Gartner®

Gartner for HR

How to Build a Resilient and Responsive Organization

Five Actions for CHROs

Introduction

As organizations move from initial COVID-19 response to sustainable game plan they increasingly need to anticipate, strategize, plan and execute at speed. That imperative has pushed operational excellence and organizational flexibility farther up the priority list for many CHROs.

The urgent mandate: Build a resilient, flexible and responsive organization in which resources, operations and processes can sense and respond to change — and do it again and again as conditions dictate.

Our research shows that action on three fronts will help turn constraints into opportunities:

1 Wrangle talent management and resource allocation to ensure the right skills are available in the right place at the right time.

2 Redesign processes to remove the "friction" that slows down work and prompts employees to continually "hack" the system to get the job done.

3 Last but not least, boost the value provided by the HR function itself to provide more relevant and timely solutions and support to the leaders, managers and employees who are HR's "customers."

Here we share five actions across these three areas to equip HR to build a more resilient organization, able to withstand whatever disruption comes next and capture competitive advantage even during uncertainty.
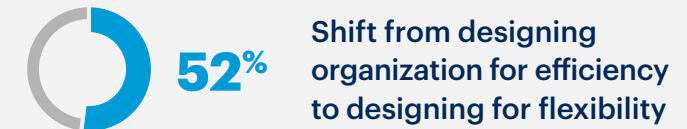
Brian Kropp
Distinguished VP,
Gartner Research & Advisory

In the next 12 months:

What's your organization's top business priority?

65% Improve operational excellence

Which trends will have significant impact on your organization?

52% Shift from designing organization for efficiency to designing for flexibility

76% Remote work

n = 1,196 HR leaders but responses vary by question
Source: Gartner 2021 HR Priorities Survey

Three urgent priorities for CHROs today

"How do we get the right skills in the right place at the right time?"

Challenges

- **Skill needs are shifting rapidly.** Hiring managers lack expertise in hiring new skills and hiring takes much longer — hurting productivity.

- **Skills are dispersed.** The best talent may be outside traditional talent pools — in different roles, from different backgrounds and in previously untapped locations.

- **Employees want influence.** Talent rejects offers from organizations where they won't have an impact on work and job design.

"How can we redesign processes and structures to adapt better to disruption?"

Challenges

- **Organizations aren't responsive to change.** Only 18% of HR leaders report that their workforce can effectively change direction based on changing needs or priorities.

- **Two-thirds of employees are "hacking" their work.** They are doing this to skirt "friction" created by a lack of clear or quick prioritization, processes and support, but hacks actually waste time and create risk.

- **Even when employees want to be responsive, many can't.** While nine in 10 employees are ready and willing to be responsive, only four in 10 are responsive in practice.

"How can we respond more effectively and quickly to demands from our customers (leaders, managers, employees)?"

Challenges

- **Many HR teams seem unresponsive to employee needs and wants.** Only 29% of employees believe HR really understands what they need and want.

- **Many HR functions struggle to evaluate their activities.** Many lack a formal process to reevaluate their priorities and reallocate resources to be more responsive.

- **Agile approaches offer promise but are unknown to many in HR.** Even those who see agile principles as a way to be more responsive often lack a defined strategy to implement agile projects or operating models.

Five ways for HR to build a more resilient organization

"How do we get the right skills in the right place at the right time?"

01 Take a dynamic approach to reskilling and redeploying talent.

02 Find talent that generates tangible business impact.
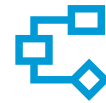
"How can we redesign processes and structures to adapt better to disruption?"

03 Redesign work to enable employees to be more responsive.

04 Leverage the newly hybrid workforce.

"How can we respond more effectively and quickly to demands from our customers (leaders, managers, employees)?"

05 Adopt agile principles and approach for:

- HR projects

- HR operating models

To improve responsiveness, HR must shift the focus of organizational design:

Before
Design and drive organizational strategy, culture and operations for **efficiency and effectiveness** in the predicted environment.

→

Now
Design and populate the organization for **resilience and responsiveness** — the ability to sense and respond in a changing environment.

01

Take a dynamic approach to reskilling

HR used to ask:

- What talent and skills does the business want us to develop?

- How do we predict our future skills needs?

→

Questions to ask now:

- How do we create a skills strategy that meets changing needs?

- How do we develop skills more quickly and upskill employees as needed?

Data shows the total number of skills required for a single job is increasing year-over-year by

10%

33%

of the skills that were present in an average job posting in 2017 won't be needed by 2021.

"**There are many more requests for learning, and we don't have the resources or staff to address them all. ... And when we put together a learning solution, the business has already moved on.**"

Head of Learning and Development, Manufacturing Organization

Source: 2020 Gartner Shifting Skills Survey for HR Executives; Gartner TalentNeuron™

Dynamic approach is most responsive to changing skill needs

		01 **How do you create a skill strategy that meets changing needs?**	**02** **How do you develop skills more quickly?**	**03** **How do you get employees to upskill as needed?**
⊗	**Reactive approach**	Fill skill requests as they come in from the business.	Rely on proven processes that were effective in the past.	Expect managers to help drive skill development when new needs arise.
		Employees apply 54% of the new skills they learn.		
⊗	**Predictive**	Focus on identifying a fixed set of future skills.	Target investments at preemptive development programs.	Inspire employees to adopt a learning mindset.
		Employees apply 37% of the new skills they learn.		
✓	**Dynamic approach**	Facilitate dynamic cross-organizational networks to **sense shifting skill needs.**	Identify and implement **skill accelerators** to develop skills at the time of need.	Empower employees with relevant information to make **timely skill decisions.**
		Employees apply 75% of the new skills they learn and learning begins sooner as needs are identified faster.		

Shift to a dynamic skills organization

Skill-Sensing Network

Facilitate dynamic cross-organizational networks to sense shifting skill needs:

- Share ownership for identifying and addressing skill needs with relevant stakeholders.
- Monitor organizational intelligence on changing skills needs.

⊕ **Sample tactics:**

- Build a skill-sensing network.
- Install a skills advisory board.

Targeted Skill Accelerators

Identify and implement skill accelerators to develop skills at the time of need:

- Recognize and adapt existing resources to develop new skill solutions quickly.
- Identify learning delivery opportunities that will have highest impact on application.

⊕ **Sample tactics:**

- Use current employee skills as stepping stones to in-demand skills.
- Push personalized learning in performance-driving moments.

Two-Way Skill Transparency

Empower employees with relevant information to make timely skill decisions:

- Create channels for employee and organizational information exchange.
- Enable employees to make informed decisions that align their interests with organizational needs

⊕ **Sample tactics:**

- Help employees stay up-to-date with evolving skills information.
- Help employees break down the assumed connections between roles and skills.

Not an "HR solution": A dynamic skills approach requires all impacted stakeholders to manage changing skill needs.

Source: Gartner

In action: Build a skill-sensing network

One global banking company gathers insights on shifting skill needs and availability from a cross-HR skills team and the business.

The capability manager sits in the business unit, has HR knowledge and has time to document the skill implications of business goals.

Specific talent implications
BU capability manager

Business goal
Business unit leader

Business talent insight
BU people partner

Performance rewards
Rewards leader

Talent sourcing
Recruiting leader

Development opportunities
Learning and development (L&D) leader

Skill adjacencies
Talent management leader

Business leaders and partners from each business unit bring insight and needs from local environments.

Cross-HR skills team members bring global knowledge, expertise and understanding of organizational context.

Source: Gartner, adapted from client case study

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02

Find talent that generates business impact

HR used to ask:

- How do we acquire the skills most needed to deliver on essential business goals?

- Where and how do we find people that will reinforce our values and culture?

→

Questions to ask now:

- How do we prepare hiring managers to acquire skills, not just fill requisitions?

- How do we invest in a different kind of sourcing that doesn't rely on the same pools?

40%
of hiring managers say their most recent hire left their team no better off in terms of having the skills needed to meet future challenges.

"For years, I've been telling my leadership team that we need to invest in a different kind of sourcing — one that doesn't rely on the same pools everyone else goes to. Talent won't budge from those now, and we won't be able to afford it anyway. I've just been given my business case."

Recruiting leader

Source: 2019 Gartner Hiring Manager Survey

Quality of hires directly impacts the business — for better or worse

High-quality hire

Team boosters
Quality hires for specific critical roles have outsize impact on company success.

Growth accelerators
Quality hires across more roles enable acceleration past crisis conditions.

Hiring less today

Every hire matters more now

Hiring more today

Toxic hires
With fewer hires, each poor hire has larger negative impact on the team.

Growth inhibitors
Poor hires across the organization inhibit the collective effort to adapt in changing times.

Low-quality hire

Source: Gartner

Shift from replacing to shaping the workforce

Acquiring new skill sets from a diverse skills market positively influences the employee value proposition (EVP) and delivers tangible business outcomes.

	Replacing the workforce	**To shape the workforce:**
Needs definition	**Prioritize profile acquisition** Train recruiters to define hiring profiles more effectively with hiring managers.	**Prioritize skills acquisition** Reengineer needs definition around the skills acquisition decision. ⊕ **Sample tactic:** Refocus hiring to job outcomes (what needs to be done), not hiring wants (what I want in my next hire).
Talent sourcing	**Target traditional talent pools** Provide recruiters with support to source in talent pools with desired profiles.	**Target total skills market** Enable recruiters to source skills across the total skills market, including nontraditional sources. ⊕ **Sample tactic:** Refocus hiring to access total skills market.
Talent attraction and conversion	**Drive candidate responsiveness** Enable recruiters to leverage EVP attractors to capture candidate attention.	**Drive EVP responsiveness** Use labor market intelligence to drive EVP responsiveness to changing candidate expectations. ⊕ **Sample tactic:** Create a desirable, authentic EVP aligned to moments that matter to employees.

Results

Shaping the workforce approach increases the quality of hires by as much as 24%

Benefits of quality hires:

- 20% faster time to successfully perform in role

- 19% increase in teams having the skills to meet future challenges

- 36% increase in hiring managers who would repeat their hiring decision

n = 3,517 hiring managers
Source: 2019 Gartner Hiring Manager Survey

In action: Target the entire skills market

Typical hiring processes often exclude a huge amount of viable talent. Only 6% of recruiting staff report their last requisition filled was from a nontraditional source.

Total skills market for software developers
Traditional and nontraditional sources of talent with desired skills
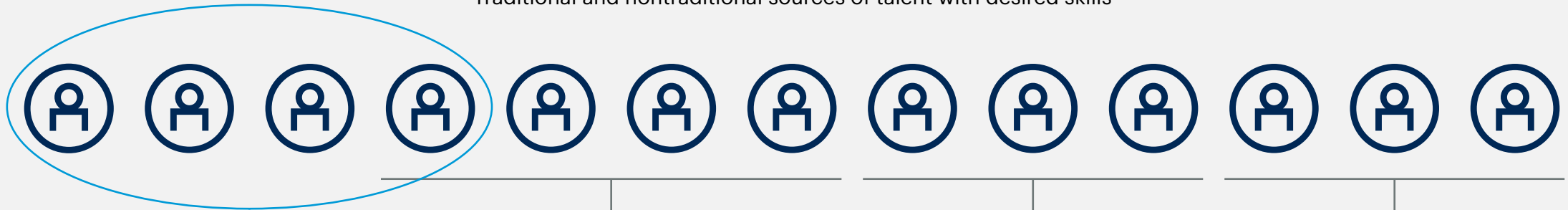
Traditional software developer pool:
- Top computer science degree programs
- Technology companies
- Prior IT function experience

Internal talent with software skills

Self-taught talent with software skills

Neurodiverse talent with software skills

n = 253 recruiting staff
Source: 2020 Gartner Future of the Recruiter Survey

Hiring practices at every stage threaten to exclude viable talent

Pre-application
E.g., lack of internal skills mapping

Screening
E.g., inflexible demand criteria

Interview
E.g., noninclusive interviewing processes

03

Redesign work to enable employees to be more responsive

HR used to ask:

- How and who can own and execute this process most efficiently?

- How can we gain efficiencies through standardization?

Questions to ask now:

- What's keeping our employees from being more responsive?

- How should we design processes and structures to better adapt to disruption?

Work "friction" accounts for two-thirds of unrealized workforce responsiveness
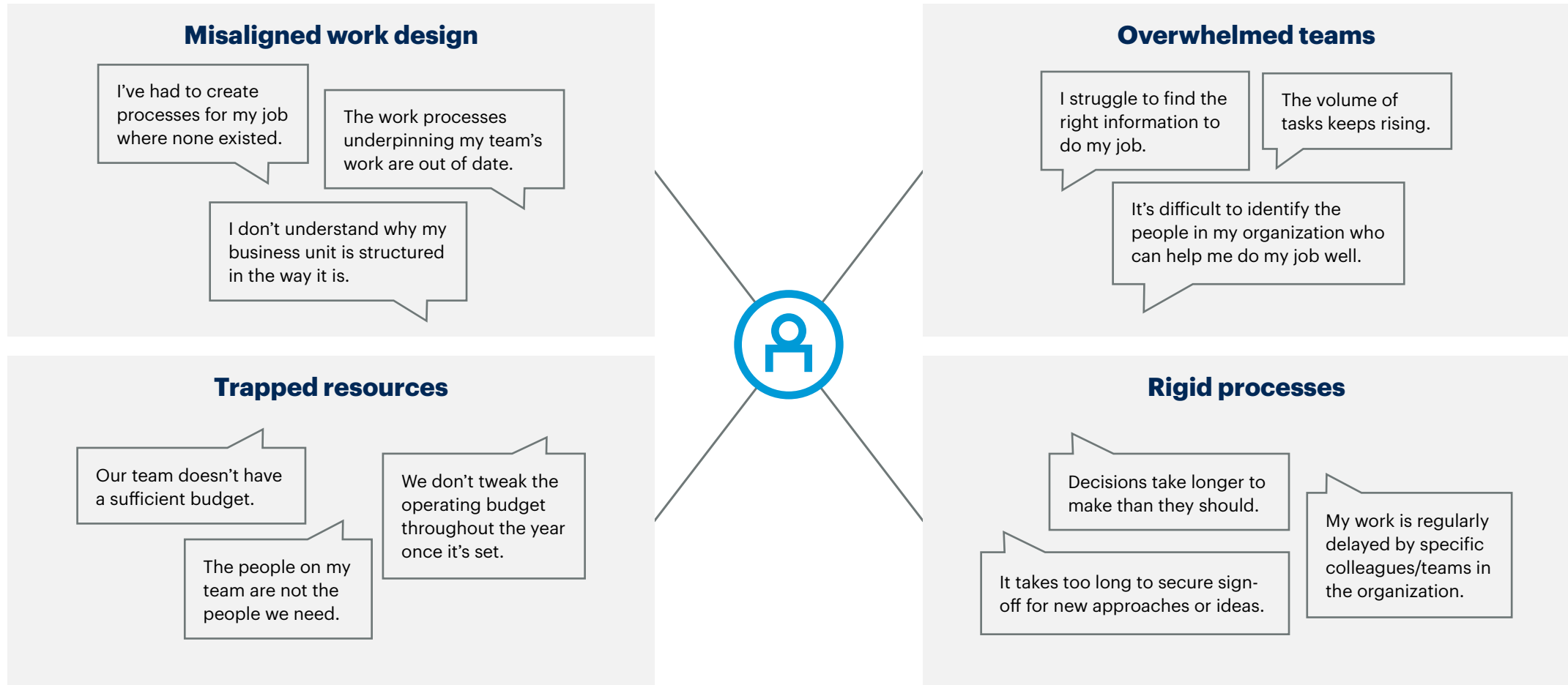

Ready and willing to be responsive

Actually responsive

Source: 2020 Gartner Workforce Responsiveness Survey

"We know something has to change in our organization, but a redesign would take so long and be so disruptive that I'm not sure it's worth it. And to be honest, we don't even really know what exactly it is that needs to change."

HR Leader, Professional Services Company

Top areas of work friction

Misaligned work design

I've had to create processes for my job where none existed.

The work processes underpinning my team's work are out of date.

I don't understand why my business unit is structured in the way it is.

Overwhelmed teams

I struggle to find the right information to do my job.

The volume of tasks keeps rising.

It's difficult to identify the people in my organization who can help me do my job well.

Trapped resources

Our team doesn't have a sufficient budget.

We don't tweak the operating budget throughout the year once it's set.

The people on my team are not the people we need.

Rigid processes

Decisions take longer to make than they should.

My work is regularly delayed by specific colleagues/teams in the organization.

It takes too long to secure sign-off for new approaches or ideas.

Source: 2020 Gartner Workforce Responsiveness Survey

Shift work design to unlock responsiveness

Responsive teams are more engaged and overperform when it comes to customer satisfaction, profit, productivity and innovation.

Work friction	Shift in design principles		How to unlock responsiveness	Maximum impact on the percentage of responsive employees in the workforce
Misaligned work design	Episodic overhauls	→ Ongoing adjustments	**Embed work design assessments into broader talent management activities** ⊕ **Sample tactic:** Find underlying cause.	16%
Overwhelmed teams	Maximum capacity	→ Prioritized effort	**Clarify boundaries to improve prioritization** ⊕ **Sample tactic:** Prioritize highest-impact tasks and invest effort proportionate to impact.	14%
Trapped resources	Stability	→ Mobility	**Move resourcing decisions closer to the end user** ⊕ **Sample tactic:** Disaggregate large functions into autonomous "micro" enterprises.	14%
Rigid processes	Standardization (default = "no")	→ Variation (default = "go")	**Formalize how processes can flex** ⊕ **Sample tactic:** Default decisions to "go"; e.g., by raising the bar on decisions that require escalation.	12%

Results

Responsive teams are at least 20% more likely to overperform against key goals (i.e., customer satisfaction, profit, productivity, innovation).

**On highly responsive teams, 30% more employees demonstrate high discretionary effort on average.**

n = 5,003
Source: 2020 Gartner Workforce Responsiveness Survey

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In action: Make ongoing adjustments for misaligned work design

One global banking company makes ongoing adjustments by embedding diagnoses of design misalignment into frequent, business-triggered, team performance reviews. Once triggered, the review evaluates all possible root causes to determine the true underlying issue. One lesson learned: Don't assume leadership, culture or skills are always at the root of the challenge.

Illustrative
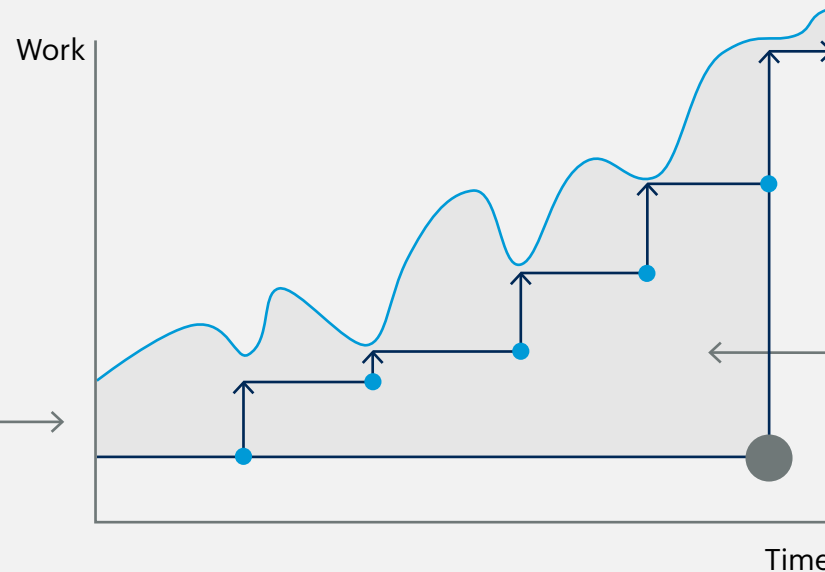
Legend:
— The way work happens
→ The way work is designed
⬤ Episodic overhauls of design
● Ongoing adjustments

The way work happens diverges over time from the way it is designed — a phenomenon widely acknowledged by employees (see work friction, page 14).

The way work happens (—) diverges over time from the way it is designed (→).

When work design is overhauled episodically — as is the common approach — conditions have already become highly misaligned (⬤).

Instead, make ongoing adjustments (●) to reduce the gap.

Ongoing adjustments lead to an **11% increase** in workforce responsiveness. They also drive **11% more employees** exerting high discretionary effort.

n = 5,003
Source: 2020 Gartner Workforce Responsiveness Survey

04

Leverage hybrid workforce models

HR used to ask:

- How many hours and processes do full-time employees contribute?

- How can we boost efficiency using alternative workforce models?

→

Questions to ask now:

- Where and when can work get done to drive the highest levels of productivity and engagement?

- Who — within and beyond the organization — is ready, willing and able to get critical work done?

Nearly half of employees will work remotely at least some of the time.

30% Pre-pandemic

48% Post-pandemic

Source: 2020 Gartner Workforce Responsiveness Survey

"We trust our employees and empower them to shape their work themselves so that they can achieve the best possible results. We're motivating our employees while improving the company's performance capabilities and sharpening [our] profile as a flexible and attractive employer."

CEO, industrial manufacturing conglomerate
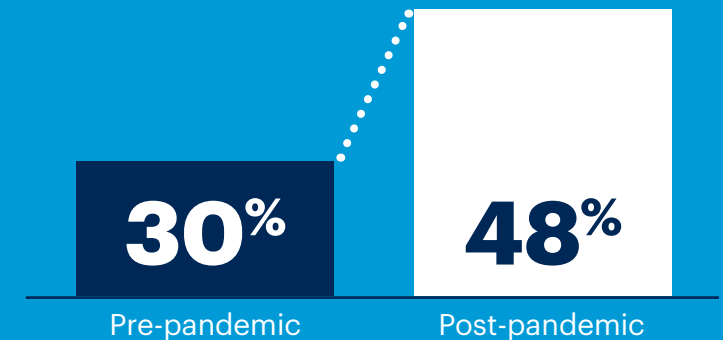
The three E's of a hybrid workforce

The economics

Building the business case for a hybrid workforce

What is the business case and strategy for creating, extending or expanding a hybrid workforce?

- ✓ Reduced operating costs
- ✓ EVP alignment
- ✓ Expanded and lower cost talent pools

Employee experience

Adapting the employee life cycle for a hybrid workforce

Where and how do we invest in the employee life cycle for greatest returns on a hybrid workforce?

- ✓ Improved employee engagement
- ✓ Expanded career options
- ✓ Improved well-being

Organizational enablement

Ensuring the hybrid workforce is fully supported

How do we ensure continuous improvement of our workforce in a hybrid model?

- ✓ Reduced facility costs
- ✓ Reduced compensation costs

Source: Gartner

Shift workforce models with a roadmap for the hybrid workforce
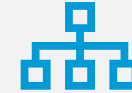
The hybrid workforce model is one of flexibility, adaptability and shared ownership on the part of employers and employees.

Economics

Employee experience

Build the business case
Build a business case that demonstrates tangible benefits and mitigates potential concerns for expanding a hybrid workforce.

Clarify strategy
Clearly define the components and expected outcomes of the organization's hybrid workforce strategy. ⊕ Sample tactic.

Scenario planning
Identify hybrid model scenarios including remote viable positions and clearly define the degrees of flexibility for different sets of roles.

Recruiting
Shift sourcing and attraction strategies and adjust EVP and employment branding strategies.

Virtual onboarding
Implement virtual onboarding delivery methods to reduce costs and allow for individual tailored onboarding experiences.

Measurement and analytics
Leverage diverse internal and external data sources to monitor the success of hybrid workforce strategies and proactively identify areas for improvement.

Well-being
Analyze current health and well-being strategies, and identify areas for improvement and optimization of the organization's offerings.

The hybrid workforce opportunity
- Improved performance and engagement
- Increased effort and productivity
- Expanded and more diverse talent pools
- Greater emotional well-being
- EVP fulfillment and alignment
- Reduced commuting costs and carbon footprints
- Reduced facility and operating costs

Manager and leader capability
Educate managers and leaders on how to engage their teams virtually, manage performance, communicate effectively and operationalize culture changes.

Goal setting and performance
Educate managers on how to revise performance goals, as needed, and manage by those goals or outcomes versus direct observation.

Culture
Assess current organizational culture to determine if and how it needs to change to support a hybrid workforce.

Total rewards
Determine how compensation, rewards and recognition strategies will need to be adjusted to support a hybrid workforce and ensure parity.

Organization design
Redesign and implement the structures, workflows, roles and networks needed to support a hybrid workforce and drive organizational goals.

Tools and technology
Identify the touchpoints in the employee life cycle that may require technology support to enhance virtual working conditions.

Workspaces and facilities
Determine how physical workspaces and facilities will need to be adapted to support a hybrid workforce.

Talent development
Implement virtual learning solutions and update talent management practices to develop strategic talent pipelines in a hybrid environment.

Communications and collaboration
Implement technology solutions that improve communications, collaboration and connectivity between employees.

Enablement

In action: Critical considerations for a hybrid work model

Use a plus/minus, high-medium-low or other accepted visual to rate how a business impact aligns with enterprise values and strategy.

Critical considerations	✓ Benefit	✗ Risk	Outcome measures
Engagement	(High, Medium, Low)	(High, Medium, Low)	Discretionary effort, intent to stay
Productivity			Employee-reported productivity
Organizational culture			Employee perceptions of organizational culture
Communication and collaboration			Number of employee interactions with managers and team members
Career opportunities and development			Internal mobility, career path ratio
EVP			Employment brand strength
Emotional and mental well-being			Overall employee well-being levels
Health and safety			Health and safety expense breakdown
Facility and operating costs			Real estate cost per employee

Source: Gartner

05

Adopt agile principles into HR projects and operating models

HR used to ask:

- Should we increase our use of surveys to gauge employee sentiment?

- How should we change the way we run the function?

Questions to ask now:

- How can we increase the relevance and speed with which HR solutions reach employees?

- How can we improve employee experience?

Global demand for agile skills among HR-related job postings

160% over 3 years

n = 329,411 job descriptions
Source: Gartner TalentNeuron™

"We continue, enabled by superiority, productivity — and creating a more focused, agile and accountable organization and culture — to make important progress toward our objective of delivering balanced growth."

Vice Chairman and CFO, global consumer packaged goods company

Key success factors for agile HR projects and operating models

Agile manifesto values*

Individuals and interactions over processes and tools

Working software over comprehensive documentation

Customer collaboration over contract negotiation

Responding to change over following a plan

HR projects

Select project teams based on insight into the end-user problem instead of subject matter expertise.

Prioritize good solutions over implementation support.

Co-create with end users throughout, not at the beginning and end.

Use short, iterative project cycles instead of predetermined project plans.

HR operating models

Create space for strategic thinkers to solve customer problems.

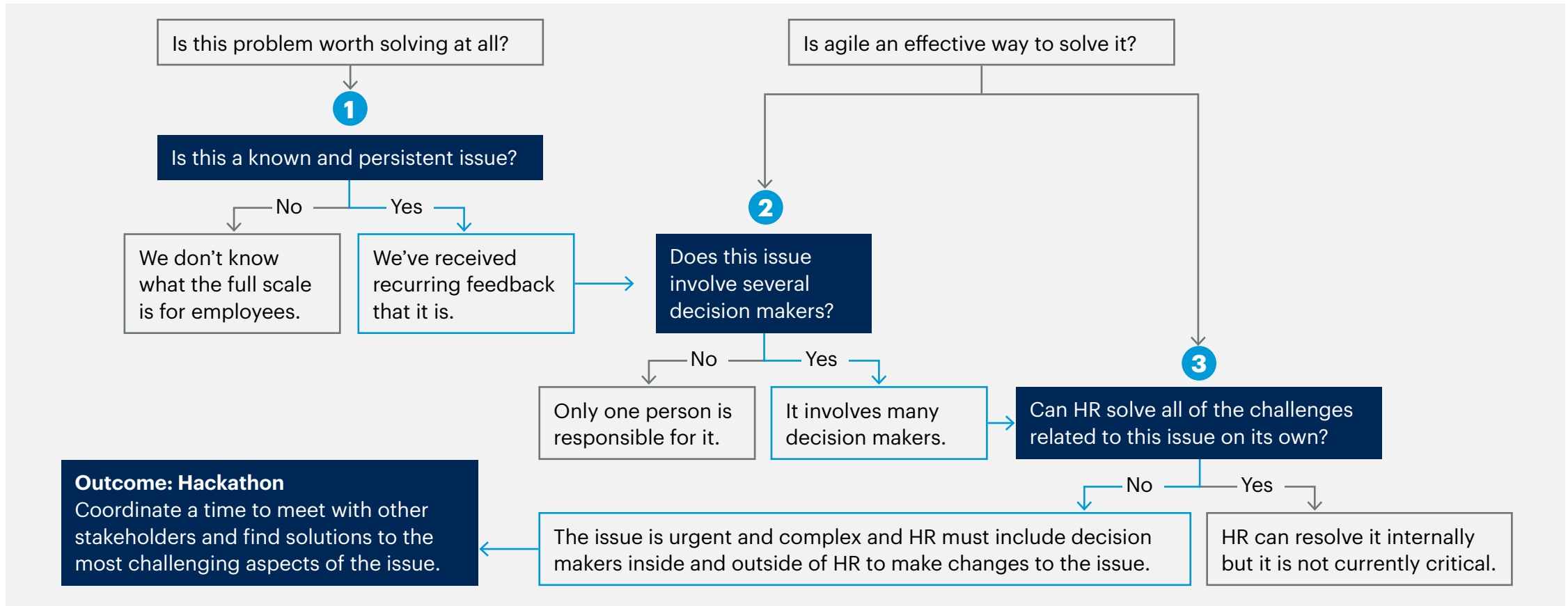Create a proactive customer-sensing HR model.

Manage HR's work as an evolving investment portfolio rather than as a set agenda.

* Note: The 2001 Agile Manifesto defines 4 values and 12 principles guiding software development. It has since been adopted more broadly as an approach to managing the collaborative efforts of teams and organizations.
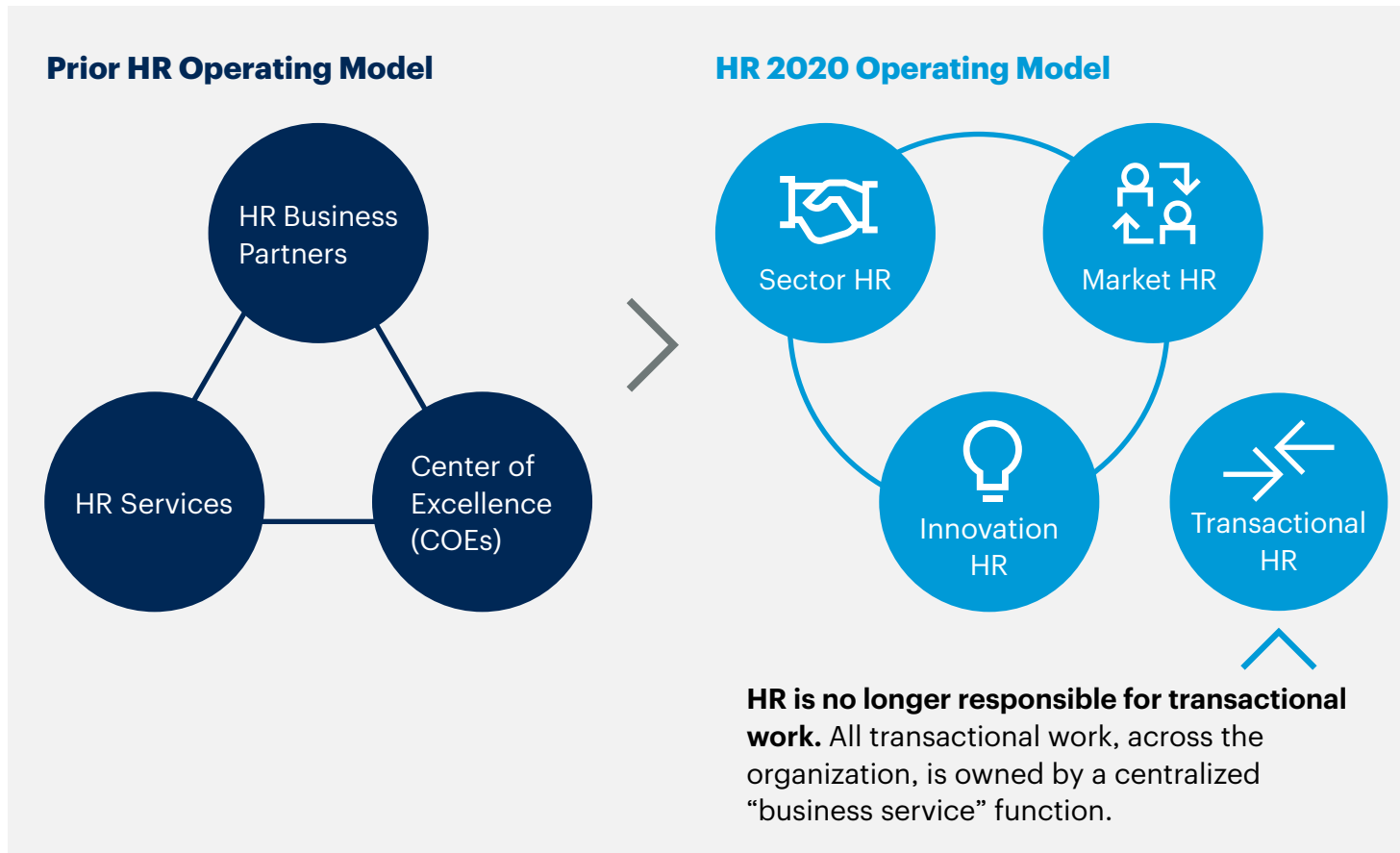Source: Gartner

In action: HR projects — Determine applicability of shifting to agile to solve problems

The HR function at a major food retailer asked three simple questions to determine who would need to be involved in resolving a problem and whether the issue is urgent for employees.

Is this problem worth solving at all?

1

Is this a known and persistent issue?

No — Yes

We don't know what the full scale is for employees.

We've received recurring feedback that it is.

Is agile an effective way to solve it?

2

Does this issue involve several decision makers?

No — Yes

Only one person is responsible for it.

It involves many decision makers.

3

Can HR solve all of the challenges related to this issue on its own?

No — Yes

Outcome: Hackathon
Coordinate a time to meet with other stakeholders and find solutions to the most challenging aspects of the issue.

The issue is urgent and complex and HR must include decision makers inside and outside of HR to make changes to the issue.

HR can resolve it internally but it is not currently critical.

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In action: HR operating model — New agile HR strategy may or may not require shifting to a new structure

Prior HR Operating Model

HR 2020 Operating Model

HR Business Partners

HR Services

Center of Excellence (COEs)

Sector HR

Market HR

Innovation HR

Transactional HR

HR is no longer responsible for transactional work. All transactional work, across the organization, is owned by a centralized "business service" function.

Some HR functions embed agile by shifting responsibilities within the existing organizational structure, but the HR function at this global science and technology company underwent a functionwide transformation:

- "Innovation HR" designs global HR solutions implemented and contextualized by sector and market HR.

- "Sector HR" acts as strategic business consultants and topic experts, driving global sector needs.

- "Market HR" provides cross-sectoral HR support to deliver employee life cycle HR solutions within geographies.

How Gartner is helping CHROs adapt and stay ahead

The decisions CHROs make today can impact their company brand for the next five years. It's critical to have trusted support. With our insights, actionable tools and advice we help HR leaders adapt their strategies across a variety of mission-critical priorities to set their organizations up for success in the pandemic era.
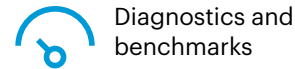
Diagnostics and benchmarks

Guides and toolkits

Expert inquiry

Expert research

Live events

Peer connections

Case studies and best practices

Live webinars and online learning events

Document reviews

Example of support as a Gartner client:

Diagnose current state

Use our Skills Strategy Audit tool to diagnose your current skills approach.

Consult with expert advisory team on how to dynamically respond to skills needs.

Evaluate the state of your current org design using our Ignition Guide to Assessing Your Organization Structure.

Develop your plan

Attend upcoming and on-demand virtual events on adapting HR processes to unlock an agile and responsive culture.

Review your hybrid workforce strategy board presentation with an expert advisor for individualized feedback.

Connect with a former CHRO who will ensure you've addressed barriers that could prevent success in shifting work design to unlock responsiveness.

Execute and drive change

Use our Ignition Guide to Redesigning HR Structure to implement change.

Review best practices on advancing recruiting's value and communicate how to prioritize skills acquisition.

Build an agile function using S&P's People Agile Team Approach.

Learn more.
Dig deep.
Stay ahead.

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