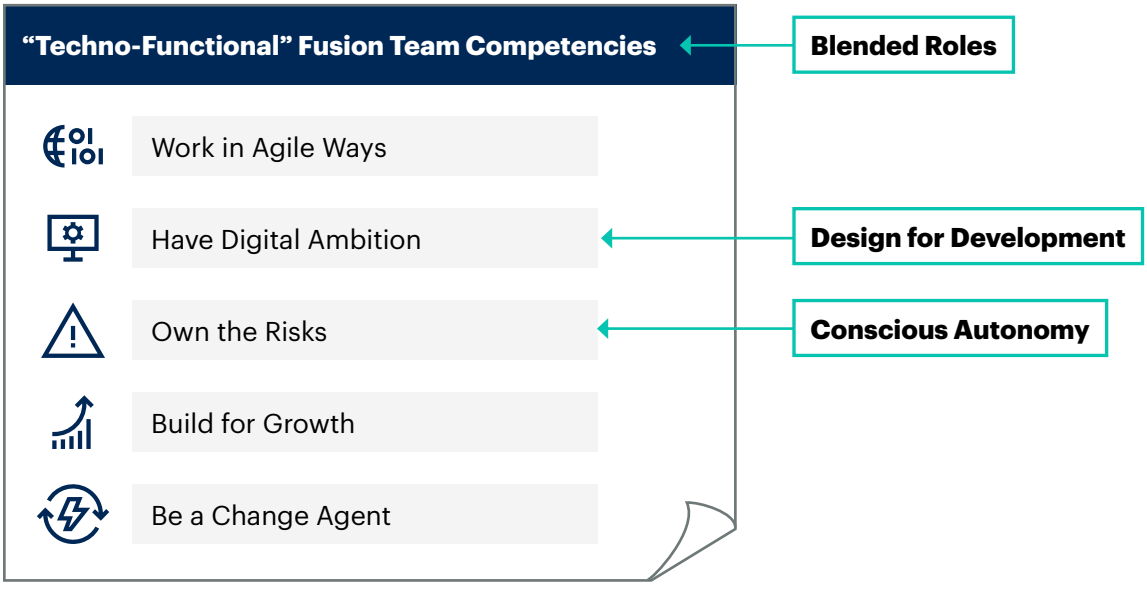
By fusing HR and IT knowledge, organizations stand the best chance of delivering on the human deal promises they are making.

New Capabilities

As noted earlier, employees don't believe HR is delivering on the human deal, and HR leaders themselves know this to be true, with less than one-quarter saying they think their organization helps to deliver the radical flexibility employees are asking for. As the speed of innovation continues to accelerate, HR leaders will be required to embrace emerging trends, learn from others and scope out a rapidly expanding range of possibilities.

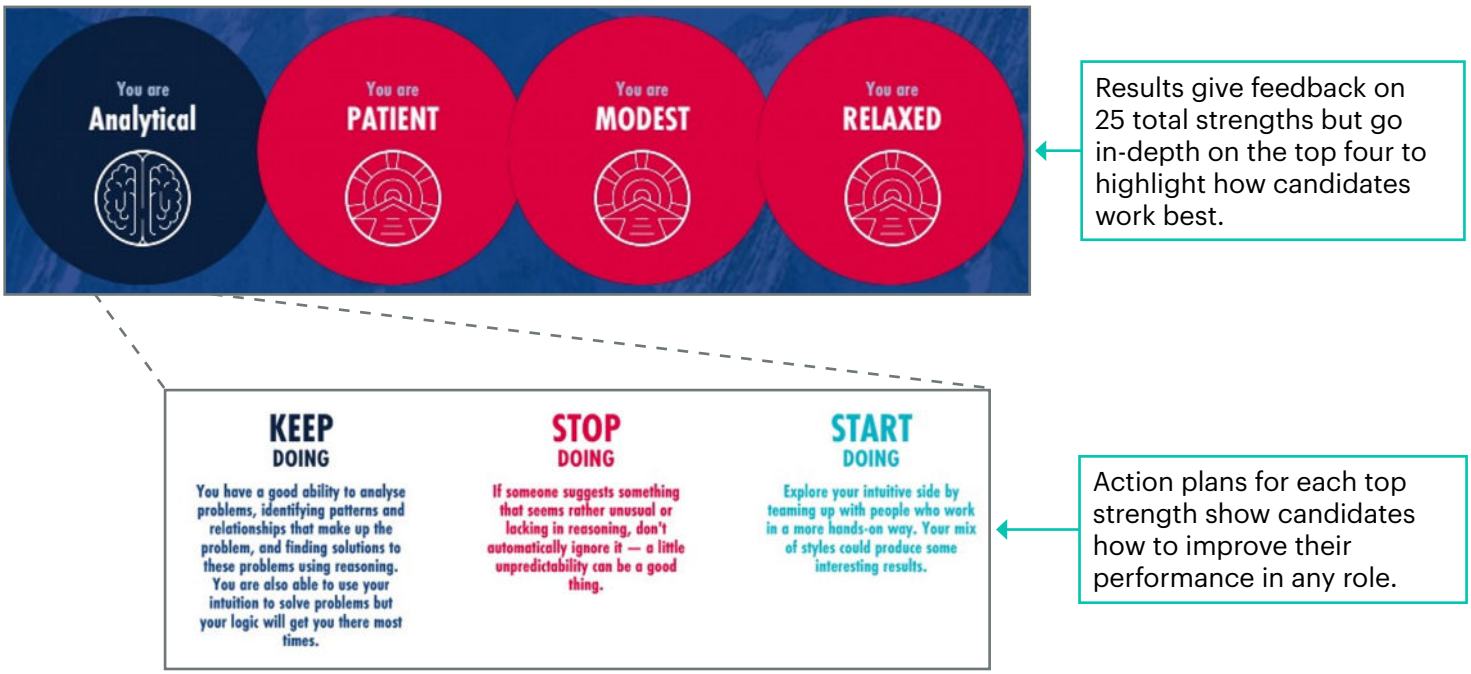
For example, imagine using onboarding data from your assessment solution on employee strengths to feed into a manager conversations around which projects would be business critical, developmentally useful and enjoyable for an employee right from their first day. Red Bull does precisely this through its strength-based

Figure 4: How GE Embeds Fusion Team Competencies Into Business Job Descriptions
Illustrative



Source: Adapted From GE

Figure 5: Red Bull's Strengths-Based Onboarding Plans



Source: Adapted From Red Bull

onboarding plans, providing personalized performance and career coaching (see Figure 5).

Conclusion

HR can gain substantial returns and value from investing in a tech portfolio that supports the human deal. HR technology leaders can start that journey by taking these three steps:

- Create a framework of principles for investment in human deal attributes.
- Pilot fusion teams that combine the skill sets of HR and IT to own product sets for enterprisewide talent management.
- Investigate emerging capabilities in the market and how they align to the human deal to inspire strategic ambition.

These three shifts will ensure HR technology is at the forefront as business and employee needs continue to transform.

[1] 2022 Gartner CEO and Senior Business Executive Survey: This survey was conducted to examine CEO and senior business executive views on current business issues as well as some areas of technology agenda impact. The survey was conducted from July 2021 through December 2021, with questions about the period from 2021 through 2023. One-quarter of the survey sample was collected in July and August 2021, and three-quarters was collected in October through December 2021. In total, 410 actively employed CEOs and other senior executive business leaders qualified and participated. The research was collected via 382 online surveys and 28 telephone interviews. The sample mix by role was CEOs (n = 253); CFOs (n = 88); COOs or other C-level executives (n = 19); and chairs, presidents or board directors (n = 50). The sample mix by location was North America (n = 176), Europe (n = 97), Asia/Pacific (n = 86), Latin America (n = 40), the Middle East (n = 4) and South Africa (n = 7). The sample mix by organization revenue was $50 million to $250 million (n = 58), $250 million to $1 billion (n = 81), $1 billion to $10 billion (n = 212) and $10 billion or more (n = 59). Disclaimer: Results of this survey do not represent global findings or the market as a whole but reflect the sentiments of the respondents and companies surveyed.

[2] 2022 Gartner HR Budget and Efficiency Benchmarking Survey (n = 118): The Gartner HR Budget and Efficiency survey is an always-on survey with twice annual benchmark updates. The current published benchmark was last updated with data collected through 31 October 2022 and contains data from the prior 18 months. All data is collected from Gartner clients.

[3] The 2021 Gartner HR Function Structure Survey was conducted to understand the HR function structure and operating model at organizations. The research was conducted online from 27 September 2021 to 29 October 2021 and contains responses from 341 CHROs with representation from various geographies, industries and functions. The survey was designed and developed by Gartner's HR Practice research team.

[4] 2022 Gartner L&D Model Impact Survey. This survey was conducted to understand employees' experiences of learning and development at their organization. The research was conducted online from 21 June to 11 July 2022 and contains responses from 3,508 employees with representation from various geographies, industries, and functions. The survey was designed and developed by Gartner's HR Practice research team.

[5] 2021 Gartner HR Technology Leader Survey. This survey was conducted to better understand how HR technology leaders are feeling about their priorities, budget, and team structure/make up. The research was conducted online from March 2021 to April 2021 and contains responses from 36 HR Technology Leaders with representation from various geographies, industries and functions. The survey was designed and developed by Gartner's HR Practice research team

5 Ways AI Shifts How Organizations Think About Skills Data

by Helen Poitevin and Jonah Shepp

To harness the power of AI in their skills strategies, CHROs need to reimagine their approach to skills data. This includes what data they use and how much of it, how they use it to create development opportunities for employees, and what technical and ethical challenges of automation exist.

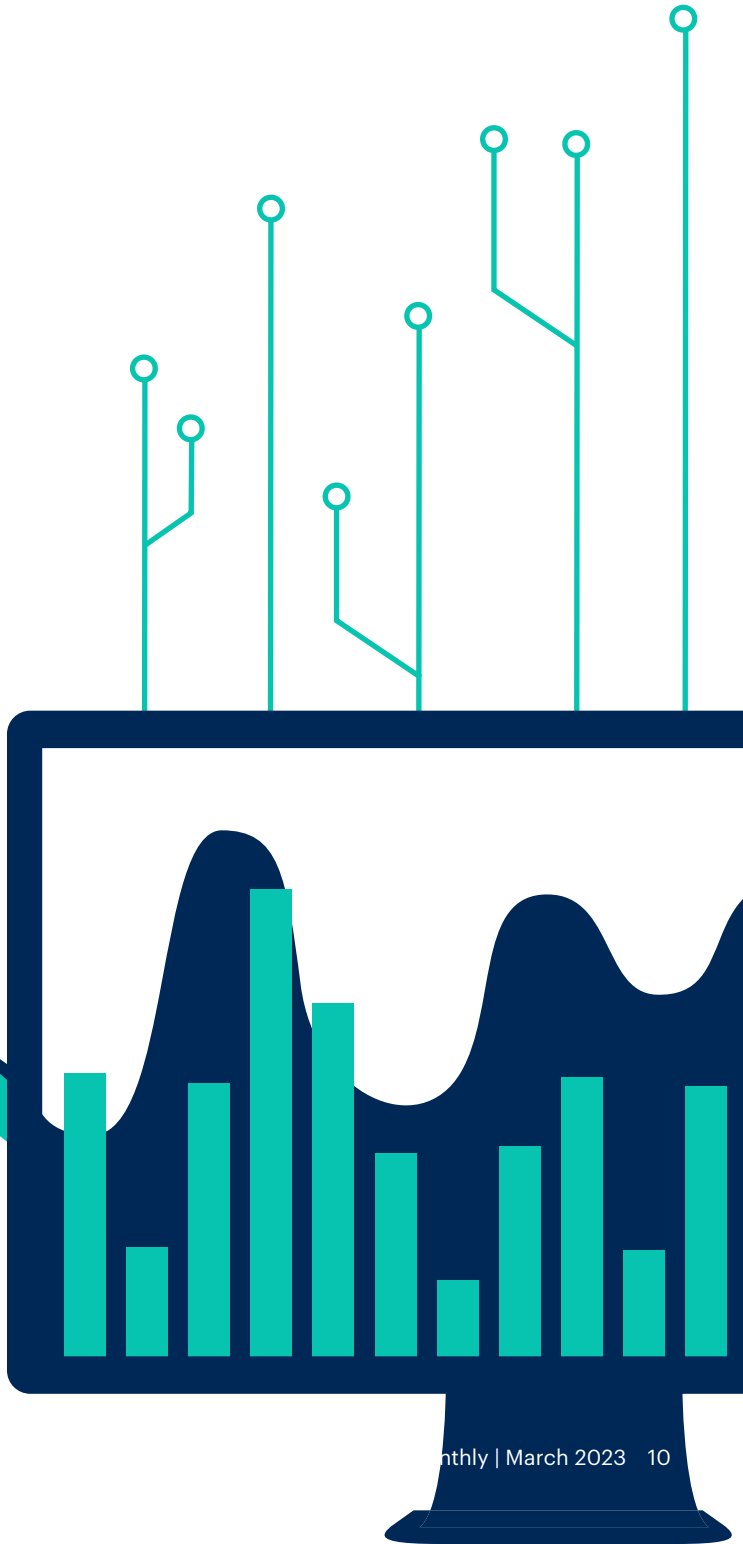
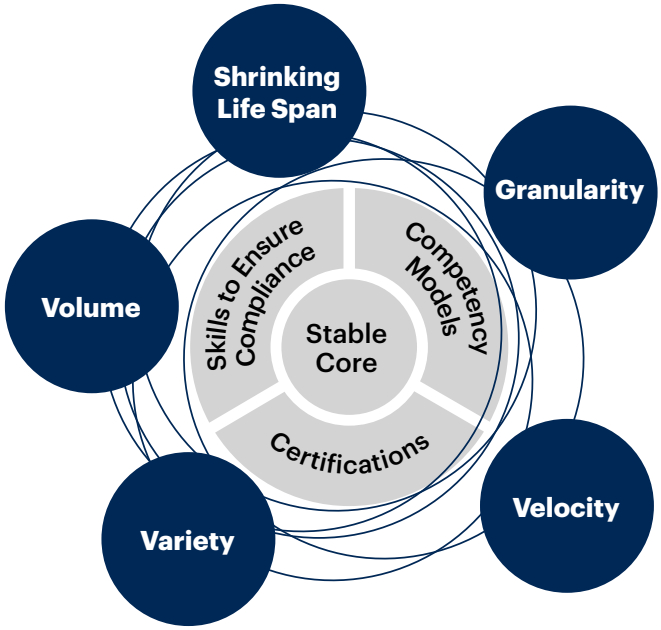


Figure 1: Embracing the Chaos of Skills Data While Maintaining a Stable Core



Source: Gartner

Emerging artificial intelligence (AI) capabilities not only enable organizations to leverage skills data more effectively but also create new complexities in collecting and using that data. Organizations today use a variety of HR applications — such as learning experience platforms, candidate relationship management systems and human capital management (HCM) suites — that all offer AI-enabled skills data. This leaves HR leaders with large amounts of data existing within different systems, which can become confusing or overwhelming. With no central, standardized repository of skills data, how do you know which data source to turn to first?

CHROs must navigate this vast collection of data without getting overwhelmed. To succeed at this task, they must recognize how AI forces them to think differently about skills data and adjust their strategy for using skills data to adapt to these changes. In particular, AI changes:

- How much data is collected
- What the data is used for
- How much is automated
- How skills are detected
- How market data is used

Fortunately, for each of these changes, CHROs can adapt and improve the effectiveness of their skills sensing capabilities using the power of AI.

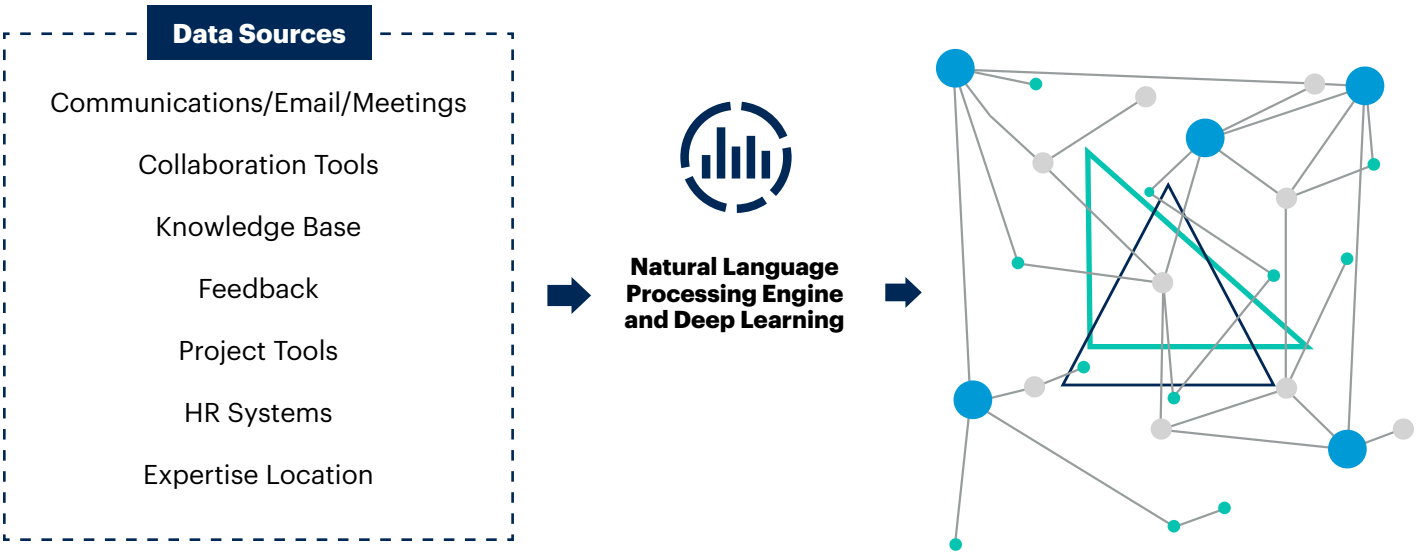
1 How Much Data Is Collected

Before AI, organizations typically recorded skills data through discrete and manageable lists of skills and competencies, which they had to manually update on an ongoing basis. Because of the extensive effort required to maintain this data, organizations had to scale down their ambitions and focus on tracking a small number of essential skills.

While data was too hard to collect in quantity before AI, with AI it is the opposite. HR leaders have more data than they know what to do with, including detailed skills information and more familiar competencies. AI-enabled systems can collect and synthesize employees' individual knowledge areas, project experiences, learning and development activities, career paths and more.

For CHROs struggling with a proliferation of skills data, the lesson is to embrace the chaos while maintaining a stable core of essential skills information (see Figure 1). This core includes competency models, industry certifications and skills tracking to ensure compliance with standards or role requirements (for example, confirming that an employee knows how to operate a particular machine correctly and safely). These data points remain fundamental.

Figure 2: Feeding the AI Engine With Skills Data



Source: Gartner

Beyond that core, however, CHROs should get comfortable with the chaotic ways AI uses context, knowledge, experience, recency, frequency and other granular data to make inferences about employees' skills and potential pathways. You would never put an employee into a role they are clearly unqualified for on an AI system's recommendation, but these systems might reveal things about your employees' capabilities that you would not have recognized otherwise. Even chaotic and imperfect data gets you closer to knowing your talent on a deeper level, which helps employees feel seen and supports their development within the organization.

2 What Data Is Used For

AI has profound implications for how organizations use their skills data. In the past, an organization would (again, mostly manually) maintain a searchable database of employees' skills, roles, job history and other relevant data points. To fill a position internally, HR would search through that data and help the hiring manager find an employee with the role-specific prerequisites who would be a good long-term fit. Hopefully, in this case, the database is up to date and all the needed information is stored in the same place.

An AI-powered skills data system, on the other hand, is more like an engine room. Rather than combing through a database to find the perfect long-term match for a position, organizations can use an AI-enabled internal talent marketplace to instantly produce multiple matches for a given role or project. This AI engine is particularly effective for supporting a flexible, skills-based approach to talent management, in which the question is not so much, "Who can do this job for the next few years?" as "Who can do this job right now?"

To get better results from the engine, first feed it more — and better — data from a variety of sources so it can produce better matches (see Figure 2). The more information an AI system has to work with, the more accurately it can identify the touchpoints and gaps between skills availability and skills needs.

Starting with HR system data makes sense, but these systems generally lack information about what employees do day to day or what specific knowledge they apply in their work. Internal talent marketplaces can add data about achievements in gigs or project roles. Domain knowledge and topic expertise can also be found through interaction data in collaboration tools and knowledge articles. Feeding the engine means helping employees find meaningful work more quickly, which keeps them engaged and encourages them to grow within the organization.

3 How Much Is Automated

Before AI, collecting skills data (and deciding what data to collect) was a manual, human-led process. CHROs would work with business leaders to identify what individual skills to track, employees would be asked to update their skills profiles regularly and managers would be expected to validate them.

Naturally, AI automates many elements of this process. For CHROs, this means approaching the task from a different angle and asking business leaders: What business systems are the best data sources for automatically understanding employees' work experience to capture what skills they possess and which context they used them in? When this information is automatically gathered without human input, machines can draw conclusions that leaders, managers and employees don't understand or agree with.

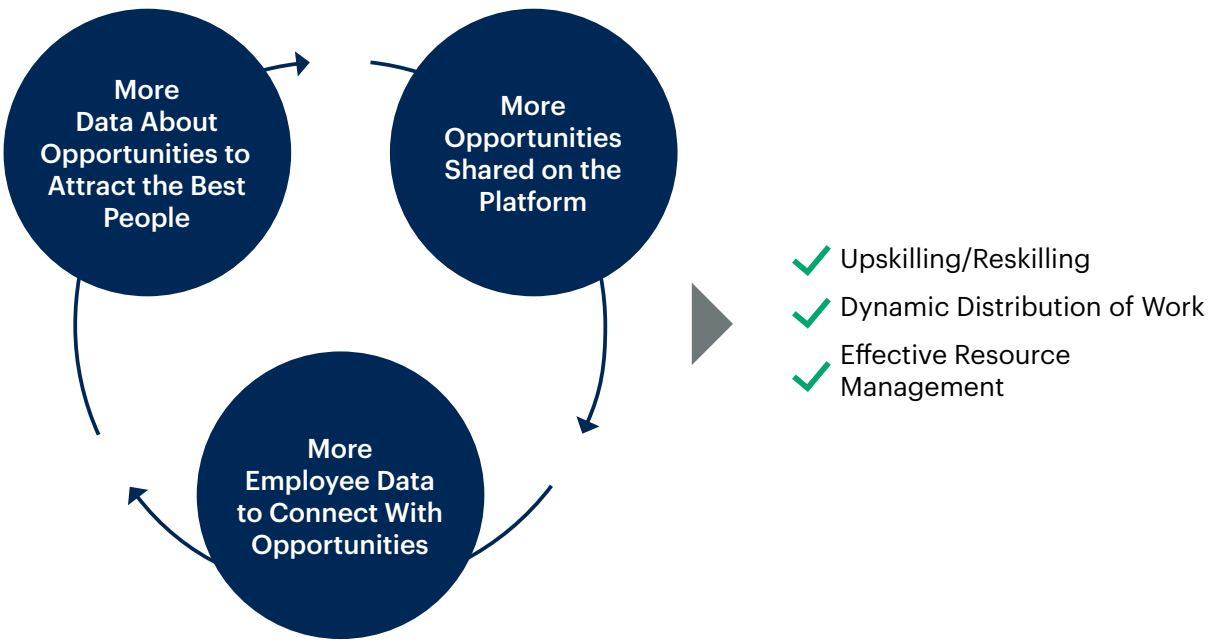
To maximize automation's benefits and minimize the ethical risks, CHROs should establish governance systems to oversee what the engine is delivering to improve quality and ensure there is room for human feedback to correct and adjust the engine over time.

4 How Skills Are Detected

Historically, assessments have been HR's main source of skills data, periodically capturing employees' skills at discrete points in time. AI enables a more continuous and dynamic process, where assessments still play a role, but they are just one segment of a larger field of data, which is collected on an ongoing basis.

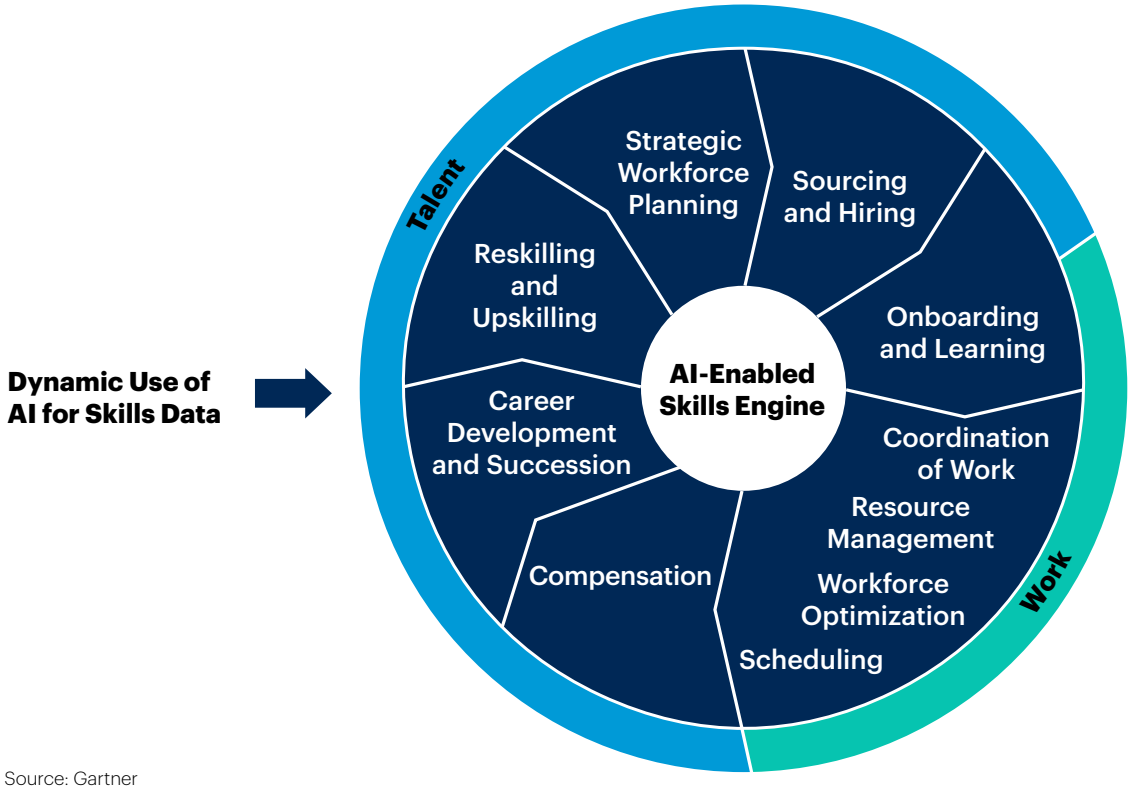
CHROs must ensure data flows are designed to generate positive feedback loops (see Figure 3). For instance, an internal talent marketplace can provide ongoing data about employees' experiential development. But when the system continually matches the right people to projects, this also improves the engine's understanding of employees' skills and, in turn, enables it to make better matches over time. Think of it as a cycle: When employees see that the marketplace offers them good opportunities, they are motivated to take advantage of these opportunities. This in turn generates better data about people's experiences, which feeds better matches and creates more interest in opportunities.

Figure 3: The Skills Data Feedback Loop



Source: Gartner

Figure 4: A Regenerative System for Talent



Source: Gartner

5 How Market Data Is Used

The fifth and final way AI changes the way organizations think about skills is by providing greater access to troves of external data they couldn't easily incorporate into their skills strategies before. An AI-enabled engine can automatically incorporate external data, dynamically map it onto internal data and use internal and external data to continuously improve its accuracy. This can allow CHROs to more easily detect where emerging skills are coming from and where there is the highest competition for them, providing better insights for strategic workforce planning.

Yet, this technology is still new and developing. No single, perfect source for external skills data exists, nor does any off-the-shelf solution that will provide exactly what your organization needs. In working with providers, you will find that you and your teams need to do more manual work than you might have expected. However, the benefits of capturing external skills data and mapping that to your internal landscape can be well worth the effort.

CHROs who embark on this project should be prepared to iterate and learn as they go. Over time, however, linking your skills data sensing to the external market will help your organization adapt and respond with agility to the dynamic changes taking place outside.

A Regenerative System for Talent

By adapting to these changes and using AI dynamically to gather and operationalize skills data, CHROs can design a regenerative system that supports talent strategy, employee development and even the way work gets done at the organization (see Figure 4). AI's ability to learn and improve its outputs over time is what makes it an exciting tool to apply to skills management and planning, a field in which supply and demand are constantly changing. For CHROs, the challenge — and opportunity — lies in taking full advantage of this power and building a skills engine that keeps getting better at its job.

Quant Corner

HR Leaders' Investment Plans Prioritize Technology

By Hanne Nieberg

Despite high inflation and economic uncertainty, almost half of HR leaders still expect their 2023 HR budgets to grow. Forty-six percent of HR leaders plan to increase their HR technology budgets, making HR tech the most prevalent investment area for the second year in a row.[1, 2]

The emerging technologies HR leaders find most important this year are:

- Skills Management Solutions (51%)
- Learning Experience Platforms (41%)
- Internal Talent Market Places (32%)
- Artificial Intelligence (AI) in Talent Acquisition (29%)
- Hyperautomation in Human Capital Management (HCM) (20%)[3]

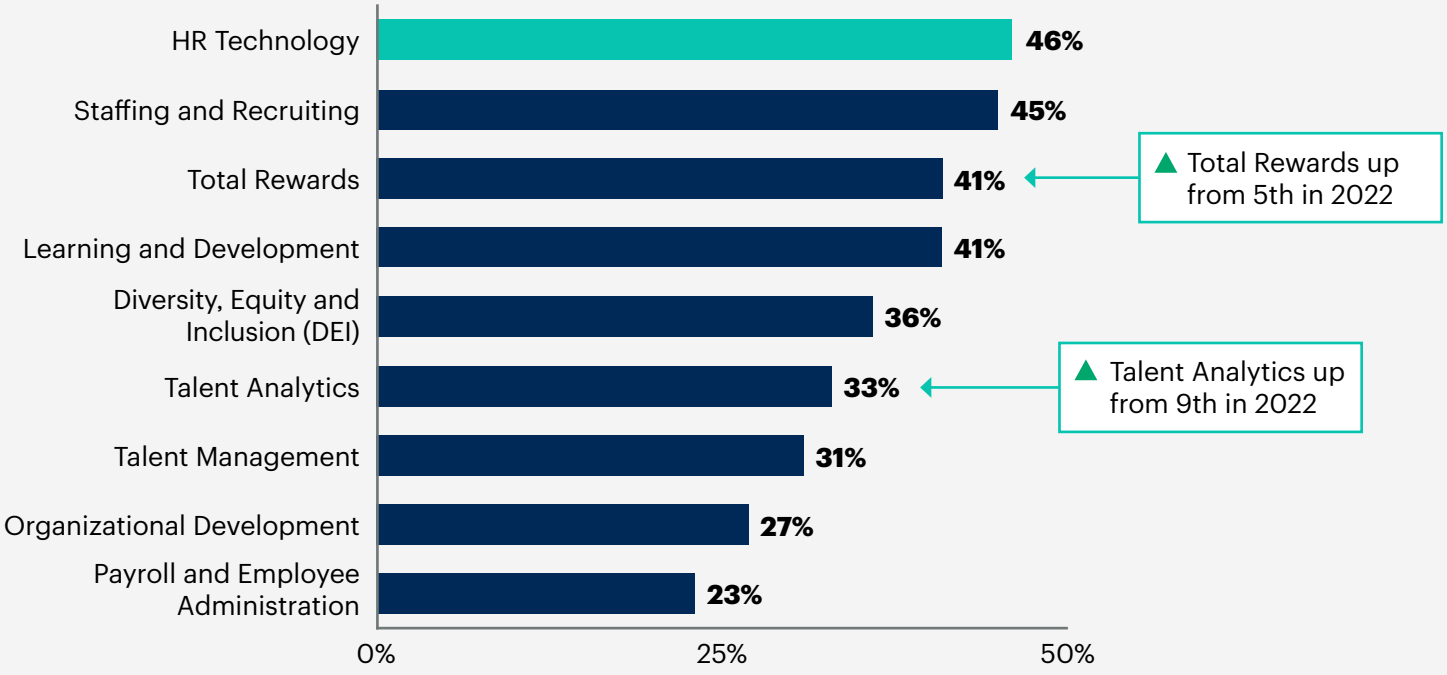
[1] Gartner 2022 HR Budget and Efficiency Survey. The Gartner HR Budget and Efficiency survey is an always-on survey with twice annual benchmark updates. The current published benchmark was last updated with data collected through 31 October 2022 and contains data from the prior 18 months. All data is collected from Gartner clients. Participating organizations represented all major industries, revenue sizes and organization sizes.

[2] Gartner 2021 HR Budget and Efficiency Survey: Data collected August-December 2021.

[3] 2022 HR Technologies Client Survey: This survey was conducted online from 5 October through 21 October 2022. In total, 138 clients participated. All data is collected from Gartner clients. Participating organizations represented all major industries, revenue sizes and organization sizes.

HR Investment Areas

Percentage of HR Leaders Planning to Increase Budget



n = 118 HR leaders

Source: Gartner 2022 HR Budget and Efficiency Survey

HR Toolkit

Tackling 2023 Future of Work Trends

Organizations are facing historic challenges with a competitive talent landscape, an exhausted workforce, along with pressure to control costs. HR leaders must adapt to the changing needs of the workforce and labor market to drive talent goals.

Leverage our latest HR toolkit to:

- Discover 9 trends that will have the greatest impact on the workplace in 2023
- Get guidance on how to navigate these trends and achieve better talent outcomes
- Access actionable tools and case studies



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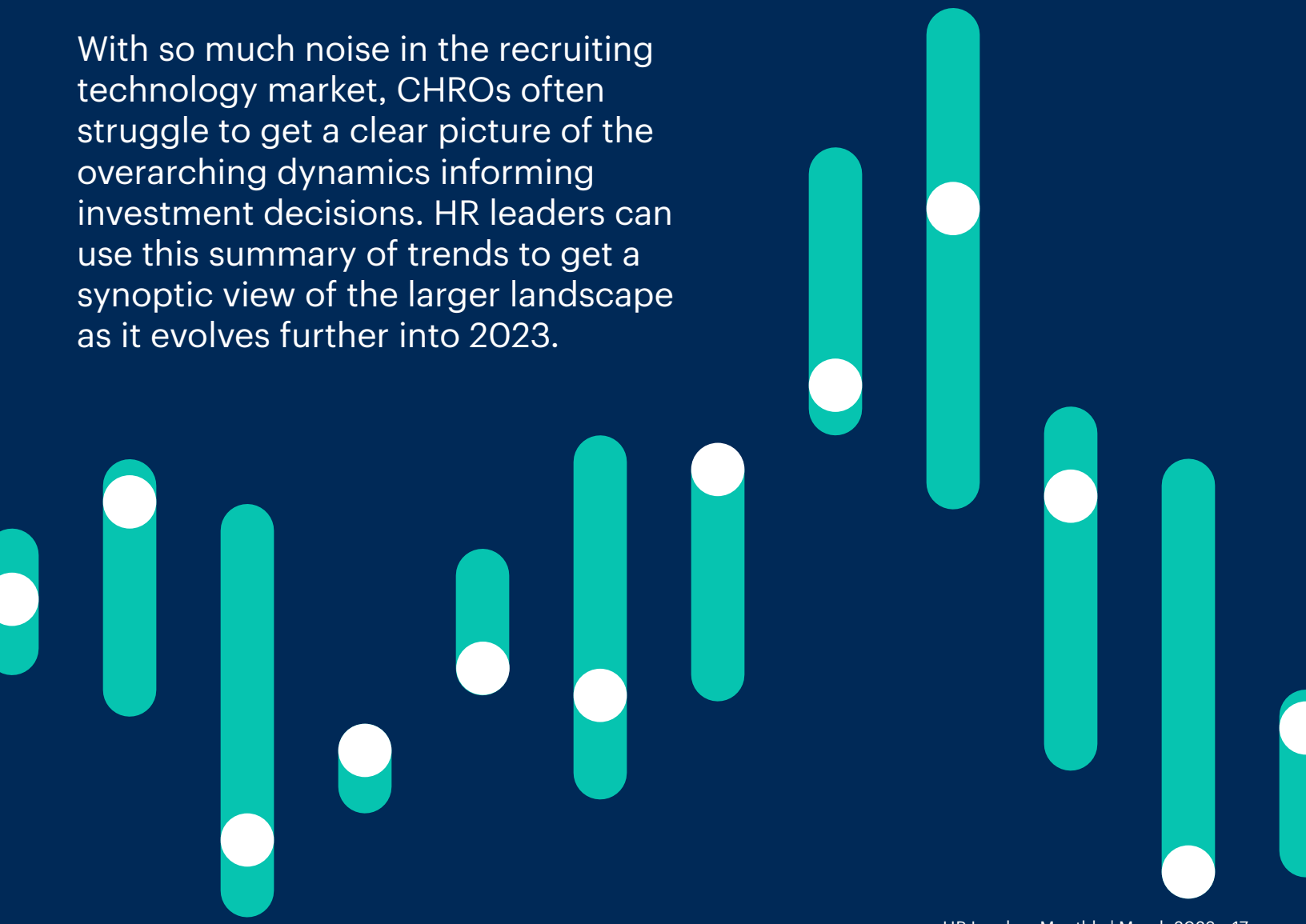
Top 3 Recruiting Technology Macro Trends for 2023

By Rania Stewart

With so much noise in the recruiting technology market, CHROs often struggle to get a clear picture of the overarching dynamics informing investment decisions. HR leaders can use this summary of trends to get a synoptic view of the larger landscape as it evolves further into 2023.



Along with pervasive investment in reporting and analytics, recruiting or talent acquisition (TA) ranks consistently among the most invested HR domains, including people and technology investments alike (see Figure 1). With so much investment flowing into recruiting, CHROs must have a firm grasp on where these investments are trending, what's fueling that trajectory and what their competitors may be leveraging above and beyond their own organization's capabilities.

Recruiting technology is a particularly important area to monitor for strategic opportunities: Gartner's 4Q22 CHRO Survey identified lack of the right HR technology as the top barrier preventing HR restructuring efforts from improving impact.

Figure 1: Top Five HR Domains Based on Investment
Percentage of Respondents; Five Responses Allowed



n = 138

Q. Select the top five of the following HR domains according to the amount of investment focus that is planned in the coming year.

Source: 2022 Gartner HR Technology Client Survey

As HR leaders look ahead to 2023, they should be aware of the three macro trends currently shaping the recruiting technology market:

- Shifting left in the recruiting funnel
- Enabling worker transitions
- Market consolidation

These trends are informed by hundreds of Gartner client inquiry calls with organizations of different sizes, industries and geographies. These micro trends are summarized in Figure 2.

Macro Trend 1: Shifting Left

For most of the last two decades, applicant tracking systems (ATS) have been the core technology associated with recruiting. An ATS brings together a purpose-built workflow for recruiting operations, from the initial opening of a job requisition through candidate selection, assessment, interviews and final hiring decisions.

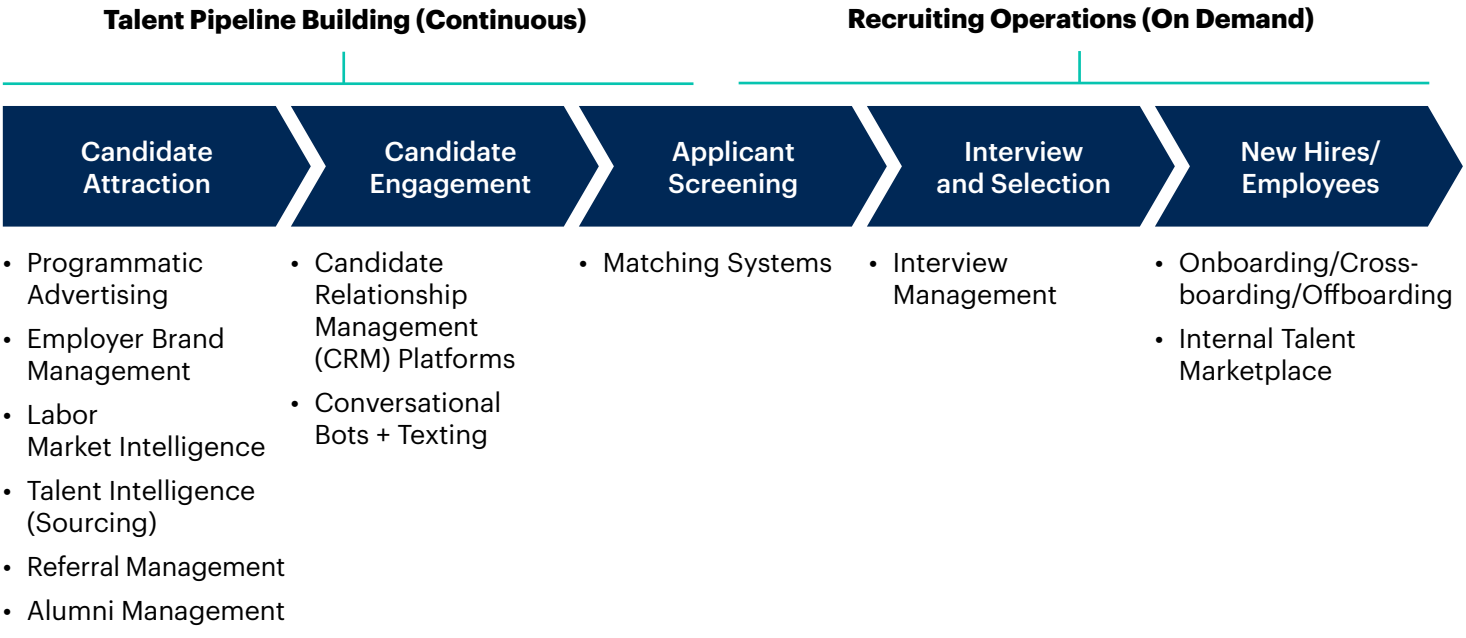
Look at the recruiting market today, however, and you'll be hard pressed to find stand-alone ATS vendors. Why is that? And why does it matter so much toward better understanding the market domain dynamics and subsequent opportunities?

Here's why: An ATS is too hyper-focused on the point of talent demand. Its role emphasis is limited to organizing and executing the filling of the role.

A traditional ATS does not largely account for where the talent comes from, the quality or quantity of applicants, or the context in which the role is being filled (all stressors contributing to bottlenecking and less-than-efficient recruiting operations). ATS capabilities along these lines are often design afterthoughts requiring unexpected effort (or additional integration and/or point solution capabilities) from recruiting functions to be pragmatically leveraged.

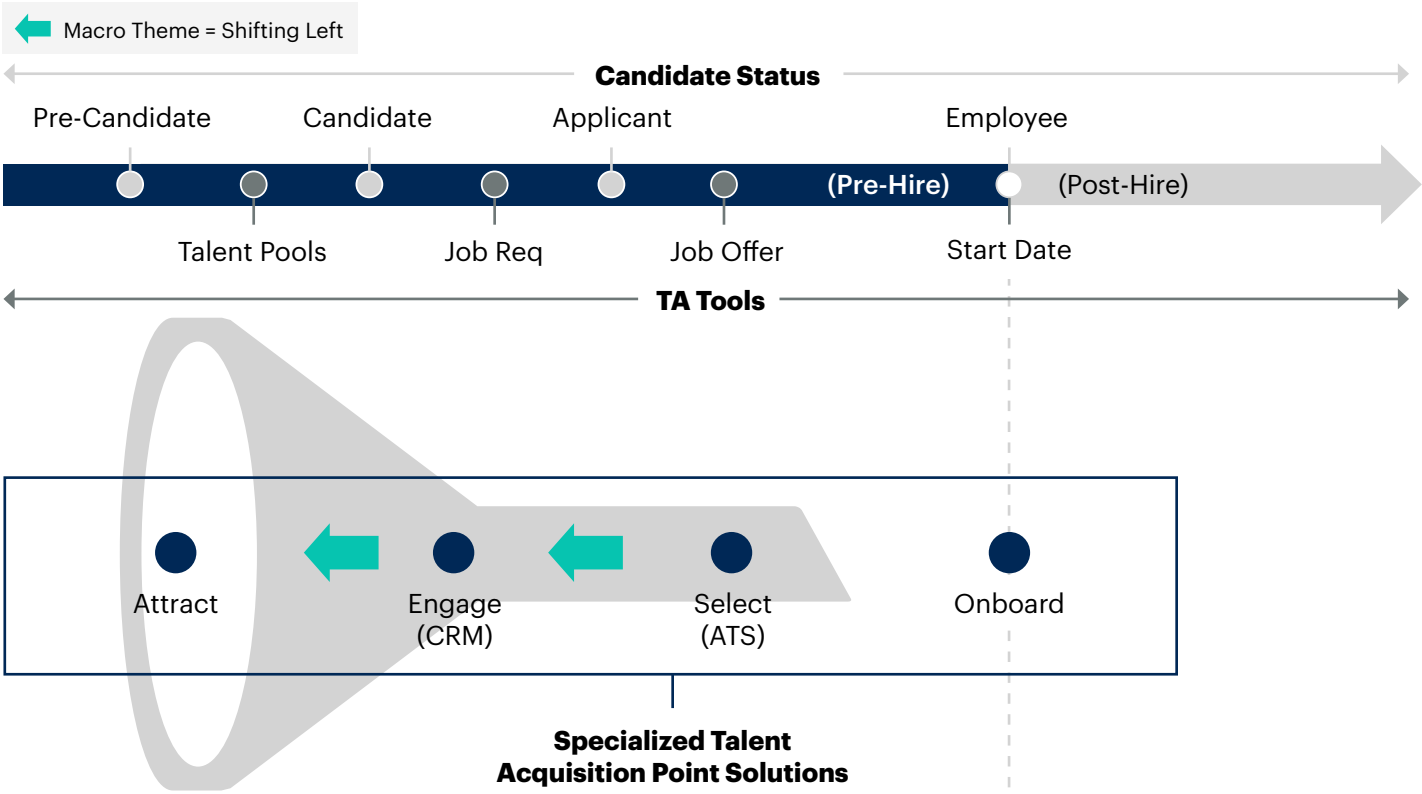
While this can be a marked improvement for organizations relying on manual processes, the vast majority of organizations doing their own hiring in today's intensely competitive talent market have a strong motivation to shift left in the recruiting funnel to better identify, attract

Figure 2: Top Trending Recruiting Technology Investment Considerations



Source: Gartner

Figure 3: Shift in the Talent Acquisition Technology Ecosystem



Source: Gartner

and engage quality candidates before they apply (see Figure 3).

This shift is why more organizations are investing in ongoing, engagement-focused candidate relationship management (CRM) and more varied, technology-enabled candidate attraction capabilities. These capabilities concern themselves with questions an ATS often can't answer, such as:

- Where are candidates coming from?
- Are they engaged (and less likely to drop out downstream)?
- Do we know if they're a preliminary skills match before they even apply?

The benefit of more capabilities is a matter of quality, not quantity. It's not about being able to convert more candidates to applicants but rather generating smaller pools of applicants who are better suited to the roles they apply to.

In addition to improving the speed and efficiency of recruiting, this approach can also improve your employer brand by helping candidates find the best fit for them instead of simply telling them they aren't a good fit.

Before the COVID-19 pandemic, CRMs were at the top of many organizations' nice-to-have lists, but now they have shifted to a must-have strategic investment priority. The new core staple to any recruiting tech stack is not the stand-alone ATS but the CRM-ATS combination referred to as the "TA suite" (defined in our Market Guide for Talent Acquisition (Recruiting) Technologies).

Organizations are now shifting left in their recruiting technology emphasis and investment in different ways, depending on their starting point:

- Organizations that did not have a CRM are now adding those capabilities, including many midsize organizations with 3,000 to 10,000 employees (typically in high-growth mode).

- Organizations that do have a CRM are reevaluating their processes to realize more value. Recruiting teams are looking upstream (sourcing channels, career sites) and downstream (ATS) to make people, process and technology modifications throughout the whole funnel in an effort to realize more of their CRM's full potential.
- Organizations are shifting select ATS capabilities into pre application CRMs and virtual assistants. Assessments and preliminary interviews are increasingly becoming part of the engagement period before a candidate hits the apply button.
- Organizations are incorporating skills-based, AI-enabled social (outbound) sourcing for professional roles. After the ATS or TA suite, job boards and specialty sourcing providers are often the second largest investment in recruiting technology. Skills-based, AI-enabled sourcing complements an organizations' existing sourcing channels by helping them reach out to passive, external talent that may be a good skills match, whether to invite them to apply or just to learn more about the organization.
- Organizations are improving their career sites and related recruitment marketing and employer branding initiatives. CRMs and sourcing channels don't actually present the face of the organization, but once you have a candidate's attention, these become very important.

Macro Trend 2: Enabling Worker Transitions

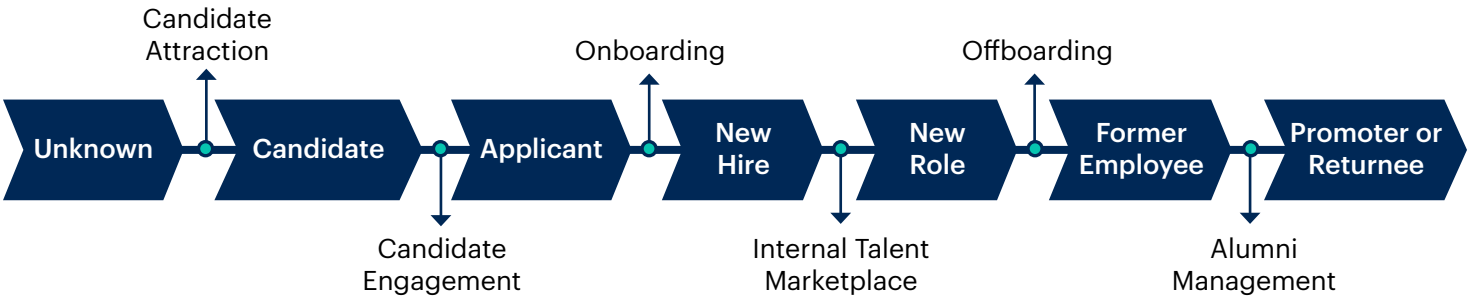
In addition to the emphasis on candidate attraction and engagement, organizations are increasingly investing in worker transition management capabilities like onboarding and offboarding (highlighted in Figure 4). This is not by coincidence.

Each of these high-investment silos represents a point of transition in the worker life cycle (see Figure 4):

- Candidate attraction is about transitioning from unknown to candidate.
- Candidate engagement is about transitioning from candidate to applicant.
- Onboarding is transitioning from applicant to new hire.
- Internal talent marketplace is transitioning from one role to another role.
- Offboarding is transitioning from employee to former employee.
- Alumni management is transitioning from former employee to promoter or return applicant.

This intense focus on transitions may be explained by the tectonic shifts that have taken place in the labor market over the past three years, from the global hiring freeze in the early pandemic to the unprecedented spike

Figure 4: Talent Acquisition and the Employee Life Cycle



Source: Gartner

in hiring during the recovery. Having lived through this historic crisis, organizations are unsurprisingly positioning themselves to be more agile and adaptable to sudden changes in the business environment.

This is reflected in recruiting technology buying trends in two distinct ways:

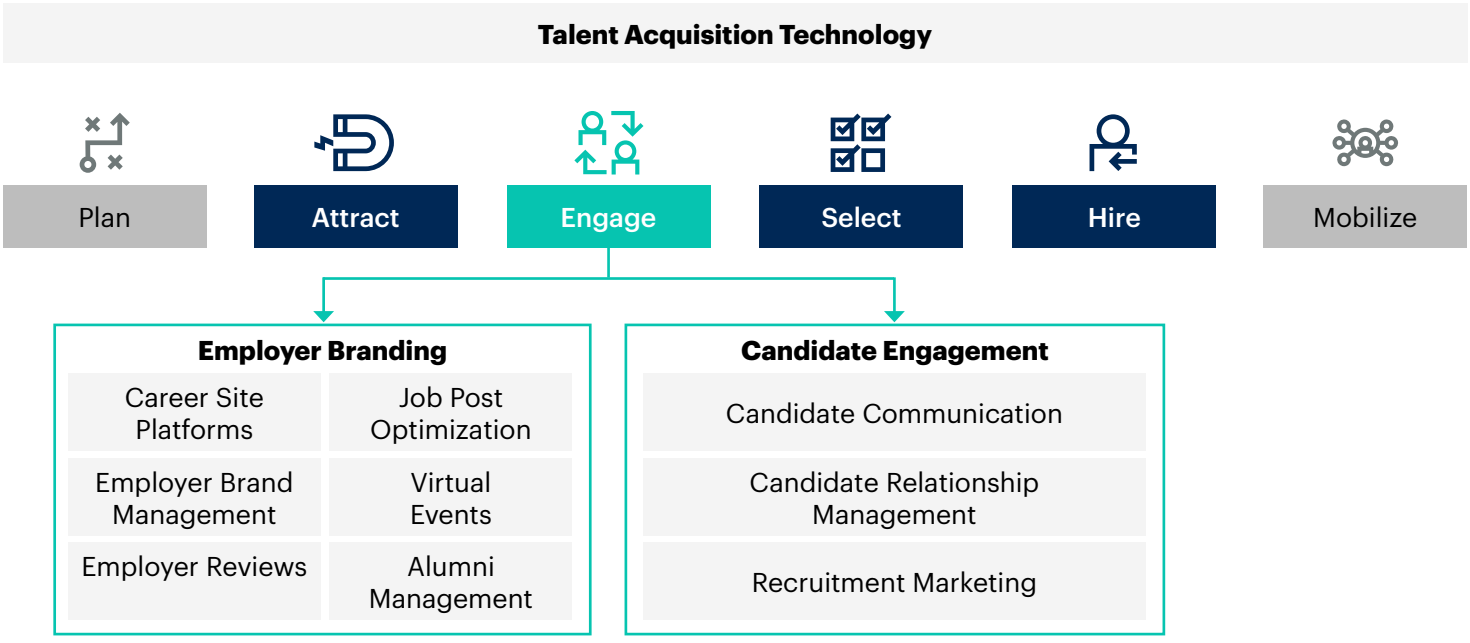
1. Organizations are investing in areas of worker status transitions as a means of promoting talent agility (required for business agility). By investing in technologies that support these transitions, leading organizations are building their capacity to adapt to change and have the right people in the right roles at the right time. Whatever the external environment brings and how the organization chooses to respond, the recruiting function is positioned significantly better to adapt to future extremes with a technology stack that facilitates these transitions.
2. Organizations are more willing — even eager — to make larger and more disruptive changes to their recruiting function overall, including people, processes and technologies. Rather than patching up weaknesses in their existing processes, many organizations are pursuing major technology and/or process changes that are likely to reap greater impact over the midterm to long term. The CRM-related investments mentioned above are a great example of this trend.

Macro Trend 3: Market Consolidation

Recruiting technology makes up the largest proportion of the overall HR technology market, with hundreds of offerings spanning dozens of categories of capability. Figure 5 contains an excerpt from our TA Technology Market Taxonomy to illustrate the spectrum of capability in just one stage of recruiting technology.

The sheer volume of providers, coupled with prolific marketing and a quickly evolving landscape, makes it nearly impossible for most HR leaders to know, at any given moment, what capabilities are available on the market and where to find them. The market's complexity also makes it hard to measure how these capabilities might fit into their talent strategies.

Figure 5: Excerpt of TA Technology Market Taxonomy



Source: Gartner

The ongoing consolidation of vendor offerings serves as another point of confusion. We predict that by 2025, the recruiting landscape will further consolidate, with 20% fewer point solution vendors in the marketplace. On the plus side,organizations looking to augment capabilities down the road have a greater chance to simply expand their footprint with one of their existing vendors. It also presents an opportunity to consolidate your recruiting technology stack into a smaller number of total products or vendors.

On the negative side, consolidation makes it more difficult to keep up with which vendors offer which capabilities. Two vendors that now advertise the same offering may have very different levels of maturity in that capability — if one has specialized in it for a long time and the other has just recently added it to their toolkit.

For HR leaders making recruiting technology investments, the upshot is that the market is evolving from a wide range of point solution specialists to a smaller number of mini platforms offering multiple capabilities. This consolidation presents challenges and opportunities for buyers, and HR leaders will need to rethink how they seek out the tools they need in this evolving marketplace.

Leverage Learning Technology for More Engaging and Effective Onboarding

By Travis Wickesberg and Courtney Zern

A new employee's onboarding experience greatly affects how long they stay at the organization. To retain more new hires, learning and development leaders must maximize use of learning technologies to deliver automated, personalized employee onboarding that drives culture connection and productivity.

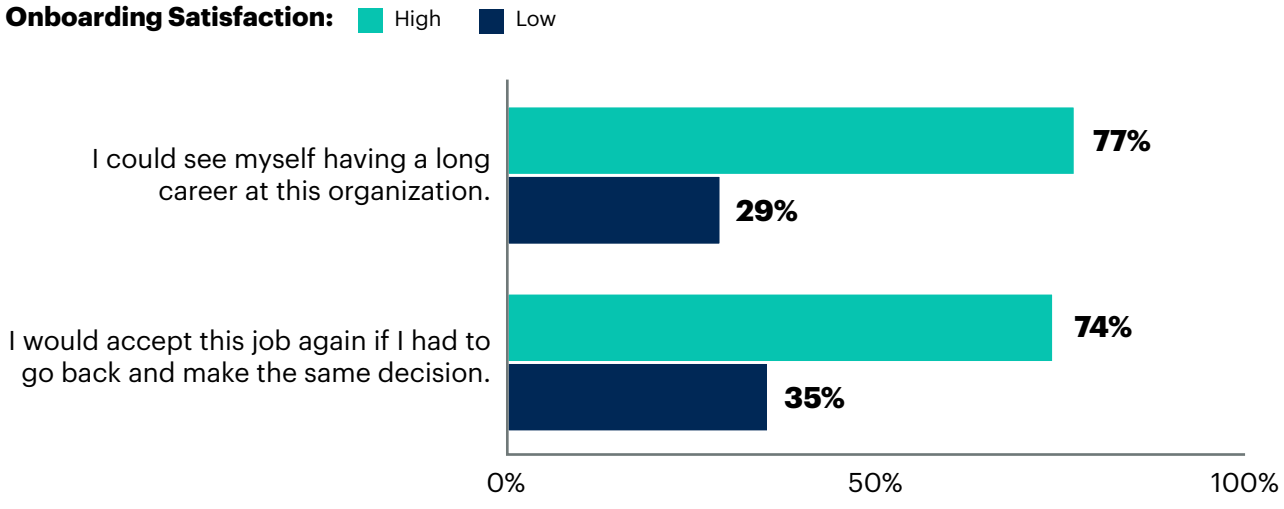


New employees' onboarding experience has a huge impact on their commitment to staying with the organization. New hires are at a higher risk of attrition than any other group, and they are increasingly uncommitted to their roles. In 2022, Fifty-nine percent of recent hires indicated they would repeat their decision to join their organizations, compared to 83% of respondents saying the same in 2021.[1,2] However, in the 2022 Gartner Candidate Survey, 77% of new hires with high onboarding satisfaction said they could see themselves having a long career at their organization, compared to just 29% of those with low onboarding satisfaction (see Figure 1).

Considering the impact of the onboarding experience on employee retention, organizations cannot afford to make onboarding mistakes. For learning and development (L&D) leaders who want to upgrade their organization's onboarding experience, learning technology can be a significant part of the solution. L&D leaders should work with their CHROs and HR technology leaders to evaluate their existing onboarding programs and ensure they're optimizing their learning technology features and solutions to deliver an automated, personalized and captivating experience.

Leveraging technology to support onboarding enables organizations to scale, automate and deliver personalized and must-know content to new employees during the critical onboarding phase. Nearly every component of the learning

Figure 1: New Hire Decision Commitment and Anticipated Organizational Tenure
Percentage of New Hires Agreeing, by Satisfaction With Onboarding

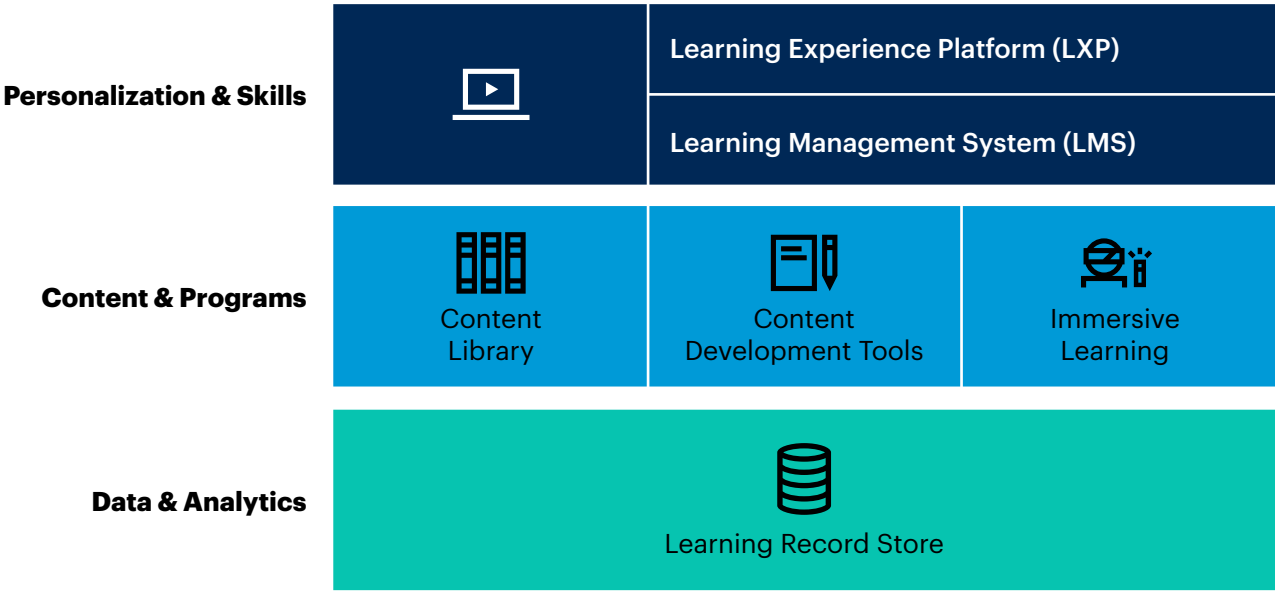


n = 1,452 candidates who recently started a new job

Source: 2022 Gartner Candidate Survey

Note: New hires rated their agreement with the statement "I am satisfied with how I was onboarded into my new role." Respondents were categorized as having low onboarding satisfaction if they disagreed with the statement and high onboarding satisfaction if they agreed with the statement.

Figure 2: Corporate Learning Ecosystem



Source: Gartner

ecosystem (see Figure 2) can be used to support and optimize the onboarding process.

Deliver Foundational Knowledge With Learning Pathways

Learning management systems (LMSs) and learning experience platforms (LXPs) are powerful tools that can be used to help drive a consistent, automated and accessible onboarding experience, regardless of an employee's location. Most LMSs and LXPs allow content to be placed into learning pathways or channels. Various pathways can then be grouped together to deliver an organized and comprehensive employee journey from a single point solution.

Pathways should be constructed to support mission-critical information that will quickly help the employee assimilate, build connections and become productive. Include content on the organization's purpose, values and culture, as well as key systems, processes, skills and tools that help the employee understand the organization's mission and become a contributing member of the team. Done well, these foundational elements can create connectedness, stickiness and reassurance that the employee made the right decision to join your organization.

Personalize Onboarding Plans With AI and Skills Data

While organized and structured pathways are great for must-know foundational knowledge, new hires are also demanding a more intimate and personalized onboarding experience that supports personal interests and helps them develop skills in their new roles. L&D leaders can address this by using an LMS or LXP that uses artificial intelligence (AI) to support personalization, content curation and expanded breadth of content.

Advanced LMSs and LXPs will present questions to new hires asking them about their interests, backgrounds and skills. The AI algorithms in the platform use that data to personalize the employee's learning dashboard with a variety of content and experiences aligned to their interests and backgrounds, giving the new hire some control over what, how and where they learn.

As new hires complete training, advanced LMSs and LXPs will capture skills data related

to the courses and assessments the employee completed and use it to build a skills profile. These skills profiles help learners and leaders understand skills strengths and opportunities. Line leaders should use the skills data to assign projects and assignments that align with new hires' skills, helping them quickly build confidence and optimism in their new roles.

Drive Connections With Collaborative Learning

People understand more and create more value when they learn and teach within a group rather than on their own. Collaborative and cohort-based learning techniques instill learner confidence, reinforce new skills and compound learning retention. LMSs and LXPs typically have social features, but learner choice is a critical differentiator. Since a large number of new employee connections and communications are happening via existing enterprise intranets or message applications, L&D leaders should look to integrate the LMS and LXP with these tools.

In addition, emotional connection is critical for successful onboarding, so organizations should leverage social features and embed social learning activities in the onboarding experience. For example, an organization could create a new manager learning group in its social platform and then embed or link to relevant resources, learning assets and potential mentors. In this example, new managers who recently joined the organization could network with more experienced managers and have access to resources and facilitated discussions.

Enhance Role-Based Learning With VR

As organizations onboard new hires in a remote or hybrid environment, they need to deliberately create community and drive operational behaviors in an engaging and captivating fashion, which is critical to engagement and retention. Standard L&D methods like digital learning and virtual instructor-led training have limitations and are not always the right delivery methods to produce the desired learning outcomes. As an alternative, innovative L&D leaders are turning to virtual reality (VR) for help.

Immersive technologies such as VR have started to become part of organizations' onboarding strategies to deliver engaging and relevant learning experiences. VR refers to computer-generated environments designed to fully immerse users in a digital world. Our 2023 L&D Technology Innovations Bullseye Report ranked VR third in terms of high future investment expectations. This isn't surprising considering the cost of VR has come down due to enhancements in technology and a growing vendor landscape. Until now, VR training has primarily been used for scenarios that are high-risk or expensive to replicate (such as training airline pilots or surgeons). Today, it is also being used to improve leadership interactions, enhance customer service, decrease incident costs and accelerate time to proficiency.

In 2017, for example, UPS began using VR to provide safety training for new delivery drivers.[3] Before they even sit in a delivery truck, they're required to complete a blended learning program that includes VR modules on driver safety. As part of the VR experience, new hires must drive down a virtual road and identify potential safety issues, which is impossible to assemble or replicate with standard L&D tools. The VR training not only improved UPS drivers' safe driving skills; in its first year, UPS's retention rate for new drivers climbed to 75%, which the company attributed to being able to train them faster and more efficiently.[4]

H&R Block also uses VR in its onboarding program for the roughly 5,000 new call center employees it hires each year.[5] With many of its team members working remotely, the tax preparation company needed a way to drive human connection with customer interaction training. L&D leaders at H&R Block created a VR program to simulate realistic scenarios in which new call center agents could practice empathy and active listening with avatars instead of actual callers. The training program contributed to a 50% reduction in the number of dissatisfied customers. Furthermore, H&R Block reported that 70% of employees preferred the VR training over traditional training methods.[5]

We do not advise L&D leaders to start converting all of their existing learning content to VR. Instead, they should explore where this technology could add transformational value to their onboarding program. When used correctly, VR can increase

engagement, drive content retention and improve the employee experience. These outcomes all contribute to helping new hires feel productive and valuable in their new role.

Integrate Data for Automated and Personalized Delivery

To enable automated, personalized and seamless delivery of onboarding learning activities and support engagement, L&D leaders must integrate learning technology with key HR and organizational systems. When learning technology becomes part of an organization's integrated framework, data, processes and knowledge can be shared and flow across core technology and be accessible whenever employees need them. Employees also have fewer systems and interfaces they need to interact with, which allows them to be more productive.

Explore the following integrations to support automated and personalized delivery of onboarding learning content:

- Applicant tracking systems
- HCM systems
- Productivity tools
- Mobile devices
- Talent mobility systems and processes
- Performance and development tools and processes (assessments, competencies, skills, etc.)

Some integrations will be easy to implement, while other high-impact integrations may take further planning and investment based on the maturity of the organization's technology infrastructure, learning technology ecosystem and culture. In this instance, IT and HR leaders will need to partner to establish a roadmap to achieve the desired state and document dependencies across systems, teams and processes.

[1] 2022 Gartner Candidate Survey, n = 3,621 job candidates. The 2022 Gartner Candidate Survey was conducted online from 6 May to 7 June 2022. A total of 3,621 candidates from 14 countries, 23 industries and 20 functions were polled on their experiences and behaviors during the hiring process. Respondents were required to have met the following criteria to qualify: (a) applied for one or more job(s) in the past 12 months, (b) were contacted by at least one organization to complete an assignment or participate in an interview in the past 12 months, and (c) worked at an organization of 1,000 or more employees. Survey design and development, administration and data analysis were done by Gartner's HR Practice research team.

[2] 2021 Gartner Candidate Survey, n = 3,000 job candidates. The 2021 Gartner Candidate Survey was conducted in May and June 2021. A total 3,000 candidates from 10 countries, 24 industries and 21 functions were polled on their experiences and behaviors during the hiring process. Respondents were required to have met the following criteria to qualify: (a) applied for one or more job(s) in the past 12 months, (b) were contacted by at least one organization to complete an assignment or participate in an interview in the past 12 months, and (c) worked at an organization of 1,000 or more employees. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but do represent the sentiments of the respondents surveyed.

[3] UPS Takes Driver Safety to the Next Level With Virtual Reality, TransportDive.

[4] Why Walmart and Other F500 Companies Are Using Virtual Reality to Train the Next Generation of American Workers, CNBC.

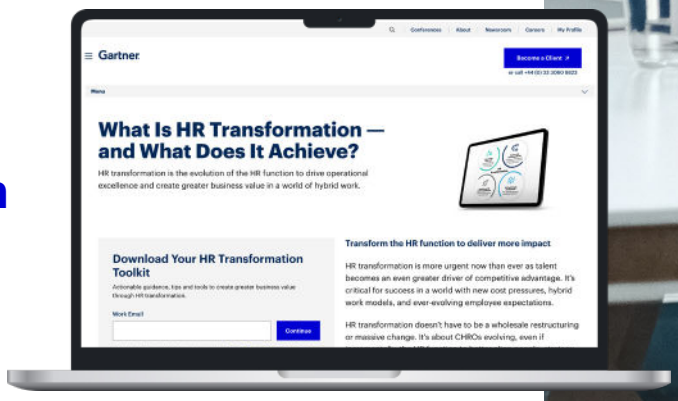
[5] How Companies Are Using VR to Develop Employees' Soft Skills, Harvard Business Review.

HR Transformation Toolkit

HR transformation is more urgent now than ever before, as talent becomes an even greater driver of competitive advantage. It's critical for success in a world with new cost pressures, hybrid work models and ever-evolving employee expectations.

This toolkit provides actionable resources to support a successful HR transformation, including:

- World-class leadership
- Modern HR operating model
- Future-proof HR team competencies
- HR technology enablement



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How CHROs Can Use Gartner's EX-Ready Model to Optimize the Employee Experience

by John Kostoulas

CHROs who want to optimize employee experience must align their vision and actions with multiple stakeholders throughout the organization. Gartner's EX-Ready model provides a holistic, cross-functional approach to EX that helps CHROs maximize the business value of EX initiatives.





Employee experience (EX) has long been a priority for HR leaders, but in recent years it has also risen in importance as a broader business priority. Workforce issues, such as talent retention, hiring and diversity, equity and inclusion (DEI), are the third highest business priority for CEOs.[1] Improving EX is essential to make progress on those issues. Other leaders, including those responsible for operational excellence and the customer experience (CX), also increasingly recognize the impact of their decisions, processes and technologies on EX.

At the same time, the political and economic volatility of today's business environment has drastically increased the need for agility, as organizations must be continually ready to respond to new challenges. The large-scale transition to hybrid work — where employees work in countless variations of on-site, hybrid and remote environments — has changed the workplace forever.

Business agility and new ways of working not only make optimizing EX more difficult than ever but also amplify its business impact. When employees have a positive experience, they are:[2]

- 60% more likely to report high intent to stay with their employers
- 52% more likely to report high discretionary effort
- 69% more likely to be high performers

In contrast, a negative EX only exacerbates the mass voluntary turnover currently taking place as employees reflect on their wants, needs and careers. This high level of turnover lowers productivity, disrupts strategic initiatives when key talent needs replacing and ultimately damages business agility and performance.

One of the keys to optimizing EX is enabling siloed stakeholders with competing priorities to collaborate with one another and take

decisive action. EX is the net sum of many influences inside and outside the workplace, and HR leaders will amplify their impact on EX when they align their efforts with those of other business leaders. However, CHROs and other business leaders may understand EX in different ways, and this misalignment can result in a fragmented, incoherent or even nonexistent EX strategy.

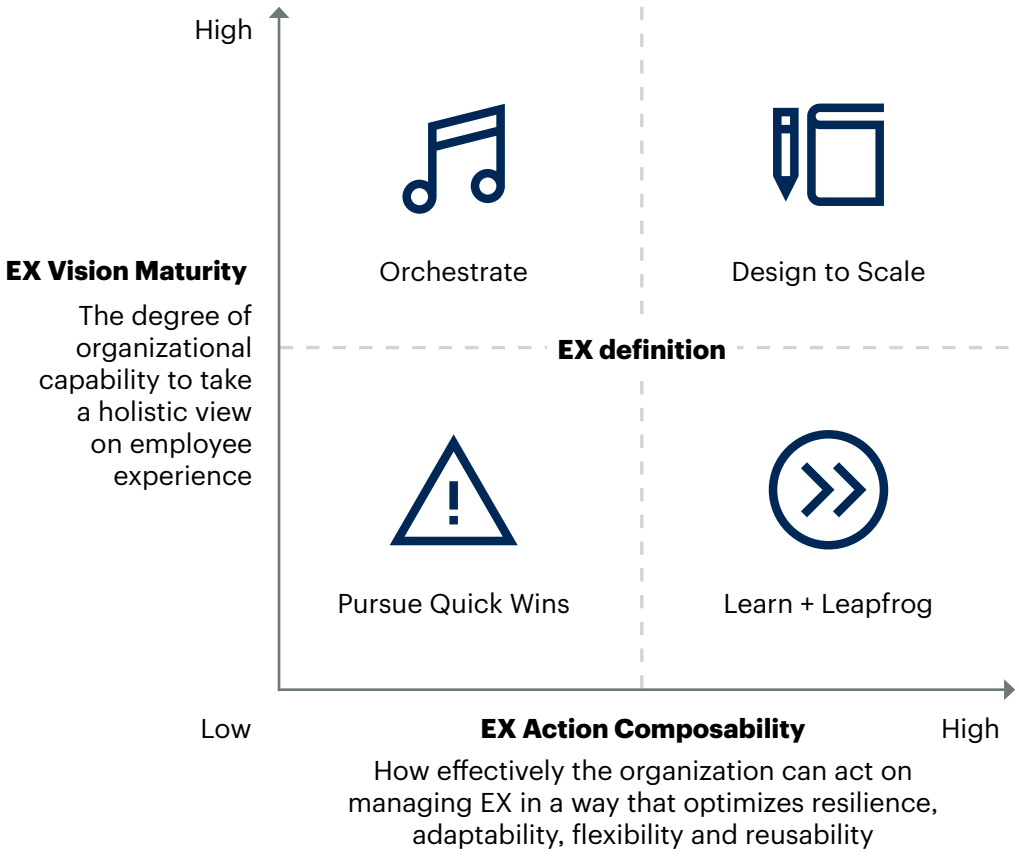
CHROs can take a lead role in driving coordinated, cross-functional action on EX. First, they must establish a joint system of reference to define and act on the organization's EX priorities. Gartner's EX-Ready model gives leaders a structured approach to frame their EX perspective using a multistage assessment of their EX vision's maturity and their ability to drive EX action amid changing business and workplace conditions (see Figure 1). Since its launch in May 2022, over 1,000 Gartner clients have used the EX-Ready model to advance EX strategy throughout their organizations.

Vision Maturity and Action Composability Determine EX Success

For CHROs to assess (or elevate) the position of their organization in the EX-Ready model, they need to dive deeper into two dimensions:

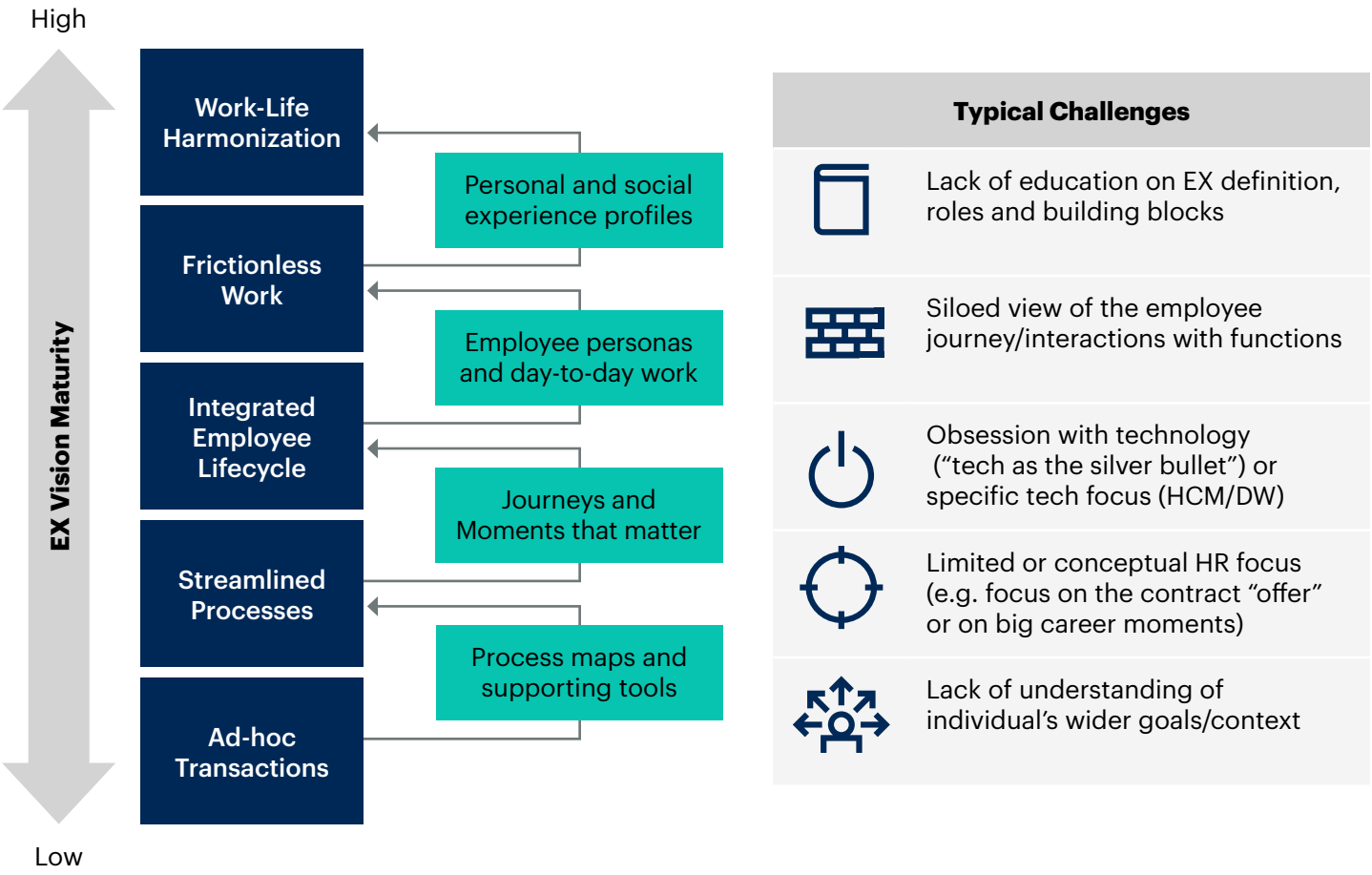
- **EX vision maturity**: The degree of organizational ambition to take a holistic view of EX
- **EX action composability:** How effectively the organization can act on managing EX in a way that optimizes resilience, adaptability, flexibility and reusability (the principles of business composability)

Figure 1: Coordinating EX Actions With the EX-Ready Model



Source: Gartner

Figure 2: Advancing EX Vision Maturity



Source: Gartner

Vision Maturity

Those organizations with the highest level of EX vision maturity:

- Understand the employee as a "whole person," including their personal and social experiences.
- Understand the overall day-to-day work contribution of an employee beyond the standard job description and employee life cycle.
- Define EX objectives related to employee personas, journeys and moments that matter.
- Have clear cross-functional ownership and goal alignment of EX beyond HR, aligned with their EVP and organizational culture.

Organizations with the lowest levels of EX vision maturity focus on limited aspects of the employee experience through ad hoc initiatives that relate to specific tasks or tools. Figure 2 presents the five stages of EX vision maturity along with typical challenges we see our clients face.

Action Composability

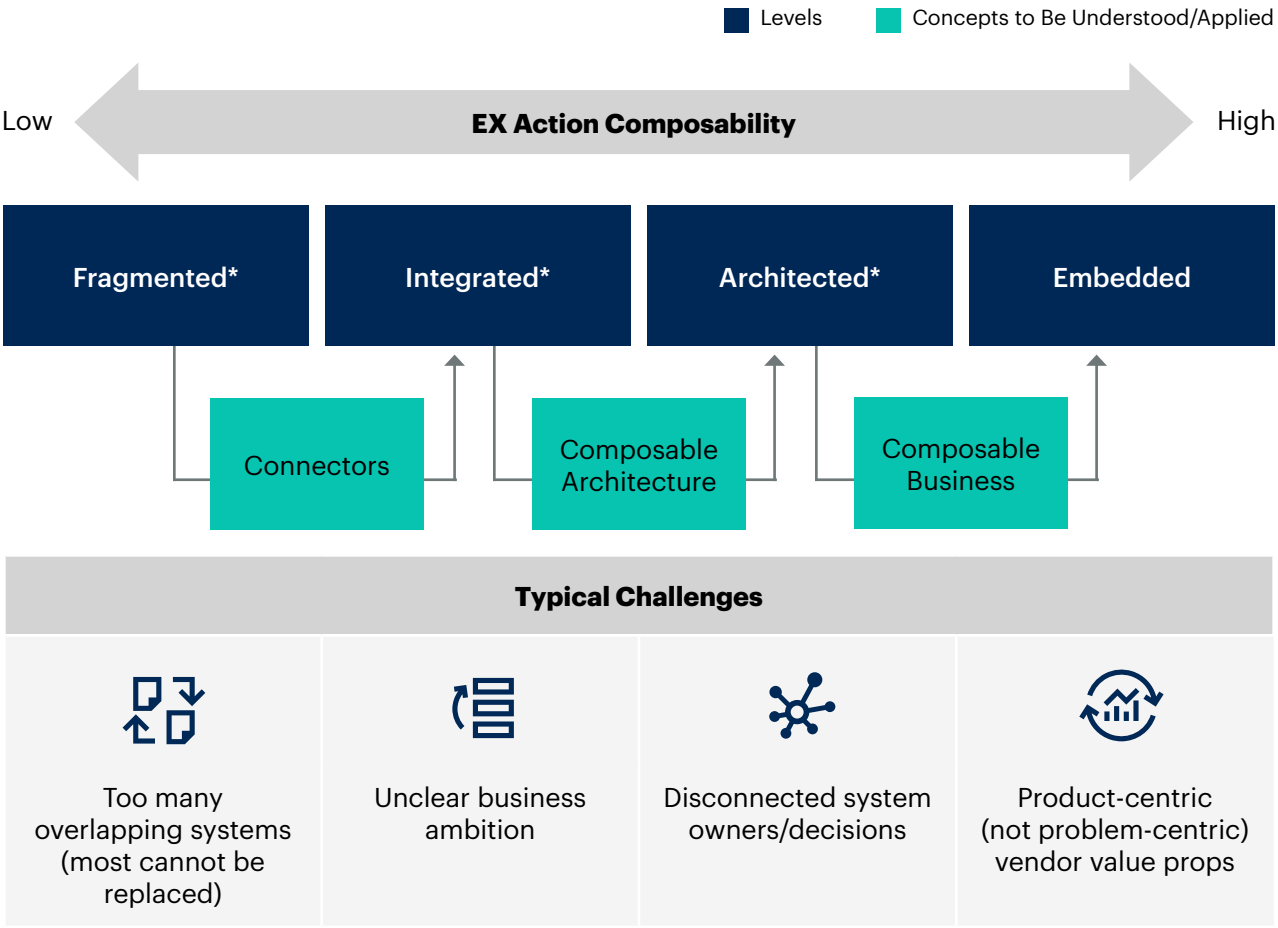
Organizations with the highest levels of EX action composability have:

- A clear organizational stance toward composable business overall (The organization's composability is not limited to technologies; it also expands to processes and roles.)
- An architecture that enables leaders in HR, IT, operations and other functions to coordinate their initiatives related to business roles, daily work and employee outcome objectives

Organizations with the lowest levels of EX action composability have fragmented systems, processes and roles that introduce friction (which impacts EX overall) and significantly slow down the ability to mobilize action to improve EX. Technology and service providers often amplify these issues because their value propositions focus on their product or service features instead of their customers' problems to be solved.

Figure 3 presents the four stages of EX action composability along with key concepts to understand and typical challenges we see our clients face.

Figure 3: Advancing EX Action Composability



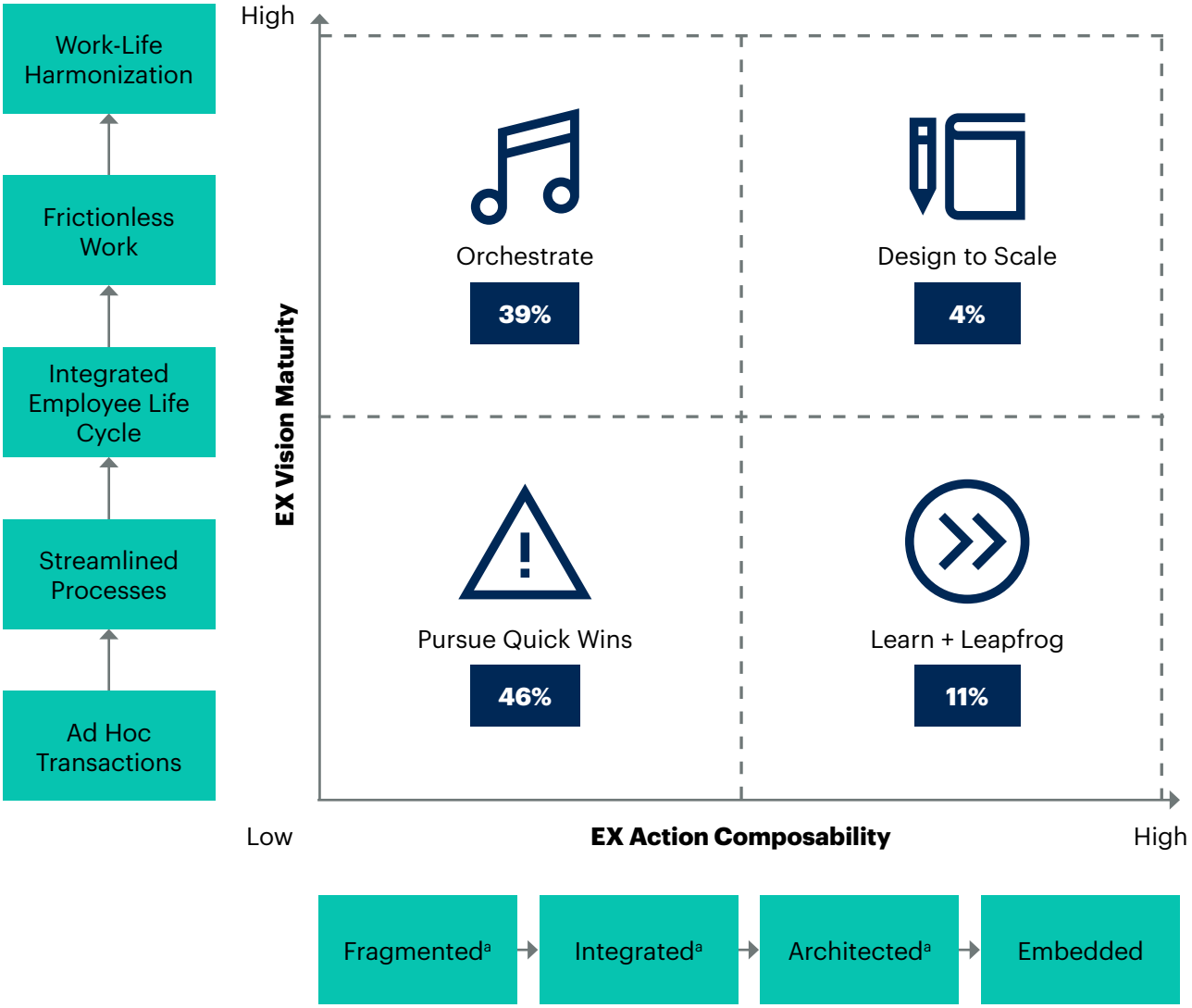
Source: Gartner

* This includes systems/processes/roles etc

Drive EX Improvements Based on Your EX-Ready Model Position

The EX-Ready model enables CHROs to graphically represent the position of an organization between its two dimensions. It also provides a practical way to position an organization into one of four action-oriented quadrants, as shown in Figure 4. In pulse surveys of HR leaders, we have found that even among those organizations with mature EX visions, few believe their organizations possess

Figure 4: Proportion of Organizations in Each EX-Ready Quadrant



n = 94 (Sep. 2022, London); n = 41 (Oct. 2022, Orlando)

Source: 2022 Gartner ReimagineHR U.S. and EMEA participant surveys, based on self-assessment

[a] This includes systems/processes/roles, etc.

the composability to coordinate action quickly and effectively.

Determining where your organization falls within this matrix can help identify next steps to advance your EX readiness and build on the work that has already been done. Table 1 lists some key priorities for organizations in each quadrant.

Table 1: Priorities for Organizations in Each EX-Ready Quadrant

EX-Ready Quadrant	Definition	Priorities
Design to Scale	These organizations possess the understanding, alignment and readiness required to implement their EX designs.	• Establish executive EX ownership and role optimization. • Use design thinking and connect it to culture and brand. • Optimize links to customer/total experience.
Orchestrate	These organizations are clear on the destination but face many complexities to streamline and optimize their existing processes, systems and roles. Profound change in all of these areas is usually not an option.	• Establish EX metrics and measure digital experience. • Optimize employee portals, workflows, mobile apps and service delivery platforms. • Implement initiatives for special interest talent segments (e.g., frontline workers). • Accelerate skills development for managers and leaders.
Pursue Quick Wins	These organizations cannot realistically undertake too many EX initiatives before they elevate one or both of the EX-Ready dimensions.	• Assemble EX-focused forums to define building blocks of EX (e.g., moments that matter, employee personas). • Staff EX-focused roles. • Scan the market for off-the-shelf technology support. • Prioritize a few vital investments (e.g., user experience of critical HR applications).
Learn and Leapfrog	These organizations have the potential to move fast with their EX initiatives, but they need some time to better understand their destination.	• Drive consensus on a single vision for EX with other leaders. • Streamline technology and processes. • Sharpen definition of building blocks (e.g., moments that matter, employee personas). • Staff an EX-focused agile team.

Conclusion

For CHROs to optimize their EX initiatives and increase their own impact in today's environment, they must align their actions with other key EX stakeholders. Gartner's EX-Ready model is a powerful way to:

- Assess EX readiness by using the model as a joint system of reference and selecting the most relevant of four action-focused quadrants.
- Advance the organization's EX vision maturity by partnering with leaders outside HR to address common challenges.
- Enhance the organization's EX action composability by connecting technology, processes and roles around the business goal to become more resilient, adaptable and flexible ("the why").

1 2022 Gartner CEO and Senior Business Executive Survey: This survey was conducted to examine CEO and senior business executive views on current business issues as well as some areas of technology agenda impact. The survey was conducted from July 2021 through December 2021, with questions about the period from 2021 through 2023. One-quarter of the survey sample was collected in July and August 2021, and three-quarters was collected in October through December 2021. In total, 410 actively employed CEOs and other senior executive business leaders qualified and participated. The research was collected via 382 online surveys and 28 telephone interviews. The sample mix by role was CEOs (n = 253); CFOs (n = 88); COOs or other C-level executives (n = 19); and chairs, presidents or board directors (n = 50). The sample mix by location was North America (n = 176), Europe (n = 97), Asia/Pacific (n = 86), Latin America (n = 40), the Middle East (n = 4) and South Africa (n = 7). The sample mix by organization revenue was $50 million to $250 million (n = 58), $250 million to $1 billion (n = 81), $1 billion to $10 billion (n = 212) and $10 billion or more (n = 59). Disclaimer: Results of this survey do not represent global findings or the market as a whole but reflect the sentiments of the respondents and companies surveyed.

2 2019 Gartner Modern Employee Experience Employee Survey: This survey was conducted with 3,000 employees at all levels and in 26 countries to identify key challenges and find solutions that lead to effective outcomes of the modern employee experience.



How CHROs Can Promote Employees' Digital Dexterity

By Alex Montgomery

In a rapidly changing technology landscape, organizations must ensure that employees can capitalize on evolving digital tools and opportunities. To build workforce digital dexterity, CHROs should upskill employees to work digitally while fostering their ambition to build digital businesses.



In today's dynamic work environment, upskilling employees to meet evolving digital opportunities remains a critical priority for organizations. According to our research, only 24% of workers have a high degree of readiness to adopt new, technologically driven ways of working.[1] To meet this challenge, leaders seek to foster digital dexterity — namely, workers' ability and ambition to succeed by leveraging existing and emerging technologies. They do so for good reason: 91% of employees say improving their digital dexterity improves their work effectiveness.[2]

Despite ongoing investment, however, the current state of workforce dexterity is discouraging. Eighty-three percent of corporate leaders do not feel they have made significant headway on digital business transformation,[3] even though 81% of employees say they have the technology they need to work effectively.[2] Organizations must explore new digital dexterity strategies to future-proof their people, and CHROs should take a prominent role. Though organizations may traditionally view digital dexterity efforts as the responsibility of IT, HR also oversees whether it takes root in company culture development, talent and performance management practices.

Heads of HR may choose to rely on a more conventional roadmap for employee upskilling that involves responding to talent needs through skills specialization and technical training. But, on its own, this approach will likely fail to anticipate the full range of competencies employees will need to advance in their careers. In fact, upskilling reactively leaves HR behind the speed of business, with employees applying only 54% of the new skills they learn.[4]

To drive digital dexterity, CHROs should instead build employees' ability and ambition to work digitally and build digital businesses (see Figure 1). By upskilling employees to be adaptive and enabling cross-functional collaboration, CHROs can ensure workers have the *ability* to work digitally and improve outcomes with the right technologies. CHROs should drive workforce *ambition* to build digital businesses by fostering workers' belief in digital dexterity as key to employees' individual goals and the organization's broader priorities.

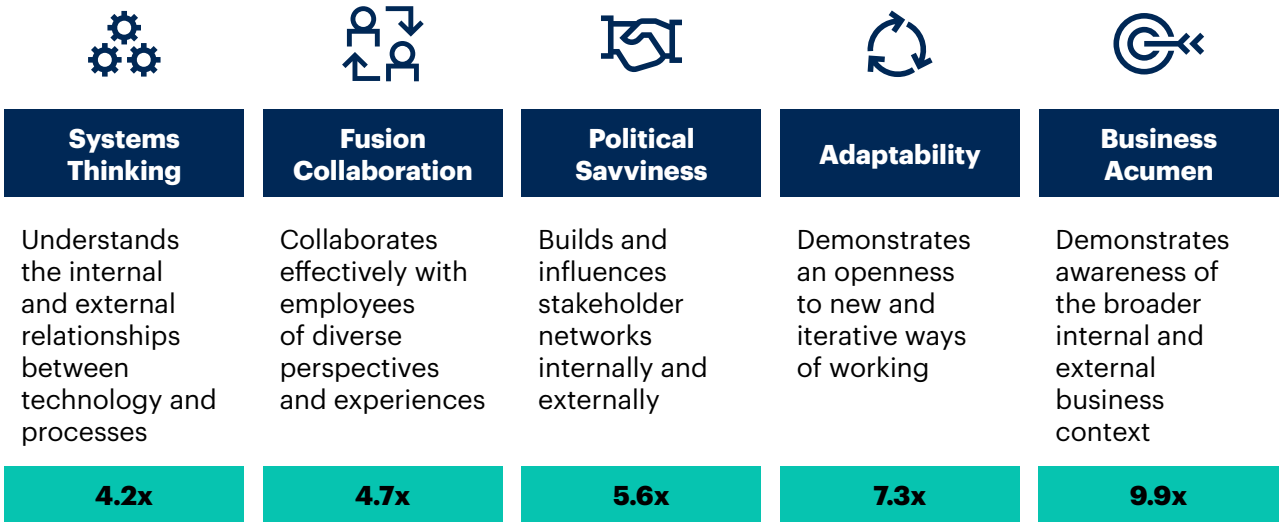
Figure 1: Digital Dexterity Matrix

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

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

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

Figure 2: Key Drivers and Impact of Employees' Digital Dexterity



Source: Gartner

Drive Workforce Digital Ability

To cultivate employees' ability to work digitally, CHROs must help their workforce become adaptive, agile and prepared to deliver business outcomes in a shifting technological landscape. Agile employees must have the skills needed to maximize available digital tools and further company initiatives. But they must also embrace change, adjusting to new work environments while capitalizing on emerging technologies.

CHROs should create an adaptive and digitally able workforce. These opportunities include:

- Working digitally by upskilling employees to succeed on challenging initiatives with evolving requirements while surfacing new digital opportunities
- Building digital businesses by enabling cross-functional collaboration and iterative work through fusion teams.

Upskill Employees to Work Digitally

In driving digital ability, heads of HR must narrow in on the crucial key competencies for preparing employees for an increasingly digital future. Our research identifies five critical competencies that build workforce digital dexterity, including: systems thinking, fusion collaboration, political savviness, adaptability and business acumen. These skills can each increase the likelihood of an employee having high digital dexterity fourfold (see Figure 2).

CHROs can support building these competencies across the employee population by encouraging teams to identify project opportunities that will upskill employees beyond their current roles. These future-focused opportunities for growth involve access to digital experience, training and delivery that may not fall under an employee's traditional responsibilities but instead allow workers to surface new work skills that can guide their career development. Doing so will not only promote organizational upskilling directives — addressing gaps by matching company needs to unseen talent — but will also help employees, themselves, become more agile and adaptive.

Enable Cross-Functional Collaboration to Build Digital Businesses

CHROs should promote workers' adaptivity by prioritizing cross-functional workflows and fusion teams to accomplish business deliverables and set the company's digital dexterity direction.

Case in Point:
Citizen Data Scientist Certification

Seagate

Seagate, a U.S.-based data storage company, created an upskilling program that shows how organizations can future-proof by matching employees with opportunities beyond their roles. Realizing it could not meet its data science talent needs through hiring alone, Seagate developed a data science certification program to identify and train nonexpert talent within the company. The program is open to employees across all functions and roles and allows workers to customize their data learning journey to match their personal career interests.

To create this upskilling program, Seagate recast data science as a skills profile available to all employees rather than simply a fixed role within the organization. L&D leaders then partnered internally with advanced analytics leaders to create a skills program to build data science capabilities globally within the organization.

Beyond the talent implications for Seagate's data science hiring, company leaders have found that the program empowers certified employees to bring a data lens and fresh analytical perspective to their own teams. Traits of certified employees included:

Contextualized vision of the organization

- Proven application of analytic techniques to business problems
- Appetite for what matters relative to impact and business priorities
- Connections within IT and the business at multiple levels
- Unique perspective of individual business area
- Curiosity to explore and learn
- Able to "go to bat" to justify business value
- Hands-on involvement in multiple analytic areas and activities

In a survey of those who have completed the program, at least 78% of respondents reported they started applying the new knowledge and skills to their work right away.

A **fusion team** is a multidisciplinary team that blends technology or analytics and business domain expertise and shares accountability for business and technology outcomes.

Fusion teams assemble technologists and contributors from throughout the organization — employees from diverse backgrounds and functions — to work together and draw upon a variety of perspectives and areas of expertise (see Figure 3). They work on a wide range of business capabilities and challenges. For example, a sales fusion team may draw upon marketing professionals and workers with technical expertise on user experience to meet customer service needs for digital sales platforms.

Figure 3: Traditional Versus Fusion Teams

	Traditional Teams	Fusion Teams
Team Boundaries	Teams form within functions.	Teams form across functions, business lines and enterprise boundaries.
Source of Technical Expertise	Technical skills are provided by IT staff exclusively.	Technical skills from across the enterprise are integrated.
Delivery Structure	Project delivery requires handoffs between teams.	Work is integrated across the delivery life cycle and an iterative approach is common.
Reporting Lines	IT staff report to IT leaders; business staff report to business leaders.	Reporting lines are mixed.

Source: Gartner

A cross-functional approach yields more adaptive workflows, and as participants, agile employees see the value of upskilling and take fresh perspectives back to their team. In this way, CHROs can foster the ability to build digital businesses by putting employees in a collaborative environment for upskilling on the job and learning through experience.

Foster Workforce Digital Ambition

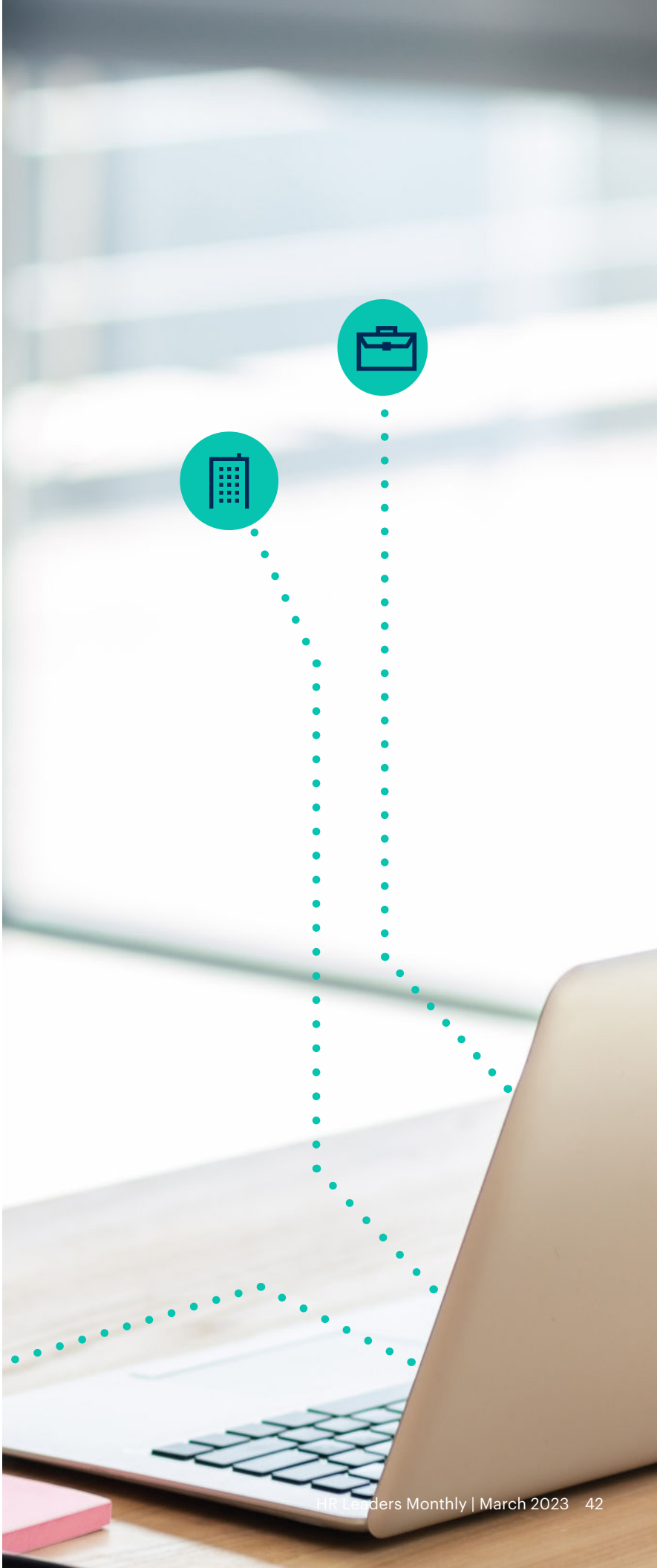
To drive digital ambition, CHROs must capitalize on opportunities to build employees' emotional engagement with and belief in digital dexterity strategies. These two opportunities include:

- Viewing data and technology proficiency as critical to career advancement
- Building digital businesses by showing digital dexterity to be critical to company effectiveness

View Data and Technology Proficiency as Critical to Career Advancement

CHROs' organizationwide discourse around digital dexterity should frame the importance of data and technology proficiency according to workers' needs and goals inside and outside work. Employees are more likely to emotionally attach to dexterity efforts — and ultimately become digitally ambitious — if they see those efforts as essential to their personal and career development.

If employees understand what digital dexterity means for their ultimate career success and personal growth, they are more likely to develop the ambition to use the skills they learn through organizational initiatives. CHROs should respond by casting digital dexterity in light of the need to develop their workforce as people, not just workers.



Case in Point:
Career Framework to Develop the I&O Workforce of the Future
EY

In a changing business and technology environment that makes it difficult for organizations to keep their workforce competitive, EY's customizable career roadmap program allows employees to pivot more easily to new skills the business requires. A key feature of this program is skills transparency — employees' visibility into future organizational skills priorities, as well as their ability to build personalized career development paths. EY leaders recognized that, due to missing information or siloed learning goals, employees often struggled to make optimal decisions for their skills growth.

To build transparency into the organization's upskilling efforts, EY does not only give employees a sense of how the business's skills priorities are expected to evolve in the near future. Rather, leaders also prioritize employees' understanding of their personal skills profile — how their particular skills gaps and development needs stack up with changing organizational needs (see Figure 4). Leaders also provide personalized guidance so employees can continuously improve, transform and stay relevant.

As they craft their upskilling journey, employees are encouraged to pursue cross-functional opportunities instead of being tied to specific technical expertise or short-term goals. Capitalizing on organizational visibility around internal career options and associated skills requirements, employees use their personal skills profile to proactively identify how they can self-prepare for potential roles. By increasing workforce adaptability and desire to upskill, EY's transparent career pathing framework has seen a steady increase in employee engagement from 77% to 87%.

Figure 4: Self-Determined Career and Skill Development Paths
Illustrative

	Systems Design	Consultancy	Solutions Architecture	Business Domain Knowledge	Product Life Cycle Management
My Current Proficiency Level	◑	◑	◕	◑	○
Skill Proficiency Gaps for Potential Roles					
Job Family: IT Engineering					
Technical Specialist	Low	Low	Low	Low	N/A
Cloud Hosting Engineer	Moderate	Low	Low	Low	N/A
Engineering Technical Lead	Moderate	Moderate	Low	Moderate	N/A
Job Family: IT Digital Product Management					
Senior Product Manager	Low	Moderate	Low	High	High

Close Alignment

Stretch Opportunities

Communicate all potential IT roles and skill requirements to **enable self-driven and versatile development planning**

Source: Adapted From EY

Case in Point:
Onboarding Experience for Emotional Investment

Takeda Business Solutions

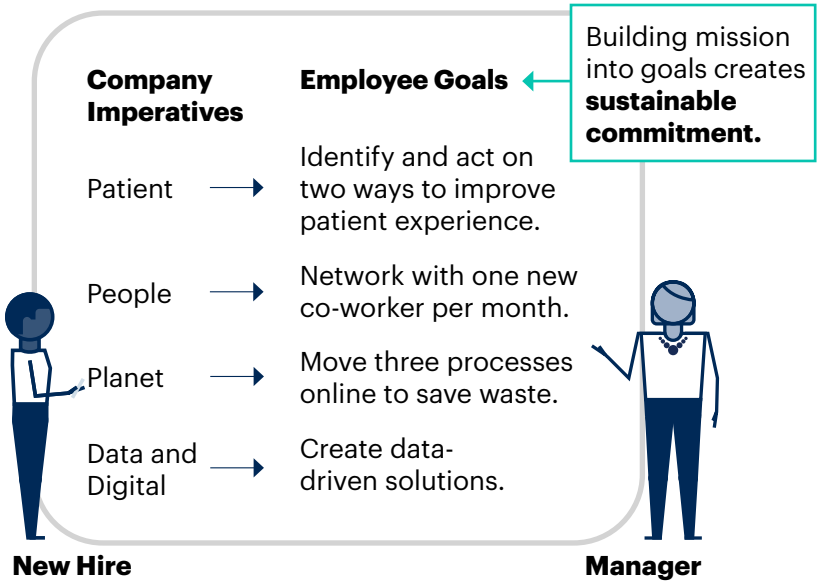
TBS, the global business services arm of Takeda, a pharmaceuticals company based in Japan, implemented an innovative approach to remote onboarding during the COVID-19 pandemic that demonstrates how organizations can shape employees' emotional incentives to foster digital ambition. TBS leaders realized that their remote onboarding program was not effectively connecting new hires to the organization, harming the employee experience and exacerbating issues with retention. To address this gap, leaders familiarize new hires with the personal experiences of TBS's customers, implement role-playing exercises into onboarding and create opportunities to speak directly with patients. These changes allowed employees to better understand how TBS's products and services help people in a tangible way.

In one exercise, new hires at TBS were assigned a condition experienced by a real Takeda patient to simulate what it might be like to live with that condition. This built new hires' empathy and their sense of the importance of Takeda's mission. To maintain new hires' emotional investment and empathy, Takeda also evolved its goal-setting processes from being solely outcomes-based and toward being mission-based. This evolution reinforces connectedness to core tenets of Takeda's culture, such as pursuing data-based and digital solutions (see Figure 5). As a result of these changes, new hires reported greater familiarity with the patient journey due to the revamped onboarding format.

Show Digital Dexterity to Be Critical to Company Effectiveness

To better define digital dexterity as an organizationwide goal, CHROs should capitalize on opportunities to build employees' emotional investment in digital dexterity efforts. This connectedness, in turn, promotes employees' motivation to apply technological solutions to complex work problems. When employees are shown how digital dexterity lies at the heart of organizational priorities, they realize acting with digital ambition for workers means fulfilling goals that matter to them, company initiatives and clients.

Figure 5: Mission-Based Goal Setting



- Managers and new hires work together to set new-hire individual goals **directly linked to elements of the mission.**
- New hires **connect execution of the mission** to their own everyday tasks.
- Teams regularly make the **mission top of mind** by featuring patient stories before meetings.

Source: Adapted From TBS

Conclusion

Despite the significant investments organizations have made to future-proof the workforce, employee digital dexterity remains critically low. For the most part, employees have the technological tools they need to do their jobs. However, they lack the ability and ambition to maximize the digital opportunities they encounter. To give employees the support they need, CHROs must build digital ability through adaptive upskilling and cross-functional collaboration, all while fostering employees' ambition to build digital businesses for individual and companywide effectiveness.

[1] The 2021 Gartner User Influence on Software Decisions Survey was conducted to understand how users view technology and their comfort with it. It also helped understand how they might advocate for software or possibly subvert "corporate efforts" and their role in the growth from trial to purchase and from workgroup usage to usage across the department or enterprise. The research was conducted online from April through June 2020, among 4,953 respondents in organizations with at least 100 employees in the U.S. (35%), France (23%), Germany (22%) and Singapore (20%). Industries surveyed include manufacturing and natural resources, banking and securities, retail, government, insurance, healthcare, communications, media, services, education, utilities, technology, and transportation. Respondents were required to be full-time users or staff (not managers) who use technology products and services for their day-to-day work. They were also required to not be in vendor management or procurement. The survey was developed collaboratively by a team of Gartner analysts, and was reviewed, tested and administered by Gartner's Research Data and Analytics team. Disclaimer: Results of this study do not represent global findings or the market as a whole, but do reflect the sentiments of the respondents and companies surveyed.

[2] Future of Work Reinvented: Implementation to Drive Talent and Business Outcomes: This study was conducted to pinpoint real-world postpandemic hybrid work design and implementation leading practices that drive common talent and business outcomes. The research was conducted online during June 2022 among 412 respondents from NA, EMEA and APAC. Of 401, 250 respondents are at employee level (entry level/midlevel nonmanagers/individual contributors) while 151 are leaders (directors and above). Respondents were screened for the nature of their work as only knowledge workers were screened for the survey. The survey was developed collaboratively by a team of Gartner analysts and was reviewed, tested and administered by Gartner's Research Data and Analytics team.

[3] 2018 Gartner Digital Dexterity Survey. This research was based on a survey of almost 3,500 employees from various functions and industries on digital dexterity. To develop an accurate measure of digital dexterity, Gartner tested a range of beliefs, mindsets and behaviors (markers of digital dexterity) against a set of digital business outcomes using correlations and regression analysis. Gartner also tested for more than 200 factors to understand the drivers of digital dexterity.

[4] 2020 Gartner Shifting Skills Survey for Employees; 2020 Gartner Shifting Skills Survey for HR Executives; Powered by TalentNeuron: The 2020 Gartner Shifting Skills Survey for Employees was conducted to understand how organizations can design their L&D functions to be prepared for the dynamically changing skills environment. The research was conducted online between 15 February to 2 March 2020 and contains responses from 6,510 employees with representation from various geographies, industries and functions. The survey was designed and developed by Gartner's HR Practice research team. The 2020 Gartner Shifting Skills Survey for HR Executives was conducted to understand what kind of approaches L&D functions are taking to keep up with changing skill needs. The research was conducted online from 21 to 25 February 2020 and contains responses from 74 HR executives with representation across multiple regions and industries. The survey was designed and developed by Gartner's HR Practice research team.

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A Pivotal Juncture in Digital Transformation: An Interview With Gerald Kane

by Caroline Ogawa

In response to the immense disruption brought upon by the COVID-19 pandemic, organizations made breakneck progress toward achieving digital transformation goals. But as operations stabilize, professor and author Gerald Kane cautions HR leaders to be wary of a return to the laggard pace of the past.



Dr. Gerald C. (Jerry) Kane is a professor and the C. Herman and Mary Virginia Terry Chair in Business Administration at the Terry College of Business at the University of Georgia. He researches and teaches about how companies can understand and respond to digital disruption to undergraduate, graduate and executive education students worldwide. Gerald has published more than 100 papers, articles and reports on these topics. He has written two books for MIT Press: “The Technology Fallacy: How People are the Real Key to Digital Transformation” and the "The Transformation Myth: Leading Your Organization Through Uncertain Times.”

Professor and author Gerald Kane has long argued that technology problems can't be solved with technology solutions alone. He recently joined our Gartner Talent Angle podcast to share why organizations are at a pivotal juncture to build upon progress made during pandemic-induced disruptions. The following insights are excerpted from that conversation. Listen to the full interview at Talent Angle Podcast: Humanizing Digital Transformation, With Gerald Kane.

What is the connection between the book you wrote in 2019, "The Technology Fallacy," and your latest work, "The Transformation Myth"?

The connection between the two is really disruption. In the book, we talk about the difference between chronic and acute disruption, just like chronic and acute medical conditions. Digital disruption was a chronic disruption. We know it's happening. It's been happening for a long time.

With chronic [disruption], you can go on with life without having to deal with the problem. However, COVID-19 came along and caused an acute disruption. We had no choice but to figure out how to work remotely. We had no choice but to figure out how to use Zoom, etc.

I found it really interesting that many of the executives we talked to from a purely business perspective spoke in extremely positive terms about dealing with the pandemic. Most of these digital leaders said, 'I've been telling my company about this for 10 years, and now I'm finally at a place where I don't have the resistance and I can put in place the things I've wanted to do.'

Then the second thing that was really remarkable was so few of them said, 'Yeah, we really didn't change anything. We just accelerated the plans we already had in place.' There was all this stuff that was on the sidelines just waiting to happen, and the pandemic was really the excuse to drive that change that frankly was long overdue.

What is the technology fallacy when it comes to digital transformation?

The technology fallacy is the mistaken belief that just because an organization's problems are caused by digital technology, that it necessarily means the solution is digital technology as well. We encountered many different ideas and initiatives where companies were responding to digital disruption without using digital things at all.

A great example here is a large health insurer that took their traditional tuition reimbursement program, performed a strategic talent analysis and figured out what were the skills that they needed as an organization to compete in a digital world. Then they said to their employees, 'If you want to get a degree in one of these 15 strategically-important areas, we will reimburse it at three times our normal rate.' Their employees got digital skills without ever having to implement new technology.

On the flip side, sometimes you can put the new technology in place, but if you don't have the right culture, the right structure or the right reporting relationships, the benefit from those technological innovations will be limited.

When people ask me where to start as far as digital transformation goes, I said, 'I don't know what technology you need, but I know there are particular cultural characteristics you

need.' I would start there, and it's things like risk tolerance, agility, an experimental mindset, etc.

The mindset shift is the most important thing, and that's really where HR leaders can be instrumental. I've often said there has never been a better time to be an outstanding CHRO, and there's never been a worse time to be an average one because great CHROs can — particularly in this time of talent crisis — really be a strategic asset for the organization. But someone who sees themselves as just operational — just getting the I's dotted and the T's crossed and compliance right — [is] going to be less valuable.

What were some of the digital maturity attributes that are crucial to digital transformation?

To measure digital maturity, we asked respondents to imagine an ideal organization perfectly transformed by digital technologies, and then asked, 'How close is your organization to that ideal on a scale of one to 10, with 10 being as close to the ideal as possible and one being as far away.'

What was really interesting about this digital maturity measure is that the peak performance was actually around a seven or an eight. Those organizations reported at a nine or a 10 tended to perform poorer than those that were a little more humble. There's the sense that it's hard. Digital transformation is challenging; it's a moving target.

We intentionally use the term maturing rather than mature because these challenges keep happening. Technology keeps evolving, and how people adopt technology keeps evolving. How companies adopt and adapt to those changes keeps evolving. How public policy responds keeps evolving. Yet the challenge is those four things change at very differing rates.

Technology moves faster than an individual's adoption of it. Individuals adopt faster than organizations can adapt to it. And then organizations adapt faster than public policy can assimilate those changes. The challenge is not that technology's moving fast, but rather, it's the differing rates of change between individuals, organizations, technologies and public policy that are the real managerial challenges for our day.

Your previous work has many enduring principles that are still important, but what perspectives have changed due to the pandemic-induced disruption over the last two or three years?

One of the biggest barriers in our first year of research was that 87% of employees said their organization or industry was going to be impacted at least to a moderate degree by digital disruption, but only 44% of those said, 'Our organization was doing enough about it.' We called the book the knowing-doing gap.

I think that knowing-doing gap got erased in the pandemic. There is no knowing-doing gap anymore because we had to do it. We now know we can work remotely. We have proven that we can be flexible enough to change very quickly. I've been talking about the need for change since 2006, and organizations just moved too slowly. But we saw that when they had to, they could change as they needed.

The question is, with those barriers destroyed, what's going to happen next? We've proven that people are the key. We've proven that technology is capable. We've proven that the plans are solid in place. The great unknown is what's next.

Do we put up a new set of barriers that keep us from changing because we're exhausted? Or do we find new paths forward and a new wave of digital innovation coming forward? I think that technology is ready. I think that people are ready. I think businesses are ready and customers are ready. I think this fixed mindset belief that companies can't adapt, can't change, can't be digital was blown out of the water. But what happens now?

Do you worry that when we find ourselves without the same acute disruption as the pandemic, that we will fall back into a slow erosion of performance again?

If you had asked me a year ago, I would've said, 'No way are people going to go back to the old ways of doing things.' I'm less convinced now.

We're at a once in a lifetime juncture. With our backs against the wall, we were forced to change. Now we're beginning to emerge from that change and that disruption. We have a once in a lifetime opportunity to consciously decide on the type of organization we want to be for the future.

I encourage executives not to waste that opportunity. That doesn't mean you have to keep it all, but I do think it merits at least the conversation to consider, 'What are the things that we've done really well over the last two years? What are the things that have been really terrible and how do we maximize the positive and minimize the negative?' In 2019, companies were already 10 years behind. Going back is just going to accelerate that death further because the competition also accelerated in 10 years over the course of those two years, and not all of them are going to go back.

What are one to two things that HR leaders need to get right if their organizations are going to be strong and vibrant and successful three years from now?

The first is fostering a growth mindset. We see that at the organizational level; it's really what's helped drive the story. When I talk about how it's never been a better time to be a great CHRO or HR leader, that's what I mean — people who can really cultivate that growth mindset for the organization.

The second is to make sure you are continually learning both as an organization and as individuals. When we asked respondents, 'How often do you need to update your skill set to compete in a digital world,' 40% said continually. About 60% said at least every six months. Ninety percent said every year.

Then the follow-up: 'How satisfied are you with your organization's ability to help you develop these talents?' No industry scored above 50% on that measure. We see people desperately want opportunities to keep their skill sets up to date. as another way to get the most impactful work done and to create value for people. I believe courageousness is something that gets built as part of a developed set of leadership skills.

We're not really talking about training programs. We're talking about work environments where I can learn to work and do business in different ways — a job environment that cultivates the ability and the need to develop new skills, and supportive work environments where these things happen. So few companies do a really good job making sure their employees are informed about digital trends so they can adapt accordingly. Building in programs and opportunities for those that to happen is key.

Metrics of the Month

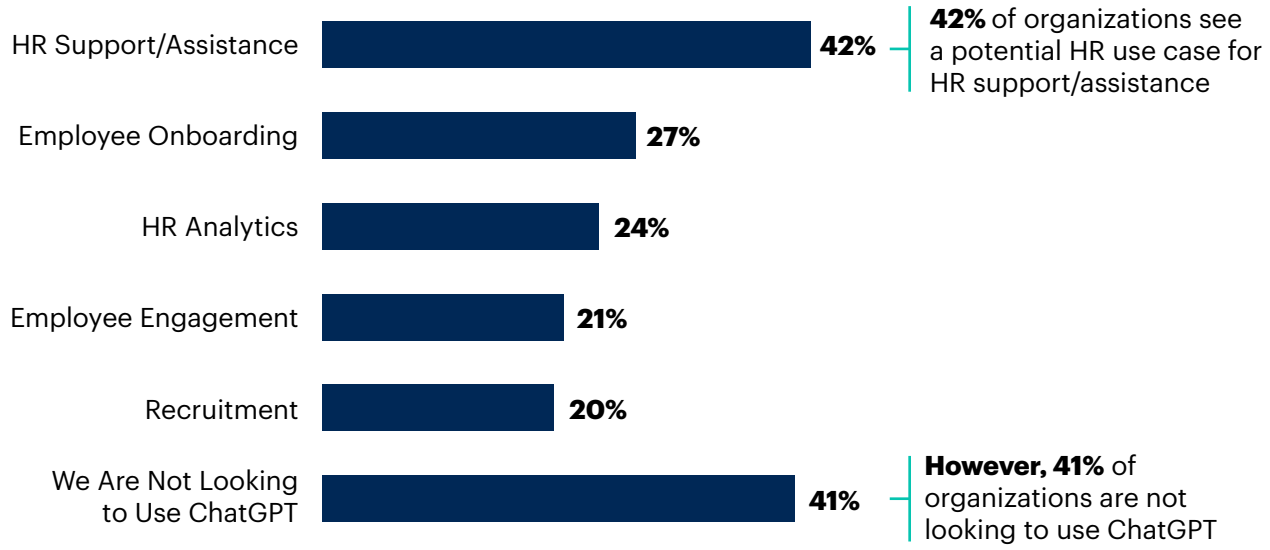
Generative AI's Implications for HR

In February's Benchmark with Gartner webcast, HR leaders responded with uncertainty to questions about how their organizations are approaching the advent of generative artificial intelligence (AI) programs such as ChatGPT. Most participants said they had not finalized guidance for their employees on using AI chatbots like ChatGPT (48%) or did not plan to issue any (34%). Forty-one percent said they were not looking to use ChatGPT in their HR functions; those who did foresee using this technology mentioned a variety of potential use cases, including HR support, employee onboarding, HR analytics and employee engagement. In terms of risks, they cited data privacy and security, decreased personal interaction, and bias or discrimination as their top concerns about the use of ChatGPT in HR.

These findings suggest that HR leaders are aware of generative AI and many are interested in using it, but it is still too early to predict how it will be applied in HR or what impact it will have on organizations and employees.

HR Support Likely Use Case for ChatGPT but Many Still Unsure

Percentage of HR leaders



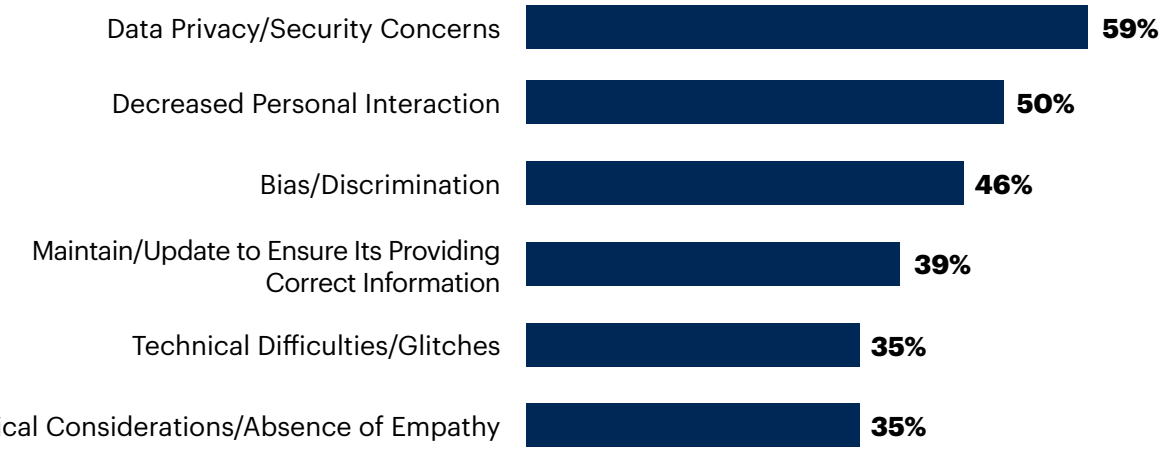
n = 85 (February 2023)

Question: What are the potential HR use cases for ChatGPT that you foresee for your organization? (Select all that apply).
Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

Metrics of the Month

Data Privacy and Decreased Personal Interaction Top ChatGPT Concerns

Percentage of HR Leaders

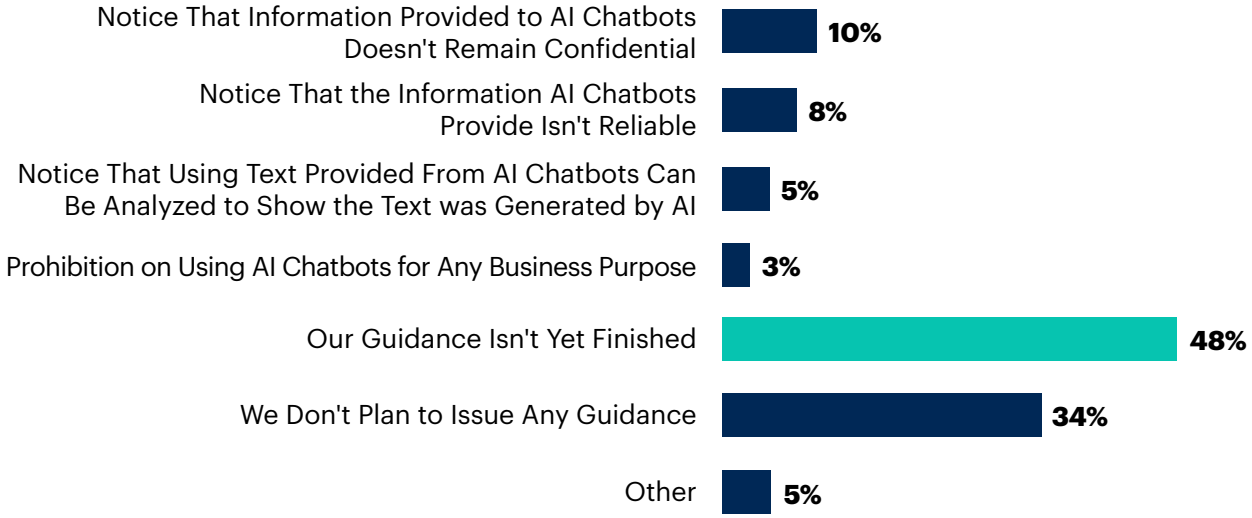


n = 54 (January 2023)

Q: In your understanding, what are some potential concerns against the use of ChatGpt in HR? (Select all that apply)
Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)

Nearly Half of Organizations Have Not Finalized Guidance on AI Chatbots

Percentage of HR Leaders



n = 98 HR leaders (January 2023)

Q: If you have issued guidance to your organization on AI chatbots such as ChatGPT, what did it include? (Select all that apply).
Source: Benchmark With Gartner: Fair Pay, Well-Being and Other Emerging Issues (22 February)