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Featuring insights from executives at:



















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# **FOREWORD**

# Talk is cheap. But the lack of it can be expensive.





**Kevin Oakes** CEO, i4cp Author of Culture Renovation®

Throughout the course of a year, I'm fortunate to interact with members of the various executive groups that i4cp oversees—made up of human capital leaders representing large and best-in-class global employers. Across different disciplines, they almost never fail to introduce me to innovative ideas, cutting-edge next practices, and surprising initiatives. However, this year was a little different. When we conducted our annual poll of these groups' most pressing plans for 2024, they unanimously came back with a very unsurprising priority:

#### Generative AI.

There's no escaping the magnitude of its impact. In addition to being the top priority, most of these groups, which we call boards, also listed generative AI skills as the biggest current weakness in their organizations. It was also one of their greatest concerns for the coming year as most predicted disruption to their current work processes, pressure from senior leadership to do more with AI, and even concern about reduction of jobs.

More optimistically, many leaders also expect AI to improve productivity within their teams, address areas of labor shortages, and have a positive influence on overall employee experience.





While predictions on AI vary, one thing is crystal clear: it's the most dominant topic in organizations.

In fact, according to LinkedIn, from December 2022 to September 2023, conversations about AI increased by 70% worldwide. In comparison to other technologies that suddenly burst into our lives, cryptocurrency only saw a 19% peak increase in late 2021. Augmented and virtual reality topped out at a 5% increase.

But, as the old adage goes, talk is cheap. i4cp's research team is much more interested in the *next practices* our members are creating every day, and in that quest, our analysts identified a group of leading-edge organizations that we labeled *Al Innovators*. The HR teams in these companies are already successfully integrating Al technology into their talent acquisition practices, talent programs, and total rewards processes, among many other areas.

What's most interesting is our research has found that this adoption has a direct correlation to business performance: Al Innovators are more likely to have higher market performance, increased levels of innovation and productivity, and healthier cultures than those that have been slower to adopt Al.

Among organizations that aren't AI Innovators today, there's no doubt many are preparing to become so in the future. In a recent study by IBM, executives estimated that 40% of their workforces will need to reskill over the next three years as a result of implementing AI and automation. This effort isn't expected to take away jobs; 87% of these same executives believe generative AI is more likely to augment employees rather than replace them.

#### **Next Practice Definition:**

A *next practice* is defined by i4cp as one that analysis shows has strong positive correlation to bottom-line business impact, but is not yet widely adopted.

# Market Performance Index™ (MPI) Definition:

i4cp defines high-performance organizations based on self-reported multi-year performance in revenue growth, profitability, market share, and customer satisfaction.

More than half of those we polled told us their organizations have no-to low confidence in HR's readiness to contribute to Al strategy.

The future of work will be significantly impacted by AI, and HR must be directly involved to ensure both efficiencies and effectiveness are achieved.

Al Innovators feel the same. But while they are blazing a trail of progression in the human capital industry, the problem is there are not enough of them. In most companies (over 60% of those we surveyed), our analysts concluded that HR is on the sidelines in the AI conversation, and their voice isn't part of AI strategic or governance decisions that impact the workforce. This is primarily due to lack of belief in HR's capabilities—more than half of those we polled told us their organizations have no-to low confidence in HR's readiness to contribute to AI strategy.

That has to change.

Given HR's overall grasp of workforce capabilities, skills, potential, and deficiencies, this is a strategic miss if organizations expect to truly take advantage of AI. This lack of influence can also be potentially expensive. The future of work will be significantly impacted by AI, and HR must be directly involved to ensure both efficiencies and effectiveness are achieved.

The future of work is very top of mind for us at i4cp. While our existing boards will undoubtedly help lead the way in AI progression, we're excited to launch our first new board in several years: The Future of Work Board. Chaired by two industry veterans from Microsoft and PwC, this new board recognizes the need for a peer community for those who have been tasked to lead their organizations' work future. This will include strategic initiatives that not only leverage AI, but also the new reality of hybrid and remote work, team effectiveness, and other changes that impact future workforce planning and strategies. I'm looking forward to their priorities and predictions when we conduct our annual poll next year.

Yes, talk is cheap. But keeping HR out of AI strategy conversations could prove quite costly in the long term. Members of our boards won't sit idly by and, as you'll read in this report, the actions they expect to take in 2024 will undoubtedly create new next practices for us to highlight during the year.

Some may even surprise us.

Lin Och

I hope you enjoy the priorities and predictions for 2024.

**Kevin Oakes** 

CEO, i4cp

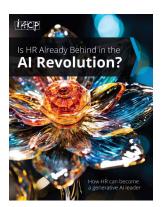
# INTRODUCTION 2024 Priorities & Predictions

Since our inception, i4cp has been using the term "next practice" as a core tenant of our research. We define *next practices* as human capital strategies that are strongly correlated to better market performance, but not yet in wide use by organizations (often less than 20%). The goal of uncovering these practices is to help our members see around the curve and be prepared for what's next.

We do this in a variety of ways. Most of our studies highlight several next practices we believe our members should consider, and we even have an area of our website devoted to what we've uncovered. We host a weekly webinar and podcast that highlights next practices in action. Our annual conference is titled *Next Practices Now;* part of that focused agenda is recognizing and celebrating the most interesting and innovative approaches that i4cp members have deployed via the Next Practice Awards.

To validate the next practices our data uncovers, we often rely on the insight of our executive boards. i4cp's boards represent key HR functions—Chief HR Officers, Chief Diversity Officers, Chief Learning & Talent Officers, Heads of Talent Acquisition, People Analytics, and Total Rewards—they advise each other with current initiatives as well as help shape i4cp's research agenda. At our conference and throughout the year, i4cp's boards meet to discuss and examine next practices in detail, and we ask them annually to share their top priorities for the coming year, as well as their predictions for future next practices.

We ask i4cp board members annually to share their top priorities for the coming year, as well as their predictions for future next practices.



For more, see Is HR Already Behind in the AI Revolution?

i4cp's Generative AI **Definition:** Generative AI is technology that creates content such as text, images, video, data, and audio. It exhibits creativity, deduction, and decision making, producing outputs based on the data on which it's trained.

It won't he unusual in the coming year for companies to create a **leadership** role for AI within HR.

Based on feedback from our boards, here's what i4cp analysts believe HR leaders should be prepared for in 2024:

# High-performance organizations will step up HR's involvement in AI strategy

Our 2023 report, Is HR Already Behind in the Al Revolution?, revealed that HR's Al readiness is foundational to developing a workforce that is ready for AI. Unfortunately, this research also found that most HR functions are not prepared for a world of work that includes AI.

Yet, there is hope—our analysts identified a small group of leading-edge organizations that we labeled Al Innovators. Many of the HR teams among these companies are already successfully integrating AI to achieve greater efficiency and effectiveness, and we found this adoption is linked to numerous benefits. Al Innovators are more likely to have higher market performance, increased levels of innovation and productivity, and healthier cultures than those organizations that have been slower to adopt AI.

A next practice our research revealed is the increased hiring of AI skillsets into HR. In fact, job postings for Al-related positions in HR have almost tripled since 2019 (LinkedIn, 2023). Moreover, the rate of increase in Al-related postings in HR is climbing dramatically above those for other HR job postings. The roles most likely to include AI-related skills as requirements or preferred skills include HRIS analysts, HR business partners, payroll and compensation specialists, and HR generalists.

To maintain competitive advantage created from their early experimentation and utilization of generative AI, AI Innovators recognize the importance of continuously advancing HR's knowledge of—and confidence with—AI. To accomplish this, it won't be unusual in the coming year for companies to create a leadership role for AI within HR —a practice that will initially be adopted by the AI Innovators.





# 2. Forward-looking organizations will create future-of-work leadership roles

As organizations experience profound change more quickly than at any other point in history, work structures must evolve just as quickly. Despite volumes of research and opinions on the subject, companies are still struggling with return-to-office edicts and how to manage hybrid, flexible, and remote work arrangements.

While debates rage about what is more effective for individuals, not enough focus has been placed on team dynamics in today's work environment. Teams are the primary vehicle driving performance, innovation, and engagement in today's hybrid and hyperconnected organizations. There is significant value to be gained by improving the efforts of underperforming teams, but little attention is devoted to this. Conventional methods for accelerating team performance aren't working; new collaboration techniques, structural change, and team performance evaluations are needed in order to improve effectiveness.

Additionally, with the adoption of AI requiring an introspection of jobs and tasks that are ripe for automation, the need for leadership on the future of work is evident and critical. Organizations are turning to their leaders to develop and execute future-of-work strategies and initiatives that prepare the enterprise for the future—a trend that is expected to accelerate in 2024.

Companies are turning to their leaders to craft future-ofwork strategies and spearhead initiatives to prepare the organization for the future.



For more, see *Measuring* and Managing the New Corporate Currency: Purpose, Culture, and Brand.

Boards and senior leadership teams [...] expect (and often require) hard measures of organizational culture. It is HR's onus to define and produce measures that make tangible this powerful intangible asset.

# Culture measures—both quantitative and qualitative—are now expected

The National Association of Corporate Directors (NACD) Blue Ribbon Committee asserted in a 2017 report that "Boards should set the expectation with management that regular assessments of culture will include qualitative and quantitative information and incorporate data from sources outside the organization." The NACD went on to say that "...in many organizations, culture does not get the level of boardroom attention it deserves until a problem arises...we believe this has to change. Oversight of corporate culture should be among the top governance imperatives for every board, regardless of its size or sector" (NACD, 2017).

Today, boards and senior leadership teams are following that advice and expect (and often require) hard measures of organizational culture. It is HR's onus to define and produce measures that make tangible this powerful intangible asset. Previous i4cp research has outlined core human capital and business metrics organizations should regularly track, such as unwanted attrition, employee net promoter score, referrals, hotline activity, productivity, inclusion, diversity, engagement, and strength of employer brand.

Organizations are increasingly leveraging technology such as natural language processing to analyze employee sentiment from internal surveys, as well as social channels. Exit interviews, focus groups, and even culture hackathons have also served as good data sources.

What's gaining in popularity with boards and senior teams are quarterly scorecards and dashboards that review trends over time. At the board level, several have implemented culture subcommittees.

Expect in 2024 to see increased demand for metrics and benchmarks on the part of boards of directors and senior leadership teams to provide deeper insight into culture health.



# 4. Macro pressures will continue to drive workforce divisiveness and challenge HR

A variety of macro pressures (e.g., geopolitical, economic, social, environmental, cultural) combined with employer issues (e.g., return to office mandates, pay transparency, evolving benefits policies, inclusion, etc.) have fueled workforce divisiveness that threaten organizational trust, civility, health, and productivity.

Given the disparities in viewpoints today, to some, the idea of "bring your whole self to work" doesn't seem like great advice anymore. Many organizational leaders may feel as if they're sitting on a powder keg of emotions ready to explode. The pressure on leaders to say or do "the right thing" can be characterized as enormous, unreasonable, and increasingly unwinnable.

According to authors of a widely-read article published by the Harvard Business Review, 70% of U.S. Americans say they would support companywide policies that limit the discussion of politics in the workplace. This isn't a U.S. phenomenon; in Germany 44% of surveyed workers believe it is inappropriate to talk about politics at work. However, the article's authors argued, "banning political speech is fundamentally implausible because it is impossible to draw a clean, objective line between what counts as 'politics' and what doesn't-or which issues are 'acceptable' to discuss because they relate to the company's mission, and which aren't" (Reitz & Higgins, 2023).

HR leaders and their teams must be prepared for what will likely be another year of tumult, fierce debate, and disagreement. The looming 2024 U.S. Presidential election, the Israeli-Palestinian conflict, and other polarizing events worldwide are creating situations many leaders find themselves unprepared to deal with.

While the power of a vast expert peer network can help, i4cp has continued to assist organizations in a variety of ways; this brief, for example, helps leaders think through how to decide what the organization's role is, and whether they should comment publicly in times of crisis. Relying on the organization's cultural values and guiding principles is always a sound foundation from which to address these issues. In doing so, HR will continue to be instrumental in providing the leadership critical to guiding their organizations through both the expected and unexpected, no matter what's ahead.

Given the disparities in viewpoints today, to some, the idea of "bring your whole self to work" doesn't seem like great advice anymore.

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# Chief Human Resource Officers

#### 2024 Chief Human Resource Officer Priorities

- 1. Training leaders (at all levels) to establish trust, exemplify the organization's values, and lead in new and evolving work structures.
- 2. Leading organizational initiatives to uncover where AI can increase workforce efficiency and effectiveness.
- 3. Preparing the HR team for continued scrutiny and criticism of DE&I, ESG, and other programs.
- 4. Improving culture health and ensuring leaders understand its direct link to financial performance.

The use of generative AI by competitors is a chief concern of CHROs, as is anti-DE&I rhetoric and global political instability.

Macroeconomic uncertainty (e.g., inflation, potential recession, supply chains, etc.) is the number-one external concern for 2024 cited by CHROs. The magnitude of global events and their effect on business make clear that a strong, change-embracing organizational culture is imperative.

As i4cp's research has long shown, leaders who consistently model behavior critical to strengthening culture and purpose is a clear trait of high-performance organizations.

But leadership effectiveness and change management were cited by CHROs as their organizations' biggest weaknesses and vulnerabilities. This gap must be addressed to improve and sustain optimal business performance, which is leading many CHROs to prioritize leadership development, change management, and succession management within the HR function.

While most CHROs identified the available talent pool as a significant external concern, they also gave their organizations high marks for talent attraction, citing this as a strength. Most CHROs view their organizations' HR structures and labor relations as strengths, and they feel confident about talent retention, workforce well-being, and their total rewards practices.

The use of generative AI by competitors is a chief concern of CHROs, as is anti-DE8I rhetoric and global political instability. In addition to apprehension about leadership effectiveness, organizational weaknesses perceived by CHROs are current capabilities regarding generative AI skills, agility, succession management, and change management.

#### What HR Leaders Say **Their Organizations Should Focus On**

The people-centered priorities i4cp's Chief HR Officer Board members believe their organizations should focus on in 2024 are:

- Culture
- · Generative AI
- Leadership effectiveness
- · Workforce development
- Change management



For more, see i4cp's Leadership Redefined series.

# /LiveRamp



**Sharawn Tipton CHRO** LiveRamp

HR leaders must recognize how today's socioeconomic circumstances and changes to where and how we work impact organizational culture. HR should lead the renewal of trust between employees and managers as working norms continue to evolve. CHROs will be sharpening the focus on holistic wellness programs, mental health resources, flexible schedules, and fostering a culture of empathy and support while still driving accountability."

Rethinking HR structure and processes will take on new meaning as the function becomes more sophisticated, tech enabled. and GenAlpowered.

# How the function is using GenAl

The most cited tasks CHROs report they are using Generative AI (GenAI) for are writing emails, creating presentations, developing policies, putting together case studies, scenario planning, summarizing employee sentiment in survey responses, and staying on top of industry trends. In addition, some are using the technology to analyze performance review documentation and others have launched FAQ chatbots to answer frequently asked questions about HR policies, benefits, and more.

#### **Chief Human Resource Officer Predictions**

- Rethinking HR structure and processes will take on new meaning as the function becomes more sophisticated, tech enabled, and GenAl-powered. This will require upskilling for leaders to manage teams that incorporate AI into their workflows.
- Strong analytics skills will be a requirement as HR continues to be more data driven. Every level of the function is a candidate to be upskilled to work confidently and effectively with new technology.
- Trust will have to be rebuilt in many organizations, as both private and public skirmishes about return-to-the-office mandates have brought deep cultural rifts to the forefront.
- HR leaders will be resilient catalysts of change providing leadership across various initiatives and challenges. These initiatives are complex and include evolving AI technologies; data analytics; equity and inclusion; delivering on great employee experience to blended workforces of traditional, hybrid, remote, and contract workers; ensuring collaboration and effective teamwork; supporting employee well-being in a complicated world, and much more.

# servicenow



Jacqui Canney
Chief People Officer
ServiceNow

2024 is going to be even more complex than 2023 for business leaders. As businesses need to transform more rapidly than ever, HR professionals will need to double down on people, their skills, their ambitions, and their potential; find a confident stance on equity and inclusion amid affirmative action challenges; manage the expected surge in attrition as the job market opens up; balance AI innovation with AI scrutiny; confront the growing mental health crisis; and navigate ongoing geo-political and economic uncertainty.

The solution to many of these challenges and opportunities is having a skills intelligence strategy that is rooted in company values and powered by technology to scale. While it won't be easy, these complexities make the HR function more critical and strategic than ever before. Our work will only continue to grow in importance, and I'm excited for the front row seat we all have as talent defines the success of modern business."



# Chief Diversity Officers

# 2024 Chief Diversity Officer Priorities

- 1. Strengthening DE&I strategies to ensure alignment to business goals—from global talent needs to helping guide leaders as they navigate workforce divisiveness and geopolitical challenges.
- 2. Fostering inclusion for all, starting with emphasis and ongoing education on inclusive leadership.
- 3. Building more inclusive and collaborative cultures by ensuring psychological safety throughout the employee experience.
- 4. Expanding tools and resources to enable and support accountability for DESI initiatives enterprise wide.

How to address anti-DE&I rhetoric and potential legal challenges to **DE&I** work is a formidable, complex question.

The achievement of DE&I goals—particularly in view of current challenges and risks in the U.S. legal and political environment—is a chief concern among CDOs. How to address anti-DE&I rhetoric and potential legal challenges to DE&I work is a formidable, complex question. Everything from diverse slates and hiring, promotions, and representation seems to suddenly be under a microscope.

DE&I leaders are wisely reviewing practices and frameworks around mentoring and sponsorship, employee groups (ERGs/BRGs), vendor diversity programs, college recruiting, and more to ensure there are no potential risks to current activities.

Greater data rigor and clear, decisive communication will be essential for DE&I leaders to help reduce the chilling effect of opposition litigation on specific aspects of organizational culture. Ensuring alignment with business goals, strengthened by data on the impact on business objectives is also a priority, as is ensuring inclusion for all, starting with emphasis and training on inclusive leadership and building collaborative cultures.

Many CDOs already have inclusive leadership goals and programs and are strengthening their organizations' sense of community and psychological safety. They are also focused on data and analytics to inform key priorities, align to business outcomes, demonstrate impact, and surmount detractors. Several have specific talent attraction and retention goals targeting identity segments globally and in the U.S.

When considering the 2024 U.S. election cycle, CDOs are ramping up communications about respectful and civil exchanges, along with expectations of professionalism and team cohesion. They are also investing in empathy building, sharing employee stories, and keeping interpersonal connections strong both virtually and in-person.

# What DE&I **Leaders Say Their Organizations Should Focus On**

The people-centered priorities members of i4cp's Chief Diversity Officer Board believe their organizations should focus on in 2024 are:

- Strengthening culture
- Strengthening data analytics
- · Leadership effectiveness
- · Talent retention
- Manager capability



Alveda Williams, PhD Chief Inclusion Officer Dow

The work of inclusion, diversity, and equity has been met with significant backlash in recent years, leading some companies to reverse course. However, at Dow, we are staying the course because we believe that losing momentum is a mistake we simply cannot afford to make. In 2024, we will continue to focus on cultivating an inclusive culture for all, enhancing the diversity of our workforce across multiple dimensions, and ensuring equity of opportunity through our programs, practices, and policies."

When considering the 2024 U.S. election cycle, **CDOs** are ramping up communications about respectful and civil exchanges, along with expectations of professionalism and team cohesion.

# How the function is using GenAl

GenAI has broad implications for DE&I work, representing challenges as well as opportunities. CDOs report that GenAI is being adopted in the function for identifying bias in career portal content, job descriptions, and hiring. It is also used to analyze employee data to identify demographic groups that may be adversely impacted by internal and external events (and how that could manifest), developing training programs to promote DESI, drafting inclusive communications and messaging, and creating DESI action plans based on organizational documents.

# **Chief Diversity Officer Predictions**

- Actions will speak more loudly than words; there will be less reliance on public statements and gestures in support of diversity and inclusion. Instead, organizations will favor more strategic engagement and decisive, demonstrable actions to sustain inclusive cultures.
- Scrutiny of DE&I programs and initiatives will continue and probably intensify. While shifting demographics and markets worldwide make DESI work even more critical, CDOs nevertheless anticipate continued pressure, scrutiny, risk of legal challenges, and even attacks on their function, including ESG efforts and associated work.
- Cross-functional collaboration will increase (e.g., between DE&I and talent acquisition) and business units as leaders combine efforts to work toward meeting representation goals, de-bias existing systems, move forward on parity goals, refine recruitment activities for maximum impact, and invest in diverse sourcing.
- Leading with DE&I and ESG data tied to business objectives will be more common, as will clear communication of the business impact DE&I work has on the bottom line and future sustainability of the organization.





Elissa Mahendra Chief Talent and Inclusion Officer Cetera Financial Group<sup>®</sup>, Inc.

As the external landscape continues to present evolving challenges, we too must continue to evolve our approaches and solutions. Amidst these headwinds, Cetera remains committed to and invested in the work of diversity, equity, inclusion, and belonging. We continue to listen to the voices of our team members and financial professionals to shape and align our priorities.

In 2024, we will continue to build on the foundation we've co-created across our ecosystem of partners, with specific focus on: integrating equitable and inclusive people practices and process throughout the employee lifecycle; understanding and building strategies to access the full talent market; fostering stronger awareness and allyship; and safely collecting and analyzing data to monitor and measure trends."





# Chief Learning & Talent Officers

# 2024 Learning & Talent Leader Priorities

- 1. Enabling talent processes, from identification and selection of candidates to prescription of learning interventions and performance assessments, via skills-centric methodologies.
- 2. Increasing people leader capability to improve effectiveness in team and employee outcomes.
- 3. Pursuing Al-driven automation and insights to simplify, optimize, and enhance talent management.
- 4. Providing meaningful developmental opportunities and experiences equitably across the organization.

The 2024 priorities of learning and talent leaders are grounded in skills, such as defining skills for specific jobs and job families, mapping skills, and developing them.

Transformative change combined with widening skills gaps worldwide is a concern for every industry. It demands that organizations prepare their workforces to evolve through upskilling and reskilling, but this will require investment in a variety of undertakings from internal and external training programs, partnerships with educational institutions, internal mobility, and more.

A principal driver of the urgency of these concerns is the certainty that generative AI will greatly disrupt work processes and employee capabilities. The 2024 priorities of learning and talent leaders are grounded in skills, such as defining skills for specific jobs and job families, mapping skills, and developing them. The use of AI is expected to improve the speed and effectiveness of these tasks.

The greatest organizational strengths most learning and talent leaders cited are: talent attraction, work models (e.g., hybrid/remote/onsite), DE&I, and total rewards.

And while many learning and talent leaders say that culture is among their organizations' strengths, others said **culture renovation** is necessary in order to achieve optimal levels across talent attraction and retention, employee development, and more. Top external concerns echo those cited by members of other boards: macroeconomic uncertainty, global political instability, a dwindling talent pool, and in some cases union relationships. However, the board remains optimistic that real progress will be made in 2024.

# What Learning & Talent Leaders Say Their Organizations Should Focus On

The priorities members of i4cp's Chief Learning & Talent Officer Board say their organizations should focus on are:

- · Leadership effectiveness
- Generative AI
- Manager capability
- Culture & employee experience
- · HR systems



Top external concerns echo those cited by members of other boards: macroeconomic uncertainty, global political instability, a dwindling talent pool, and in some cases union relationships.

# How the function is using GenAl

Learning and talent leaders are currently using GenAI to design training courses and materials, develop guizzes and assessments, personalize learning and development plans, create outlines or first drafts of curriculum, create presentations or multi-media content, and research.

# Learning & Talent Leader Predictions

- Expect continued and rapid disruption from AI, automation, and data analytics, but these technologies will also support improvements to the employee experience in pivotal moments that matter. These elements will be essential to the success of efforts to address labor shortages in key roles or skills, geopolitical instability, and macroeconomic issues that will require greater workforce flexibility and new investments to support the business.
- GenAI will be leveraged to build skills taxonomies for organizations and make recommendations of training based on current capabilities of the workforce and skills needed in the future.
- Personalization will take center stage through GenAl-enabled analysis of learning patterns and preferences. Tailored learning and development will strengthen engagement and speed upskilling.
- The developmental needs of frontline managers will take precedence and be a priority considered crucial to ensuring workforce agility and that a pipeline of high-potential leaders is in place.





Erin Freshwater
Director
Learning & Talent Development
Hormel Foods Corporation

Talent, learning, and organizational effectiveness will become more prominent in HR and at organizations. The increasing prevalence of AI and automation can take on many tasks, but it can't replicate emotions and the unpredictability of people. As HR continues to evolve, this function will be increasingly important to identify cultural, people, and leadership risks and determine the best intervention to mitigate the gap."





Julianne Brown
Global Director
Talent Management
Deere & Company

Going forward, operating as an agile organization will be the norm versus the exception. Digital transformation, increasing needs for collaboration, and the rise of remote work and distributed teams will continue to make agility a necessity."



# People Analytics Leaders

# 2024 People Analytics Leader Priorities

- 1. Automating delivery of data analytics to the organization through new platforms and capabilities.
- 2. Upskilling HR in data acumen, especially related to productivity and culture drivers.
- 3. Enabling AI to connect data across business functions and platforms to provide better workforce insights.
- 4. Applying predictive modeling using generative AI to assist in workforce planning.

There is anticipation of making it easier for people leaders enterprisewide to gain new insights by automating the delivery of data. People analytics leaders say they will focus on delivering on the promise of AI in 2024. At the same time, they acknowledge concern that leadership expectations may not match realworld applications.

The greatest perceived strengths people analytics leaders say their organizations will carry into 2024 are talent attraction, data analytics, manager capability, and HR systems (e.g., technologies, automation). Conversely, the greatest weaknesses are succession management, workforce well-being, and generative AI.

External issues of greatest concern to people analytics leaders are available talent pool and macroeconomic uncertainty, followed by competitive use of GenAl, Al governance issues, anti-DE&I rhetoric, regulatory compliance, and reputation/brand of the organization.

There is anticipation of making it easier for people leaders enterprisewide to gain new insights by automating the delivery of data. This is expected to reduce friction and increase the reliance on data in their day-to-day activities. For example, instead of eight clicks to find what they want, managers should be able to open an email every morning with all of the relevant information they need to make informed, data-driven decisions.

People analytics leaders say they are also focused on upskilling HR in data acumen and rolling out new platforms that make data and information so easy to understand and relevant that leaders can't wait to explore it.

But while enabling a skills-based internal talent marketplace has been a hot topic, few have been able to implement this successfully. Part of the problem is the self-reporting required to obtain an inventory of the organization's skills and assessing their accuracy. Other challenges include capturing data from frontline workers, assessing expertise, and identifying skill adjacencies or connecting to internal openings or gigs.

Some companies have had success in connecting frontline and hourly workers to skill databases and internal marketplaces through smartphone apps. Others are experimenting with AI to help analyze large datasets and identify skills for future roles. By analyzing what skills are associated with certain positions, new models will predict additional skills the employee or manager may have overlooked. This is expected to allow organizations to execute career shifts on a large scale for those whose current jobs will be heavily impacted by Al and automation.

# How the function is using GenAl

People analytics leaders are using GenAI today to perform data analysis, synthesize sentiment analysis, and build prediction models. The technology is also currently used in the analytics function to research policies and benchmark performance data.

# What People **Analytics Leaders Say Their Organizations Should Focus On**

The people-centered priorities members of i4cp's People Analytics **Board** say their organizations should focus on in 2024 are:

- Data analytics
- Generative AI
- Manager capability
- Leadership effectiveness
- Culture



The people analytics function will be relied on to provide deep workforce insights to enable faster and better-informed decisions by senior leaders.

# **People Analytics Leader Predictions**

- Strategies and decisions will increasingly be informed by GenAI through sophisticated data analytics and predictive modeling. In forward-looking organizations, the people analytics function will be relied on to provide deep workforce insights to enable faster and better-informed decisions by senior leaders.
- Delivery of data and insights will be automated, such as the analysis of hybrid work models in workforce planning. People analytics will also take on more performance metrics, like measuring the efficiencies of development programs and identifying future workforce needs.
- HR's analytical capability will persist in being a challenge to build, particularly as the use of AI continues to expand. Developing HR skills to enable this work will be more challenging than expected, and increasing data acumen in HR will require significant investment in training and development.
- The number of people analytics leaders reporting directly to the CHRO will continue to grow as the function becomes even more critical to the success of the enterprise.

# Advent Health



Michael Page HRIS Executive Director AdventHealth

44 Organizations may spend a lot of money chasing new ideas (technology) to solve big issues or seize on perceived opportunities. Some might see great success while others see reduced return on investment, especially if their choices only partially fit their business needs.

I think the one of the new values of people analytics is understanding what the true issues and opportunities within a company are and how to measure the opportunity of applying nuanced approaches to ideas and issues being prognosticated about in the media."

# ROI INSTITUTE®



Patti Phillips, PhD CEO, ROI Institute Chair, i4cp People Analytics Board

While it's been a long time coming, the assumptive value of people analytics is no longer good enough. Demonstrating value for money invested in technology, capability building, and analytics solutions is imperative. It's time for the people analytics practice to deliver value beyond the output it generates—it's time to demonstrate value in terms of the impact it has on the organization."



# Talent Acquisition Leaders

# 2024 Talent Acquisition Leader Priorities

- 1. Balancing the use of AI with human touchpoints to optimize candidate experience, reduce selection bias, and speed processes.
- 2. Aligning to skills-based recruitment and development.
- 3. Increasing collaboration with talent leaders and HR business to enhance employer brand and strengthen connections between employee value proposition and employee experience.
- 4. Enhancing and expanding intern and early career programs to build more performance-ready and cost-effective talent pipelines.

Skills-based recruitment, employer brand, and refining employee value proposition are on the list of important priorities.

Talent acquisition leaders anticipate substantial and continuous change in their function throughout 2024, with skills-based recruitment, employer brand, and refining employee value proposition on the list of important priorities. Broadening the implementation of GenAl is expected to increase speed and efficiency and decrease costs for the function, but also will require massive shift in focus and upskilling. The need for the development of new tools, resources, and programs will involve partnership with total rewards, DE&I, and HRBPs to analyze and deliver on what's best for the organization's workforce.

TA leaders must adapt to an environment heavily influenced by things beyond their control, such as geopolitical issues, economic uncertainty, and political instability, which topped every TA leader's list of concerns for 2024. Events of the past few years have demonstrated that understanding global events and having response practices in place ahead of time are essential to maintaining the employer brand and the ability to attract and keep talent.

Because they are generally early adopters of AI (and as GenAI evolves at breakneck speed), talent acquisition leaders will be called upon to advise their organizations on AI strategy and implementation. TA leaders are spending more time on analytics, in addition to enabling effective workforce planning. This data promises to provide deeper insights into sources of key hires and the skillsets that enabled top performance. Further, AI presents tremendous opportunity for TA to automate, accelerate, and personalize the candidate experience, while at the same time posing new challenges such as identifying dubious AI-generated resumes.

# How the function is using GenAl

Members of i4cp's Talent Acquisition Board reported they currently use the technology for: generating streamlined, targeted job descriptions; drafting recruitment communications; identifying passive candidates; connecting candidates to chatbots that help them find roles; dynamic job placement; suggesting interview questions and assessing for potential bias; analyzing social media and making recommendations for responsive job advertisement placement; writing offer letters, and more.

#### What TA Leaders Say Their Organizations Should Focus On

Members of i4cp's Talent
Acquisition Board believe
the people-centered
priorities of their
organizations in 2024
should be:

- Leadership effectiveness
- Culture
- HR systems

   (e.g., technologies, automation)
- · Workforce well-being
- · Generative AI



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# **Talent Acquistion Leader Predictions**

- Al will fully manage the candidate cycle and improve on tasks such as refining job descriptions, suggesting SEO terms to enhance visibility, resume screening, managing initial interactions with applicants, etc. GenAI will become relied on to develop policies and procedures for recruiters to ensure consistent candidate experience, check job postings for brevity and clarity, flag potential bias, conduct candidate skill-to-role matching, support skills assessments, and draft interview questions.
- Al advancement will require full-scale reskilling of TA in many organizations. While AI will continue to eliminate redundancies, it will require that the function is prepared to adapt to changing technology and processes. As TA is upskilled, there will be greater focus on data analytics and predictive analytics. More strategic responsibilities will be added as GenAI is integrated into all aspects and phases of talent acquisition.
- Early career hiring strategies will be overhauled, and proactive hiring strategies will become more common. Also referred to as "designate hiring" programs, these programs hire for key skills without an open role for immediate placement. Allowing timeframes ranging from 60 to 180 days before a role is open or defined enables organizations to acquire key talent before the competition does.
- Generative AI will be leveraged to guide recruitment strategy and to analyze the skills and skill gaps within the workforce. It will also run industry trends comparisons, and provide insights and suggestions for recruitment strategies, outreach, development of both internal and external talent pools, and more.





Melissa C. Thompson Global Head of Talent Acquisition Ford Motor Company

44 Though it has only been a year since ChatGPT launched, it's impact on how we see, use, and engage with AI has been dramatic. Talent acquisition leaders are beginning to identify ways that generative AI can be a partner helping to analyze large data sets like candidate experience verbatims; redesign communications to make them more engaging or propose measurable actions to drive talent attraction tactics. Considering how AI can enable the continued talent acquisition transformation journey is a critical step for high-performing organizations as we move into 2024."

# servicenow



Sarah Tilley Senior Vice President Talent Acquisition & Development ServiceNow

44 Talent acquisition has evolved beyond competing with other organizations for top talent into a race for skills. In 2024, CEOs and business leaders will continue to experience a global shortage of skills, however there will continue to be a supply of capable people, prompting a strategic shift towards skills-based hiring and promoting a culture of learning and development.

Despite years of discussions among HR leaders about the need to assess individuals beyond specific experiences. the reliance on traditional methods has endured. The breakthrough lies in embracing an HR skills intelligence system and platform, infused with the power of AI. This approach allows organizations to predict, identify, and unleash the potential of diverse and often undervalued individuals, addressing both business challenges and social issues hindering career opportunities."



# Total Rewards Leaders

# 2024 Total Rewards Leader Priorities

- 1. Improving pay equity and transparency across roles.
- 2. Aligning compensation with evolving organizational priorities.
- 3. Leveraging GenAI to deliver personalized rewards and benefits that address the needs of the individual and the business.
- 4. Rewarding leaders who deliver on positive business outcomes and advance employee experience.

Total rewards leaders expect to focus on employee well-being as an engagement and talent retention strategy in 2024. Total rewards leaders have broad understanding of the many business imperatives touched by total rewards programming (leadership development, talent acquisition, retention, employer brand, transformation, and more). They plan to actively support stronger business outcomes by leveraging new technologies, evolving capabilities in data and analytics, and honing predictive proficiencies. Total rewards leaders expect to focus on employee well-being as an engagement and talent retention strategy in 2024.

While GenAl and its potential uses to heighten efficiency and effectiveness of total rewards processes and tools is on everyone's minds, some companies continue to struggle with more rudimentary issues, such as return-to-office mandates and how to best implement and communicate about them. Other issues, such as developing managers' abilities to communicate more effectively with employees about compensation practices—particularly pay equity and pay transparency—are a concern, especially how to educate and support managers in those efforts to create more exceptional people leaders.

TR leaders are concerned about external issues such as macroeconomic uncertainty and global political instability. Within their industries, they are also concerned about competitive use of generative AI, and their organizational reputation and employer brand.

The greatest perceived organizational strengths cited by TR leaders are the specific programs that make up total rewards (comp, benefits, recognition), culture, talent attraction, talent retention, organizational trust, and workforce collaboration.

Organizational weaknesses include GenAl and manager capability, followed by HR communications, HR systems (technologies, automation, etc.), workforce development, succession management, organizational trust, HR structure, data analytics, performance management, and internal mobility.

# What Total Rewards Leaders Say Their Organizations Should Focus On

Members of i4cp's Total Rewards Leader Board believe the peoplecentered priorities of their organizations in 2024 should be:

- Generative AI
- · Workforce development
- · Leadership effectiveness
- Succession management
- Workforce well-being
- Culture

# ROBLOX



Supriya Bahri Vice President Total Rewards Roblox

The pandemic reshaped the workplace, with the majority of employees showing a preference for flexible and remote work. Wage growth, while slowing, will remain notably high, outpacing inflation for the first time in two years, influencing employees' expectations."



Within their industries. TR leaders are concerned about competitive use of generative AI, and their organizational reputation and employer brand.

# How the function is using GenAl

GenAl is being leveraged in TR to predict outcomes of rewards strategies to improve workforce planning and decision-making on talent, optimizing compensation models by recognizing both internal and external influences and trends, creating custom compensation and benefits packages, and assessing pay equity.

#### **Total Rewards Leader Predictions**

- Data and analytics will see concurrent evolution that will drive efficiencies and improvements in total rewards planning and reporting, while also enabling more strategic and objective identification of high-impact priority areas.
- GenAl will deliver on personalization and be leveraged to analyze data to understand individual employee performance, skills, and contributions, enabling organizations to provide more personalized and meaningful compensation packages.
- Pay transparency legislation will expand, particularly in the U.S., requiring that organizations disclose their compensation practices, which will fuel renewed attention to pay equity and pressure for openness.
- Compensation and rewards will be tied to GenAl skills, and upskilling and reskilling will increasingly be tied to compensation.







**Gordon Blasius** i4cp's Total Rewards Leader Board

Rapid technological advances promise greater insights and efficiencies. Yet the success of our people will continue to determine our success. Companies will continue to innovate and improve the mechanisms that make their teams great, such as leadership and workforce development, culture and wellbeing advancement, and the alignment of rewards with organizational objectives and employee imperatives."

# World-class research meets thriving community.



When your organization becomes an enterprise member of i4cp, it joins a powerful community of human capital practitioners who work closely with both our research team and each other to discover and put next practices into action—approaches that are highly correlated to market performance but that few organizations are using.

Many of the world's most prominent organizations and HR leaders turn to i4cp to better capitalize on emerging workforce trends. And enterprise membership means your entire organization has access to this community, which provides data-driven insights that help organizations better anticipate, adapt, and act in a constantly changing business environment.

# Why i4cp?

# 1. Next practices

Be at the forefront by implementing emerging, cutting-edge approaches, and benchmark your progress. Our research helps you prioritize your initiatives through a business lens and advance the skills of your entire HR team.

# 2. Community led

We look to our community of practitioners to avoid groupthink and narrow perspectives, and guide our research, which expands the value, scope, and depth of insights shared. Further, members receive rapid guidance on new and sudden challenges, enabling them to pivot quickly and decisively.

# 3. Peer connections

Our members are connected to one another, enabling the exchange of experience and insights in real-time. This network helps members make real-world decisions and execute based on what has worked (or failed). And we make these connections at all levels—from the CHRO to individual contributors—via a variety of channels and formats.

# 4. Insights without limits

From strategic CHRO guidance to tactical tools, i4cp membership isn't limited to benefit the few—any employee of a member organization is eligible (and encouraged) to tap into the research, community, and library of resources to advance initiatives and develop capabilities.

i4cp is the leading authority on *next practices* in human capital. We welcome you to **join our community**.

Become an enterprise member.

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And we extend appreciation to the Chairs and Member Co-Chairs of i4cp's Boards:

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# Learn more at i4cp.com

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