

Pulse Survey:

# Human Capital Management Outlook 2023

Research Data Highlights

2022



Learning and Development



Talent Management



Diversity, Equity and Inclusion



Leadership Development



Talent Acquisition



Human Resources



# Introduction

This presentation provides an overview of Brandon Hall Group's pulse study, Human Capital Management (HCM) Outlook 2023, conducted in October 2022.

It is meant as a targeted survey, conducted over a few days, to understand employers' HCM priorities and investment plans (in time and money) for 2023.

This deck provides the top priorities from three demographics: All survey respondents, organizations with less than 5,000 employees, and employers with more than 5,000 employees.





# Current State

As employers head toward 2023, almost nine in ten are operating under a hybrid work model, with two-thirds of them indicating their model is effective.



However, those opinions on effectiveness are not always based on data analytics. Six in ten organizations leverage analytics to understand the change in employees' satisfaction with their employment experience since a shift to a hybrid work model. But half or fewer employers overall can use analytics to understand employee satisfaction differences between remote and on-site workers, shifts in productivity, and other effectiveness indicators.

Looking ahead to 2023 goals, employers are by a wide margin more focused on optimizing

business results amid economic disruption than on critical HCM issues. It will be interesting to see in the months ahead if HCM strategies or their importance diminishes if or when economic distress increases.

Among purely HCM initiatives, organizations are most optimistic about leadership development, upskilling/reskilling and improving employee engagement. They are most concerned about retaining the best people, attracting the right people and having adequate resources to meet their strategic objectives.



# Current State

Here is a high-level overview of top investment priorities, in terms of time and money, for specific areas of HCM in 2023:



## Learning & Development

- Compliance training
- Technology selection and implementation
- Alignment between learning strategy and business goals
- Coaching as a learning modality



## Talent Management

- Alignment between talent strategy and business goals
- Employee engagement
- Employee experience
- Coaching and mentoring



## Leadership Development

- High-potential identification and development
- Measurement of leadership development effectiveness
- Developing an organization-wide leadership model for how leaders think and act
- Coaching and mentoring of leaders



# Current State



## Talent Acquisition

- Employer brand
- Alignment between talent acquisition strategy and business goals
- Onboarding
- Technology selection/implementation



## Core HR

- Regulatory compliance
- Wellness/well-being
- Developing alignment between HR strategy and business goals
- Predictive and prescriptive analytics.



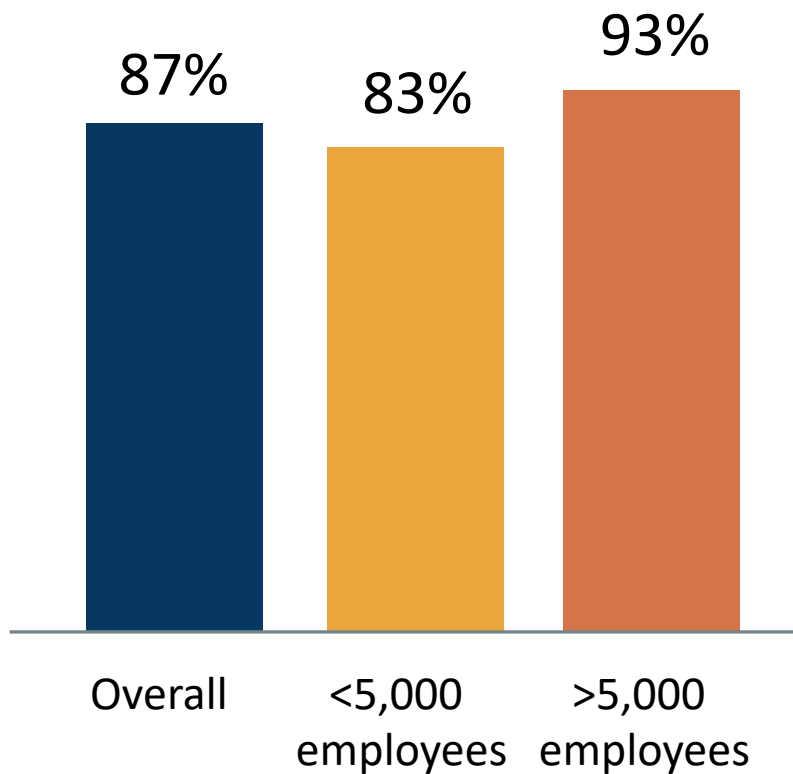
## Diversity, Equity and Inclusion

- Improving DE&I strategic plans
- Fostering inclusion
- Embedding the values of DE&I across the organization
- Creating mentorship programs for diverse employees and high-potentials



# Current State

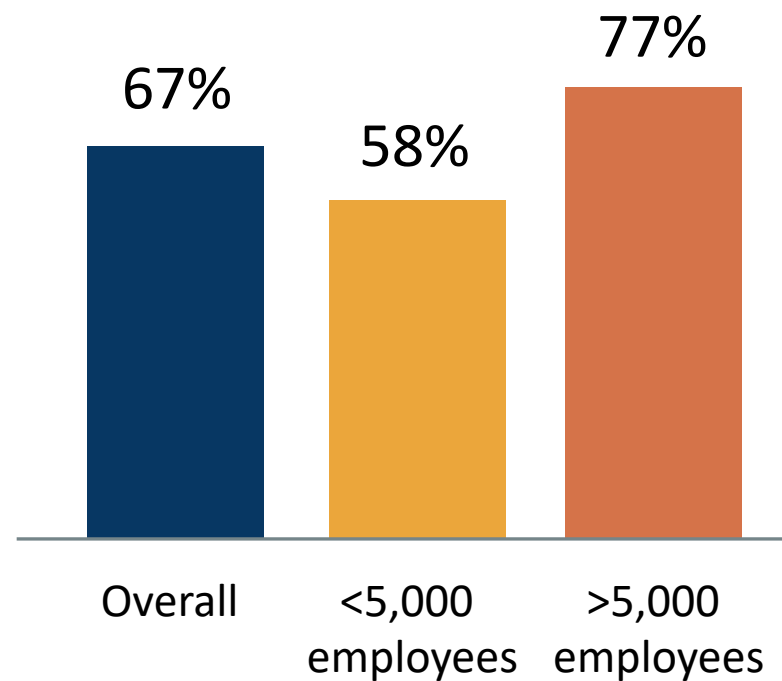
## Does Your Organization Operate Under a Hybrid Work Model?



Yes

*Effectiveness =  
Rating of 4 or 5 on  
a 5-point scale*

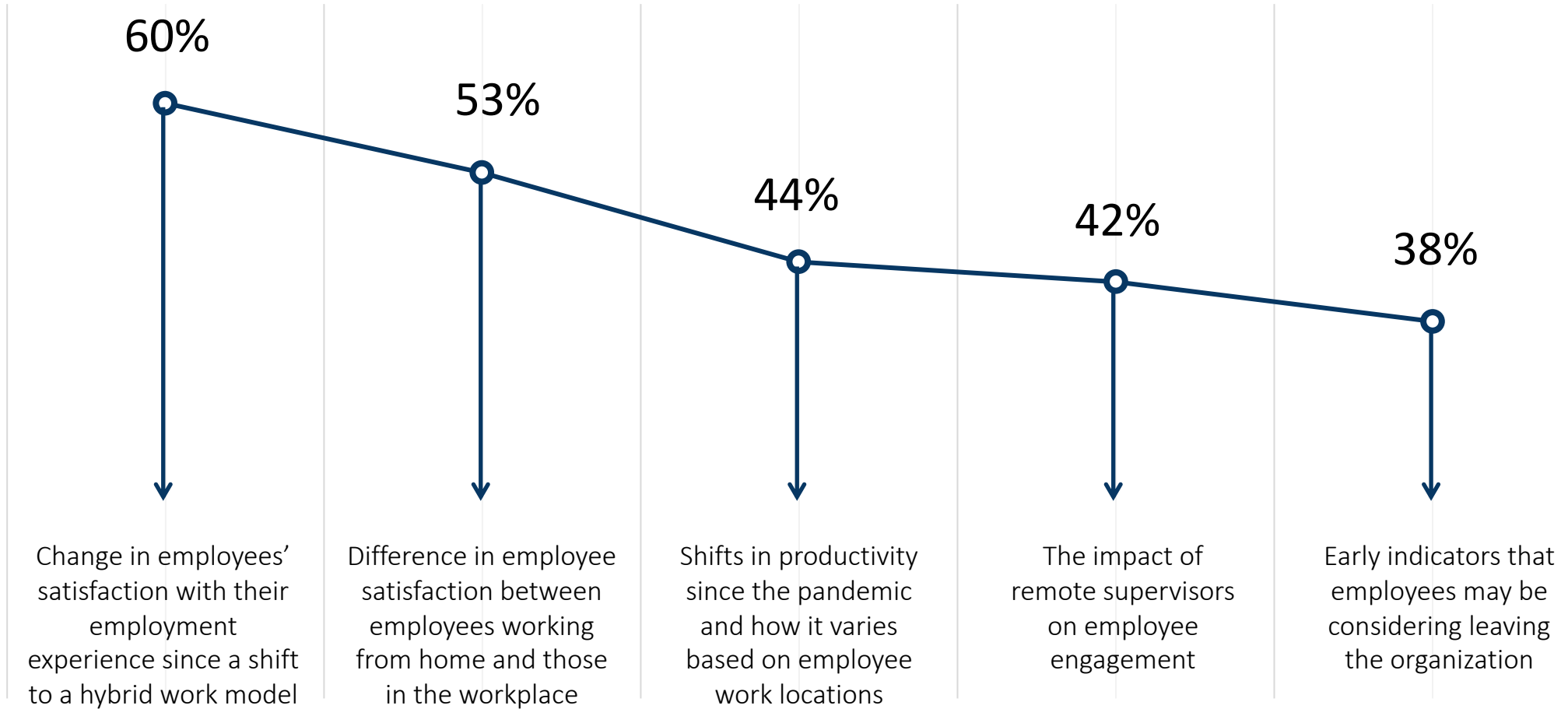
## Organizations with Effective Hybrid Work Model





# Trends Organizations Can Track Effectively Using Data Analytics

Overall

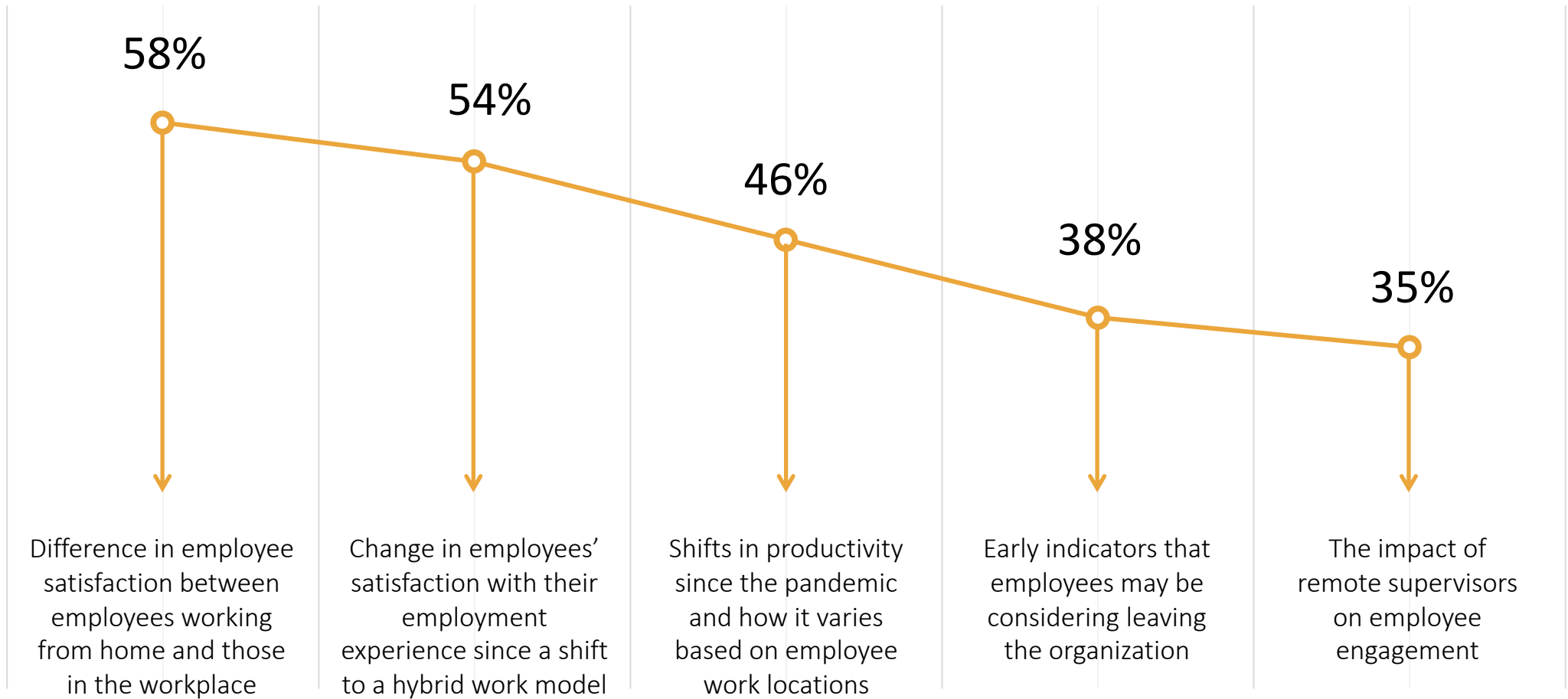






# Trends Organizations Can Track Effectively Using Data Analytics

<5,000  
employees

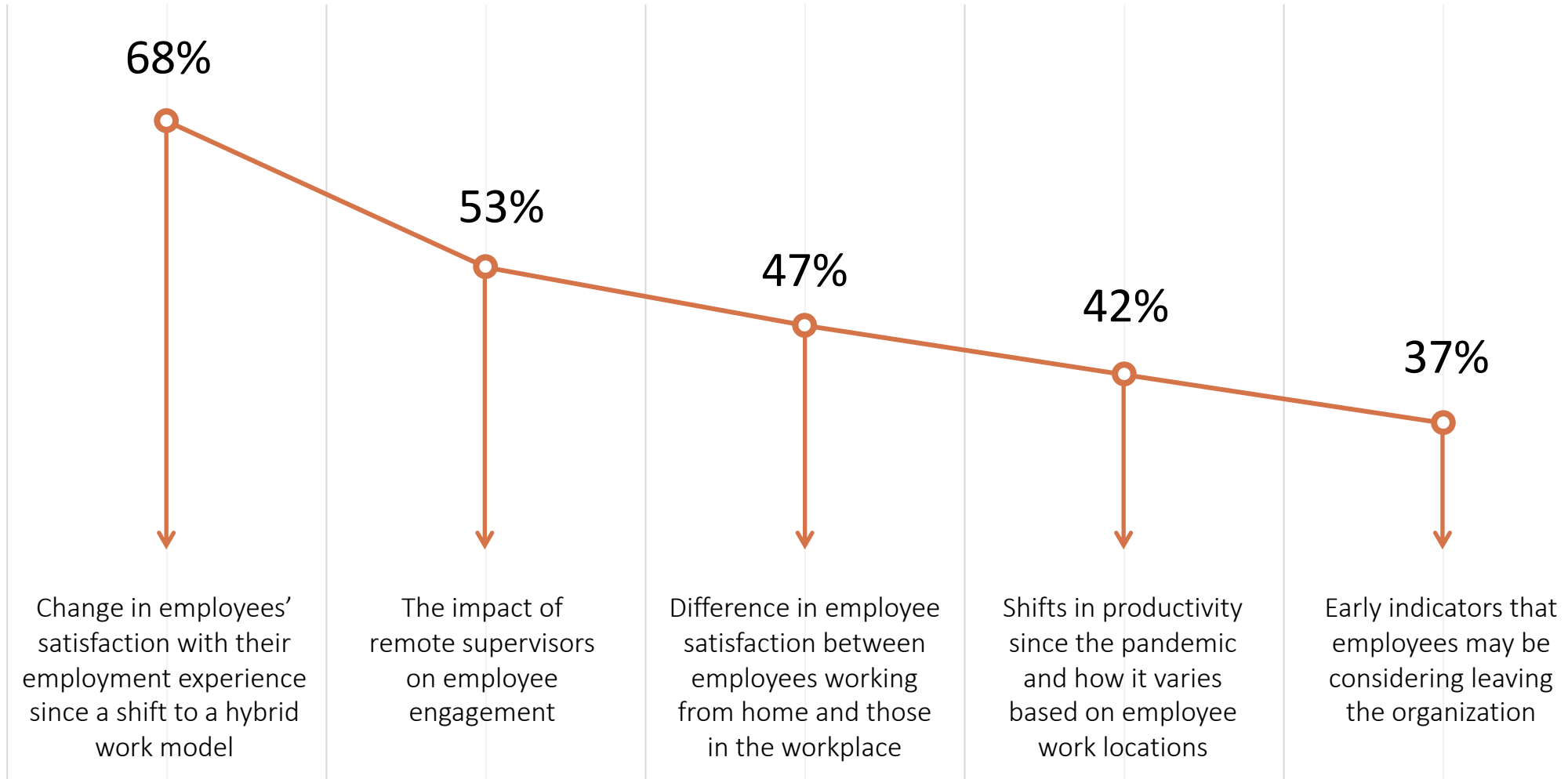






# Trends Organizations Can Track Effectively Using Data Analytics

>5,000  
employees





## Ranking of Business Initiatives for 2023

**Overall**

**#1**

Optimize business results amid inflation and economic uncertainty

**#2**

Talent attraction/hiring

**#3**

Talent retention

**#4**

Digital transformation

**#5**

Improving organizational culture

**#6**

Upskilling/reskilling



## Ranking of Business Initiatives for 2023

**<5,000  
employees**

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## Ranking of Business Initiatives for 2023

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**#5**

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**#6**

Talent retention



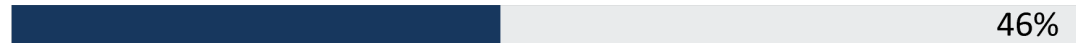
# Organizations Optimistic about People Issues

Overall

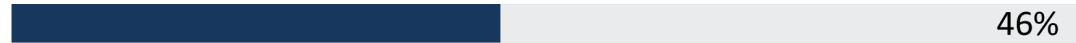
Developing leaders



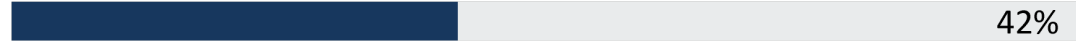
Upskilling reskilling for the future



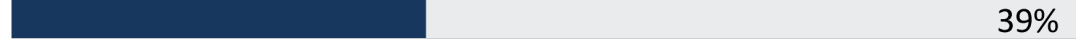
Improving employee engagement



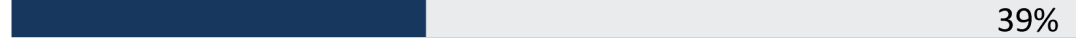
Having the right technology in place



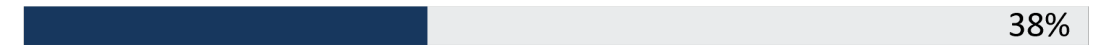
Advancing digital transformation



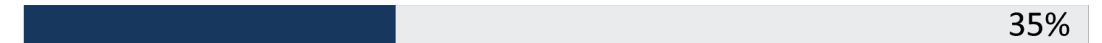
Improving the inclusive work culture



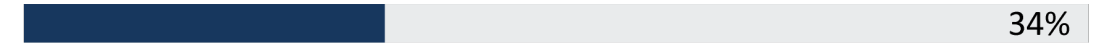
Improving workforce planning



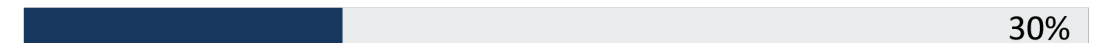
Adequate resources to meet objectives



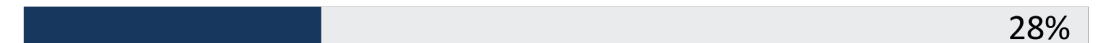
Attracting the right people



Retaining the best people



Effectively managing change

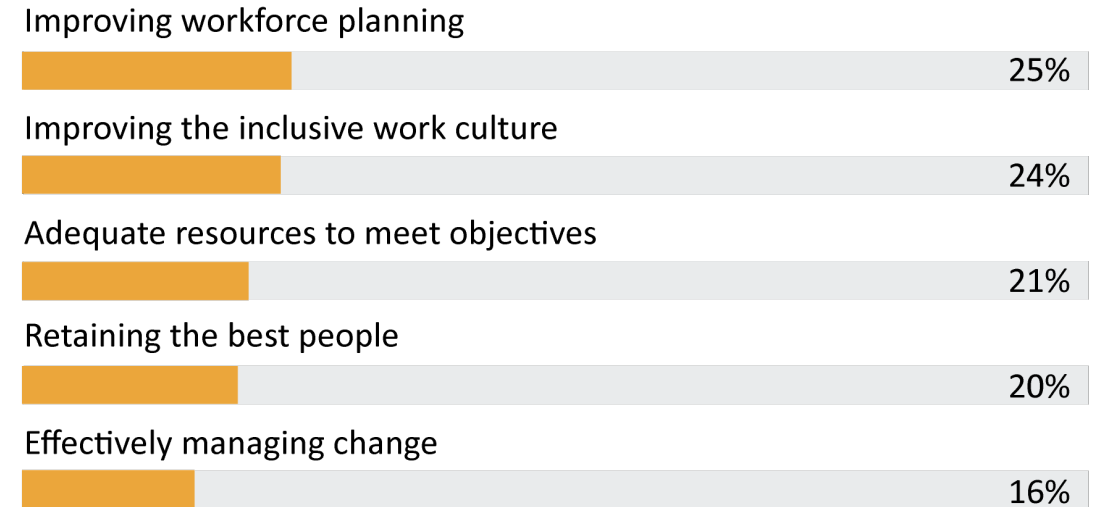
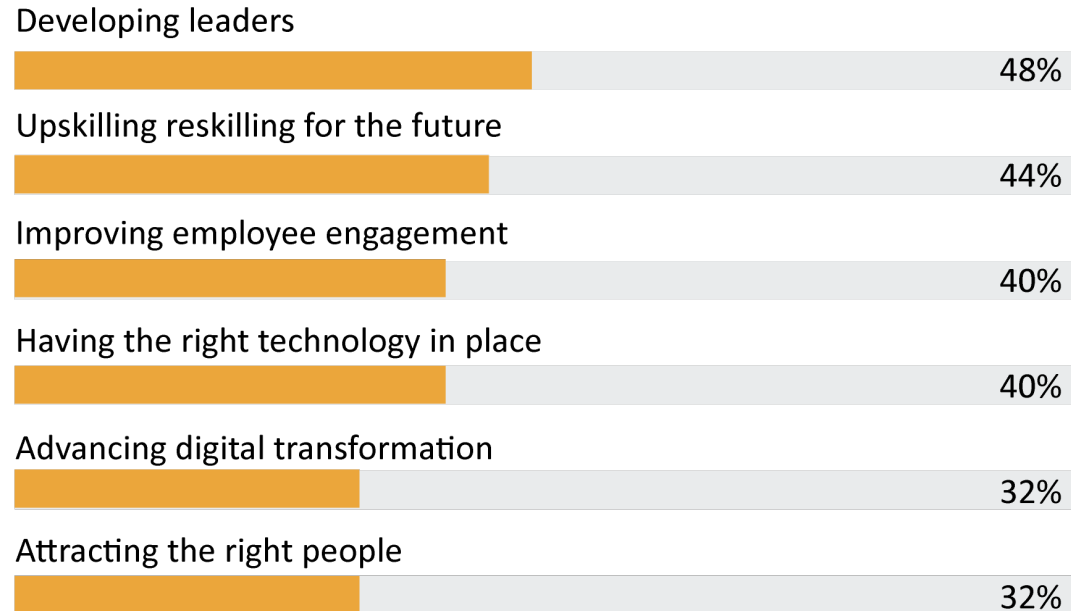


Important = Rating of 4 or 5 on a 5-point scale



# Organizations Optimistic about People Issues

<5,000  
employees

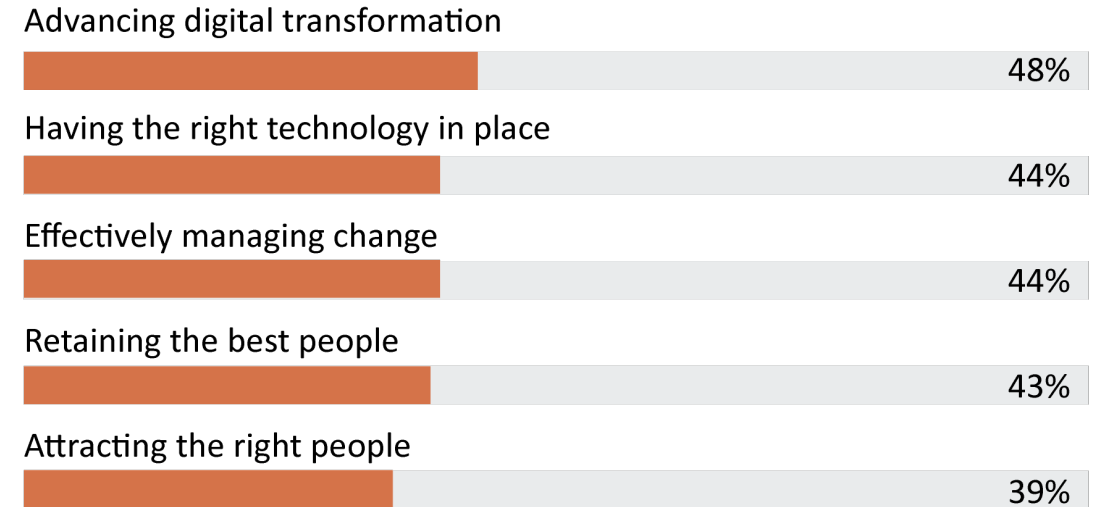
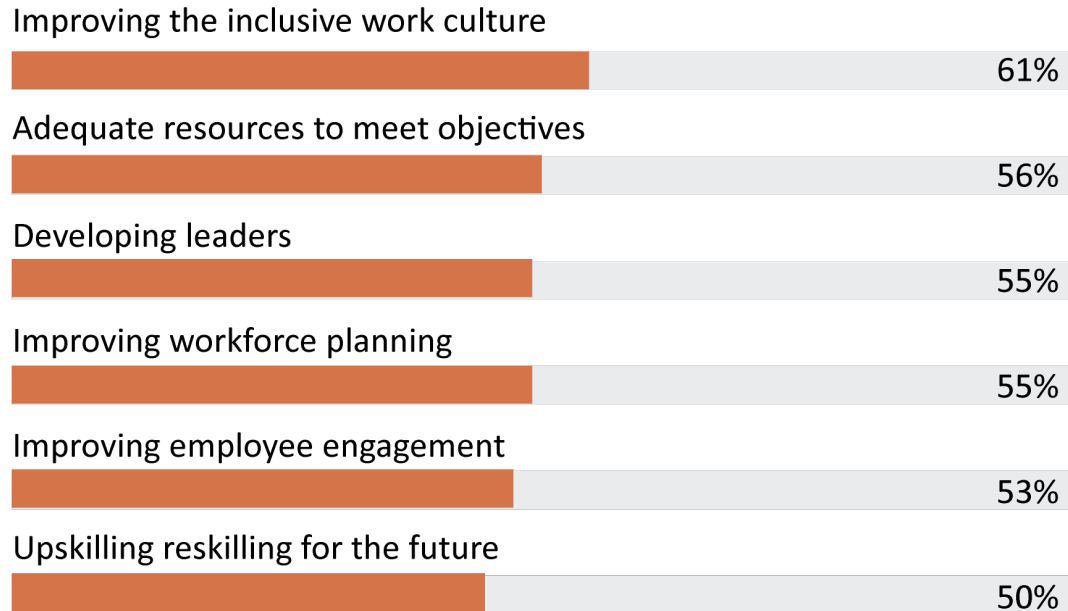


Important = Rating of 4 or 5 on a 5-point scale



# Organizations Optimistic about People Issues

>5,000  
employees



Important = Rating of 4 or 5 on a 5-point scale





# Complexities

In various ways, organizations are heavily focused on improving the employee experience in 2023. While priorities differ somewhat between smaller and larger employees, all organizations prioritize:

Increasing leaders' ability to manage employees more holistically and inclusively

Improving the employee work experience

Redefining the culture of work for a hybrid environment

Reinvesting in wellness and wellbeing

Reinventing strategies such as career development, motivation and performance management



# Complexities

Technology can play a significant role in all these efforts, but only about one-third of organizations overall (and about half of larger employers) prioritize exploration of automation to reduce repetitive tasks so employees have more time for work requiring critical thinking, creativity, innovation and collaboration. A refocus on the more human elements of work can pay dividends in reinventing talent processes and improving employee experience.

One topic that gets a lot of media airtime – upskilling and reskilling – did not make the top of the priority list, particularly for smaller employers. There was a forty percent gap between large employers prioritizing upskilling/reskilling and smaller employers.





## Approaches Used to Develop a Hybrid Work Model

Overall

77%

Re-evaluate what type of work should occur in the office vs. what occurs remotely

58%

Analyze the types of collaboration that are more effective in-person vs. virtually

40%

Redesign workspaces to optimize workplace collaboration

37%

Explore automation to reduce repetitive tasks to increase time for on-site work requiring more critical thinking, creativity, innovation, collaboration



## Approaches Used to Develop a Hybrid Work Model

<5,000  
employees



71%

Re-evaluate what type of work should occur in the office vs. what occurs remotely



50%

Analyze the types of collaboration that are more effective in-person vs. virtually



26%

Redesign workspaces to optimize workplace collaboration



24%

Explore automation to reduce repetitive tasks to increase time for on-site work requiring more critical thinking, creativity, innovation, collaboration



## Approaches Used to Develop a Hybrid Work Model

>5,000  
employees



83%

Re-evaluate what type of work should occur in the office vs. what occurs remotely



67%

Analyze the types of collaboration that are more effective in-person vs. virtually



54%

Redesign workspaces to optimize workplace collaboration



50%

Explore automation to reduce repetitive tasks to increase time for on-site work requiring more critical thinking, creativity, innovation, collaboration



# Most Important Future of Work/Digital Transformation Initiatives in 2023

Overall

85%

Increase leaders' ability to manage employees more holistically and inclusively

80%

Improve employee work experience

69%

Redefine culture of work for a hybrid environment

64%

Reimagine performance management

63%

Reimagine motivating employees

63%

Reinvest in wellbeing

63%

Create flexible work and new employment models

Important = Rating of 4 or 5 on 5-point scale



# Most Important Future of Work/Digital Transformation Initiatives in 2023

<5,000  
employees

77%

Increase leaders' ability to manage employees more holistically and inclusively

76%

Improve employee work experience

69%

Reimagine motivating employees

69%

Create flexible work and new employment models

65%

Reimagine performance management

64%

Redefine culture of work for a hybrid environment

Important = Rating of 4 or 5 on 5-point scale





# Most Important Future of Work/Digital Transformation Initiatives in 2023

>5,000  
employees

95%

Increase leaders' ability to manage employees more holistically and inclusively

85%

Improve employee work experience

75%

Reinvest in wellbeing

75%

Redefine culture of work for a hybrid environment

70%

Accelerate reskilling employees

70%

Advance the HCM technology ecosystem

69%

Accelerate use of AI and data and analytics in HR

Important = Rating of 4 or 5 on 5-point scale



## 5 Most Important People Strategies

Overall

85%

Leadership  
development

77%

Employee  
engagement

73%

Hiring and  
onboarding  
new talent

68%

Foster an  
inclusive  
workplace

66%

Employee  
wellness and  
safety

Important = Rating of 4 or 5 on a 5-point scale



## 5 Most Important People Strategies

<5,000  
employees

83%

Leadership  
development

75%

Hiring and  
onboarding  
new talent

69%

Employee  
engagement

67%

Workforce  
planning

67%

Compensation  
equity and  
fairness

Important = Rating of 4 or 5 on a 5-point scale



## 5 Most Important People Strategies

>5,000  
employees

88%

Leadership  
development

88%

Employee  
engagement

82%

Employee  
wellness and  
safety

76%

Foster an  
inclusive  
workplace

73%

Upskill/reskill  
employees

Important = Rating of 4 or 5 on a 5-point scale



# Consequences

It is clear that employers are struggling to find their way in the VUCA environment in which work.

Overall, **at least 50%** of employers plan to invest heavily or moderately in 37 of the 62 HCM processes and strategies we asked about in the survey.



Larger organizations (5,000+ employees) are far more likely than smaller employers to invest in key areas such as:

Career development

Diversity of the  
leadership pipeline

Embedding the principles of  
DE&I across the enterprise

Candidate experiences

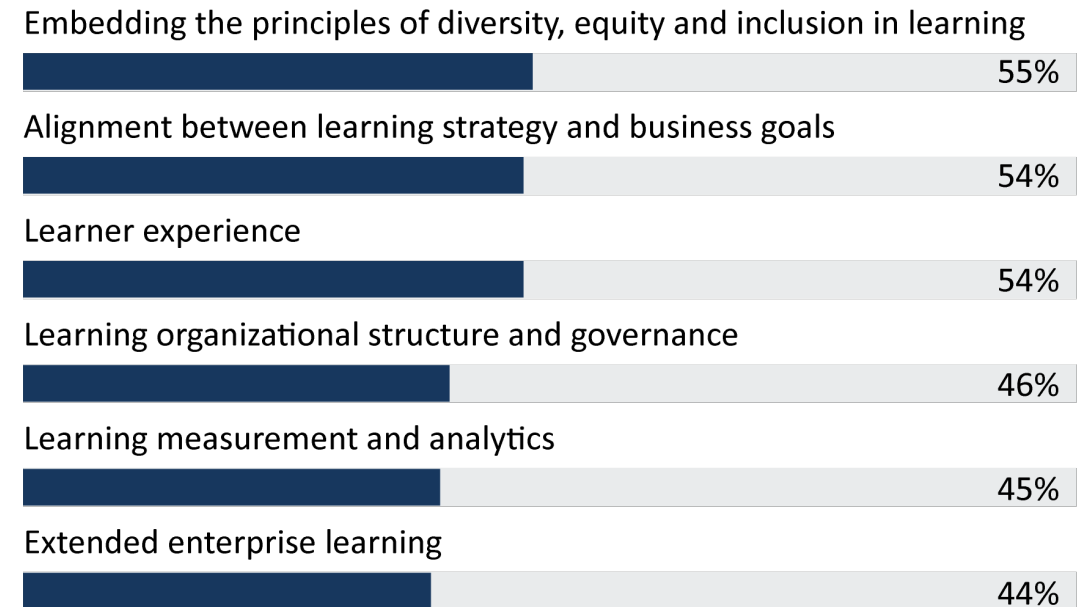
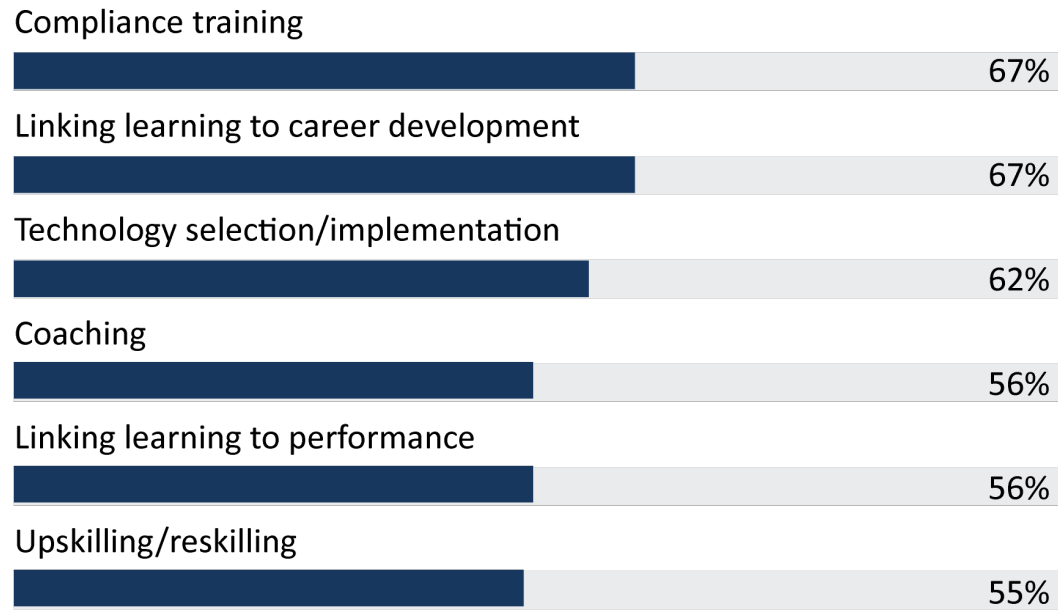
Pre-hire and post-hire  
assessments

The survey also made it clear that most organizations continue to struggle with aligning HCM strategies – especially learning, talent management and talent acquisition – with business objectives. This will be particularly interesting in 2023 as organizations focus heavily on trying to drive business objectives in the wake of economic volatility, including a possible recession.



# Heaviest Investment (Time & Money) in Learning & Development

Overall



Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Learning & Development

<5,000  
employees

Linking learning to career development



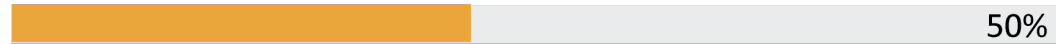
Technology selection/implementation



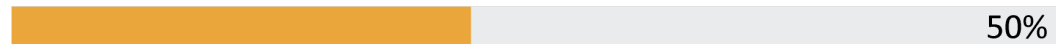
Compliance training



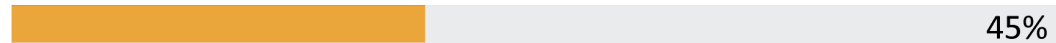
Linking learning to performance



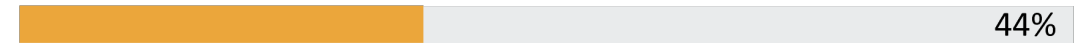
Learner experience



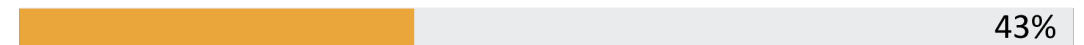
Coaching



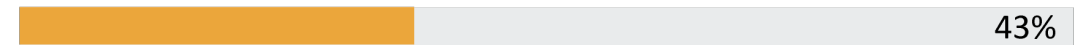
Upskilling/reskilling



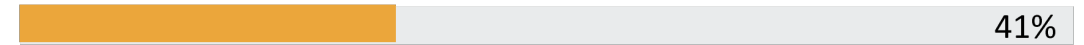
Embedding the principles of diversity, equity and inclusion in learning



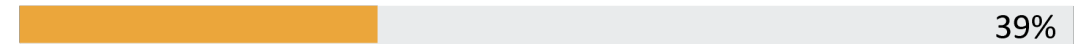
Extended enterprise learning



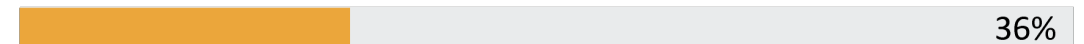
Alignment between learning strategy and business goals



Learning measurement and analytics



Learning organizational structure and governance



Percentages reflect organizations rating investment as moderate or heavy





# Heaviest Investment (Time & Money) in Learning & Development

>5,000  
employees

## Compliance training



## Embedding the principles of diversity, equity and inclusion in learning



## Alignment between learning strategy and business goals



## Linking learning to career development



## Linking learning to performance



## Coaching



## Upskilling/reskilling



## Technology selection/implementation



## Learner experience



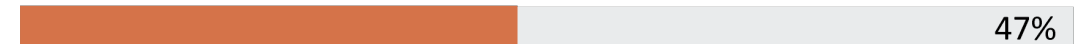
## Learning organizational structure and governance



## Learning measurement and analytics



## Extended enterprise learning

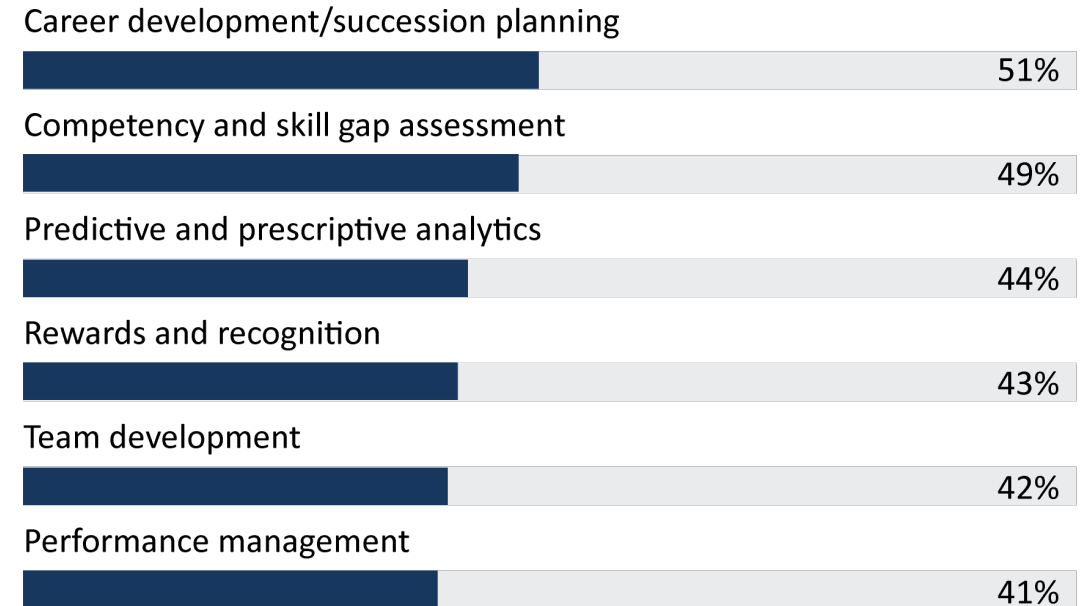


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Talent Management

Overall

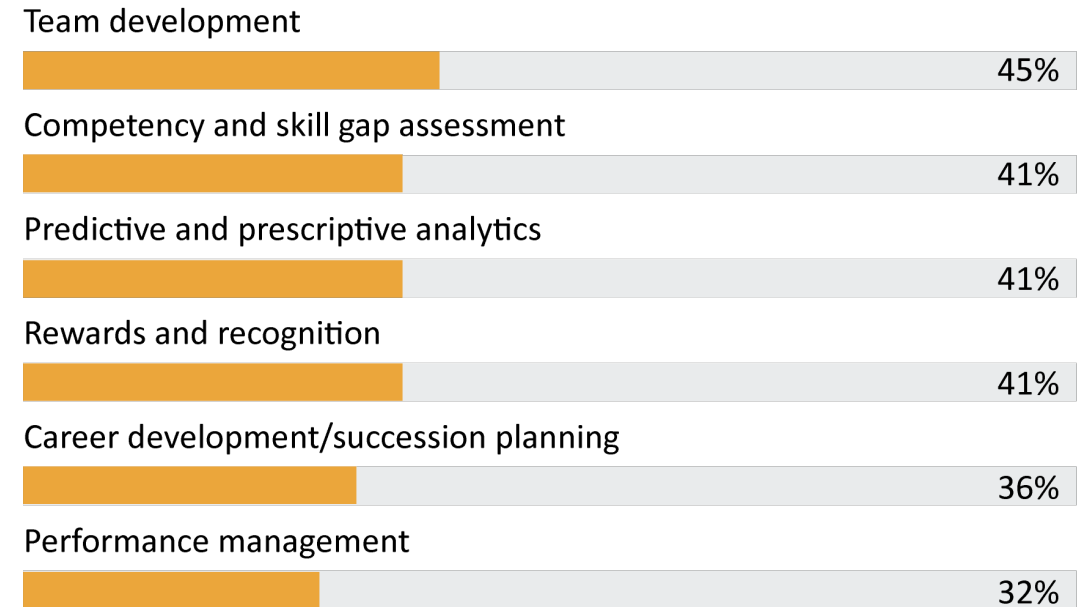


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Talent Management

<5,000  
employees

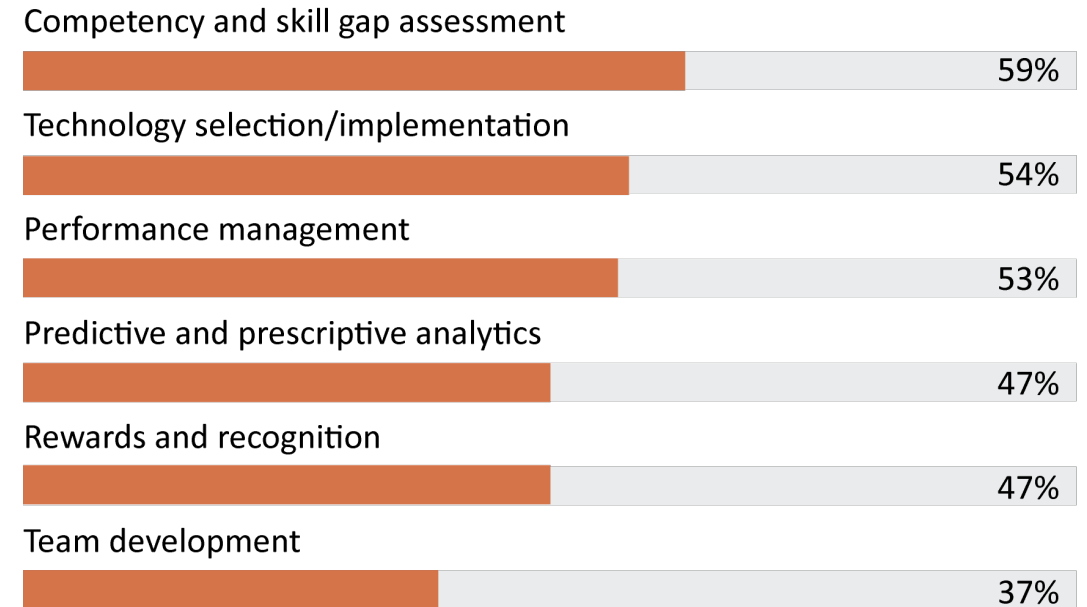


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Talent Management

>5,000  
employees

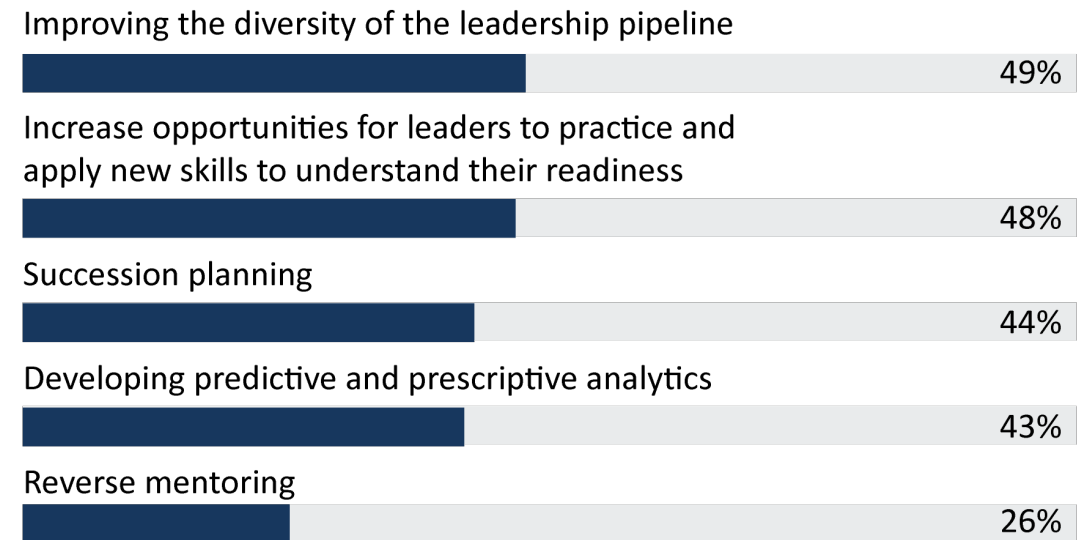
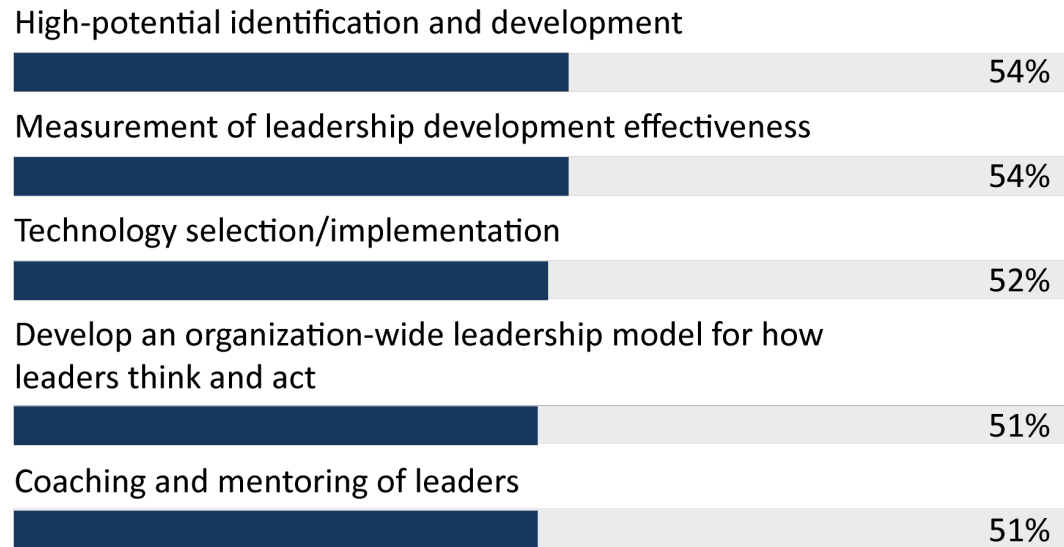


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Leadership Development

Overall

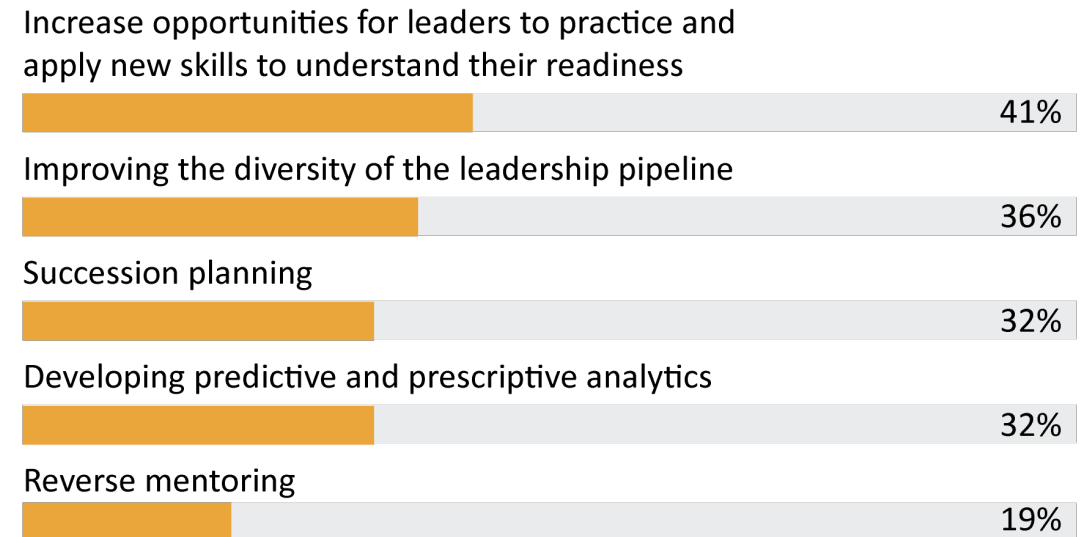
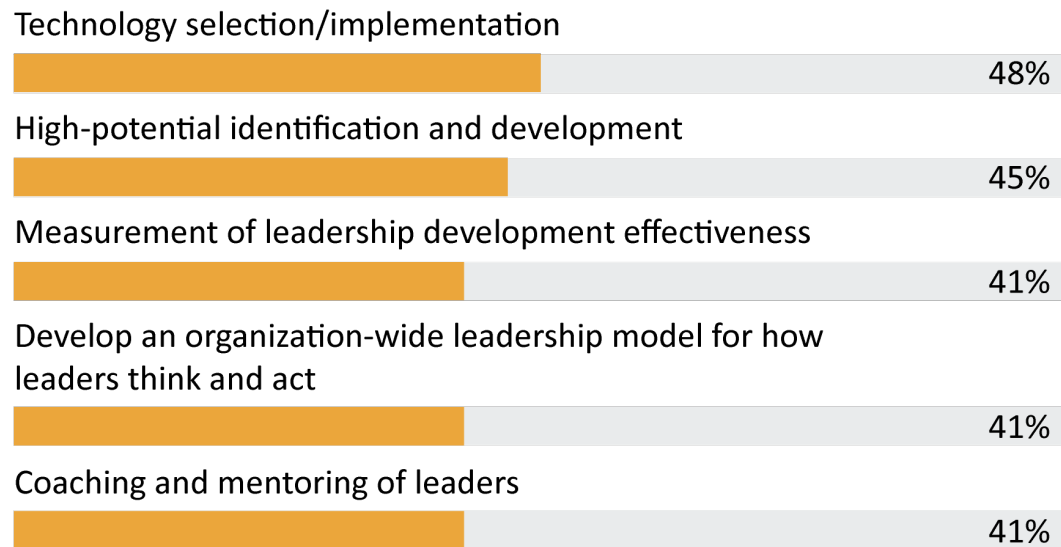


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Leadership Development

<5,000  
employees

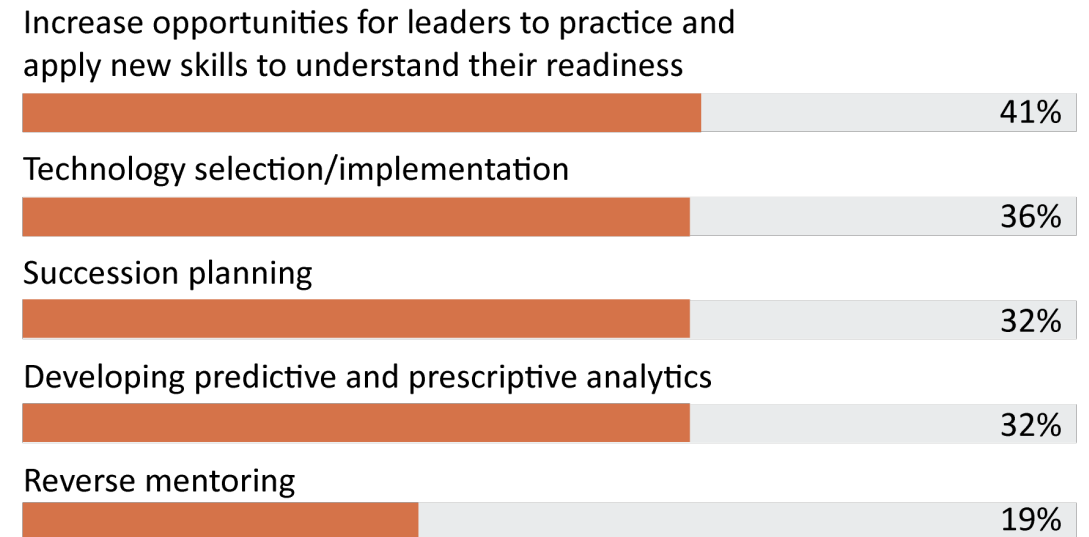
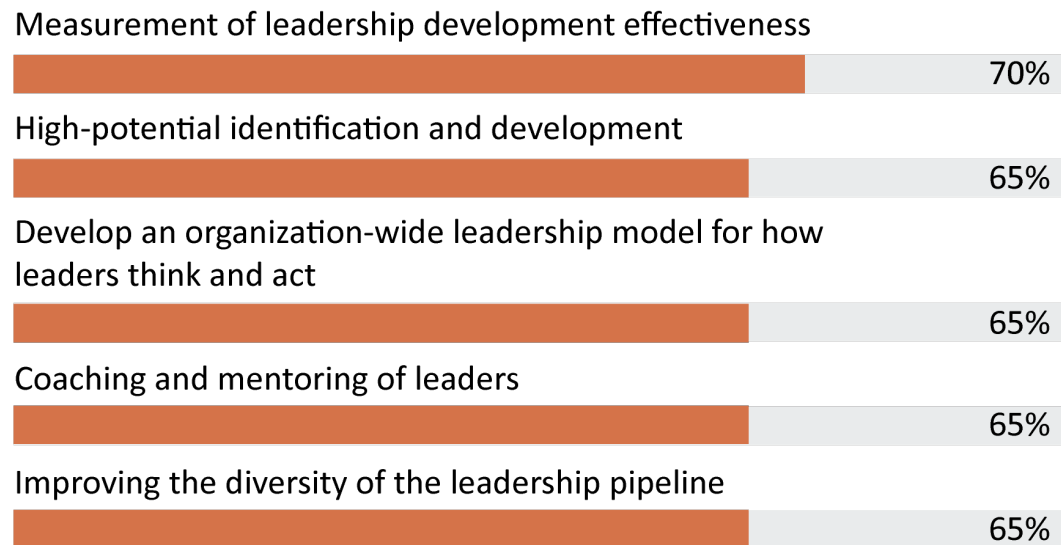


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Leadership Development

<5,000  
employees



Percentages reflect organizations rating investment as moderate or heavy





# Heaviest Investment (Time & Money) in Talent Acquisition

Overall

## Employer brand



## Alignment between talent acquisition strategy and business goals



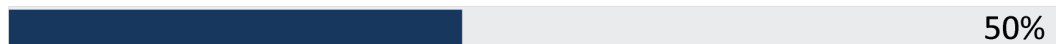
## Onboarding



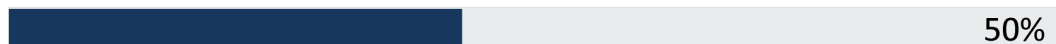
## Technology selection/implementation



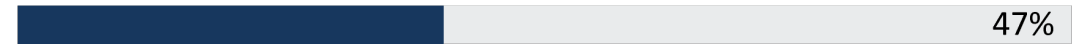
## Recruitment marketing



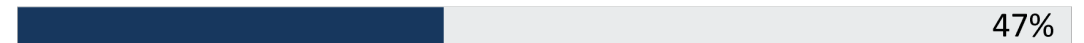
## Understanding/implementing AI to enhance talent acquisition



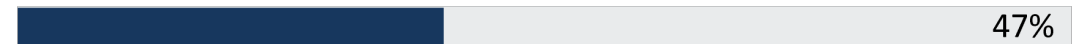
## Candidate experience



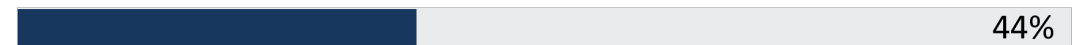
## Developing predictive and prescriptive analytics



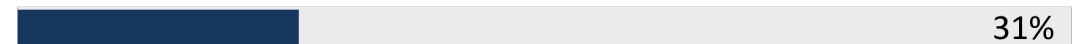
## Candidate assessment



## Diverse hiring



## Interviewing practices

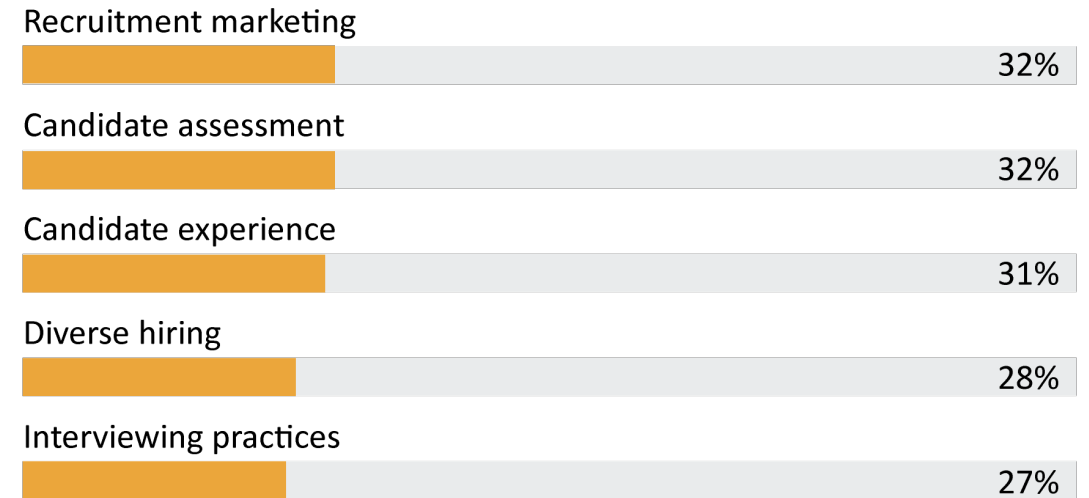
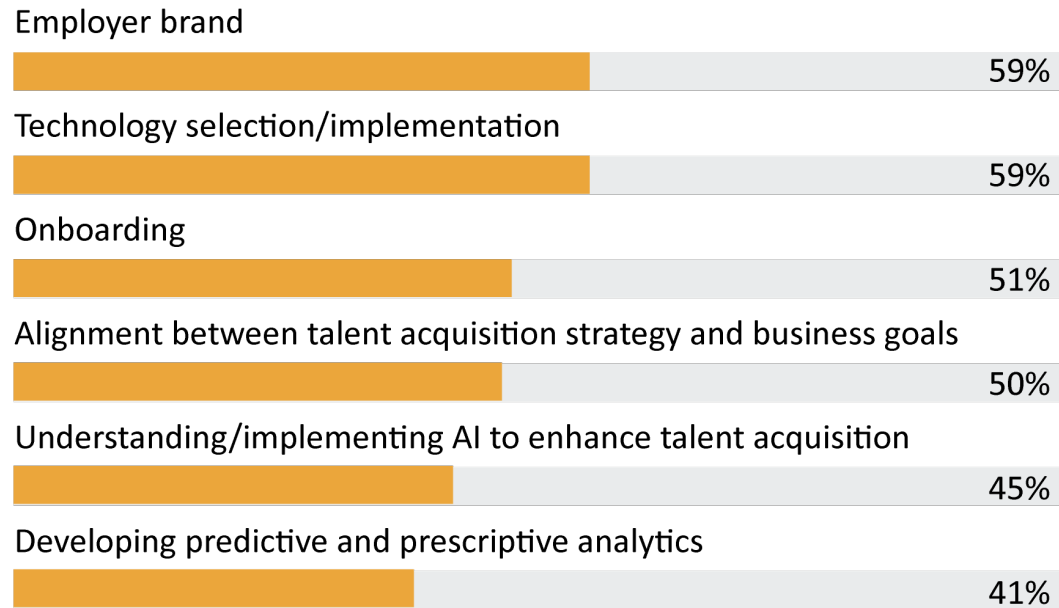


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Talent Acquisition

<5,000  
employees

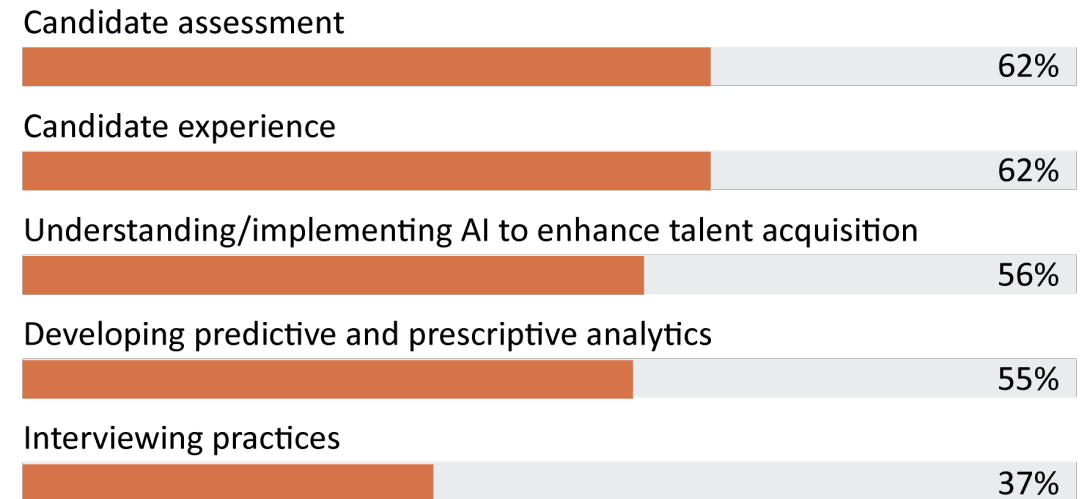
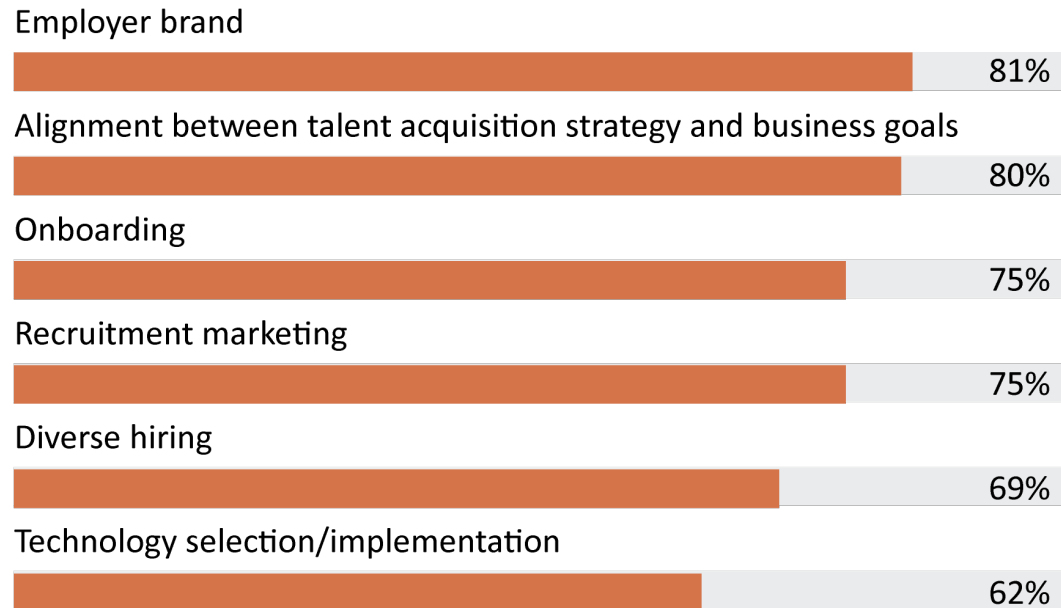


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Talent Acquisition

>5,000  
employees

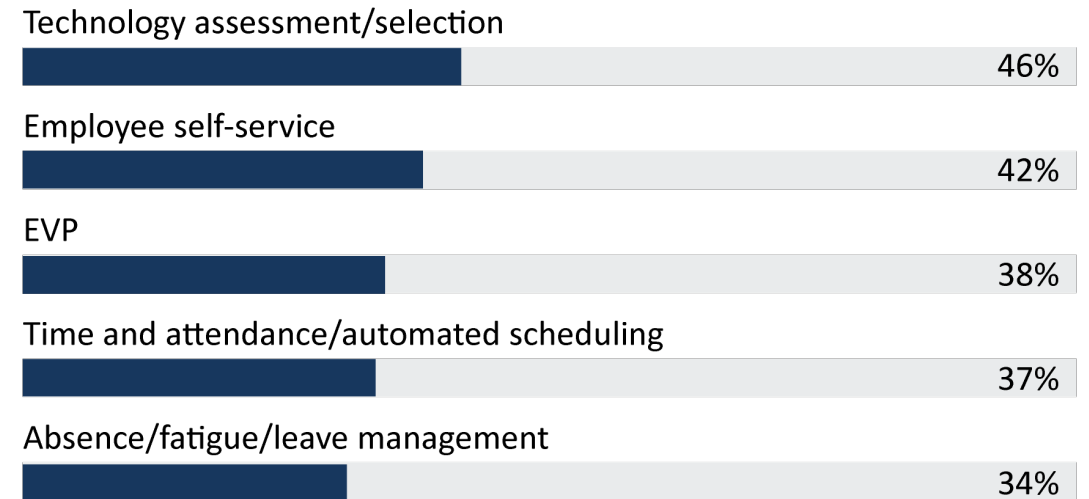
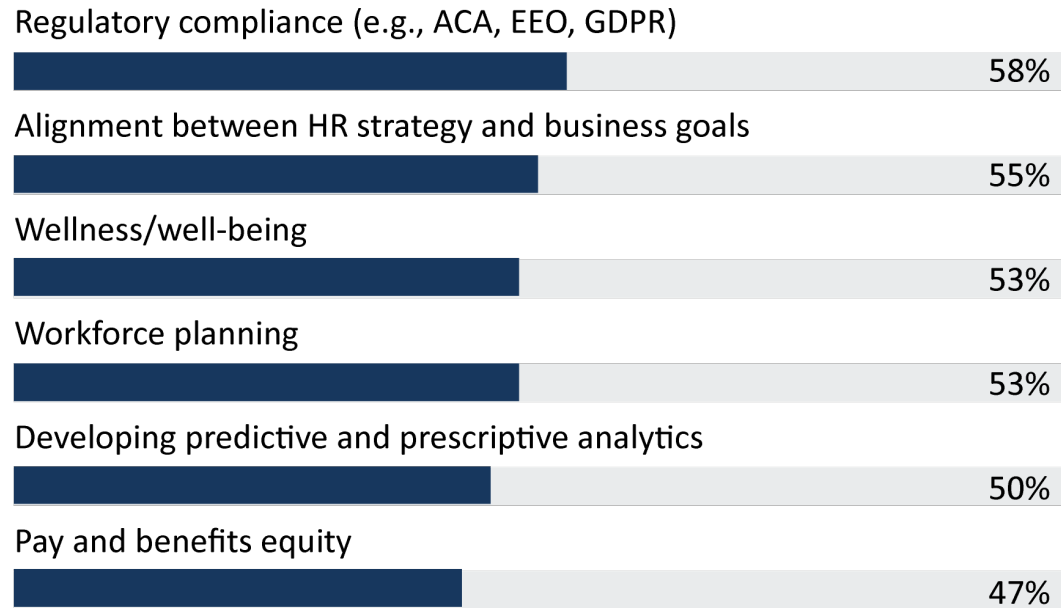


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Core HR

Overall

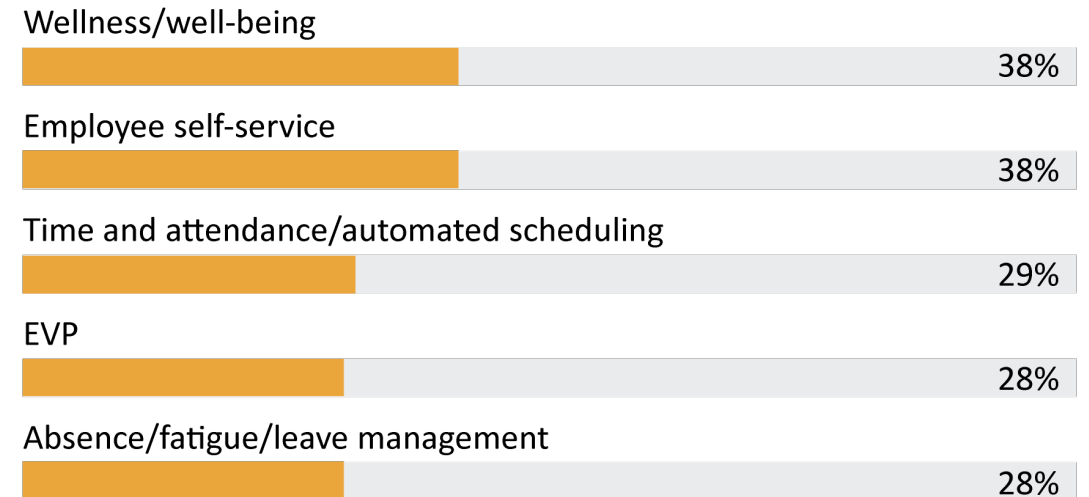
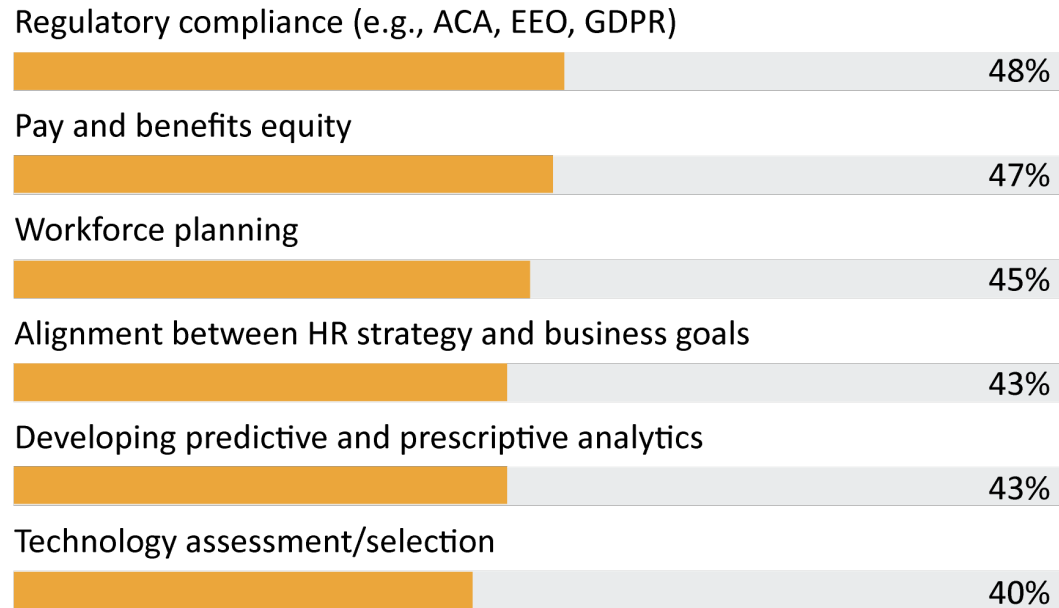


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Core HR

<5,000  
employees



Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Core HR

>5,000  
employees

Alignment between HR strategy and business goals



Wellness/well-being



Regulatory compliance (e.g., ACA, EEO, GDPR)



Workforce planning



Developing predictive and prescriptive analytics



Technology assessment/selection



EVP



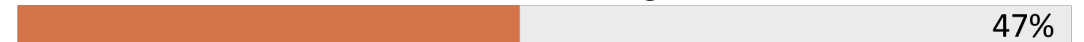
Pay and benefits equity



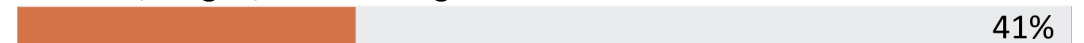
Employee self-service



Time and attendance/automated scheduling



Absence/fatigue/leave management

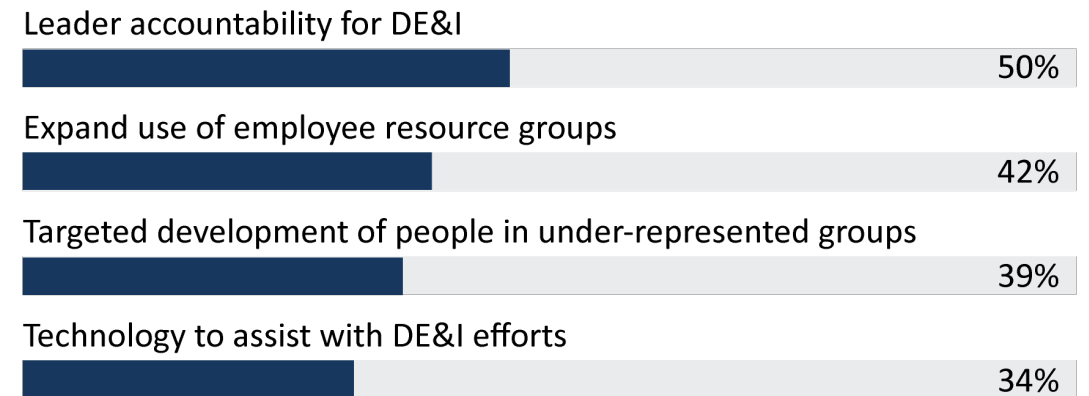
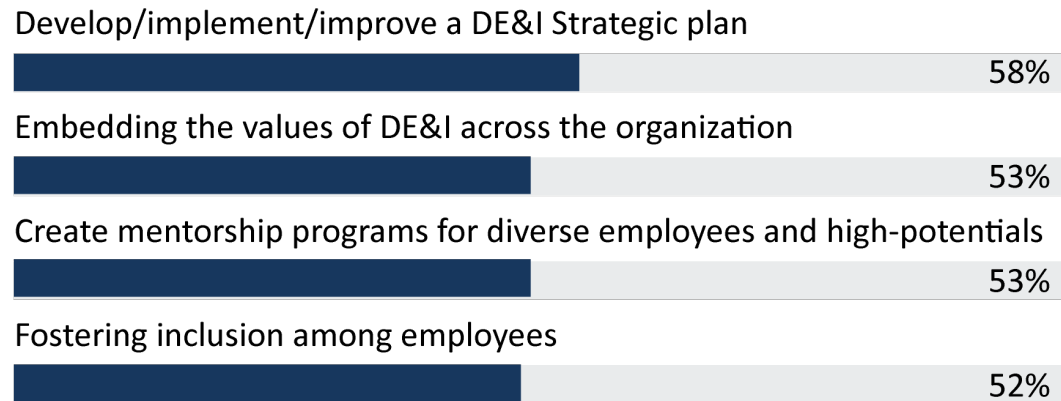


Percentages reflect organizations rating investment as moderate or heavy



# Heaviest Investment (Time & Money) in Diversity, Equity and Inclusion

Overall



Percentages reflect organizations rating investment as moderate or heavy



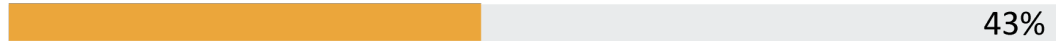
# Heaviest Investment (Time & Money) in Diversity, Equity and Inclusion

<5,000  
employees

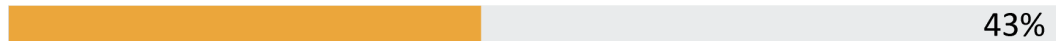
Create mentorship programs for diverse employees and high-potentials



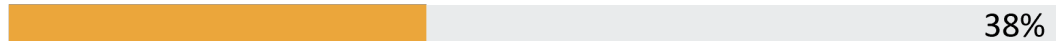
Fostering inclusion among employees



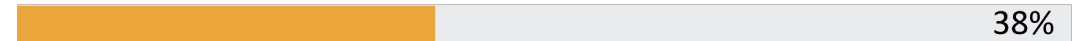
Targeted development of people in under-represented groups



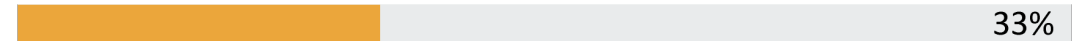
Develop/implement/improve a DE&I Strategic plan



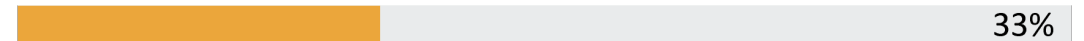
Expand use of employee resource groups



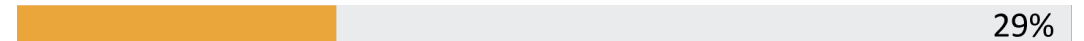
Leader accountability for DE&I



Technology to assist with DE&I efforts



Embedding the values of DE&I across the organization



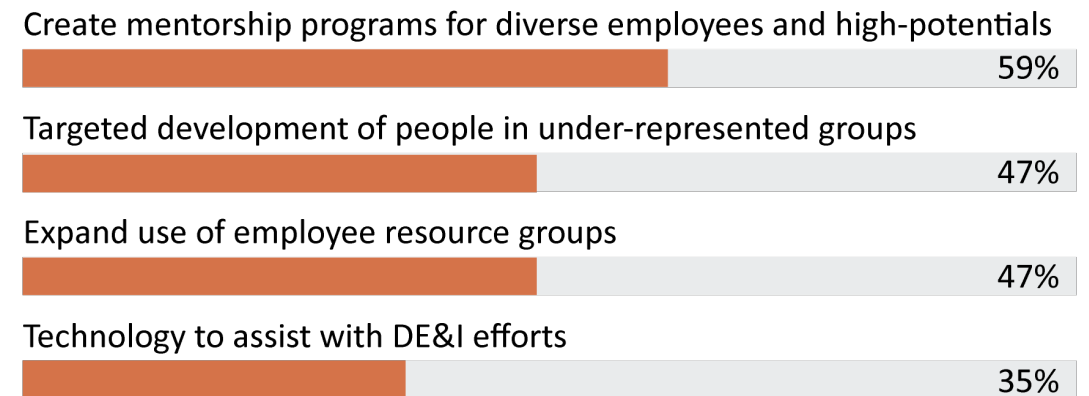
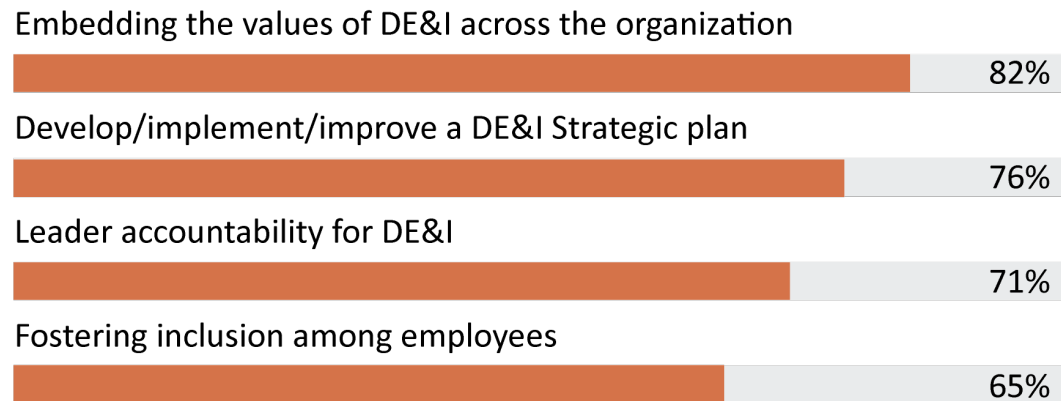
Percentages reflect organizations rating investment as moderate or heavy





# Heaviest Investment (Time & Money) in Diversity, Equity and Inclusion

>5,000  
employees



Percentages reflect organizations rating investment as moderate or heavy



# Brandon Hall Group POV

You've heard the saying,  
if everything is a priority,  
nothing is a priority.



Organizations have so many different HCM priorities, it will be nearly impossible to make the needed or desired progress on most of them.

Employers would do well to be more discerning when choosing priorities and select ones that can have the biggest impact.

Our biggest takeaway from this survey is that most organizations are missing the forest for the trees.

*Only*

**37%**

Of organizations  
overall

**24%**

Of employers with  
<5,000 employees

**50%**

Of companies with  
5,000+ employees

**→ are focused on automation of repetitive tasks**



# Brandon Hall Group POV

Automation — and more sophisticated use of technology overall — will enable organizations to focus on human-centered work that requires critical thinking, creativity, innovation and collaboration. This includes the action considered the most important for succeeding in digital transformation and the future of work: increasing leaders' ability to manage employees more holistically and inclusively.

Those two actions — optimizing technology and inclusive leadership — are critical drivers of so many other imperatives, ranging from career development, employee experience and coaching to upskilling/reskilling, DE&I, aligning HCM strategies with business objectives, and more.

In research interviews and interactions with clients, we hear stories of burnout, high turnover and lack of meaningful work. Managers are asked to do too much and then are criticized for not doing everything well enough. Workers are asked to work longer and harder and often see no prospects for meaningful career growth.

Work needs reinvention. That can't be accomplished overnight, or even in a year or two. But starting with actions with the highest impact — technological innovation coupled with stronger human connections — can create a domino effect of progress over time.





# Contributors

## **Claude Werder, Senior VP and Principal HCM Analyst**

Claude Werder wrote this report. He runs Brandon Hall Group's Talent Management and Leadership Development practices, focusing on solving corporate's challenges in developing and retaining talent. He takes a strategic, unified approach, with a keen eye on leveraging technology to drive efficiencies that enable leaders to better engage employees and drive performance.

## **Mike Cooke, Chief Executive Officer and Principal HCM Analyst**

Prior to joining Brandon Hall Group, Mike was the Chief Executive Officer and Co-founder of AC Growth. Mike has held leadership and executive positions for the majority of his career, responsible for steering sales and marketing teams to drive results and profitability. His background includes more than 15 years of experience in sales and marketing, management, and operations in the research, consulting, software and technology industries.

## **Rachel Cooke, Chief Operating Officer and Principal HCM Analyst**

She is responsible for business operations, including client and member advisory services, marketing design, annual awards programs, conferences and the company's project management functions. She also leads Advancing Women in the Workplace and Diversity, Equity and Inclusion initiatives, research and events. Rachel worked in the HCM research industry for 15 years and held several key management and executive positions within the Talent and Learning Research, and Performance Improvement industries.

## **Michael Rochelle, Chief Strategy Officer and Principal HCM Analyst**

Prior to joining Brandon Hall Group, Michael was the Chief Strategy Officer and Co-founder at AC Growth. Michael serves in a variety of roles including overseeing consulting and advisory support for corporations and solution providers. Michael has led a wide range of advisory support and strategic engagements for Fortune 1000 and small- to medium-sized organizations as well as leading and emerging solution providers across the HCM industry. Michael is one of the company's principal analysts covering the learning and development, talent management, leadership development, workforce management and talent acquisition sectors. Michael also leads the analyst coverage for solution providers in these sectors.

## **Richard Pachter, Content Manager**

Richard Pachter edited this report. He is the Content Manager at Brandon Hall Group and is responsible for editing all research assets and other content. He has experience as a journalist, copywriter, editor, marketer, blogger and social media marketing manager.

## **Emma Bui, Graphic Design Associate**

Emma Bui created the graphics and layout for this report.



# About Brandon Hall Group

With more than 10,000 clients globally and 28 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations and provides strategic insights for executives and practitioners responsible for growth and business results.

## Professional Certifications

Self-paced certification programs. Virtual group sessions for companies. In-person conferences and summits.

## Membership

Individual and Enterprise Membership Options: Includes research assets, advisory support, a client success plan and more.

## Advisory Offerings

Custom Research Projects, including surveys, focus group interviews and Organization Needs Assessment for Transformation, Technology Selection and Strategy.

## Excellence Awards

Two annual programs recognize the best organizations that have successfully deployed programs to achieve measurable results.

SOME WAYS  
WE CAN HELP



### ORGANIZATIONAL EXCELLENCE CERTIFICATION PROGRAM

recognizes world-class HCM programs that transform their organization and achieve breakthrough results. This designation is the next step beyond the HCM Excellence Awards, which focus on a single program, and looks at the department as a whole.



### SMARTCHOICE® PREFERRED PROVIDER PROGRAM

uniquely places HCM service and technology companies at the top of organizations' consideration list of vendors. It adds an unmatched level of credibility based on BHG's quarter-of-a-century of experience in evaluating and selecting the best solution providers for leading organizations around the world.