## Gartner

# Top 5 Priorities for HR Leaders in 2025

Actionable insights to navigate challenges and drive business impact



## **Top 5 Priorities for HR Leaders in 2025**

Gartner surveyed more than 1,400 HR leaders across 60+ countries and all major industries to identify their priorities and challenges for 2025. Explore the top 5 priorities and get expert recommendations for impactful next steps.

The largest share of respondents put leader and manager development on their list, but many HR leaders will also prioritize organizational culture, strategic workforce planning, change management and HR technology.



### What is driving these priorities?

## CEOs set sights on growth via transformation



CEOs overwhelmingly selected growth as their top strategic business priority for 2024-2025. To prepare for growth, 79% of CEOs will have their revised postcrisis business strategies ready by the end of 2024.<sup>1</sup>

#### **Growth challenges**

#### Lack of integration

<sup>2</sup> Source: HR Score 1Q24 – 2Q24

<sup>3</sup> Source: HR leaders, 2025 HR Priorities Survey



Only **28%** of HR leaders agree that the HR strategic planning process is fully integrated with the business planning process.<sup>2</sup>

#### Continuous transformation needed



**87%** of HR leaders agree that shifting business needs requires continuous HR transformation.<sup>3</sup>

## Al aspirations confront deployment realities



Business leaders expect a 23% improvement in functional productivity in the next 12 to 18 months by generative AI (GenAI).<sup>4</sup>

#### **AI challenges**

#### **Workforce uncertainty**



**47%** of employees using AI say they have no idea how to achieve expected productivity gains.<sup>4</sup>

#### **Efficiency impact**



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77% say these tools have actually decreased their productivity and added to their workload.<sup>4</sup>

## Labor market shifts put pressure on talent strategies



**61%** of talent management leaders agree that new demands exceed their capacity to deliver. In fact, 85+ million jobs are projected to go unfilled globally by 2030.<sup>5, 6</sup>

#### **Talent challenges**

#### Mismatched skills



**23%** of global jobs will change in the next five years due to industry transformation, including Al.<sup>7</sup>

#### **Employee demands**



**62%** of candidates say they only apply for jobs that meet the majority of their EVP requirements.<sup>8</sup>

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<sup>1</sup> Source: 2024 Gartner CEO and Senior Business Executive Survey

3

<sup>&</sup>lt;sup>4</sup> Source: Gartner Generative AI 2024 Planning Survey

<sup>&</sup>lt;sup>5</sup> Source: 2024 Gartner Modernizing Talent Management HR Leader Survey

<sup>&</sup>lt;sup>6</sup> Source: The \$8.5 Trillion Talent Shortage, Korn Ferry

<sup>&</sup>lt;sup>7</sup> Source: The Future of Jobs Report 2023, World Economic Forum

<sup>8</sup> Source: 2024 Gartner Voice of the Candidate Survey (Q2)

# Leader and manager development

**Common challenges for HR leaders:** 

75% of HR leaders report that managers are overwhelmed with the expanding scope of their responsibilities.

70% of respondents believe that current leaders and managers are not adequately equipped to effectively develop midlevel leaders.



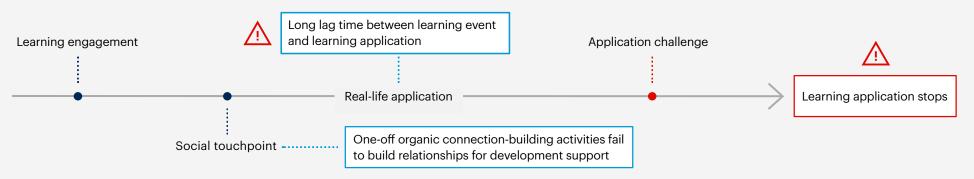
# Traditional leadership development approaches aren't cutting it

Despite **76%** of organizations significantly updating their leadership programs and planning to increase spending, results remain lacking.<sup>9</sup>

- Only **36**% of HR leaders think their organization's current leadership development programs are effective at preparing leaders for future challenges.
- Only **23**% of HR leaders are confident there are rising leaders who can meet the future needs of the organization.
- Seventy-one percent of HR leaders don't think they are effectively developing their midlevel leaders.

Source: Gartner

#### **Constraints of typical leadership development program designs**



<sup>&</sup>lt;sup>9</sup> Source: 2024 Gartner Leadership Bench Strength and Leader Learning HR Leader Survey; 2025 Gartner HR Priorities Survey

#### **NEW IMPERATIVE**

## Develop leaders via repeated connections across both learning engagements and social points

It's the method of leadership development programs that needs to be addressed. To support ongoing development, people need time to build lasting connections. Embedding relationship-building events after leaders have had time to apply teachings from learning engagements to their day-to-day work strengthens connections and supports navigating shared challenges.

This approach creates thought-provoking, trusted, lasting peer connections that leaders feel they can leverage to support their ongoing development.



## Enterprise leaders lead their teams to high performance while contributing to leveraging the performance of other teams



Spend less time in seminars and lectures that have a negative impact on enterprise.



Invest more time in networking events and team-building activities that have a positive impact on both enterprise and human leadership.



Leaders who have utilized peer-connection-based learning experiences are 18% more likely to be enterprise leaders.

Source: Gartner

Source: 2024 Gartner Leadership Development Leader Survey

#### **NEW IMPERATIVE IN ACTION**

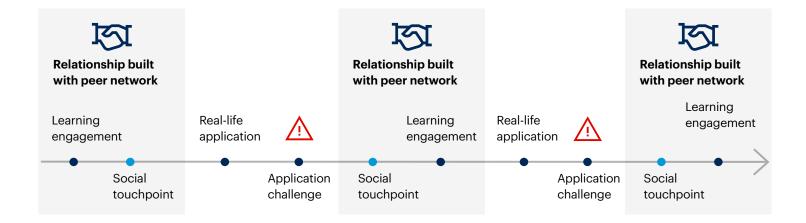
# How OCBC develops leaders by embedding repeated leadership peer connections



OCBC takes an embedded approach to learning program design, interspersing core L&D-driven learning events with varied peer engagement activities. More than 70% of the agenda is driven by the learners to strengthen interpersonal connection and support development. L&D shares prompts before social touchpoints to prime discussions about shared challenges.

Time between learning and social events allows for real-life application and challenge discovery.

Repeating social connections after application periods helps build trusted peer relationships and provide support navigating challenges.



Adapted from OCBC

# Organizational culture

**Common challenges for HR leaders:** 

57% of HR leaders agree that managers fail to enforce the desired vision of culture within their teams.

53% of HR leaders report that their leaders don't feel accountable for demonstrating the desired culture.

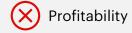


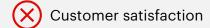


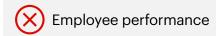
# Organizations are struggling to activate culture successfully

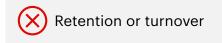
Ninety-seven percent of CHROs want to change some aspect of their organization's culture. It's not that they don't have a clear vision of their desired culture or that employees aren't invested in it, but organizations are struggling to align the dream with reality and bring culture to life in day-to-day work.

#### Poorly managed culture leads to significant business impacts, including:









#### Most organizations are not embedding culture



Less than one in four employees say they understand the values that drive the culture. They know the behaviors they need to demonstrate to live the culture, and the processes that govern their work support it.

Source: 2023 State of Employee Experience Survey

#### **NEW IMPERATIVE**

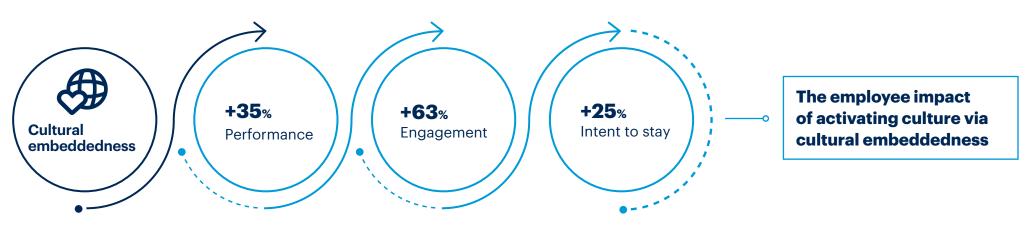
# **Embed culture in organizational values to activate accountability**



The best organizations understand that the key to activating culture lies in equipping leaders at all levels of the organization to embed culture into the values, behaviors and processes that ensure accountability for all.

#### To successfully embed culture within the organization, leaders must:

- ✓ Help employees understand the values at the core of the culture and what those values mean for them
- Ensure employees know the behaviors they should be demonstrating to live the culture they want
- Make the processes that govern employees' work support the culture they strive for



Source: Gartner

#### **NEW IMPERATIVE IN ACTION**

# How CMI's culture app provides "in-the-moment" manager guidance



It's not enough for leaders to help their teams just set the course. They also need to know how to react and guide behavior in the moment to ensure culture is embedded.

CMI makes it seamless for managers to navigate day-to-day scenarios with an app where managers can access more than 100 specific examples of actionable, low-effort behaviors that their peers use and that they can embed immediately into day-to-day situations to have a positive impact on the culture.

Clear and visible actions, with immediate emotional impact that cost nothing for the manager, can start to shift the way people think about tasks in a way that fosters a culture of responsibility. **Behavior:** Responsibility — Our our clients and consumers are always at the forefront of our decisions.

Action: Focus on the customer.

**Description:** Leave an empty chair to represent the client in leadership meetings.

**Purpose:** Prevent the organization from focusing on itself.

**Benefit:** The chair acts as a physical reminder of the customer.

#### Must:

- ✓ Be actionable
- ✓ Require low effort
- ✓ Have immediate impact
- ✓ Be visible
- ✓ Incite an emotional reaction

Adapted from CMI

# O3 Strategic workforce planning

**Common challenges for HR leaders:** 

66% of HR leaders agree their workforce planning is limited to headcount planning.

61% of HR leaders agree their workforce planning efforts are limited to a one-year plan.



## Today's realities demand workforce planning focused on capabilities

Knowing what good strategic workforce planning (SWP) looks like can be overwhelming and difficult. HR organizations often approach workforce planning through a narrow, tactical lens, such as focusing specifically on headcount planning. An inconsistent and nonscalable process limits HR's ability to plan for and respond to changing circumstances (e.g., competitor moves, M&A, recession, pandemics, etc.) and limits HR's ability to align with business-critical initiatives.

#### Widen your scope for talent planning



#### **NEW IMPERATIVE**

# Overcome SWP complexity by breaking strategy down to achievable phases

While the common misconception is that strategic workforce planning should be an organizationwide initiative — it's actually much simpler than that to be successful. The most successful organizations implement a phased "crawl, walk, run" approach to achieving maturity in SWP — gradually expanding the scope and complexity through small "phases" or pilots.

To implement this phased approach, HR leaders must consider the following four categories:

- **Deliverables** What is promised to the business, and what goals are to be achieved?
- **Data** What data will be used, and how advanced will the predictive and risk assessment approach be?
- **Talent strategies** How will capability gaps be closed (build, buy, borrow, etc.)? At which level (business unit or enterprise) are approaches feasible for?
- **Staffing** What staff support is needed in HR and the business unit to complete each phase?



#### **Example: A project plan for a phased approach to SWP**

Phases	Deliverables	Data	Talent strategies	Staffing
1	Launch pilots	Business, competitive, talent	FTEs, L&D, contingent labor	COE, SWP HR and business roles
2	Expand SWP	+ Trends, skills, labor	+ Redesign, automate	+ COE, SWP HR business/ tech/D&A roles
3	Scale and integrate	+ Job, sentiment, location	+ Internal talent marketplace	+ COE, SWP HR business partners/tech/ D&A roles

Source: Gartner

#### NEW IMPERATIVE IN ACTION

# How Merck prioritizes SWP needs by relevance and actionability

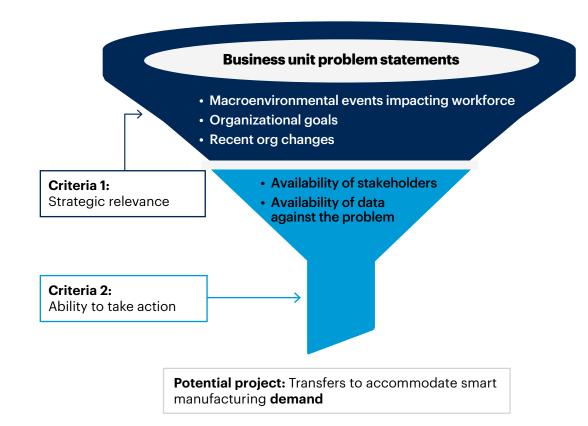


SWP teams often struggle with the complexity of where to focus their efforts. Between stakeholders not fully understanding what strategic workforce planning is and their role in it, too many inputs and a constant future state in flux, SWP tends to get stuck.

At Merck, the SWP team addresses this by asking leaders across the organization to submit problem statements related to workforce challenges. Instead of trying to execute on all initiatives, the SWP team evaluates where to invest time and resources by reviewing the strategic relevance of a potential project, ensuring it is important to the business' goals.

Next, Merck's team focuses on the feasibility to solve the problem with strategic workforce planning by understanding their ability to take action with the available data, skills and tools.

Instead of striving for perfection and getting stuck gathering every piece of information available, Merck's SWP team reduces the complexity of SWP by narrowing their team's focus to solving a problem, enabling them to take action and drive impact.



Adapted from Merck

# 04 Change management

**Common challenges for HR leaders:** 

74% of HR leaders say managers are not equipped to lead change.

73% of HR leaders agree that employees are fatigued from change.





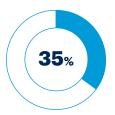
## Change fatigue is harming performance and contribution

The volume of yearly enterprise-level change has grown exponentially in response to culture shifts, remote and office work mandates, and new technology. Traditional change management practices don't account for stacked, incompatible change where there isn't time for employees to complete adoption of one change before another one begins.

Executive leaders must understand how this growing volume of change leads to change fatigue, how it affects business outcomes and how to manage it during periods of transformation.

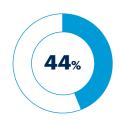
#### Impact of change fatigue on key employee outcomes

#### **Engagement**



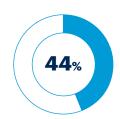
Fatigued employees are less likely to be engaged.

#### Intent to stay



Fatigued employees have lower intent to stay.

#### **Psychological safety**



Fatigued employees are less likely to have psychological safety.

Source: Gartner

#### **NEW IMPERATIVE**

# **Empower change influencers to build strong change implementation and sustain business performance**



While three in four organizations use a top-down model of change management, only one-third of them are successful at achieving their stated goals for the change. Instead, successful organizations understand that transformative change happens through employees, not to them. By partnering with employees and leaders to identify areas which will accelerate change adoption, HR leaders can create sustainable change led from within the organization.

Source: 2022 Gartner Workforce Change Fatigue Survey

#### Steps to navigate a complex change landscape

1

## Prioritize change initiatives based on impact and readiness

Collaborate with leadership to evaluate change impact, readiness and value at the onset of planning to ensure early buy-in. 2

## Encourage managers to build their team's change resilience instead of championing change initiatives.

Managers who encourage employees to own change boost sustainable performance by up to 29%. 3

## Identify and amplify the true change influencers at your organization to boost change adoption.

Conduct an organizational network analysis to look at how people interact through digital communication and find people who are highly connected.

Source: Gartner

Source: 2024 Gartner Organization Structure and Leadership Trust Survey

#### NEW IMPERATIVE IN ACTION

### How Allstate uses networks to improve change adoption



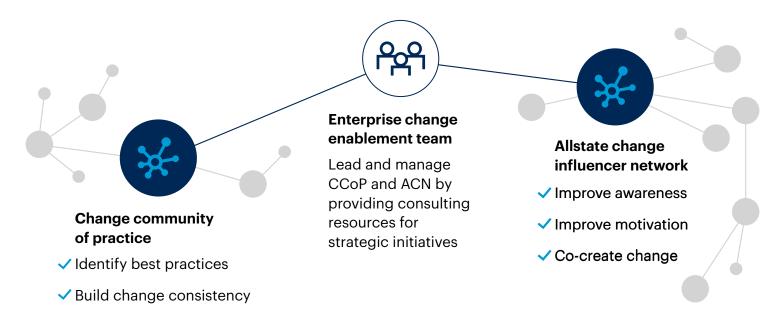
Allstate deploys an enterprisewide change model to help employees engage with change horizontally, making execution quicker and the change easier to adopt.

Allstate identifies "change influencers" with strong peer connections who can proactively talk about the change across forums. A network analysis helps look for employees with a broad network of relationships who can operate in a change-influencer capacity. Allstate holds open nominations to find such employees who others would go to get information and share their feelings about change.

This network-driven approach leads to quicker change awareness from a place of comfort. Allstate employees have an improved understanding of the change and increased confidence in their value and ability to shape the future. This leads to greater engagement, advocacy and adoption.

Adapted from Allstate

#### **Network model for change planning and execution**



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✓ Inform change leaders

# 05 HR technology

**Common challenges for HR leaders:** 

55% of HR leaders say their current technology solutions do not cover current and future business needs.

51% of HR leaders agree that they cannot measure the business value delivered by HR technology transformation.





# Capacity-focused HR technology strategies fail to deliver on transformative promises

Organizations are asking HR for more strategic support. Unfortunately, current HR technology strategies have not delivered on transformative promises. Most HR functions are using technology to automate traditional tasks to free up capacity for higher-value strategic activities. However, this limited capacity-driven lens prevents HR from maximizing business impact.

#### **HR's primary actions**

#### **Weaknesses** — Areas where value is trapped

#### 1. Technology selection:

Consistently focus on reinforcing the foundations.

#### Foundations "vicious cycle"

Investing in HR productivity falls into chasing marginal efficiency gains to win over stakeholders, but this limits their trust in, and support for, HR's investment in more transformative technologies.

#### 2. Equipping the team:

Train HR staff on new tech functionalities.

#### Preservation mindset within HR team

HR staff misunderstands technology's potential — worrying that it threatens parts of their jobs they enjoy instead of engaging them to evolve how they work with technology to deliver value in new ways.

#### 3. Drive system adoption:

Improve user experience of each solution.

#### Competing solutions dilemma

Because of HR silos, end-user employees and managers struggle to navigate a disjointed landscape of HR technology solutions, causing many to go underutilized — wasting investment and effort.



Only **1/3** of HR leaders receive substantial support for tech that does not directly drive efficiency.



Only **25%** of HR leaders agree their staff thinks about how tech can change HR for the future.



**69%** of employees report at least one barrier when using HR tech in the last 12 months.

Source: 2024 Gartner Driving Impact Through Technology HR Leaders Survey



## Set strategy to ensure emerging HR technology investments deliver

HR technology leaders must optimize HR's business value amid challenging economic and labor market conditions, while assessing the risks and benefits of emerging technologies such as GenAI. HR technology is poised to become the catalyst of change throughout HR processes as technology now touches every aspect of employees' work and HR operations.



#### 3 strategic workflows for critical success with HR technology

1

#### Unlock new ways of doing HR's new work

- Provide transformational building blocks to stakeholders
- ✓ Expand HR staff's viewpoints on value
- ✓ Formalize shared goals and new roles

2

## Identify greatest potential opportunity from GenAl

Consider the top 3 GenAl use cases in HR in the next six to 12 months:

- Employee facing chatbot
- ✓ Document generation
- ✓ Job description/skills data

3

#### Get value from new tech investments

- Manage a complex tech portfolio without compromising UX
- Evaluate current and future human capital management capabilities
- ✓ Use agile implementation to allow time for cultural changes required for innovation

Source: Gartner

#### NEW IMPERATIVE IN ACTION

# How the City of Sydney generates value via transparent vendor partnerships

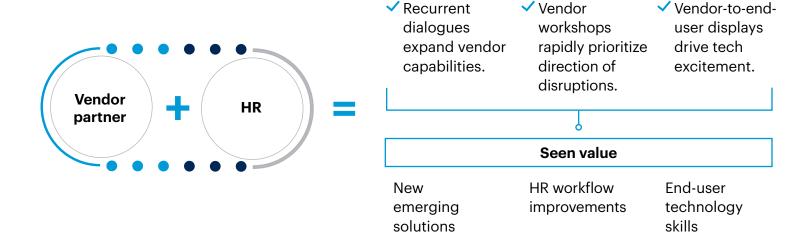


City of Sydney (CoS) introduced a new HCM system but found that once this was in place, there was limited change in HR staff productivity or behavior. CoS realized it only engaged with its HCM vendor to fix problems and "fight fires."

CoS pivoted. By developing a more transparent partnership with its vendor — agreeing on more regular and proactive meeting cadences with a broader and more strategic agenda — the vendor had more visibility into HR leader and end-user context. CoS could then leverage vendor expertise to prioritize technology workflow disruptions and achieve faster HR workflow improvements.

As a result, CoS has reduced HR staff administrative tasks by 27% by proactively sharing HR work requirements in need of improvement with vendor partners. CoS also succeeded in increasing enduser adoption of overall HR technology capabilities.

#### Transparency with vendors generates value



Adapted from the City of Sydney

### **About Gartner Top 5 Priorities for HR Leaders in 2025**

The top priorities are derived from the 2025 Gartner HR Priorities Survey, which polled HR leaders about their priorities and expected challenges in 2025.

#### Respondents



1,400+ HR leaders\*



All major industries





countries

\*HR leaders include heads of enterprise HR (CHRO or head of HR) and heads of a functional/regional/business HR subfunction. Source: Gartne

### How Gartner is helping HR leaders adapt and stay ahead

The decisions HR leaders make today can impact their organization's business outcomes and brand for years to come. It's critical to have trusted support. With our insight, actionable tools and guidance, we help HR leaders adapt their strategies across a variety of mission-critical priorities to set up their organizations for success.



Diagnostics and benchmarks



Peer connections



Guides and toolkits



Case studies and best practices



**Expert inquiry** 



Expert research



In-person events

For Gartner clients only



Live webinars and online learning events



Document reviews

#### Illustrative key initiative support you receive as a Gartner client:

#### Diagnose current state



Identify emerging HR technologies and potential use cases via the Hype Cycle for HR Technology.



Leverage HR Score for Talent Management to assess the current maturity level of your HR function using objective, peer-based performance standards.



Speak with a Gartner expert to review and provide feedback on your HR strategy.

#### Develop your plan



Use our Ignition Guide to create a leadership development strategy that aligns with your organization's priorities and leadership needs.



Address the mutual mistrust between employers and employees with the 3 Steps to Boost Trust in Organizational Culture.



Leverage Gartner's CHRO Resource Guide for Workforce Planning to execute effectively through the entire workforce planning journey.

#### Execute and drive change



Attend Leverage Connection as an Engine of Leadership Development to boost leader effectiveness by making social connections.



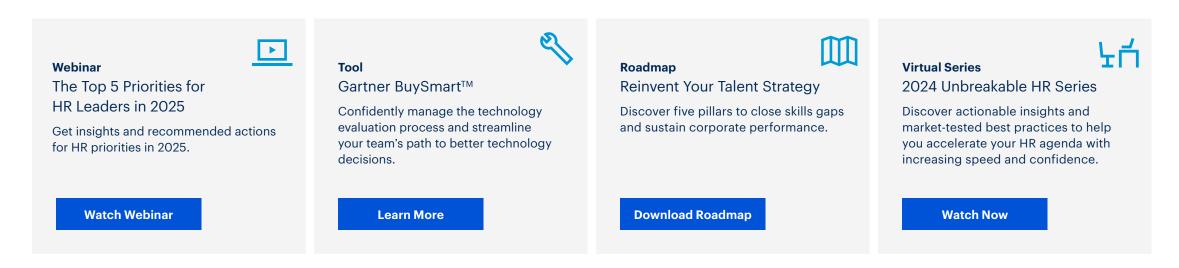
**Explore UNFI's Change Readiness Forecast** Framework to drive leadership change alignment to prioritized initiatives and enable change success.



Engage with a Gartner expert to create a culture measurement strategy to accurately demonstrate the impact of culture investments over time.

## Actionable, objective insight

Explore these additional complimentary resources and tools for HR leaders:



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