

# Hype Cycle for HR Transformation, 2023

Published 30 June 2023 - ID G00789773 - 112 min read

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Initiatives: [HR Function Strategy and Management](#)

In response to constantly changing employee and business needs, CHROs have a renewed mandate to evolve the HR service delivery model. This Hype Cycle presents the maturity and benefits of key capabilities needed to transform the HR function in a way that balances foundations with innovation.

## More on This Topic

This is part of an in-depth collection of research. See the collection:

- [2023 Hype Cycles: Deglobalization, AI at the Cusp and Operational Sustainability](#)

## Strategic Planning Assumption(s)

### Analysis

#### What You Need to Know

CEOs continue to place a high priority on talent to drive growth in 2023 and beyond. However, achieving growth targets becomes difficult, as organizations must navigate through continued disruption, shifting employee expectations, a hypercompetition for talent and lagging digital investments.

These challenges combined with the aftermath of the pandemic have brought CHROs into the spotlight and given HR a newfound prominence on the CEO agenda. Their mandate? Future-proofing the HR function among the changing rules in a yet-to-be-imagined future.

In concrete terms, to meet this mandate, it is imperative for CHROs to transform their HR functions to effectively navigate through evolving employee expectations, accelerate HR's digital agenda, and help their organizations succeed in the hypercompetition for talent.

## The Hype Cycle

To successfully transform their HR function, CHROs must rely on a portfolio of mature as well as emerging capabilities that balance the need for operational excellence, employee-centric HR services/products, strategic business partnerships and digital innovations.

The Hype Cycle for HR Transformation distills the variety of research insights, best-practice examples, emerging technologies and applied frameworks that Gartner profiles each year into a succinct set of “must-have” capabilities for a successful HR transformation. For each capability, we describe its potential transformational benefits, market penetration and maturity, and provide guidance for successful adoption. The capabilities are centered around the following areas:

- **Modern HR Operating Model:** These span roles to consider for a modern HR operating model and changes to the HR service delivery as well as culture and change management tactics.
  - **HR Roles:** These include HR technologists, next-generation COEs, an HR problem-solver pool, a chief talent analytics scientist, an HR COO, strategic talent leaders and people relations managers.
  - **HR Service Delivery:** These include HR functional efficiency and maturity baselining, HR governance and process redesign concepts, agile teams and employee experience (EX) driven service delivery, as well as managing HR as a portfolio, productizing HR and shared people accountabilities.
  - **HR Culture and Change:** These include culture hacking in HR, hybrid in HR, DEI in HR and open-source change management strategies.
- **HR Team Competencies:** These include digital dexterity in HR, data judgment and strategic consulting.
- **HR Technology Enablement:** These span emerging technologies such as AI in HR, hyperautomation in HR, HR virtual assistants, RPA in HR, integrated HR service management and talent analytics.

This curated collection of capabilities should prepare CHROs to:

- Stay ahead of the competition by anticipating innovative capabilities to successfully transform the HR function rather than reacting to them.

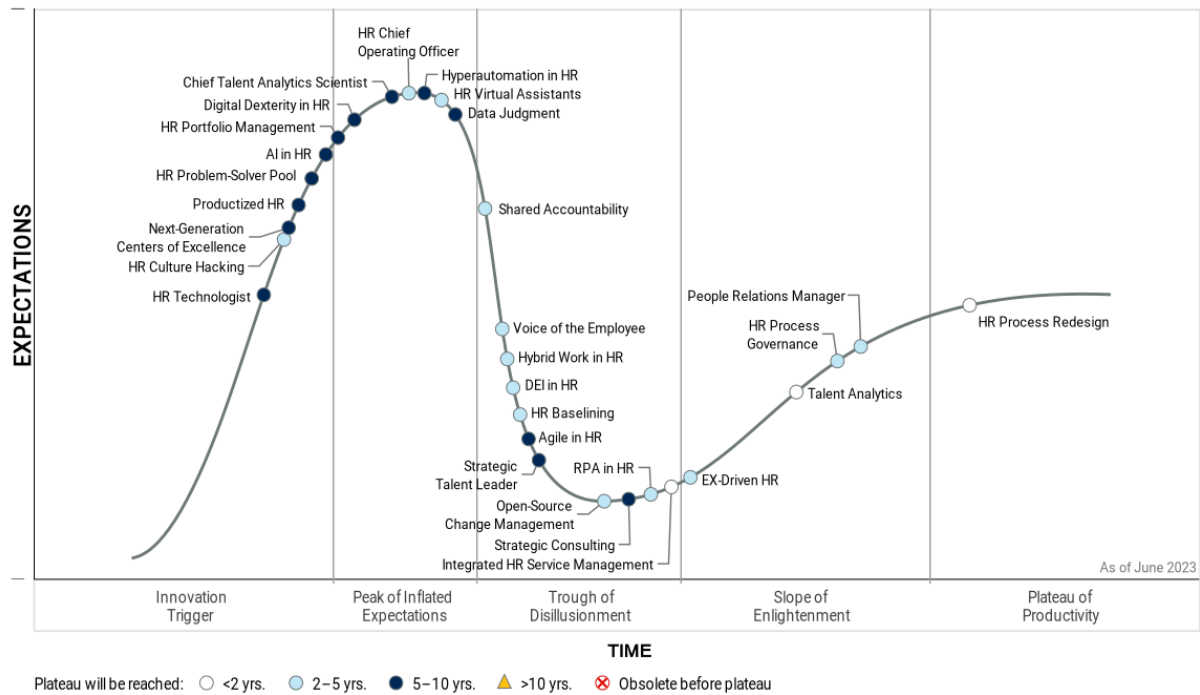
- Selectively choose emerging as well as more established capabilities to pilot, reexamine or scale in order to successfully transform the HR function or explore new service delivery opportunities.
- Develop short- and long-term roadmaps that enable the HR function to implement established capabilities successfully and then pursue evolving trends.

Examining the Hype Cycle, we observe:

- A few capabilities to the left of the Hype Cycle, reflecting the emerging trends that should be on CHROs' radar to investigate or pilot.
- A crowd of hyped capabilities that promise numerous and transformative benefits, but have yet to demonstrate successful scalable organizational adoption.
- A number of capabilities heading toward the bottom of the Hype Cycle as they struggle to demonstrate expected benefits.
- A healthy number of tried-and-true capabilities on the right side of the trough that continue to demonstrate maturity and ability to scale, and generate return on investments.

Figure 1: Hype Cycle for HR Transformation, 2023

## Hype Cycle for HR Transformation, 2023



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## The Priority Matrix

The Priority Matrix maps the benefit rating for each capability against the amount of time required to achieve mainstream adoption and thereby helps CHROs identify the established and emerging capabilities needed to successfully transform their HR function. The years to mainstream adoption of each capability reflect an average assessment across all organizations and industries, so timing may vary for your company. Also, the benefit rating is an indication of the innovation's potential, but it may not be universally applicable to all industries and organizations.

CHROs should evaluate their HR function's ability to respond effectively to existing and emerging talent and business challenges, and leverage the Priority Matrix to guide the creation of an HR transformation roadmap and prioritize future investment decisions. Capabilities that are likely to mature near-term are less risky and tactical in nature, offering changes to the HR function with proven benefits. Capabilities further out on the adoption horizon are considered more complex and strategic in nature, having the potential for significant changes. Though the advantages they offer and their likelihood of materializing are less certain, CHROs must realize their potential for transforming their HR function and start active exploration and experimentation. The understanding built from this initial exploration will help accelerate functional performance and afford HR leaders an active role as key strategic partners in crafting the organization's long-term competitiveness.

**Table 1: Priority Matrix for HR Transformation, 2023**

(Enlarged table in Appendix)

Benefit ↓	Years to Mainstream Adoption			
	Less Than 2 Years ↓	2 - 5 Years ↓	5 - 10 Years ↓	More Than 10 Years ↓
Transformational				
High	HR Process Redesign Integrated HR Service Management Talent Analytics	EX-Driven HR HR Chief Operating Officer HR Process Governance Hybrid Work in HR Voice of the Employee	Agile in HR AI in HR Chief Talent Analytics Scientist Data Judgment Digital Dexterity in HR HR Portfolio Management HR Problem-Solver Pool HR Technologist Hyperautomation in HR Next-Generation Centers of Excellence Productized HR Strategic Consulting Strategic Talent Leader	
Moderate		DEI in HR HR Baselineing HR Culture Hacking HR Virtual Assistants Open-Source Change Management People Relations Manager RPA in HR Shared Accountability		
Low				

Source: Gartner (June 2023)

## On the Rise

### HR Technologist

Analysis By: Josie Xing

Benefit Rating: High

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

#### Definition:

HR technologist is an essential role in HR that drives an integrated approach between HR and IT to address the organization's top HR technology challenges. As HR technologies constantly introduce new dynamics, the requirements of HR technologists have gone beyond being technical. They also bring a strategic lens and agile experience in managing projects to address stakeholder requirements. Depending on how HR technologies are managed, HR technologists could report to HR or IT.

#### Why This Is Important

HR technology is an important enabler of HR transformation. As both business requirements and HR technologies constantly evolve, HR functions need HR technologists who play an integral role that can interpret and address those demands by applying technical expertise and experiences in managing complex projects across multiple functions. Furthermore, HR technologists proactively identify the gaps in HR technology offerings and design sustainable HR tech roadmaps to accelerate HR transformation.

#### Business Impact

HR, IT and business leaders tremendously benefit from having the HR technologist role internally in HR as it results in:

- Shorter project cycle time of HR digital transformation.
- Reduced HR's dependency on IT for certain technical support, such as configuration and HR vendor management.
- Greater collaboration between HR and IT to capture and address rapidly changing business and employee requirements.
- Direct communication among HR, IT and business leaders.

## Drivers

- **New dynamics of HCM Technologies:** The cloud HR technology market is experiencing unprecedented growth and increased complexity due to an emerging range of new solutions and requirements. Moreover, cloud HCM requires fast responses and agility due to ongoing solutions releases and the adoption of new features. This forces organizations to have HR technologists who can address the change management and build an ongoing partnership with HCM vendors.
- **Shift of HR Technology ownership:** The 2022 Gartner Enterprise Applications Governance Resources Survey indicates 48% of surveyed HR organizations tend to lead in setting HCM application portfolio strategy, 28% tend to lead the project planning and 19% tend to lead in delivering HR application capabilities. There has been a trend of shifting more HR technology ownership to the HR function, creating a need for HR technologists.
- **Need to improve the HR experience:** HR technologists can directly communicate and address HR tech requirements, identify improvement areas and guide HR for any new feature testing, without relying much on IT support. Organizations look for this type of role, providing timely and accurate support to alleviate the burden on HR and IT and improve HR experience.
- **Desire to decrease HR technology consultancy cost:** Bringing HR technologists in-house helps organizations retain and develop the skills of managing ongoing cloud HCM solutions and reduces the cost used for third-party consultancy.

## Obstacles

- **Difficulty in sourcing candidates:** The capabilities and competencies required for HR technologists are not well defined. Furthermore, it's challenging to achieve unified expectations across HR, IT and business managers for HR technologists.
- **Unclear career path:** As the role originates from the product manager who manages the HR product line in IT, the career progression of HR technologists in the HR function has not been well defined.
- **Hyped expectations of HR technologists:** Managing and working with HR technologists is a new experience for many HR and business leaders. They likely have some false expectations of the capabilities of an HR technologist, and or use improper metrics to measure HR technologist performance.



- **Unclear ownership of HR technologists:** To which function HR technologists report – IT or HR – has been unclear. This is because organizations hiring HR technologists may not have an HR IT operating model with defined roles and responsibilities in place.

## User Recommendations

- Align with your stakeholders on the plan of creating the role of HR technologists in the HR function, as this is an essential step for HR digital transformation.
- Work with IT leaders to identify current gaps in delivering HR digital initiatives and define the role and responsibilities of HR technologists to fill in those gaps.
- Define the competencies and skills of HR technologists. This will include technical expertise, including system configuration, managing releases of cloud applications and data integration and management, and nontechnical skills, such as technosocial (skills that enable the HR technologist to lead a cross-functional collaboration) and development mindset skills (skills that aid the HR technologist in decision making and troubleshooting).
- Track the skills evolution of HR technologists in the labor market to determine new, emerging, core and declining skills, and identify the events that could trigger a skills review to ensure team agility.

## Gartner Recommended Reading

[Essential HR Tech Roles and Resources for Implementing Cloud HCM Suites](#)

[Pros and Cons of Popular HRIT Team Setups](#)

[Governance Essentials: Realism, Collaboration and Planning](#)

[Adapt Your HRIT Operating Model to Accelerate HR Digitalization](#)

## HR Culture Hacking

Analysis By: Seyda Berger-Böcker

Benefit Rating: Moderate

Market Penetration: 1% to 5% of target audience

**Maturity:** Emerging

**Definition:**

HR culture hacking involves small and tactical ways to adjust your team's mindset and behavior to achieve the sustainable culture change you seek. Culture hacks are actionable, low effort, immediate, visible and emotional, and should result in moving toward a culture where certain desired behaviors are inserted into the everyday lives of your team and thereby become part of the HR function's DNA or "business as usual."

**Why This Is Important**

HR transformation involves adapting the HR team's ways of working, behaviors and mindsets. Thus, while an HR transformation strategy provides direction, the HR function's culture is the driving force behind whether an HR transformation flourishes or dies. Often, HR teams struggle to give up behaviors that served them well in the past. But HR culture hacking can help align HR's culture with the HR transformation strategy by inserting behavioral changes into the HR team's day-to-day life.

**Business Impact**

Lack of culture change is often a significant barrier to HR transformation success. Culture helps employees know what is valuable, what is rewarded and how things get done. Through culture hacking, HR leaders can jump-start culture change and naturally reinforce desired behaviors. A culture hack for agility could include prohibiting team members from asking for approval for the new thing they are working on. This sends a stronger signal about agility than simply encouraging teams to "be agile."

**Drivers**

- Continuously changing HR demands require continuously adapting service delivery models and ways of working. A culture that was effective in the past can become counterproductive to new ways of working and service delivery models.
- Transformation can become a lumbering and faceless process, leading to change fatigue and passive resistance among the team due to a lack of momentum. Hence, more tactical actions on the ground are necessary to make the change real, immediate and tangible.

## Obstacles

- Culture is perceived as abstract and difficult to change, leaving many HR leaders to shy away from trying. Generic statements like “we need our culture to be more innovative” compound the problem because they lack specificity and bite.
- If culture is translated as “the way we work,” it becomes more tangible. The obstacle then is to find small tactical actions that help teams understand how work gets done.
- Since it tends to be a localized, grass-roots initiative, culture hacking can lose momentum and impact if HR leaders do not initiate and encourage an ongoing commitment.

## User Recommendations

- Ensure the HR function is going where it was planned to go by clarifying the goal of your culture change effort. Determine what success looks like in advance of the HR transformation and create a narrative for how certain behaviors accelerate transformation goals and service delivery success.
- Clear away any barriers before trying culture hacking. If there are formal structures, systems or processes that counter the desired behavior, culture hacking will not help you get the change you seek.
- Complement transformation efforts by designing culture hacks that promote desirable behaviors. This includes visibly modifying a single area that elicits an immediate emotional response and signals the seriousness into desired changes. It could be the design of a meeting, a communication style, a team ritual, or the layout of an office.
- Incorporate desirable behaviors in your talent management processes, such as in employee recognition, performance reviews and promotions.

## Gartner Recommended Reading

[The Culture Hacking Roadmap](#)

[The Art of Culture Hacking](#)

## Next-Generation Centers of Excellence

Analysis By: Blakeley Hartfelder

**Benefit Rating:** High

**Market Penetration:** 1% to 5% of target audience

**Maturity:** Emerging

**Definition:**

Next-generation centers of excellence (COEs) form the strategic arm of the HR operating model and are dedicated to creating and upgrading policies, processes and philosophies used by HR and the workforce. They are composed of a lean group of strategic thinkers, solely focused on solution design for a specific HR subject without operational or transactional responsibilities. Their work is allocated flexibly and they tend to work with agile methodologies to solve business-critical challenges.

**Why This Is Important**

COEs have specialized expertise to put in place the philosophies, policies and processes needed for HR to operate. Next-generation COEs play an important role in setting standards and driving innovation — defining how things should operate in their specialist areas. This means the COE's role becomes particularly important in areas where HR processes need to span different functional or business unit boundaries, and where consistency is needed to ensure effectiveness.

**Business Impact**

The overall goal of next-generation COEs, providing deep expertise in HR subjects, remains unchanged, compared to traditional COEs. They achieve this goal through evolution in their scope, structure and ways of working. Their focus on strategic solution design and governance allows them to develop a deeper understanding of business problems and the employee experience, improving alignment with organization needs. Being leaner and flatter makes them more dynamic against uneven demand, increasing efficiency.

## Drivers

- **Traditional COE structures are inefficient:** While dominating a significant portion of the HR agenda and resourcing, COE utilization often fluctuates greatly throughout the year. In addition, COEs often have confused structures and open-ended remits that inefficiently increase their size. According to the 2023 Gartner Budget and Staffing Efficiency Survey, COEs cover the largest share of HR staff (34%) but serve the least number of employees – 189 employees per one COE full-time equivalent (FTE).
- **COEs struggle to balance design and implementation work:** COEs get pulled into other operational work (e.g., rolling out or implementing new processes), in addition to their core work around setting standards. As a result, they often struggle to prioritize long-term strategic goals over urgent transaction tasks. Unsurprisingly, for most organizations, separating COE roles more clearly into “design,” “implementation” and “delivery” is the No. 1 priority when it comes to changing their COE staffing moving forward.
- **COEs are challenged to adapt quickly to business needs:** One-third of HR leaders consider the alignment between their function’s work and business needs as their top priority. However, COE strategy often fails to keep pace with the changing business environment, as their size and scope makes it difficult for them to pivot when the industry or organization needs change. For instance, only 38% of recruiting leaders agree that their current operating model allows them to respond quickly to changes.

## Obstacles

- Next-generation COEs hand off transactional work to other parts of HR, which means COEs have to work with and through a large network of partners to ensure delivery of HR solutions. This requires increased coordination and clear division of roles and responsibilities to avoid inefficiency.
- The narrow scope of the next-generation COEs means that not all current COE staff will have the skills or career ambitions to succeed in the new model. HR leaders will need to determine which team members have strong business acumen, strategic consulting and relationship management skills, in addition to subject matter expertise, and they will need to find different roles for those who do not.
- Working through agile methodologies will fundamentally be a new way for many COEs to work and will require a change in mindset, which takes time to develop.
- Stakeholder resistance from HR staff and business leaders is a common barrier when restructuring COEs and requires planning for change management.

## User Recommendations

- Define the strategic priorities of next-generation COEs in HR, then assess all current COE initiatives against those priorities to determine which should be stopped, started or continued. Document all initiatives in a service catalog.
- Narrow the COE's focus to process ideation and design work by moving as much operational work as possible to other parts of HR. Exceptions may be made where CEO expertise is necessary for the execution of activities.
- Apply agile methodology to all COE-owned initiatives by breaking down big initiatives into manageable pieces and integrating time-bound sprints with defined objectives. Involve end users throughout the solution design process to ensure relevant and helpful products.
- Reevaluate your current COE teams to ensure they have the right balance of specialist expertise and skills to be agile.

## Gartner Recommended Reading

[Next-Generation Centers of Excellence: Key Considerations for Scope and Implementation](#)

[Designing and Implementing Next-Generation Centers of Excellence](#)

## Shifting From Traditional to Next-Generation Centers of Excellence: Examples

### Playbook for Increasing HR's Strategic Impact

#### Productized HR

Analysis By: Seyda Berger-Böcker

Benefit Rating: High

Market Penetration: 1% to 5% of target audience

Maturity: Emerging

#### Definition:

Productized HR is an approach that embraces accountability for end-to-end process governance and excellence through dedicated HR product owners managing decisions related to HR process strategy and policy, technology-driven process (re)design, stakeholder alignment, and end-to-end process delivery.

#### Why This Is Important

Amid continuous business disruptions in the digital age, HR functions are pressured to rapidly respond to shifting business needs and employee expectations. A productized HR service delivery allows for dedicated HR product owners or teams focusing on continued and incremental improvements to the end-to-end HR process ecosystem, clarifying ownership, and enabling a more frequent and efficient response to shifting business and employee requirements.

#### Business Impact

A productized HR service delivery enables end-to-end, integrated accountability for HR process governance, strategy and excellence; clarity of ownership of the HR process ecosystem allows for:

- Streamlined and fast decision making
- Higher degrees of process standardization levels
- Sustainable process improvements through continued iteration and better managed technology strategies

- Greater clarity in organizationwide communication and collaboration with stakeholders

## Drivers

- Siloed, unstructured approaches to HR service delivery not only consume significant time and resources, but also increase the risk, minimize return on investment and decrease overall trust in HR services. The global product owner aids in breaking down and eliminating silos.
- Inefficient processes, duplicate work and lack of clarity regarding specific roles and responsibilities result in costly HR service delivery and unsatisfied customers. End-to-end process ownership can improve process efficiency and quality, while driving a positive employee experience.
- To amplify process efficiency and innovation, HR invests in technologies that automate processes and the links between distinct processes. However, without corresponding changes and ownership in underlying processes, it will be difficult to make progress toward digital transformation goals. Successful digital process transformation also requires an understanding of the entire end-to-end process, including variations, pain points, systems and controls.
- Employees expect a digitalized and employee-centric workplace that reflects the personalization, speed and interconnectedness they experience outside of work. This involves building a strategy to ensure process performance will meet these needs, and translating the strategy into a multiyear roadmap with goals and objectives.



## Obstacles

- Establishing and sustaining an end-to-end process ownership and mindset is especially difficult when companies grow in size and complexity.
- End-to-end process ownership requires significant collaboration, synchronization and information sharing across multiple stakeholders and teams who might have misaligned priorities, goals and performance metrics.
- Establishing clear boundaries for the product owner/team can be difficult, especially when day-to-day firefighting and delivery competes with strategy-, policy- and technology-driven process improvement responsibilities.
- Culture in the HR function often incentivizes control and risk aversion, rather than experimentation and innovation.
- HR leaders may face difficulty finding HR talent with necessary skills and an open mindset.

## User Recommendations

- Conduct an assessment to gain a thorough understanding of the current performance of the HR processes compared to other organizations, and pinpoint areas of underperformance.
- Further prioritize processes that would benefit from a productized HR approach by applying various criteria, such as process maturity level, process quality perceived by the business, frequency of interaction with critical talent or significance of the process, to strategic HR priorities.
- Secure buy-in from stakeholders (for example, HR teams currently involved in the process, senior leadership) by explaining the benefits of productized HR.
- Clearly define the HR product owners' responsibilities and place within the organization and the metrics for evaluating success.
- Staff each HR process with a full-time, dedicated person (or team) who exhibits the right mix of skills and abilities, including strategic thinking, problem solving and analytics, process design and improvement, relationship building, and communications and change management.

## HR Problem-Solver Pool

**Analysis By:** Nicole Paripurana

**Benefit Rating:** High

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Emerging

**Definition:**

An HR problem-solver pool is a group of employees, sometimes including non-HR employees, whose primary job is to define talent problems and hypothesize, test and build solutions. Problem solvers work agilely on more temporary project assignments and can be redeployed based on need. Problem solvers work closely with their end users — employees and managers — and with center of excellence (COE) teams who provide them with deep HR expertise to help them with their project assignments.

**Why This Is Important**

A dynamic pool of problem solvers is critical for HR to meet increasing demands for flexibility and adaptability as business and talent needs rapidly change. Problem solvers tackle a variety of projects such as creating and upgrading resources and practices used by HR and the workforce. The problem-solver pool can introduce agile methodologies to HR by operating iteratively and testing innovative ideas that also provide formalized development opportunities for participants.

**Business Impact**

HR benefits from the use of problem-solver pools as a flexible and scalable way to address organizational challenges. The pools incorporate multiple perspectives to improve the impact of HR solutions on strategic goals. They also drive collaboration between different teams, create leadership alignment on initiatives, tie each project goal with overarching strategies and establish cohesive ways of working between the HR team and the rest of the business.

## Drivers

- HR leaders face pressure, amid uncertainty and unforeseen challenges, to assemble and mobilize the appropriate mix of expertise and resources and drive agile, scalable and efficient solutions.
- Traditional HR models and structures can be too process-oriented, siloed and slow to respond to today's rapidly shifting business environment.
- Problem solving in HR can cause a lack of documented lessons learned to use across the organization or inconsistent solutions across regions or units when addressed without proper protocol or thoroughness and in attempts to act swiftly.
- Traditional HR work is often specific and siloed within a given COE, which limits HR employees' exposure to broader HR and opportunities to work extensively with other teams and functional areas to ideate, test and build solutions.

## Obstacles

- The formation of the problem-solver pool, or subsequent alignment of pool members to specific projects, is difficult if the organization does not have a mechanism for capturing HR employees' current skills and abilities. Cataloging skills and abilities can be done via an HCM system or other HRIS technology modules or with less advanced methods such as a spreadsheet saved in a shared drive.
- An effective problem-solver pool requires governance and involvement from multiple stakeholders within and outside of the HR function. This level of stakeholder involvement may be time-consuming and limited by current capacity.
- Adopting a problem-solver pool reflects a broader functional commitment to becoming leaner and more agile. Some organizations may not have individuals in leadership roles with the skills or experience necessary to lead and adhere to an agile way of working.

## User Recommendations

- Implement a problem-solver pool if HR's capacity to tackle new projects is limited by its current structure. Use current full-time employees in the pool on a part-time basis as you begin to build the role at your organization.
- Selected pool members should establish communication channels and cadence early with end-users and stakeholders to deliver user-friendly and high-impact solutions.
- For clear accountability, establish responsibilities for all roles within the problem-solver pool project teams and advocate for how other teams can support the problem-solver pool in their efforts.
- If the problem-solver pool is not implemented as a full-time role, identify how pool members' workloads will be balanced with their existing job duties to avoid overburden or functional gaps.
- Incorporate agile methodologies throughout the problem-solver pool by ensuring members are consultative, collaborative and drive business outcomes under highly versed managers.

## Gartner Recommended Reading

[Resources for Creating and Implementing an HR Problem-Solver Pool](#)

[Case Study: People Agile Team \(S&P Global\)](#)

[The Agile HR Function](#)

[HR Operating Model Transformation \(Merck\)](#)

## AI in HR

Analysis By: Helen Poitevin

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Emerging

**Definition:**

Artificial intelligence applies advanced analysis and logic-based techniques, including machine learning, to interpret events, support and automate decisions, and take actions. In the HR domain, AI is used across HR process domains to provide predictive insights, make recommendations, infer information, generate text or provide a conversational user interface. It can increase efficiency and transform the employee experience.

**Why This Is Important**

AI in HR is becoming ubiquitous as a capability built into or bolted onto a broad range of HR applications. A new generation of tools are AI native, meaning they are architected from the data and AI models first, before specific workflow and user experiences are designed. More established providers have also introduced AI capabilities into their roadmaps. These advances transform user expectations when interacting with HR solutions. HR solutions without AI will increasingly lag the market.

**Business Impact**

AI is used in HR to automate and improve operations, transform user experience, and provide insights to support decision making, and AI capabilities often come embedded in HR applications:

- Matching talent supply and demand or predicting recruitment success.
- Recommending learning content, mentors, career paths and adaptive learning paths.
- Answering queries, providing guidance and executing processes in a conversational interface.
- Inferring skills through AI-enabled skills management.

## Drivers

- HR leaders are under pressure to deliver greater impact on the organization, improved employee experience and operational excellence. But they must also meet demands for greater flexibility, personalized support and equity. They turn to AI-driven functionality as the best technology to make this possible at scale.
- The explosion of interest in ChatGPT and generative AI has renewed interest in how AI can be applied across domains. New expectations emerge around conversational interfaces, access to summarized insights or information, and the ability to automatically generate text.
- HR technology providers have been investing in applying AI within their applications for at least the past five years. These embedded capabilities are not always highlighted in product demos or marketing collateral. AI has become increasingly pervasive across many applications.
- Individual models or applications can appear quite small on their own — for example, an algorithm to predict what topic an employee is asking about in a conversational interface. The cumulative effect, however, when multiple models are combined, is much greater. The result leads to changes in how HR works with data, delivers services and can support the business with advanced insights.
- AI-native applications — those architected from their inception to leverage AI techniques at the core of their applications — have emerged in domains such as recruiting, internal talent marketplaces and AI-enabled skills management.
- A small number of HR teams have hired AI application designers who build AI models and the applications that use those models to drive user experience.

## Obstacles

- Overly inflated and unrealistic expectations about AI can lead to hasty, low-value investments.
- An evolving regulatory landscape makes investment more complex, especially in domains such as recruiting, where concerns remain high around fairness in candidate selection and hiring.
- Bias is an unavoidable challenge. It is important to mitigate the harms caused by bias. AI explainability is especially critical when AI is applied to decisions directly affecting a person's livelihood or position within their peer group. Even in cases where AI is "only" inferring skills without further judgment on fit or aptitude, bias can be introduced simply by the fact that skills will be easier to infer for those with a greater web presence or digital footprint.
- Skills within HR to effectively adopt, manage, track and monitor the use of AI within HR are often lacking.
- The introduction of AI changes how work tasks are accomplished, and cumulatively leads to shifts in roles and the skills required to do them.

## User Recommendations

- Learn how AI-native applications change expectations for application life cycles and user experience by exploring, testing and investing in existing AI-native applications in the talent acquisition, skills and talent marketplace domains. Success with these solutions will require increased data and AI literacy in the HR function.
- Focus AI investments on automating tasks, transforming experience or providing insights for employees, managers, executives and HR.
- Where possible, leverage embedded AI. Evaluate the data, assumptions, model maintenance steps and adaptability of solutions that have AI.
- Build AI solutions when the organization needs highly unique and differentiated solutions.
- Always check for bias — based on the data, assumptions, models and degree of adaptability. Monitor perception and impact.
- Review vendors' documentation of ethical usage guidelines, enforcement methods, known vulnerabilities and weaknesses, and disclosed harmful behavior and misuse scenarios.

## Gartner Recommended Reading

[Predicts 2023: HCM Technology Transformation](#)

[Video: How to Best Assess HCM Technology Providers' AI Capabilities](#)

[Infographic: Artificial Intelligence Use-Case Prism for HCM Technology](#)



## At the Peak

### HR Portfolio Management

Analysis By: Felipe Hessel

**Benefit Rating:** High

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Emerging

#### Definition:

An HR portfolio is a catalog of all HR solutions, products or services offered to internal customers. HR portfolio management is therefore a process through which HR leaders identify emerging business needs, validate them against strategic fit and prioritize novel and existing projects or activities to add to the portfolio in alignment with their existing budget, capacity, skills and experiences of their staff.

#### Why This Is Important

HR is under pressure due to new ways of working, a hypercompetitive talent market, increasing business demands that are moving faster than ever and uncertain economic times. In this context, HR functions are looking at portfolio management as a tool to help them make purposeful decisions about which HR projects and activities to start, stop and continue. Effective decisions are based on the impact and alignment of HR activities with the changing priorities of the business(es) that they support.

#### Business Impact

Organizations with an established portfolio management process, compared to those who don't, report being able to adjust quickly to business disruptions and risks (58% vs. 41%), show greater ability to respond to changes to the business (59% vs. 45%) and have increased speed in launching new digital activities (48% vs. 33%). As a result, they are ahead of their peers on critical talent outcomes.

#### Drivers

- 95% of HR organizations are currently transforming, plan to transform or have transformed their operating model in the last two years. The key outcomes they hope to achieve are related to being more strategically aligned with the business, more flexible and agile to respond to changing business needs and more operationally efficient.

- Despite their efforts, 30% of HR leaders report that inflexible staffing allocation prevents HR from adapting to changing business priorities as a top challenge in managing the HR function. A portfolio management process can accelerate HR organizations' abilities to prioritize, decide on which projects and activities to start, continue or stop, allocate resources, and staff HR projects and initiatives accordingly.
- With an increased shift toward setting up learner COEs that focus on the design and governance of HR solutions, products and services and with the introduction of a more strategic HRBP role whose sole job is to translate business strategy into people plans, a portfolio management process enables COE leaders to stay tuned into the changing needs of the business and allows them a critical role in the decision-making process around projects and initiatives that they can support centrally.
- An increasing number of HR organizations are attempting to centralize decision making on critical HR topics — to drive increased efficiency and effectiveness. HR Portfolio Management is seen as a key mechanism through which HR leadership teams can make investment decisions centrally. As such, it's important to define a clear governance of which needs/requests should be submitted centrally, and those that should be handled locally and excluded from the HR Portfolio Management process.

## Obstacles

- Organizations that have adopted a portfolio management process report that their greatest hurdle is the lack of understanding of the processes' value.
- The HR function's culture can get in the way of successful implementation of HR portfolio management if it does not support a centralized and structured approach to decision making about HR projects and activities, especially in functions that are not centralized.
- Executive sponsorship can be a deterrent to the successful implementation of a portfolio management approach. HR organizations that have succeeded have made it an ongoing HR leadership team responsibility.
- Finally, a significant hurdle lies in the perceptions of HR team members about the worthiness of centralizing decision making through a portfolio management process, and creating what can sometimes be perceived as additional bureaucracy. Stakeholders' change management for all involved is key, as is strengthening the role and visibility of the portfolio manager.

## User Recommendations

- Adopt a process framework (L1, L2, L3, L4) to map out existing HR offerings, such as defining descriptions, auditing maturity levels, governance, staffing and capabilities, degree of standardization, technology and compliance, defining who governs, designs, implements and runs them and establishing process “swim lanes.”
- Define a governance process that clarifies how the portfolio management process is organized, starting with defining its ownership (e.g., HRLT), cadence (e.g., quarterly), who runs it (e.g., portfolio manager), responsibilities of all involved, tools for submission (e.g. intake and business case templates), who can submit business requests, which requests should be submitted and which should not, how the requests are presented, criteria are the requests assessed against, tools to register the process decisions and manage the project stack, how staff will be allocated to ongoing or new projects and activities, and how ongoing or new projects will be tracked over time.

## Sample Vendors

Asana; Monday.com; ServiceNow

## Gartner Recommended Reading

[Creating an HR Problem-Solver Pool: Project Life Cycle and Portfolio Management](#)

[Case Study: People Agile Team \(S&P Global\)](#)

[What Should I Know About Lean Portfolio Management?](#)

[Tool: HR Team Project on a Page Template](#)

[Tool: HR Project Intake Form and Project Charter Templates](#)

## Digital Dexterity in HR

Analysis By: Seyda Berger-Böcker

**Benefit Rating:** High

**Market Penetration:** 1% to 5% of target audience

**Maturity:** Emerging

**Definition:**

Digital dexterity in HR is the ability and ambition to understand technology innovations and advocate for when they are applicable to address key talent and business challenges. Digital dexterity allows HR to adapt its processes, when necessary, to keep pace with technological changes, and thus, drive continuous improvement and end-user adoption of HR technology tools and solutions.

**Why This Is Important**

Amid the rapidly changing technology landscape and the need to advance the digital employee experience, 47% of HR leaders plan to increase their HR technology budgets, making HR technology the most prevalent investment area. To advance toward digital HR transformation goals, the promotion of digital dexterity in HR is a prerequisite and a failure to cultivate it in HR will stall long-term digital optimization and transformation efforts limiting the capitalization of digital opportunities.

**Business Impact**

Organizations are struggling to see the returns of their digital transformation investments, as 81% have not made progress toward their digital business transformation goals. HR must improve its digital dexterity maturity to capitalize on evolving digital trends and opportunities, in alignment with overall digital transformation goals.

**Drivers**

- Digital employee experience effectiveness is an increasingly critical part of the broader employee experience effectiveness. Digital dexterity in HR can, and does, have a role to play in providing solutions that reflect the same kind of personalization, speed and interconnectedness employees experience outside of work.
- Digital acceleration, the COVID-19 pandemic and the hybrid work environment have intensified the urgency for digital business and HR transformation. Digital dexterity needs to become a key part of HR capabilities to drive continuous improvement and end-user adoption of its technology tools and solutions.
- To make effective use of technology and increase HR process efficiency, HR teams need to have the ability and ambition to understand technology innovations, and advocate for them when they are applicable to the organization's talent and business challenges.

## Obstacles

- Recruiting and retaining digitally savvy HR staff with the right blend of systems thinking, fusion collaboration, political savviness, adaptability and business acumen skills is challenging.
- Elevating HR team members in digital dexterity requires significant investments involving a constant recomposition of how work gets done, as new technologies mean new work practices.
- HR functions risk their reputation when the expectations of business stakeholders regarding HR's digital dexterity capabilities are higher than the reality of what HR delivers.

## User Recommendations

- Capitalize on opportunities to build HR employees' emotional engagement with and belief in digital dexterity by outlining its criticality to both organizational effectiveness and individual career advancement.
- Narrow in on the crucial key competencies for preparing HR 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.
- Promote HR employee adaptivity by prioritizing cross-functional workflows and fusion teams to help HR teams understand the multidirectional nature of digital and build expertise in business areas that are critical to the organization's digital business plans.

## Gartner Recommended Reading

[How CHROs Can Promote Employees' Digital Dexterity](#)[Develop Digital Dexterity to Drive Digital Transformation Efforts](#)

## Chief Talent Analytics Scientist

Analysis By: Seyda Berger-Böcker

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

**Maturity:** Emerging

**Definition:**

The chief talent analytics scientist is an emerging, HR leadership role responsible for translating data and analytics strategy into efficient and effective implementations of advanced talent analytics products and services.

**Why This Is Important**

With the fundamental shift toward a digital work environment, the volume of talent data at HR leader's disposal has skyrocketed. To navigate the uncertainty of a rapidly evolving talent landscape, business leaders will require objective, data-driven insights from talent analytics. Given the complexity, pervasiveness and criticality of advanced analytics and AI, HR must create a role and an environment that ensures the function provides high-quality insights that drive business decisions.

**Business Impact**

How effectively talent decisions are made and executed has a substantial impact on talent outcomes. Our 2019 Gartner Talent Analytics Client Survey showed business leaders with high talent-decision effectiveness are 7.3 times more likely to have high-performing teams and nine times more likely to have better bench strength than those with low decision effectiveness. The chief talent analytics scientist advances talent analytics use by coordinating talent analytics initiatives across the function.

## Drivers

- Talent analytics is becoming an integral part of many HR budget plans. Our 2022 Gartner HR Budget and Efficiency Survey revealed 33% of HR leaders planned to increase investments in that space. A growing number of organizations indicate they will prioritize using talent analytics to improve employee well-being, engagement and retention.
- HR functions are digitizing and automating more of their processes with AI and analytics at the core. As AI becomes a critical function in processes, it requires leadership skills and oversight.
- Siloed, unstructured approaches to talent analytics not only consume significant time and resources but also increase the risk and minimize return on investment and overall trust in these techniques. The role of a chief talent analytics scientist helps break down and eliminate silos.
- Deriving value from advanced analytics and AI requires a consistent, managed approach. Chief talent analytics scientists are responsible for establishing processes that consistently deliver high-value talent analytics insights and solutions.
- The democratization of data science has generated an increasing amount of AI and machine learning models that are often not operationalized. The need for better coordination with the lines of business and IT requires a chief talent analytics scientist role.
- A shortage of resources with data science skills requires a concerted effort to recruit, retain, organize and develop data science talent across the organization.

## Obstacles

- Recruiting and retaining an experienced chief talent analytics scientist, with the right blend of management, technical, business and communication skills is challenging.
- The chief talent analytics scientist role may not have enough organizational influence and defined authority to drive the HR functionwide changes required to reap the benefits of AI.
- Organizations may think they need a chief talent analytics scientist role but are still too early in their maturity to warrant the position.

## User Recommendations

- Define the chief talent analytics scientist role as a complement to other HR roles by clearly outlining the role and responsibility split and defining shared success metrics, as alignment between the chief talent analytics scientist and other HR roles is critical.
- Work both within the internal HR team and the broader organization to orient and establish the chief HR data scientist within the broader community by identifying opportunities for collaboration, learning and partnership.
- Empower chief talent analytics scientists to act as decision enablers instead of insight providers by gaining insights into how and when business decisions are made, and embedding talent analytics into the end users' workflows at key decision points.
- Leverage the chief talent analytics scientist role to drive and coordinate application, exploration and delivery of advanced analytics and AI methods and techniques to align those methods with real, prioritized business problems.

## Gartner Recommended Reading

[State of Talent Analytics, 2023](#)[Build a Data-Driven Culture for Better Talent Decisions](#)[Analytics Prioritization Principles \(Gap Inc.\)](#)[Talent Analytics Metrics Map](#)[Case Study: Marketing Talent Analytics at Decision Points \(Merck\)](#)

## HR Chief Operating Officer

Analysis By: Nicole Paripurana

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Emerging



**Definition:**

The HR chief operating officer (COO) oversees the function's day-to-day administration and operation and, in particular, how it supports the business. The HR COO is responsible for tying together different subfunctions of HR to maximize functional efficacy. Responsibilities include optimizing technology and talent data, ensuring process improvement, automating HR activities and maintaining the relationships among HR roles or teams to collaborate effectively and agilely.

**Why This Is Important**

This role serves as the eyes and ears of operation for the function, working closely with the head of HR. The HR COO should therefore be responsible for overseeing shared services, human capital intelligence (HCI) or analytics, people relations managers and the HR technology team. The HR COO ensures the foundational HR activities are delivered seamlessly through the effective use of process excellence, data insights and technology solutions for the benefit of employees and managers.

**Business Impact**

HR benefits from the HR COO's orchestration of core HR service deliverables and ability to relay and react to employee requests of HR. The HR COO provides a roadmap of enhancements and efficiencies for the HR operations team and determines how operational subfunctions partner to achieve mutually beneficial goals. By making such improvements transparent, the HR COO enables the CHRO to communicate expectations and provide meaningful and timely solutions to the rest of the HR team.

## Drivers

- CHROs find it challenging to harmonize the operational-focused side of HR with various moving pieces and existing work silos. A senior level executive should therefore oversee the portfolio of activity to support HRBPs and COEs synchronously.
- Technology complexity and its impact on the employee experience has increased an organization's need to design efficiencies that consider more than cost savings.
- Data analytics in HR needs to be housed closely with shared services and technology and under the same supervision. This ensures a "single source of truth" approach and fosters the interconnectivity necessary to quickly adapt to changes or improvements.
- More organizations are leveraging HR's ability to reach many employees and actively collaborate with managers and function leaders at greater speed, and with greater governance and success. The HR COO plays an integral role in considering exactly how the HR operating team can assist the strategic arm of HR through various tools or service functionality.

## Obstacles

- The act of migrating work from HRBPs and COEs to the shared services team, meanwhile increasing automation of work, can lead to work duplication. Addressing this requires a continual clear division of work and functional governance between the HR COO and other parts of HR.
- HR COOs may struggle to instill data literacy into the HR team, delaying the ability to find universally understood metrics that clearly display HR's value.
- HR COOs often find themselves as the catalyst for introducing skills like agile working, project management and inclusive change management within the broader HR function. Embedding these skills requires new ways of working and new mindsets.
- The HR COO must remain vigilant in selecting vendors or capabilities within the technology roadmap. Other stakeholders can often be enticed by the continuous development of technology and integration opportunities, which can challenge an HR COO's ability to adhere to the plan or timeline.

## User Recommendations

- To ensure a dedicated focus and clear accountability, CHROs should develop the HR COO role as an acting advisor responsible for the overall design of HR's service management approach, including service routing, tiering, eligibility for services and channel management.
- To efficiently orchestrate progression, change management and project delivery experience for end-to-end execution, a good candidate for the HR COO role should have excellent C-suite communication skills, experience with cost modeling and cost projection.
- To create efficient solutions, the HR COO should encourage and demonstrate cross-collaboration and stakeholder management within the HR operations and service delivery team and the broader HR team.
- To implement an HR COO role, organizations must ensure leadership is patient and tolerant of risk. This enables the HR COO to weigh different perspectives and considerations for HR-driven initiatives, or in response to other initiatives such as organizationwide IT system integrations.

## Gartner Recommended Reading

[The HR Operating Model of the Future](#)

[Playbook for Upgrading HR's Operational Efficiency](#)

[How HR Shared Services Can Better Understand Its Internal Customers' Evolving Needs](#)

[The Agile HR Function](#)

[Future of Work Reinvented: Shifting Talent and Skills](#)

## Hyperautomation in HR

Analysis By: Eser Rizaoglu

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

**Definition:**

Hyperautomation in HR involves orchestrated use of technologies, tools or platforms, such as AI, machine learning (ML), event-driven software architecture, robotic process automation (RPA), integration platform as a service (iPaaS), packaged software, and various types of decision, process and task automation tools. Hyperautomation in HR is a step toward autonomous HR that links a series of manual and semiautomated processes into a fully automated workflow.

**Why This Is Important**

Hyperautomation in HR provides opportunities to improve efficiency and reliability, particularly across transactions and workflows that are subject to manual data entry errors and delays, such as payroll, workforce management, recruitment and service operations. Hyperautomation in HR is among the top emerging technologies in the coming year.

**Business Impact**

Hyperautomation in HR positively impacts service delivery, as it reduces error rates and increases overall staff availability. When used strategically, it has the potential to accelerate organizational performance and significantly reduce operational costs. Hyperautomation in HR is most effective when deployed across the full spectrum of business operation ecosystems. The positive effects of hyperautomation in HR on business operations include increased efficiency, scalability and reliability.

## Drivers

- Hyperautomation in HR is likely to be of interest to high-transaction domains, as it has rapidly changed from being optional to vital because of the relentless demand to shift to digital business models.
- Hyperautomation in HR can boost organizational efficiency and effectiveness, hence enabling organizations to address inflation, talent shortages and economic downturn pressures.
- Human capital management (HCM) technology megavendors (e.g., Oracle, SAP) have invested in hyperautomation as stand-alone offerings. They have also built strong partnerships with major consultancies, systems integrators and business process outsourcing providers that can add hyperautomation use cases.
- There is evidence of RPA in payroll, driving some payroll processing alerts, along with data migration utilizing RPA to speed up data validation and implementation.
- Hyperautomation has streamlined operations for HCM functions, such as service desk, business process monitoring (BPM) and digital document management, which receive a high volume of requests and activity, particularly for employees working remotely.

## Obstacles

- Most vendors already use intelligent services, ML, adaptive intelligence and integrator connectors in siloed fashion. However, they are yet to demonstrate combined hyperautomation broadly across the full suite.
- Some hyperautomation projects are initiated to achieve quick reduction in operational expenditure or staff. These initiatives often face challenges in scaling up and building a broad narrative of continuing business value.
- Many organizations do well while picking the low-hanging fruits of task automation to RPA, and try to combine IT architecture, governance and greater business agility using a single RPA solution while automating complex business processes. But simple RPA tools do not deliver strong outcomes working with semistructured data like invoices, or unstructured data like emails or PDF data extracted from contracts.
- HR teams' limited expertise with combined integration, BPM, RPA and other tools will be one of the biggest barriers to hyperautomation.

## User Recommendations

- Maximize the success of hyperautomation initiatives by architecting multiple concurrent HR technology initiatives. Aim for holistic mapping of related initiatives, rather than islands of administrative HR task automation.
- Continue to identify low-value work that can benefit from process optimization to reduce handoffs and labor costs. Obvious repeatable and low-value workflows have already been automated, but new opportunities lie in complex workforce management and employee experience technology that deliver maximum benefit to managers, employees and the organization.
- Join forces with high-performing multidisciplinary fusion teams to lead hyperautomation projects using multiple best-of-breed tools.
- Engage experts from other parts of the organization with BPM, PaaS, AI integration and other tools to help guide and execute HR hyperautomation strategy successfully.

## Sample Vendors

Automation Anywhere; Celonis; IBM; Microsoft; Pegasystems; SAP; SS&C Blue Prism; UiPath

## Gartner Recommended Reading

[Quick Answer: Use Gartner's Hyperautomation Maturity Model](#)

[Beyond RPA: Build Your Hyperautomation Technology Portfolio](#)

[Infographic: Which Technologies Should You Use for Hyperautomation?](#)

## HR Virtual Assistants

Analysis By: Ranadip Chandra, Helen Poitevin

Benefit Rating: Moderate

Market Penetration: 20% to 50% of target audience

Maturity: Adolescent

**Definition:**

HR virtual assistants (HRVAs) are software applications (either integrated with other HCM applications or natively provided) that work with human voice (or text) commands to assist employees in completing HR tasks or requests. They also automate communication with users via a smartphone, tablet, computer or specific device.

**Why This Is Important**

HRVAs provide employee access to information and completion of transactions via conversational queries. This results in enhanced productivity because of increased use of business-critical information. It also results in decreased friction for employees when engaging with HR. Hype around ChatGPT and, more broadly, generative AI, has increased interest in HRVAs as a way to provide an improved employee experience.

**Business Impact**

Virtual assistants (VAs) are becoming an important layer in many HCM functions — particularly gaining maturity in recruiting, HR service management, enrollment for benefits process, onboarding and HR functional insights (e.g., flight risk analysis).

VAs with domain specific capabilities (e.g., HR) can initiate communication with the workforce in response to event triggered conditions. This facilitates timely response to changing business conditions by removing the need for employees to initiate transactions thus improving the employee experience.

## Drivers

- VAs continue to grow not just in HCM but across all business applications. Recently, use of GPT models in a web service chatbot captured the imagination of the end users on a global scale and is currently leading to widespread experimentation.
- HRVAs in the broader market are becoming increasingly sophisticated. Many conversational AI platforms can now initiate up to moderate complexity transactions in administrative HR and other modules in response to natural language user commands.
- All cloud HCM suites and extended ecosystem vendors are investing further in this capability. Many of these VAs can also be deployed as a wrapper or as the underlying model in a “bot within a bot” framework — thus opening up possibilities to coexist with different virtual assistants deployed in the organization.
- Tasks related to reporting and data analytics require employees to follow complex, step-by-step technical processes. VAs can reduce these processes to one single step. For example, a recruiter asking a VA: “How is my recruiting pipeline performing?” and receiving an immediate answer, rather than painstakingly analyzing multiple reports and coming to a conclusion.
- A growing number of VAs leverage RPA and no-code or low-code integrations to enable full processing of workflows through the VA interface. This provides more value than a more simple FAQ-focused chatbot.



## Obstacles

- HRVAs lag the overall market in supporting advanced use cases such as speech-to-text or multimodal inputs such as graphics, tables and video and gaze. The benchmark set by consumer applications or ChatGPT would be difficult to match in near term.
- Hundreds of vendors are available in the chatbot and VA market landscape, including myriad smaller, niche vendors who often overstate the capabilities leaving users frustrated if the VA cannot understand the real intent behind the interaction.
- Successful deployment of VAs needs equal maturity in three parts – natural language query, business intelligence (BI) to join the command and ability to integrate with sometimes very dated systems with limited integration capabilities (payroll & time). Many solutions only have the first part and miss out augmented analytics and integration elements.
- Deploying multiple chatbot solutions and creating a unified user interface provides an opportunity to leverage domain specific VAs.

## User Recommendations

- Decide whether a centralized platform-based approach (deploying a generalized conversational AI) or a HCM contextualized VA approach is suitable for your organization. A centralized platform-based approach provides consistency in chatbot implementation, operations and conversational management. HCM contextualized VAs will offer deeper understanding of HR processes.
- Determine the use cases (e.g., shift reminder, learning content suggestion) for VAs that will result in maximum benefit to employees.
- Leverage the opportunity to explore different technologies leading the transformation of next generational conversational AIs. Balance the hype of Generative AI with ethical choice models such as Responsible AI.
- Assess the solutions on their ability to self-train based on the historical records of employee transactions. Additionally, any solution's ability to resolve a query based on variations of phrases, misspellings and keywords of the same question should be a "litmus test" for its effectiveness.

## Sample Vendors

Acuvate; Amelia; Espressive; Leena AI; Moveworks; Socrates.ai; The Bot Platform

## Gartner Recommended Reading

[Infographic: Artificial Intelligence Use-Case Prism for HCM Technology](#)

[Market Guide for Integrated HR Service Management Solutions](#)

[Making Sense of the Chatbot and Conversational AI Platform Market](#)

## Data Judgment

Analysis By: Liana Passantino

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

### Definition:

Organizations and their leaders are increasingly demanding talent data and insights to make business decisions during transformation. Data judgment is the ability to handle, analyze, interpret and communicate data effectively and responsibly to drive business outcomes. This requires HR professionals to have a strong foundation in understanding data sources and measures, how to interpret data analyses and how to use data to build compelling narratives.

### Why This Is Important

The proliferation of available talent data has increased awareness of the importance of data judgment and organizations are increasing investments in talent analytics. However, just 43% of HRBPs feel confident in their ability to use talent analytics and data to make decisions. Without an understanding of what data to focus on and the skills to understand and interpret the data, HR employees will not be able to effectively guide the decision making of business stakeholders.

## Business Impact

With an increasing number and availability of employee data sources, business leaders increasingly look to HR to provide them with data-backed advice. High proficiency in data judgment will help strategic talent leaders analyze, interpret and communicate data effectively and responsibly so they can drive business outcomes. An added emphasis on data will allow the HR function to assess its progress and quantify the value of its impact on the business at large.

## Drivers

- Over the next two to three years, 77% of organizations expect an increase in resources devoted to talent analytics. These investments will fail to reap the desired benefits if HR professionals do not have the data judgment to effectively make use of talent analytics, to have a business impact.
- As self-service analytics matures, employees are beginning to use data storytelling tools and techniques to better communicate to decision makers. HR must keep pace with the rest of the business.
- Increasing use of technology and automation means there is greater availability of employee data.
- An increase in hybrid work puts more pressure on HR to provide insights about employee engagement and performance.

## Obstacles

- Talent analytics lacks standardization in terms of the data being collected and how the data is analyzed. Different systems often capture different types of data and all HR staff do not have easy access to all systems.
- HR teams and business leaders may not have an interest in further developing their data judgment skills and believe that this should fall to a dedicated talent analytics team.
- While organizations continue to invest heavily in self-service development opportunities, only 34% of employees find learning content both easy to access and understand. This creates a barrier for employees who may be interested in upskilling on data.
- Business leaders do not push HR for better data insights, which undermines HR's ability to be a true strategic partner of the business.

## User Recommendations

- Identify one “single source of truth” for data (e.g., an HRIS). Employee data may be stored in multiple systems so clear guidance about how HR employees should access data is critical.
- Create a team dedicated to aggregating data and running analysis.
- Invest in upskilling current HR employees to improve their data judgment and evaluate the data savviness of job candidates during the hiring process. HR staff with advanced proficiency should not only apply advanced analytical methods but also craft compelling narratives that combine multiple sources of data to influence business and talent decisions.
- Consider including competency in data judgment and use of analytics in employee performance goals.
- Encourage HR employees to engage with stakeholders to understand priorities, identify the most relevant metrics to measure progress on business unit strategies, and advise on the implications and risks of decisions on data integrity, security and employee privacy concerns.

## Gartner Recommended Reading

[HR Professionals Competency Model](#)

[The Evolving HRBP Role in the HR Operating Model of the Future](#)

[How to Advance Talent Analytics Capabilities Without Hiring New Talent](#)

[Improve Data-Driven Problem Solving With Root Cause Analysis](#)

[Enhancing Your Data Judgement](#)

## Sliding into the Trough

### Shared Accountability

Analysis By: Robin Boomer

**Benefit Rating:** Moderate

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Adolescent

#### **Definition:**

Effective HR service delivery often requires HR teams to work together with employees, managers and leaders, with each taking the necessary actions to execute on required tasks. Shared accountability is the process of defining ownership for the roles and responsibilities, equipping and encouraging all parties to act on the steps required of them, and establishing a system of checks to ensure fulfillment of multipart HR or talent management processes.

#### **Why This Is Important**

HR faces more demands due to changing employee expectations and increasing talent competition. However, most CHROs are not increasing HR budgets or headcount. As such, 46% of HR managers say their teams struggle to deliver the work expected of them (2022 Gartner Workforce Change Fatigue Survey). To free up HR resources to focus on high-value work and provide the flexibility, personalization and privacy employees expect, HR must share greater responsibility with the rest of the workforce to meet its needs.

#### **Business Impact**

Shared accountability reduces HR services costs, increasing efficiency. Effectively empowering employees and managers to self-serve leads to improved adherence to governance requirements. Correctly coordinated employee, manager and HR contributions leads to a holistic employee experience that contributes to employees who are (2022 Gartner Hybrid Collaboration Survey):

- 54% more likely to report intent to stay
- 63% more likely to indicate high discretionary effort
- 55% more likely to indicate high performance

## Drivers

- To compete in the talent market and meet the increasing expectations of employees to support their needs and preferences, HR functions have expanded their benefits and service offerings.
- HR functions are increasingly turning to HR technology to affect the workforce, with more than 30% of purchasing decisions being driven by the desire to improve talent management or employee experience, retain talent, support transformation or new ways of working, and improve employee productivity (according to the 2022 Gartner Functional Business Buyer Survey). Many of these technologies serve to enable shared accountability by providing role-specific tools, access to information, and the ability for employees, managers and leaders to act directly within the workstream for HR and talent management processes.
- More than four out of five employees across all age groups prefer to receive communications about their job (e.g., process changes, performance evaluation, health benefits) from their direct manager (2022 Gartner Communications Workforce Survey).
- Talent management and employee experience processes like performance management, career management, recruiting, onboarding, change management and workforce health are enhanced through shared responsibility and input from employees, managers, teams and HR.
- Hybrid and distributed workforces have a wider array of employee needs to support, which can only be met through service democratization.
- Employees are experiencing more varied change in the current environment, but big changes constitute only 4% of all changes employees experience at work; small changes make up the other 96%.

## Obstacles

- Poor design or a lack of clear expectation setting can lead to duplication of effort, unmet needs, misalignment to the intended workstream or incomplete processes.
- Historical service precedent can create expectations among managers and business stakeholders that HR will take on end-to-end responsibility for tasks, which may lead to a reluctance to take on shared accountability.

- Change to responsibilities or workflows may be met with resistance from HR personnel due to established preferences or the belief that stakeholders can complete needed tasks better or more easily independently.
- Workflows may be hindered or slowed by limited access to information or the tools necessary to take needed action.
- Shared accountability requires ongoing maintenance of documentation and workflow rules over time as conditions or processes change.
- Shared accountability requires capabilities of systems thinking, influencing and innovation to design processes in a way that requires low effort from participants.

## User Recommendations

- Evaluate readiness of existing processes, systems and participant abilities to determine which workstreams are best suited for shared accountability.
- Demonstrate the benefits and overall goals of shared accountability to participants and sponsors.
- Clearly communicate roles and responsibilities using a RACI model.
- Create process steps that are simple and role-aligned. Be clear about the time and effort required.
- Develop a knowledge base for processes that require shared accountability.
- Offer a guided support experience to educate stakeholders and build confidence in process steps, but resist the temptation for HR to complete actions for others.
- Use process automation to signal that actions are in progress, need to be taken or are complete.
- Monitor to ensure employees and managers enjoy a low-effort experience, instituting process changes where the effort required exceeds reasonable expectations.
- Establish checks for task abandonment and/or avoidance of intended support channels.

## Voice of the Employee

Analysis By: Laura Gardiner

**Benefit Rating:** High

**Market Penetration:** 20% to 50% of target audience

**Maturity:** Adolescent

**Definition:**

Voice of the employee (VoE) solutions collect and analyze employee opinions, perceptions and feelings. They use surveys, feedback tools and other data sources to gather worker sentiment and infer preferences, opinions and well-being. They deliver insights with actionable guidance to help improve employee engagement, experience, productivity and performance. When connected with HCM and digital workplace technologies, VoE can become a key component of a firm's "sense and respond" feedback loop.

**Why This Is Important**

Enterprises are grappling with the pace of change accelerated by the recent talent crunch, continued economic instability and disruptive geopolitical events. Many still use an annual survey to primarily gather employee feedback, but struggle to capture and respond to more frequent changes in perception as their workforce reacts to organizational changes, work/life collisions and market events. VoE solutions include direct surveys and other feedback tools to better capture employee perceptions, feelings, opinions and ideas.

**Business Impact**

More robust collection and analysis of employee feedback with actionable guidance results in:

- Earlier problem spotting and quicker response due to faster data collection and direct delivery of insights to managers.
- Deeper feedback for managers on team perceptions and performance.
- Better data for longitudinal analysis.
- Improved employee engagement, learning, development and retention.
- Efficient idea management.
- Enhanced employee experience, employment value proposition, worker performance and productivity.



## Drivers

- Organizations are responding to the ongoing talent crunch and increased worker burnout/fatigue by trying to better understand employee perceptions, enable managers, drive digital workplace adoption and improve employee experience (EX). Continuous listening remains a critical element to maintaining a connection to a distributed and less connected workforce.
- Many HR clients use an annual survey as a feedback baseline but have also implemented some form of pulse measurement to increase the frequency of feedback and reduce lag between feedback, analysis and action.
- Organizations now want to go beyond merely gathering engagement-related data and expand use of VoE to communicate care, listen to a broader set of employee concerns, prioritize investments and quickly take action where necessary. They are also using VoE to measure the effectiveness of employee experience initiatives and to drive further iteration.
- VoE market requirements and customer expectations have coalesced over the past year, resulting in faster than average progression along the Hype Cycle from 2022 to 2023. Many organizations now perceive the more continuous approach to employee listening embodied by VoE to be more crucial than ever before.
- Some providers are responding to customer demand by blending VoE with other HR processes, such as performance, recognition, learning and leadership actions. Others are exploring the intersection of VoE and EX insight management. Regardless, these combinations are attempting to build an ongoing “sense and respond” capability that crosses traditional application boundaries.

## Obstacles

- No VoE solution fully supports all types of VoE listening (direct survey-based, focus group-based, indirect) and analytical methods, so integrating multiple providers will be a common outcome. It may be difficult for internal stakeholders to come to an agreement on which types of listening to use and how best to consider the outputs from each type.
- Organizations often struggle to take timely action in response to VoE results, commonly due to limited delivery of manager insights and difficulties identifying solutions to the challenges raised by VoE.
- Clients with long-standing internally-built surveys may find it hard to transition to VoE platforms that require adherence to the vendor's methodologies.
- Providers acquiring VoE technology will often need two to three years to fully integrate it into their existing solution and organization. Clients implementing during that time frame will likely face integration challenges and disparate analytical tools.

## User Recommendations

- Adjust VoE strategy to support faster decision timelines, including choice of metrics and measurement intervals.
- Determine what types of VoE "listening" are desired and how much weight will be given to each type.
- Define the degree to which managers will participate in VoE and also assess enterprise readiness to tightly link VoE to other talent or work processes. Results of these two tasks will help drive tool selection.
- Select the right data sources, collection/measurement methods and technologies. Assess how well the provider applies techniques such as NLP and event-triggered listening.
- Scrutinize provider integration roadmaps if all or part of VoE functionality is the result of an acquisition in the past 18 months.
- Implement selected technologies on a pilot basis, then iterate based on early feedback from employees and managers.
- Make VoE initiatives actionable by equipping stakeholders to respond quickly to anonymized, aggregated insights coming from VoE data.

## Sample Vendors

Culture Amp; Glint; Medallia; Perceptyx; Qualtrics; Quantum Workplace; UKG; Workday; WTW

## Gartner Recommended Reading

[Market Guide for Voice of the Employee Solutions](#)

[Innovation Insight for Continuous Employee Listening and Talent Management for Increased Agility](#)

[Apply Gartner's EX-Ready Model to Optimize Employee Experience Technology Initiatives](#)

## Hybrid Work in HR

**Analysis By:** Hanne Nieberg, Seyda Berger-Böcker, Tori Paulman, Caitlin Duffy, Dana Stiffler

**Benefit Rating:** High

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Adolescent

### Definition:

Hybrid work in HR describes a work model where HR employees are expected to work from the office at least one day per week while being permitted to work from a location other than the office some of the time. Hybrid work models vary, such as offering employees the individual choice of orchestrating or scheduling of days in the office. During an HR transformation, HR leaders need to not only define how but also in which work model they will deliver HR services in the future.

### Why This Is Important

When hybrid work is designed with intentionality and is inclusive of individuals and team preferences, rather than as one-size-fits-all, it is positively correlated with better business performance and talent outcomes. Today, 96% of HR leaders say that they already have or will implement hybrid work, mainly agreeing to offer location flexibility (75%) and work hour flexibility (60%). Some agree to extend the flexibility to choose work days within the week (24%).

## Business Impact

As per the 2022 Gartner Digital Worker Survey, 71% of employees currently working in a combination of locations were more productive over the last 12 months, compared to those working mostly at home (42%) and in the office (47%). Moreover, offering hybrid work options to the workforce results in a 1.6 times greater likelihood of high intent to stay, a 1.3 times greater likelihood of high performance and a 1.8 times greater likelihood of low fatigue.

## Drivers

- When offices reopened postpandemic, most organizations, and their HR functions, opted for a hybrid work model to address employees' increased expectations for flexibility.
- With talent being scarce, hybrid work allows HR functions to expand their geographical scope while recruiting new employees. To allow HR professionals a better work-life balance, they offer hybrid work models to new and existing employees.
- The current hypercompetition for talent grants employees, including those in HR, more bargaining power. The ability to work hybrid or remotely factors into their decisions to stay at their current jobs or look for new opportunities.
- Location is the No. 2 employee value proposition (EVP) driver of attraction across all industries (after compensation).
- Fifty-two percent of employees agree that the ability to work flexibly does affect whether they decide to stay at their organizations.
- Significant number of employees say they were willing to quit their jobs over a variety of hybrid-work-related issues, such as being required to work on-site or having to take a pay cut to work remotely.
- The focus on hybrid work, by both proponents and detractors, has resulted in many organizations' strategies landing in the Trough of Disillusionment. Organizations are feeling the consequences of no or poor hybrid work design, including disengagement, burnout, attrition and lack of compliance.

## Obstacles

- HR leaders are concerned about the possible negative effects of hybrid work models, with 60% saying it will decrease consistency across the workforce of where work gets done. While 67% are worried that it will decrease the ease of making new connections at work and 61% predict hybrid work will decrease employees' ability to separate work and personal life.
- Most organizations lack applications that will help HR employees and managers plan the best day to visit, navigate workplaces to find services and amenities, and find colleagues outside of inviting folks to meetings in the office.
- Many HR leaders still feel nostalgia for opportunistic interactions, such as those that occur at a "water cooler," and equate physical presence with effectiveness, presenting major obstacles to acceptance of hybrid work.
- Some managers and leaders still believe HR staff need to work on-site. They worry remote HR staff will be less responsive and proactive and have a lesser understanding of organizational culture and strategy.

## User Recommendations

- Mitigate the risks to work consistency by establishing and communicating clear HR governance rules. The rules should ensure that everyone shares the same understanding of HR processes and role responsibilities.
- Mitigate the risks of decreased collaboration by creating team intentionality, that is the HR team is intentional about how they collaborate, adapt meeting structure based on the intended outcomes and their approach to collaboration is guided by their ongoing needs.
- Invest in workplace experience applications to support the planning and orchestration of hybrid work in HR and delivery of a hospitality-like experience in the office (see [Market Guide for Workplace Experience Applications](#)).
- Shed industrial-era beliefs about work by listening for outdated assumptions from your peers as well as yourself, then counter them with new data-driven insights and work design thinking.

## Gartner Recommended Reading

[How Should We Collaborate in a Hybrid World?](#)  
[CHRO Resource Guide for Hybrid Work Design](#)  
[Redesigning Work for the Hybrid World: Opportunities for Knowledge Workers](#)  
[Hybrid Work Data Overview 4Q22](#)  
[35 Ways to Help Managers Overcome Hybrid Team Challenges](#)

## DEI in HR

Analysis By: Chandra Robinson

Benefit Rating: Moderate

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

### Definition:

Diversity, equity and inclusion (DEI) in HR plays an integral role to establish and sustain a workplace culture that promotes inclusivity and equity throughout the employee life cycle for HR employees. The employee life cycle includes attracting and recruiting, orientation and onboarding, employee development, engagement and retention, performance management, and succession planning.

### Why This Is Important

DEI and social impact initiatives are a priority for investors, customers and employees. As workforce demographics shift and business disruptions rise, the HR function must navigate pay equity and labor market challenges that disproportionately impact underrepresented groups' attraction and retention. The DEI of the HR function itself impacts HR's ability to attract and retain high-performing HR teams, which plays a vital role in driving organizationwide DEI efforts.

### Business Impact

HR functions that foster a diverse and inclusive workplace are best positioned to lead in understanding and optimally serving HR employees, the broader workforce, customers and communities. Diverse, inclusive and equitable organizations are positively correlated with superior business outcomes, including innovation, enhanced decision making, resilience and profitability. They also see improvements in human capital indicators — time to fill a role, discretionary effort and intent to stay.

## Drivers

- According to Gartner research, DEI of the workforce remains a top priority for HR leaders for 2023. If HR is going to lead the way in making organizations more diverse, equitable and inclusive, HR leaders must look at their own functions as well to set an example.
- Private sector layoffs have led companies to work with tighter DEI budgets and resources while presenting a slight increase in available talent. HR must find new ways to navigate these tighter budgets while taking advantage of available HR talent.
- Advancements in artificial intelligence are transforming how organizations operate, specifically how these technologies can improve employee engagement and root out biases in talent processes and practices, including for the HR function.
- Laws are changing as society at large pays more attention to DEI. The pandemic has compelled HR functions to reassess their EVP while factoring in the unique needs and desires of diverse talent segments. One example is balancing work and life outside of work, particularly for women.
- Companies are now forced to move away from traditional assumptions about flexibility that require employees to separate their work life from personal life, and instead, explore flexible and accommodating work arrangements that embrace all aspects of an employee's life.

## Obstacles

- Although DEI has gained traction in recent years, it continues to be politicized.
- Current and prospective employees, investors and customers want to see action in the form of real investment: budget, resources and internal changes that shift cultural norms. This is particularly true for HR employees who work closely with their organizations' talent processes and policies.
- Legal changes regularly change and influence how DEI initiatives are perceived and how companies approach the recruitment and support of underrepresented talent.
- Hybrid work has disproportionately affected underrepresented talent (URT). For example, URT has seen a rise in incivility and is also more isolated from growth opportunities.
- Inflation is eclipsing small gains in pay equity efforts.
- While turnover is high among all employees, URTs are leaving their organizations at even higher rates.
- New HR technologies often have unintended embedded biases.

## User Recommendations

- Partner with DEI experts to align and embed DEI into the HR function's talent and culture strategy.
- Choose recruiting initiatives and integrated pipeline planning initiatives for HR teams that show superior DEI results.
- Leverage technology to detect and mitigate biases across the employee life cycle (ELC) for HR employees.
- Ensure that HR hiring teams, particularly leaders, are provided with training and intervention resources to address biases in the ELC and activate inclusive climates.
- Ensure URT is brought into decision-making opportunities aimed at addressing systemic inequities in HR. However, partner with hiring managers to rebalance URT's workloads and ensure all tasks are appropriately accounted for in performance and rewards systems to avoid burning out URT with excessive workloads and no recognition.



## HR Baselineing

Analysis By: Seyda Berger-Böcker, Hanne Nieberg

Benefit Rating: Moderate

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

### Definition:

HR baselining is the evaluation of an HR function's efficiency and effectiveness. This includes the evaluation of HR processes and services against peer group benchmarks, in conjunction with a functional maturity and priority assessment. HR baselining enables visibility into how HR spending and staffing allocations are aligned to the HR function's maturity and strategic priorities, and is used to guide decisions on which HR services should be best-in-cost versus best-in-quality.

### Why This Is Important

Senior leaders operate in a data-driven environment. However, HR often lacks fundamental data to get a comprehensive understanding of how the function is performing in its current state. This lack of clarity makes it challenging to articulate the need for transforming HR and gain buy-in. This can also lead to ad hoc, ineffectual HR initiatives that harm an organization's growth capabilities. HR baselining provides the data-driven context needed for a targeted HR transformation strategy.

### Business Impact

HR baselining enables a complementary assessment of both HR's efficiency and effectiveness. This reveals the scope of actions HR needs to take to drive functional efficiency and fund critical HR investments. Additionally, it enables HR to identify immature capabilities that risk harming organizational growth. Ultimately, HR baselining builds the foundation to successfully balance rigorous divestment of noncore activities and resetting investment priorities that drive business value.

## Drivers

- CEOs continue to place a high priority on growth, with talent and acceleration of technology as the basis for this growth. However, due to continued disruption and uncertainty, supporting the CEO in these endeavors effectively requires a balance between rigorous divestments of noncore activities and reallocating investments into those areas that are vital to drive the organization's long-term growth capabilities.
- In a world of changing technology, hybrid work, hypercompetition for talent and shifting employee expectations, the question for HR leaders is not whether they will transform HR, but how. However, it is difficult to optimize what you don't know. Thus, a thorough baselining assessment is an important part of any HR transformation journey.
- The aftermath of the pandemic has increased a demand for HR support tremendously. A thorough HR baselining can help heighten internal stakeholder understanding about what investments HR needs to mature and manage internal stakeholder expectations around the time frame for HR to become a "world class" function.

## Obstacles

- There are multiple factors that impact efficiency and effectiveness. Peer comparisons need to be taken with a grain of salt, as they cannot fully reflect other organizations' technological maturity, process standardization degree, geographical footprint and type of workforce being supported.
- Efficiency benchmarks only provide a one-dimensional view on HR's performance and do not tell anything about the quality of the services being provided to the business.
- A focus on peer-group cost and headcount benchmarks only can create a perception that HR's contribution is strictly operational. As a result, HR's needs and efforts to improve service delivery maturity and deploy initiatives that boost business performance get less attention.
- Maturity assessments are typically HR self-assessments that lack the client perspective on priority areas.

## User Recommendations

- Validate your HR function's efficiency at the start of your HR transformation journey, against key HR performance metrics and peer-group benchmarks, to identify potential areas where spending and staffing levels need to be adjusted or where investments are required.
- Extend your efficiency analysis by assessing the depth, breadth and maturity of the HR services to determine any trade-offs between efficiency and quality of HR services being delivered.
- Link cost and efficiency benchmarks to a larger discussion about HR's strategic priorities and business impact. Move beyond how much the HR function is spending compared to peer organizations, and identify how HR spending and staffing allocations are aligned to strategic business objectives. This allows for deliberate decisions on rigorous divestments of noncore activities and reallocating investments into highly prioritized HR services that are vital to protect the organization's long-term growth capabilities.

## Gartner Recommended Reading

[HR Budget & Efficiency Benchmark](#)

[2023 HR Budget and Efficiency Benchmarks](#)

[HR Score](#)

**Agile in HR**

Analysis By: Seyda Berger-Böcker

**Benefit Rating:** High

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Adolescent

**Definition:**

Agile in HR is best thought of as a set of principles that shape HR's mindset, ways of working, and solutions for its customers (employees, managers and leaders). These principles are intended to foster collaborative ways of working that embrace change, increase acceptance of ambiguity and risk, drive efficiency through iteration and customer testing, and measure success through outcomes rather than inputs.

**Why This Is Important**

Amid continuous business disruptions, HR functions are pressured to rapidly respond to the changing business and employee needs, often without additional resources. A lack of agility is a key barrier to an HR function's capability to deliver relevant HR solutions at the pace of change. While agile in HR is not a panacea for HR's challenges, it does provide principles that enable HR to rapidly adapt to business disruptions.

**Business Impact**

An agile approach focuses on treating employees like external customers, granting HR teams the flexibility to prioritize the highest-value work, rather than the most cost-efficient work. Agile in HR allows the development of minimum viable HR products and solutions in conjunction with the end user. This enables HR to respond and adapt to employee and business needs more effectively, improving talent outcomes such as employee performance.

## Drivers

- CEOs continue to highly prioritize growth with talent, as well as the acceleration of technology as the basis for driving that growth. However, due to continued disruption and uncertainty, supporting the CEO in these endeavors requires HR to work in a more agile way and identify business and employee needs at the pace of change.
- The aftermath of the pandemic has increased the demand for HR support. This requires HR to incorporate agile principles into their staff's mindset (i.e., customer centricity, embracing change, failing fast and learning quickly), way of managing projects (i.e., shorter work cycles, constant iteration and customer feedback, focus on minimum viable products), and operating model design (i.e., less hierarchical, cross-functional teams) to enable HR to quickly deliver relevant solutions to its customers.
- Amid the hypercompetition for talent, HR is charged with redefining the employee experience by both retaining the organization's in-demand talent and finding the competitive talent the organization needs to drive growth. Agile principles in HR emphasize the importance of putting employees (i.e., customers) first to create relevant and useful solutions.

## Obstacles

- Increasing agility in HR requires fundamental shifts to its project management, operating model design and staff mindset. However, each aspect of an agile approach has a different level of prevalence today and associated implementation difficulty. While the most prevalent aspect of an agile approach — project management — is often the easiest to implement, its least prevalent aspect — the HR staff's mindset applied to the work — is often the most difficult.
- HR leaders may resist giving more decision-making authority to HR team members. At the same time, the HR team may be unwilling to embrace higher degrees of ambiguity and risk, as well as less direct management, while developing HR solutions.
- HR leaders and team members may be hesitant to involve end users, as this implies ceding control over what they perceive is their forte.
- The organization's existing budgeting and resource allocation processes may not be able to accommodate agile projects.

## User Recommendations

- Assess the degree of agility in your HR function and identify actions to improve the distinct factors of HR agility through Gartner's HR Agility Index.
- Cultivate more agile project management. Invite those with a deep understanding of employee challenges to participate in the project prioritization process to ensure HR is actually solving the most-persistent pain points.
- Co-create solutions with employees by involving them throughout a project, and start working in short, iterative and flexible project cycles instead of rigid predetermined project plans.
- Design a proactive, customer-centric HR model by creating space for strategic thinkers along with a group of HR employees dedicated to project-based work focused on addressing key customer pain points.
- Empower autonomy and continuous improvement by providing guiding principles for employee decision making and openly discussing how mistakes and failures offer learning opportunities.

## Gartner Recommended Reading

[Translating Agile Values to HR Projects](#)[Translating Agile Values to the HR Operating Model](#)[The Agile HR Function](#)[How to Cultivate a More Agile HR Function](#)[Tool: HR Agility Index and Evaluation Criteria](#)

## Strategic Talent Leader

**Analysis By:** Gaston Gomez Armesto

**Benefit Rating:** High

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Adolescent

### Definition:

Strategic talent leader is an analytically oriented, VP-level role focused on HR's strategic priorities. They proactively identify the most pressing talent opportunities and challenges throughout the organization, and are aligned with a specific business unit or function, owning their talent management strategy.

## Why This Is Important

Strategic talent leaders provide HR a fully dedicated role in talent strategy. They identify human capital challenges, scope HR problems, craft solutions and assemble resources to drive results. Given the dedicated focus on strategy, the role enables the HR function to provide true strategic support to the business, and removes the pressure from HR professionals to decide what kind of work to take on.

## Business Impact

Strategic talent leaders are responsible for identifying and tackling the most pressing talent opportunities and challenges in an efficient, cost-effective way. They plan how to provide the organization with the necessary talent to deliver business strategy, identify future talent challenges and derisk business talent-related issues. In doing so, they develop innovative solutions that provide their organizations with a competitive advantage through human capital.

## Drivers

- Fewer than 20% of HR leaders think their current structures effectively separate transactional from strategic work, which often creates inefficiencies in HR and misalignment of HR solutions with business strategy.
- Organizations need clearly scoped HR solutions that address specific talent needs with neatly identified impact and a defined timeline.
- HR needs to find different ways of working to include more flexible and agile approaches that flex with business requirements.
- There is increasing expectation from the business that human capital recommendations are grounded in business acumen and strong data analysis.
- HR functions are being pressured to use HR resources more efficiently, including better prioritization and governance.
- Current HR structures do not provide clear ownership within HR roles, and they inhibit the quick creation of solutions when uncertainties arise.

## Obstacles

- Senior HR leadership may resist the creation of the strategic talent leader role, especially because many organizations have a misconception that the role already exists in their organizations. Often, that existing role is poorly scoped and managed.
- Redefining responsibilities within the HR senior leadership team generates tensions with team members. This may lead to individuals not wanting to give away control, leaders deciding who will take on extra or new responsibilities and teams needing increased coordination.
- Lack of available skills in the team around strategy, numeracy, stakeholder management or consulting abilities can make implementing the role difficult.

## User Recommendations

- Empower strategic talent leaders to push back on business requests that demand they do transactional work. Remind them to pass those requests to the staff dedicated for operational work.
- Aim to have only about 10% of your total HR headcount in this capacity, since this is a very senior role within the HR leadership team.
- Define role expectations very clearly, including what it entails, key competencies and the experience required to do the job.
- Be clear with business leaders and their team about the scope of this role and how they will be served differently by it.
- Verify if there is a need to have a senior strategic talent leader, depending on the number of strategic talent leaders in the organization. If there are only a handful of them, then they may report directly to the head of HR.

## Gartner Recommended Reading

[The Evolving HRBP Role in the HR Operating Model of the Future](#)

[Tool: Strategic Talent Leader Job Description Template](#)

[How to Identify and Overcome Barriers to Strategic HRBP Impact](#)

## Open-Source Change Management

**Analysis By:** Chief Etheridge



**Benefit Rating:** Moderate

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Adolescent

**Definition:**

Open-source change management invites HR employees to co-create transformation strategy with HR leadership and emphasizes open, two-way dialogue to help HR employees navigate, implement and adopt change. This change management approach aims to reduce change resistance and barriers through iterative HR transformation discussions. It moves HR employees from passive receivers of change to active owners of change.

**Why This Is Important**

Many HR transformation efforts fail due to poor change management, leaving HR employees unable or unwilling to change their work to support the transformation strategy. Through co-creation and implementation of strategy and iterative discussions on HR employees' experiences with change, open-source change management increases HR employees' ownership of and responsiveness to HR transformation, mitigating change resistance and fatigue.

**Business Impact**

Notably, organizations using an open-source change management approach:

- Increase employee engagement by up to 38%.
- Increase the probability of carrying out a successful change success initiative by up to 24%.
- Increase employees' intent to stay with their employers by up to 46%.
- Decrease the number of employees resistant to change by up to 19%.

## Drivers

- **Limited employee willingness to change:** The volume and pace of change efforts are overwhelming employees, with the average HR employee experiencing 10 enterprise changes and nine day-to-day changes in 2022 alone. This increase in organizational changes has negatively affected HR employees' perception of change. In 2016, 74% of HR employees were willing to support organizational change, however, as of 2022, only 43% indicated willingness to support the same. As such, co-creation of HR transformation between HR leaders and employees is imperative to reengage the latter and give them influence in change efforts.
- **Changed employee expectations of employers:** Eighty-two percent of employees say it is important for their organization to see them as a person, not just an employee, yet only 45% of employees believe their organization sees them this way. As such, a change management approach for HR transformation must prioritize the human experiences HR teams have with change. An open-source approach to change achieves this, as it more actively engages employees and gives them ownership in change initiatives.
- **Hybrid work environment:** Roughly 45% of HR employees work remotely two to five days per week. With hybrid work environments becoming more commonplace, HR employees process changes related to HR transformation in isolation. As a result, there is an increased likelihood that when HR leaders set change strategy and inform their employees, it will be received the wrong way and resisted due to the lack of employee ownership or influence over change in their workflows.

## Obstacles

- As of 2022, 75% of organizations adopted a top-down approach to changes like HR transformation, highlighting leaders' desire to control change strategy and potential resistance to more active employee involvement. However, when employees passively receive change, organizations risk increasing change fatigue and negatively impacting change adoption.
- HR leaders measure HR transformation success based on process-centric measures, like delivery of training materials and prioritizing the process of change, over the employee experience with change. To improve trust levels and change adoption during HR transformation, HR leaders must use metrics that drive adaptation to change.
- Nine in 10 HR leaders report managers are not equipped to lead change communications, drive change adoption or avoid change fatigue among their teams. During HR transformation, HR managers must have the tools necessary to lead through change, minimize change resistance and implement change initiatives.

## User Recommendations

- Facilitate opportunities for HR teams to provide feedback on, and influence decision making about, the HR transformation roadmap. HR leaders should seek diverse HR team opinions without slowing down the decision-making process.
- Develop a clear articulation of the case for change and how HR leaders will facilitate two-way change communications to engage HR teams with HR transformation. Two-way change communications enable teams to react to, understand the rationale for and seek guidance on change initiatives.
- Empower HR teams to own HR transformation implementation by creating a team change journey that makes change efforts more relevant to their processes, identifies potential change barriers and defines metrics for successful change adoption.
- Sustain change energy and mitigate change fatigue risk by continually and clearly communicating HR function priorities so that HR team leaders can effectively deprioritize work that is reducing in importance.

## Gartner Recommended Reading

[Succeeding at Change Management With an Open-Source Approach](#)

## Business Case for Adopting an Open-Source Change Approach

### The Transformation Deficit

### Co-Create an HR Transformation Strategy For Improved Change Reception

#### Strategic Consulting

Analysis By: Hanne Nieberg, Seyda Berger-Böcker

Benefit Rating: High

Market Penetration: 5% to 20% of target audience

Maturity: Adolescent

#### Definition:

Strategic consulting is the ability to develop and execute solutions to business challenges and to influence strategic business decisions. It is characterized by strong problem-solving, project and risk management skills. This ability is critical for HR professionals looking to create customer-centric solutions closely aligned to the strategic priorities of the business.

#### Why This Is Important

Looking back at years of crisis, business executives are concerned about talent shortages, increased attrition, potential layoffs and decreased employee well-being. They are looking at their HR colleagues to help them untangle the web of workforce issues and solve them quickly. To meet the demand, HR professionals need strategic consulting competencies to break down those complex issues using agile methodologies, co-create solutions with business leaders and monitor future talent risks.

#### Business Impact

When HR professionals address complex problems creatively and critically through a client-centric approach, they establish stronger business alignment and increase the ease of implementation of HR solutions. Breaking down HR work in projects helps HR professionals to prioritize business-critical tasks and to react faster to talent challenges. Eventually, when HR professionals help business leaders mitigate potential talent risks, they ensure the business avoids issues that would impede strategy.

## Drivers

- In today's rapidly evolving business environment, there is a growing urgency for HR professionals to upskill their strategic consulting skills. While 49% of CEOs prioritize "growth" for 2023/2024, many organizations still struggle with volatile markets and face enormous cost pressures. HR professionals must be ready to develop and execute solutions to various business demands, influence strategic business decisions and mitigate potential talent risks.
- However, HR employees find it difficult to keep up with skills requirements, and 36% of HR leaders report that their HR staff lacks the capabilities to support the business more strategically. Consequently, 63% of the HR leaders assessed strategic consulting as the top competency for HR professionals to develop.
- To successfully guide business leaders toward feasible and impactful solutions to key challenges, HR professionals must adopt a structured approach to problem solving. Without it, they run the risk of addressing symptoms, rather than root causes of issues or creating solutions that are not customer-centric. HRBPs recognize its importance, as 76% believe creative problem solving is one of the most valued capabilities by their internal clients.
- Even though many functions have been trying to increase its strategic abilities for more than a decade, the perceived strategic HR value is stagnant. Business leaders rate the strategic value of their HR function a 6 out of 10 for about ten consecutive years. HR professionals that improve their strategic consulting skills will eventually improve the perception of the HR function as a whole.

## Obstacles

- **Ineffective structure:** Only 19% of HR leaders agree that their current functional structure separates transactional and strategic tasks appropriately, leading to duplicated efforts and prohibiting targeted strategic consulting.
- **Lack of technology:** An absence of HR applications leaves HR professionals with a high amount of transactional work.
- **Lack of data:** An absence of dashboards fails to provide HR professionals data to lead talent discussions with business leaders.
- **HR-centric:** Many HR functions are inwards-focused, setting-up their own agenda, neither asking the business for ideas nor for feedback.
- **Performance management system:** Often, the performance management in place rewards nonstrategic behavior such as “responsiveness” or “willingness to help,” creating incentives for HRBPs to be less strategically involved.
- **Ability and aspiration:** Not every HR professional wants and can perform strategic consulting. Challenging business leader’s ideas is tough for inexperienced professionals.

## User Recommendations

- Establish “**strategic-only**” roles in your HR function such as the “strategic talent leader,” with minimized transactional or people management responsibilities. Shift administrative HRBP tasks to HR Operations.
- Equip HR professionals with the **right technologies and automate processes** to limit the administrative burden and free up time for strategic tasks.
- Implement **dashboards and measure talent data** such as attrition, performance and intent to stay to drive fact-based conversations with business leaders.
- Break down complex tasks in **bite-size projects and co-create solutions** with the business. Constantly evaluate project alignment to business needs and adjust accordingly.
- Include the assessment of ‘consultative problem solving’, ‘project management’ and ‘risk management’ into performance management routines for HR professionals.
- Offer **on-the-job development** with business exposure to develop strategic consulting capabilities.

## Gartner Recommended Reading

[HR Professionals Competency Model](#)

[HR Competency Self-Development Resources for HR Professionals Primer for 2023](#)

[The Evolving HRBP Role in the HR Operating Model of the Future](#)

[How to Identify and Overcome Barriers to Strategic HRBP Impact](#)

## RPA in HR

**Analysis By:** Eser Rizaoglu, Nicole Paripurana

**Benefit Rating:** Moderate

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Early mainstream

### Definition:

Robotic process automation (RPA) technology uses scripts to guide automation to replicate the user interface (UI) that a human would use to conduct HR tasks on structured digital data. These scripts integrate applications via the UI and are orchestrated via a controller dashboard, which automates routine, repetitive, rule-based and predictable HR tasks using structured digital data. RPA is one of the less capable hyperautomation tools, so it should not be your only consideration.

### Why This Is Important

RPA is not a final state remedy, but it can be a quick way to reduce manual work. RPA can execute scripted tasks around the clock faster, with fewer errors and at less cost than manual execution, provided the tasks are routine, repetitive, rule-based and predictable. RPA can be offered as a stand-alone technology or as an integrated part of a broader HR technology solution. As a stand-alone solution it can be easily implemented without having to change too much of the underlying HR technology stack.

## Business Impact

For heavily transactional and low-value-add HR activities, such as employee personal data management, compliance and regulation checks, payroll, exit management and onboarding, RPA can decrease the resources required to execute these activities. In HR organizations, especially burdened with high levels of transactional processes, RPA can help increase quality and reduce overall process costs while freeing up staff time to focus on high-value-add activities such as improving employee experience.

## Drivers

- Macroeconomic volatility has forced institutions to forgo some spending and refocus their budgets on technological solutions that provide a quick financial ROI.
- HR functions have been focused on improving service quality, functional efficiency and effectiveness.
- Many organizations are still hindered by the complexity and cost of making legacy system updates. As a result, HR functions resort to manual processes and workarounds, which lead to added costs and more processing errors. RPA can be used in these instances to automate these processes, with little assistance from IT, increasing speed and quality while reducing costs.

## Obstacles

- RPA needs structured data, and its value is limited to algorithmic tasks for which rules and variants can be easily defined.
- RPA is positioned in the market as a business tool, when the reality of deployment requires not just business knowledge, but also IT skills.
- Siloed functional purchasing of RPA is causing a rise in shadow IT and technology duplication. This may lead to increased organizational cost and greater scrutiny of future RPA investment if individual functional efficiencies aren't achieved.
- HR organizations that fail to see through the hype run the risk of adopting RPA without considering more practical, time-tested alternatives such as integrated process workflow systems.
- RPA can cost more than the intended savings if HR leaders underestimate the effort required to support ongoing governance and maintenance of scripts.



## User Recommendations

- Use RPA when workflows remain unchanged and data is consistent and of high quality. Otherwise, HR has to recode the RPA tool each time there is a change.
- Analyze if there are country- or region-specific workflows, which account for local practices and regulatory issues, as this can ratchet up resources required to implement RPA.
- Avoid using RPA to solve efficiency gaps between modules within a single HCM suite. If the HCM vendor addresses the gaps, the RPA work is quickly rendered obsolete.
- Start RPA projects by automating simple, repeatable, rule-based processes to deliver quick wins. For example, opening emails and attachments, or copying and pasting data from one system to another. Then move to more complex tasks, e.g., recruitment interview scheduling, onboarding activities, etc.
- Create a centralized and vetted RPA sandbox that allows stakeholders to experiment. Establish a set of RPA guidelines for HR to follow, but not too limiting which mitigates idea generation.

## Sample Vendors

Automation Anywhere; Blue Prism; Infosys; Kofax; Kryon; NICE; Pegasystems; UiPath; WorkFusion

## Integrated HR Service Management

Analysis By: Ranadip Chandra

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

**Definition:**

Integrated HR service management tools are a holistic platform for organizations to manage HR shared services operations and transactional activity. Core functionality includes HR case management (ticketing or routing), knowledge base, content delivery via channels such as portal and virtual assistant, SLA monitoring and single sign-on into transactional applications. Additional functionality may include digital document management, business process management tools and transition management.

**Why This Is Important**

Many HR organizations move through physical, virtual or distributed shared services models, especially if they have more than 2,500 employees in multiple geographies. Integrated HR service management (IHRSM) solutions give robust control and standardization to the processes required to provide and manage HR services. Personalized workflows for work or life transitions have become an important part of the employee experience narrative, especially for employees working in a hybrid workplace.

**Business Impact**

Improved HR administration can significantly cut HR costs and improve the overall perception of HR. The effective deployment of integrated HR service delivery tools will help reduce HR shared services costs by up to 30%. At mature levels, IHRSMs include early detection and correct handling of employee relation cases with the correct actions and documents such as investigation questionnaires and court-ready templates, which improve the process for employees while saving legal fees and remaining compliant for the organization.

**Drivers**

Demand for IHRSM tools is driven by a desire to streamline HR administration, increased compliance and risk complexity, and has accelerated in recent years due to a desire to improve employee service experience, along with additional factors:

- Expanding the scope of manager-led configurable workflows (often branded as “journeys”) for assisting employee life cycle events such as parental leave, academic sabbatical, and work events such as onboarding, role change or relocation.
- Automating the resolution of repetitive employee queries around common policies and company updates. Resolving the employee questions, before they are logged in as tickets, helps in reducing the manual workload of the HR shared services resources.

- Managing sensitivities relating to HR issues and data, which requires specialized functionality above that of IT or CRM service management applications. For example, specialized complexity and legislative requirements for union-governed cases, health and safety cases, long-term disability cases, or general data protection regulation (GDPR) compliance are often too complex for incumbent IT ticketing systems.
- Development of HR service management and HR help desk as part of the broader employee experience offering in the majority of global human capital management (HCM) suites.
- Providing comprehensive employee service experience throughout the enterprise. Most IHRSM vendors now offer natively built conversational platforms e.g., Slack and Microsoft Teams, in addition to common access options such as portal, mobile device and online chat.

## Obstacles

- Solutions in the market vary in the robustness of case management capabilities as well as the depth of HR domain expertise.
- Vendors' focus on workflows has often come at the expense of improving other core functionalities such as employee relations or document management. As a result, many organizations need a hybrid portfolio of IHRSM solutions to satisfy different use cases.
- Many IHRSM solutions lack support for specialized cases that require judgment-based decisions, such as employee relations, grievances and disciplinary actions, as well as survey questions, form templates and domain expertise.
- IHRSM solutions add a secondary layer of cost and integration maintenance that adds complexity to the HCM technology portfolio.
- The low-code/no-code (LCNC) platforms to configure workflows remain at various levels of maturity and many of the solutions in this category offer limited flexibility for custom workflows.

## User Recommendations

- Evaluate IHRSM solutions based on their ability to support different functional components covered under HR service management. Generally, the providers tend to be stronger in the module of their origin (case management or document management) and weaker in other extended use cases.
- Avoid selection bias by balancing the evaluation of overly hyped employee experience features with less visible but critical capabilities such as employee relations.
- Assess the level of complexity in configuring the IHRSM solution with the HR core. It is preferable to pick a solution that offers out-of-the-box integration with the present HCM suite. If any additional tool, such as an HR virtual assistant, is needed for handling employee queries on top of the IHRSM solution, then assess the integration readiness between the two.
- Investigate emerging capabilities such as alumni portal, employee communications and campaign management and critically evaluate organization-specific needs.

## Sample Vendors

BMC Software; Dovetail Software; Ivanti; Leena AI; Neocase Software; WTW; ServiceNow; UKG; Zendesk

## Gartner Recommended Reading

[Market Guide for Integrated HR Service Management Solutions](#)

[How to Improve HR Workload Distribution Using Shared Services Centers](#)

[Deliver Peak Digital Employee Experience Excellence in 4 Steps](#)

## Climbing the Slope

### EX-Driven HR

Analysis By: Seyda Berger-Böcker

**Benefit Rating:** High

**Market Penetration:** 5% to 20% of target audience

**Maturity:** Adolescent

#### **Definition:**

EX-driven HR describes the requirement for HR to apply an employee-first rather than an HR-first lens to HR products, solutions and processes. This includes a moments-that-matter approach, cohesive workplace and personal employee experience journey mapping, segmentation and persona building as well as employee-listening innovations to address quickly shifting employee expectations and enable targeted HR investments.

#### **Why This Is Important**

A broad array of employees' daily touchpoints within their organization has an impact on engagement or intention to stay. As HR is transforming its function, it should not take a piecemeal approach to managing HR processes but capitalize on the "moments that matter" to employee segments across their work and personal life journeys. This allows for employee-driven HR services that drive a human employer-employee relationship and engage employees in today's competitive environment.

#### **Business Impact**

A compelling employee experience continues to be a differentiator, improving talent and business outcomes. According to the 2022 Gartner Hybrid Collaboration Survey, employees who are satisfied with their experience are 54% more likely to report high intent to stay, 63% more likely to report high discretionary effort, and 55% more likely to be high-performers. Also, organizations whose employees are satisfied with their experience are 48% more likely to meet customer satisfaction goals, and 89% more likely to meet innovation goals.

#### **Drivers**

- Employees expect a digitalized and employee-centric workplace that reflects the personalization, speed and interconnectedness they experience outside of work. Therefore, HR must move toward embracing a more consumer-centric and digitally enabled approach to HR solutions and processes. HR must have a more integrated view of employees by thinking of them as consumers who have choices and make decisions with rational and emotional considerations.
- The aftermath of the pandemic has dramatically altered employee preferences, and thereby changed the levers to attract, engage and retain employees. According to the 2021 Gartner Hybrid and Return to Workplace Sentiment Survey, 65% of employees have said the pandemic has made them rethink the role of work in their lives. Employees are people who care not just about their work, but their life as a whole. Therefore, HR must identify moments that matter to employees at home, work and out in the world to target relevant areas for support. HR must also manage its services along employees' life journeys, not traditional work events or HR process pillars.
- Throughout their daily lives as consumers, people are constantly asked for feedback and given ample opportunity to share their thoughts about products and services through a variety of mediums. However, at work, employees have a reduced voice due to an overreliance on annual engagement surveys as the only way for organizations to capture feedback. HR must capture employee perspectives more frequently than annual surveys, to anticipate employee pain points just in time and employees to have a similar experience at work as they do as consumers.

## Obstacles

- HR leaders tend to apply an HR-first, rather than an employee-first lens when designing HR products, solutions and services.
- When there are different needs across the workforce, such as remote versus on-site employees or generational differences, identifying moments that matter across employee personas and managing a cohesive employee experience strategy becomes challenging.
- There is a lack of understanding that employee experience-driven HR products and services require a coordinated effort, and every HR subfunction has a role to play.
- There is often a lack of understanding that employee experience is not solely an HR responsibility; moments that are critical to employees are owned by other areas of the business. As a result, building senior leader buy-in and equipping managers and leaders to deliver an effective experience is challenging.

## User Recommendations

- Demonstrate the tangible impact of an employee experience-driven HR on employee productivity, performance and engagement to secure funding for employee experience investments.
- Expand existing measurement strategies beyond an annual engagement survey and include qualitative approaches for more frequent employee experience feedback. This step enables targeted adjustment of HR solutions and creation of minimum viable product HR solutions for rapid response to employee pain points.
- Create employee personas as a proxy for certain employee segments, with shared characteristics, priorities and challenges to predict what employee segments will care about.
- Actively include employees when uncovering personal and workplace-related moments that matter to different employee segments and co-create the employee experience journeys.
- Use organizational employee experience goals to identify and prioritize cross-functional partnerships that improve the employee experience.

## Gartner Recommended Reading

[Business Case for a Holistic Employee Experience](#)  
[The Modern Employee Experience: Increasing the Returns on Employee Experience Investments](#)  
[3 Innovations to Improve Measuring the Employee Experience](#)  
[How CHROs Can Use Gartner's EX-Ready Model to Optimize the Employee Experience](#)  
[Optimize the Employee Experience With Gartner's EX-Ready Model](#)

## Talent Analytics

Analysis By: Laura Gardiner

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

**Definition:**

Talent analytics includes tools that enable HR and business leaders to track the performance of HR processes and program investments in conjunction with business performance. It also enables analysis by workforce segment. This improves performance measurement and contextual decision support throughout an organization, thereby improving overall workforce effectiveness and ongoing productivity.

**Why This Is Important**

Only enterprises equipped with accessible talent data and insights will meet the fast-paced demands of business and a quick-evolving workplace. All leaders need to understand which talent analytics to focus on, and the skills, data, analytics tools and governance necessary to support it. Talent analytics maturity across enterprises has been increasing, and the most advanced are going beyond HR data to incorporate data from many other enterprise systems.

**Business Impact**

All organizations need, at a minimum, to have clear visibility into headcount, headcount movements, and employee demographics. They need an overview of HR process completion rates and outcomes. In addition, most organizations leverage talent analytics insights to improve diversity, equity and inclusion, along with employee experience. Most advanced talent analytics teams combine talent and skills-related data with other business data to explore impacts of talent decisions on business outcomes.



## Drivers

- Adoption of talent analytics solutions continues to grow. Solutions include prepackaged talent analytics offerings from specialist providers or the talent analytics modules offered by their cloud human capital management (HCM) suite provider. In addition, many have built their own data lakes or data warehouses and reporting solutions on generalist BI platforms.
- Self-service access to trend analysis, standard dashboards, KPIs, and predictive insights are standard parts of talent analytics solutions. The aim is to increase HR team and business leader use of talent insights in decision making.
- The volume of data available to organizations has skyrocketed in recent years, and business leaders are expected to rely on objective, data-driven insights from talent analytics to navigate the uncertainty of a rapidly evolving talent landscape.
- A growing number of solutions offer augmented analytics capabilities to pinpoint talent segments requiring greater focus for improvement efforts.
- Midmarket adoption in organizations with fewer than 2,500 employees is growing as market offerings extend to meet their requirements regarding fast time to value and cost-effectiveness. Acceleration will also happen as business leaders recognize how access to more sophisticated talent analytics can improve their ability to make more strategic and better-informed workforce-related decisions — at the organization, team and individual employee level.
- Highly mature talent analytics practices incorporate data from systems beyond those managing HR processes. This includes behavioral data, operational data from business processes, and external data sources. Advanced talent analytics functions engage in strategic talent analytics projects aimed at using data to drive strategic investment decisions and employee experience design initiatives.

## Obstacles

- Difficulties in accessing data from a number of HR and non-HR systems.
- Challenges in setting up and maintaining sufficient data governance.
- Complexities in time series analysis due to frequent changes in organizational structures.
- Metrics can appear stable at the highest level but show great variability across meaningful segments. These meaningful segments can be difficult to detect and act upon.
- Adoption remains a challenge, especially beyond talent analytics teams.
- Some talent analytics teams get stuck rebuilding and adjusting dashboards for headcount and HR process metrics. They struggle to go beyond this work to take on analytics projects and to deliver more meaningful insights.

## User Recommendations

- Align talent analytics investments to HR strategy, HCM technology strategy and enterprise analytics strategies. When selecting technology solutions, consider the size of your talent analytics team and any budgetary constraints.
- Invest in data governance for the most critical data points that support baseline analytics, such as headcount, worker, job or functional categories, location, and department.
- Invest in technologies that automate the design and delivery of standard dashboards, metrics and reports. When possible, make sure these technologies contain augmented analytics features to drive adoption across HR roles and business management. Aim to free up talent analytics resources to focus on more strategic talent analytics projects.

## Sample Vendors

Crunchr; One Model; Orgvue; SplashBI; Vemo; Visier; ZeroedIn

## Gartner Recommended Reading

[Innovation Insight for Talent Analytics Technology Options](#)

[When to Choose a Line-of-Business Analytics Application](#)

#### HR Process Governance

Analysis By: Hanne Nieberg, Seyda Berger-Böcker

Benefit Rating: High

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

#### Definition:

A multitude of global and local HR processes can lead to duplication of efforts, higher costs, and low-quality results. Such redundancy is a major cause of inefficiencies and ineffectiveness in HR service delivery. Effective HR process governance routines help define a balance between central control and local autonomy, to increase transparency and accountability across the HR function.

#### Why This Is Important

In the course of an HR transformation, HR leaders rethink their processes, roles and responsibilities, often within the boundaries of a complex matrix environment. To create transparency, accountability and effective decision making, they must install a process governance framework and decide which activity they need a centralized approach for, where they can allow complete local autonomy (decentralization), and which activities they should find a way in the middle for, or a minimum standard.

#### Business Impact

Forty-one percent of CHROs state that the lack of clarity about roles and responsibilities in the new structure is a top barrier to HR restructuring success. To enable clear accountabilities, HR leaders need to decide which processes require one central solution and for which process multiple local solutions can coexist. Governance is one of the top three factors that impact HR's operational efficiency, next to process standardization and automation.

## Drivers

- Many HR leaders are implementing agile principles in their projects and operating models. Agile ways of working grant teams more autonomy to make decisions about their work. However, only increasing autonomy is insufficient, as it bears the risk of chaos and duplicated efforts. Hence, HR leaders always need to implement a process governance framework that defines the scope and level of autonomy to make agile in HR work.
- With growth being among the top 2023 priorities for CEOs, the priorities of the organization and HR function are likely to become more complex. Unfortunately, complexity often goes hand-in-hand with a great amount of HR service localization for each business unit/function/country and leads to duplicated efforts. That limits HR's ability to make quick decisions, innovate rapidly and work efficiently. Implementing process governance and clear responsibilities is a key success factor to minimize this complexity and increase decision speed.

## Obstacles

- **Tight deadlines:** In the course of their HR transformation, many HR leaders work toward an ambitious go-live deadline. Hence they often seem to lack the time to run a governance exercise — a fallacy that bears high risks as they miss to lay the foundation for a process standardization and automation.
- **Overwhelming complexity:** Organizations that operate in multiple countries and industries often lack insights into local processes, and find it challenging to collect information about local responsibilities and process specifications.
- **Lack of collaboration:** When group and local HR entities operate in silos, a lack of collaboration and willingness to agree on common standards often interferes with developing a process governance framework.
- **High maintenance effort:** Not only the work environment and organizational priorities, but also HR processes evolve constantly. Those changes can quickly lead to an outdated, irrelevant governance framework that will quickly be ignored.

## User Recommendations

- **Include governance framework in project plan:** Plan time for an HR process governance exercise at the beginning of your HR transformation to lay the foundation for process standardization and automation.
- **Focus on critical processes:** Limit the complexity and effort by prioritizing HR processes for the governance exercise by selecting high-volume processes, business-critical processes, and simply processes for which information is available.
- **Live open-source change management:** Limit the exercise to only a few necessary stakeholders. Enable a productive discussion between group and local HR to agree on the level of centralizations/autonomy for each HR process.
- **Do your maintenance homework:** Define regular maintenance cycles and triggers for an ad hoc governance framework review (process addition, company acquisitions, market expansion) to ensure the relevancy of the framework and enable an agile HR function.

## Gartner Recommended Reading

[Tool: Defining or Adjusting Degrees of HR Process Standardization Using Gartner's 3-Step Methodology](#)

## People Relations Manager

Analysis By: Zachary Friedman

Benefit Rating: Moderate

Market Penetration: 20% to 50% of target audience

Maturity: Early mainstream

### Definition:

People relations managers are employee- and manager-facing HR staff who provide dedicated service and support for individual, compliance and employee relations challenges. People relations managers are best suited to handle tasks requiring mediation and/or immediate fixes (as opposed to programmatic solutions at scale), as well as support interpretation and enactment of policy (as opposed to policy design and governance).

## Why This Is Important

People relations managers offer full-time support for employees and managers, providing dedicated assistance in solving both urgent and operational inquiries. Additionally, by handling much of the work that would otherwise fall to HR business partners (HRBPs) or centers of excellence (COEs), people relations managers play a critical role in ensuring others in HR (i.e., strategic talent leaders) are fully supported and able to focus on the organization's most pressing, business-related talent needs.

## Business Impact

As people relations managers focus on supporting employees and managers, they:

- Drive new efficiencies in the HR operating model by providing dedicated, specialized expertise and reducing duplicate efforts.
- Improve talent outcomes, manager capability and the overall employee experience.
- Mitigate risks from low-level incidents escalating to violations of higher concern.
- Provide opportunities for safeguarding employee/manager privacy, building trust to engage with needed support.

## Drivers

- In today's pandemic-driven environment, there is a greater need for supporting employees in new ways of working. People relations managers provide a dedicated support system that puts employee and manager needs first.
- Amid rapidly shifting employee expectations, increasing pressures on managers and leaders, and volatility in the global labor market, there is a greater need to devote HR resources to strategic work.
- The top drivers of attrition include respect, manager quality, work-life balance and people management, and providing support to address acute issues that impact these drivers is critical to managing regrettable turnover.
- To increase HR's functional efficiency, HR leaders are looking at greater role specialization. Specializing HR roles helps dedicated teams prioritize both employee and manager support, as well as innovation and strategy, driving effectiveness in each.
- Increased scrutiny on employment brand and employee experience indicates that organizations investing in these areas may be more attractive destinations for top talent.

## Obstacles

- Introducing people relations managers may represent a greater transformational shift in adding several, or many, new roles to the HR function. This may be a lengthy process, involving scoping new roles, auditing current HR staff for best fit, and reallocating resources and team members accordingly.
- Adding new roles to the HR function may also require workflow analysis to ensure new and modified roles are appropriately supported in their key work processes.
- There may be obstacles in handing over work; either reluctance from the current owners of this work to relinquish control or missing aptitude or willingness to do this kind of work effectively and compassionately.
- The right technology should be in place to instill comfort that nothing is falling through the cracks. This is important to build and maintain confidence between people relations managers and their stakeholders.

## User Recommendations

- **Ensure the right people serve in this role.** People relations managers are most similar to junior-level HRBPs who are not heavily involved in strategic work. HRBPs who have a strong foundational understanding of talent management, and understand the processes, policies and systems within HR, are well-suited to be people relations managers. Those who enjoy this role like working directly with employees and midlevel or frontline managers, and are able to quickly resolve problems.
- **Clearly communicate role responsibilities to remove duplicate efforts.** As responsibilities are reallocated to the people relations manager role from other roles in the HR team, establish clear guidelines for routing requests. Encourage people relations managers to hand off requests that are better served by a different HR role.
- **Teach end users how to engage with this new role.** Illustrate to employees and managers how to leverage this new service group and which channels are best to communicate with them.

## Gartner Recommended Reading

[The Evolving HRBP Role in the HR Operating Model of the Future](#)

[Resources for Implementing the HR Operating Model of the Future](#)



## Entering the Plateau

### HR Process Redesign

Analysis By: Hanne Nieberg, Seyda Berger-Böcker

**Benefit Rating:** High

**Market Penetration:** More than 50% of target audience

**Maturity:** Mature mainstream

#### **Definition:**

Duplicated efforts, wasted resources, increased cost and poor employee experience; these are just some of the problems that inefficient and ineffective HR processes create. Hence, in the context of an HR transformation, HR leaders are expected to review and redesign their HR processes for maximum efficiency and effectiveness.

#### **Why This Is Important**

Process redesign is a central element of an HR transformation. HR leaders cannot successfully create new roles, assign new responsibilities and implement new technologies, without adapting their HR processes.

To bring new roles to life, HR leaders need to review their processes and reallocate responsibilities for each HR role. Once HR processes are redefined, process redesign may also include process automation as a second step.

#### **Business Impact**

Most HR organizations are transforming; 95% of HR leaders agree that they either just finished, are in the middle of or currently planning to restructure their HR function. In that course, they need to redefine their HR processes to create clear responsibilities for newly created roles. This exercise gains additional importance, considering that a “lack of clarity about roles and responsibilities in the new structure” is a top barrier to HR transformation success.

#### **Drivers**

- **Adding “Digital” to HR Transformation:** Today, most HR transformation projects encompass a digital transformation component with the aim to increase HR efficiency, performance and employee experience. In order to complete a successful tech transformation, HR leaders must not only select the right technology but also standardize their HR processes. If poor processes are simply replicated into new systems, redundancies and inefficiencies remain and the employee adoption suffers.
- **Adding “Agile” to HR Transformation:** To foster innovation and increase HR’s strategic business value, many HR functions implement agile principles into their operating model and projects. However, instituting radical flexibility and transparency, as well as greater collaboration, requires rules and guidelines to avoid chaos. Hence, HR leaders need to redefine their processes for agile HR and clearly outline the steps to develop minimum viable products (MVP). They need to assign dedicated responsibilities to the HR and business members that co-create those solutions with HR.
- **Transforming in a Remote/Hybrid Work Environment:** The pandemic brought new work realities to a large share of organizations and even now, a high number of employees continue to work in a remote or hybrid setup. A lack of desk proximity and office-typical “water cooler conversations” prohibit organic collaboration. Especially new team members heavily rely on documented processes that clearly describe their responsibilities, handoff points, relevant systems, required inputs and expected outputs. In a remote/hybrid environment, a lack of process overview and insufficient role clarity bears an even higher risk for HR service delivery inefficiencies and ineffectiveness than in an on-site work setup.

## Obstacles

- **Been there. Done that. It’s painful:** The majority of HR leaders will have experienced at least one process redesign workshop in their professional career. Agreeing on a common process picture can be cumbersome and every group-level standard will have its local deviations. Apart from that, heritage HR process frameworks might already exist based on previous realities. Reliving past experience and refining something that already exists to some extent, seems redundant and wasteful to some HR leaders.
- **Not on Vogue:** Redefining processes is not new, and some provocative voices even challenge the concept and its basis for existence, especially in new work realities such as skills-based organization or agile projects.

- **Outdated, once finished:** As business priorities and work environment change, so do the HR processes. HR functions fail to update their processes effectively, especially when there is a need to address arising challenges, such as process change requests.

## User Recommendations

- **Do not reinvent the wheel:** Build on previously defined processes or internal/external best practices. Define a process blueprint and twist it to suit local needs, if necessary. Before redefining a process, decide about the level of centralization vs. localization with the help of a **process governance** framework.
- **Discuss with the right people at the right time:** Based on your process governance framework, identify stakeholders affected by the refinement. Ask them for their feedback and iterate the process until a new standard is found.
- **Trust the Experienced:** Even if process redefinition is not new, it is relevant. If the operating model, roles and responsibilities evolve, those changes need to be documented to minimize work friction and enable an efficiently working HR function.
- **Do your homework:** Define a recurring process review cycle and triggers for an ad hoc review (such as implementation of new HR technologies, integration of acquired company) to keep the framework up to date.

## Gartner Recommended Reading

[Tool: HR Process Redesign Methodology](#)

[Tool: Defining or Adjusting Degrees of HR Process Standardization Using Gartner's 3-Step Methodology](#)

[Agile HR Process Redesign \(CSR\)](#)

[Translating Agile Values to HR Projects](#)

## Appendixes

### Hype Cycle Phases, Benefit Ratings and Maturity Levels

**Table 2: Hype Cycle Phases**

(Enlarged table in Appendix)

Phase ↓	Definition ↓
<i>Innovation Trigger</i>	A breakthrough, public demonstration, product launch or other event generates significant media and industry interest.
<i>Peak of Inflated Expectations</i>	During this phase of overenthusiasm and unrealistic projections, a flurry of well-publicized activity by technology leaders results in some successes, but more failures, as the innovation is pushed to its limits. The only enterprises making money are conference organizers and content publishers.
<i>Trough of Disillusionment</i>	Because the innovation does not live up to its overinflated expectations, it rapidly becomes unfashionable. Media interest wanes, except for a few cautionary tales.
<i>Slope of Enlightenment</i>	Focused experimentation and solid hard work by an increasingly diverse range of organizations lead to a true understanding of the innovation's applicability, risks and benefits. Commercial off-the-shelf methodologies and tools ease the development process.
<i>Plateau of Productivity</i>	The real-world benefits of the innovation are demonstrated and accepted. Tools and methodologies are increasingly stable as they enter their second and third generations. Growing numbers of organizations feel comfortable with the reduced level of risk; the rapid growth phase of adoption begins. Approximately 20% of the technology's target audience has adopted or is adopting the technology as it enters this phase.
<i>Years to Mainstream Adoption</i>	The time required for the innovation to reach the Plateau of Productivity.

Source: Gartner (June 2023)

Table 3: Benefit Ratings

Benefit Rating ↓	Definition ↓
Transformational	Enables new ways of doing business across industries that will result in major shifts in industry dynamics
High	Enables new ways of performing horizontal or vertical processes that will result in significantly increased revenue or cost savings for an enterprise
Moderate	Provides incremental improvements to established processes that will result in increased revenue or cost savings for an enterprise
Low	Slightly improves processes (for example, improved user experience) that will be difficult to translate into increased revenue or cost savings

Source: Gartner (June 2023)

**Table 4: Maturity Levels**

(Enlarged table in Appendix)

<i>Maturity Levels</i> ↓	<i>Status</i> ↓	<i>Products/Vendors</i> ↓
<i>Embryonic</i>	In labs	None
<i>Emerging</i>	Commercialization by vendors Pilots and deployments by industry leaders	First generation High price Much customization
<i>Adolescent</i>	Maturing technology capabilities and process understanding Uptake beyond early adopters	Second generation Less customization
<i>Early mainstream</i>	Proven technology Vendors, technology and adoption rapidly evolving	Third generation More out-of-box methodologies
<i>Mature mainstream</i>	Robust technology Not much evolution in vendors or technology	Several dominant vendors
<i>Legacy</i>	Not appropriate for new developments Cost of migration constrains replacement	Maintenance revenue focus
<i>Obsolete</i>	Rarely used	Used/resale market only

Source: Gartner (June 2023)

**Recommended by the Authors**

Some documents may not be available as part of your current Gartner subscription.

[Understanding Gartner's Hype Cycles](#)

[Tool: Create Your Own Hype Cycle With Gartner's Hype Cycle Builder](#)

[HR Score](#)

[HR Budget & Efficiency Benchmark](#)

[2023 HR Budget and Efficiency Benchmarks](#)

[HR Transformation in 2023 Must Go Beyond Restructuring](#)

[Resources for Implementing the HR Operating Model of the Future](#)

[3 Key Components to Successfully Plan and Execute Your HR Transformation](#)

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Table 1: Priority Matrix for HR Transformation, 2023

Benefit ↓	Years to Mainstream Adoption			
	Less Than 2 Years ↓	2 - 5 Years ↓	5 - 10 Years ↓	More Than 10 Years ↓
Transformational				
High	HR Process Redesign Integrated HR Service Management Talent Analytics	EX-Driven HR HR Chief Operating Officer HR Process Governance Hybrid Work in HR Voice of the Employee	Agile in HR AI in HR Chief Talent Analytics Scientist Data Judgment Digital Dexterity in HR HR Portfolio Management HR Problem-Solver Pool HR Technologist Hyperautomation in HR Next-Generation Centers of Excellence Productized HR Strategic Consulting Strategic Talent Leader	



Benefit ↓	Years to Mainstream Adoption			
	Less Than 2 Years ↓	2 - 5 Years ↓	5 - 10 Years ↓	More Than 10 Years ↓
Moderate		DEI in HR HR Baselining HR Culture Hacking HR Virtual Assistants Open-Source Change Management People Relations Manager RPA in HR Shared Accountability		
Low				

Source: Gartner (June 2023)

Table 2: Hype Cycle Phases

Phase ↓	Definition ↓
<i>Innovation Trigger</i>	A breakthrough, public demonstration, product launch or other event generates significant media and industry interest.
<i>Peak of Inflated Expectations</i>	During this phase of overenthusiasm and unrealistic projections, a flurry of well-publicized activity by technology leaders results in some successes, but more failures, as the innovation is pushed to its limits. The only enterprises making money are conference organizers and content publishers.
<i>Trough of Disillusionment</i>	Because the innovation does not live up to its overinflated expectations, it rapidly becomes unfashionable. Media interest wanes, except for a few cautionary tales.
<i>Slope of Enlightenment</i>	Focused experimentation and solid hard work by an increasingly diverse range of organizations lead to a true understanding of the innovation's applicability, risks and benefits. Commercial off-the-shelf methodologies and tools ease the development process.
<i>Plateau of Productivity</i>	The real-world benefits of the innovation are demonstrated and accepted. Tools and methodologies are increasingly stable as they enter their second and third generations. Growing numbers of organizations feel comfortable with the reduced level of risk; the rapid growth phase of adoption begins. Approximately 20% of the technology's target audience has adopted or is adopting the technology as it enters this phase.
<i>Years to Mainstream Adoption</i>	The time required for the innovation to reach the Plateau of Productivity.

Phase ↓

Definition ↓

Source: Gartner (June 2023)

Table 3: Benefit Ratings

Benefit Rating ↓	Definition ↓
Transformational	Enables new ways of doing business across industries that will result in major shifts in industry dynamics
High	Enables new ways of performing horizontal or vertical processes that will result in significantly increased revenue or cost savings for an enterprise
Moderate	Provides incremental improvements to established processes that will result in increased revenue or cost savings for an enterprise
Low	Slightly improves processes (for example, improved user experience) that will be difficult to translate into increased revenue or cost savings

Source: Gartner (June 2023)

Table 4: Maturity Levels

Maturity Levels ↓	Status ↓	Products/Vendors ↓
Embryonic	In labs	None
Emerging	Commercialization by vendors Pilots and deployments by industry leaders	First generation High price Much customization
Adolescent	Maturing technology capabilities and process understanding Uptake beyond early adopters	Second generation Less customization
Early mainstream	Proven technology Vendors, technology and adoption rapidly evolving	Third generation More out-of-box methodologies
Mature mainstream	Robust technology Not much evolution in vendors or technology	Several dominant vendors
Legacy	Not appropriate for new developments Cost of migration constrains replacement	Maintenance revenue focus
Obsolete	Rarely used	Used/resale market only

Source: Gartner (June 2023)