

7 priorities for leaders in their 2023 HR strategy

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More businesses are seeing the value of a human-centric strategy as change and upheaval in the workplace continue.



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People want a sense of connection and belonging in these challenging times. It is crucial to view team members as individuals rather than just as workers, and leaders who have adopted this approach have an advantage over their competitors.

We must approach situations with empathy, and adopting a coaching leadership style can have a significant impact.

Here are important areas that leaders should concentrate on in their 2023 HR strategy.

1. Continue with un- and re-learning

Bite-sized learning opportunities are critical for building capacity for the future. Preparing leaders for the future of work remains a top priority. Many businesses promoted their top talent to retain them during the great resignation.

Due to the skills crisis, several organisations have been open to the idea of recruiting less experienced individuals for managerial jobs. This means that today's leadership pipeline is filled with new candidates that have little to no managerial experience.

Other obstacles to navigate include managing hybrid work, managing remote teams, and adapting to new demands on leaders who must now personify the company purpose, lead with a human-centric perspective, and collaborate with more internal and external stakeholders.

HR will have a role in listening to the employee voice, which is becoming more and more crucial for firms with hybrid and remote working policies, in addition to being explicit about expectations. HR must guide leaders through any pertinent concerns and help them grasp the tone (or mood) of the organisation.

This implies even more focus on building management and leadership capabilities.

McKinsey & Company has identified 56 foundational skills that will help both leaders and team members to thrive in the future of work. They are divided into four areas: cognitive, interpersonal, self-leadership, and digital. Note that the list comprises a mix of skills and attitudes. They are:

Cognitive		Interpersonal	
Critical thinking ● Structured problem solving ● Logical reasoning ● Understanding biases ● Seeking relevant information	Planning and ways of working ● Work-plan development ● Time management and prioritization ● Agile thinking ● Ability to learn	Mobilizing systems ● Role modeling ● Win-win negotiations ● Crafting an inspiring vision ● Organizational awareness	Developing relationships ● Empathy ● Inspiring trust ● Humility ● Sociability
Communication ● Storytelling and public speaking ● Asking the right questions ● Synthesizing messages ● Active listening	Mental flexibility ● Creativity and imagination ● Translating knowledge to different contexts ● Adopting a different perspective ● Adaptability	Teamwork effectiveness ● Fostering inclusiveness ● Motivating different personalities ● Resolving conflicts ● Collaboration ● Coaching ● Empowering	
Self-leadership		Digital	
Self-awareness and self-management ● Understanding own emotions and triggers ● Self-control and regulation ● Understanding own strengths ● Integrity ● Self-motivation and wellness ● Self-confidence		Digital fluency and citizenship ● Digital literacy ● Digital learning ● Digital collaboration ● Digital ethics	
Entrepreneurship ● Courage and risk-taking ● Driving change and innovation ● Energy, passion, and optimism ● Breaking orthodoxies		Software use and development ● Programming literacy ● Data analysis and statistics ● Computational and algorithmic thinking	
Goals achievement ● Ownership and decisiveness ● Achievement orientation ● Grit and persistence ● Coping with uncertainty ● Self-development		Understanding digital systems ● Data literacy ● Smart systems ● Cybersecurity literacy ● Tech translation and enablement	

¹Distinct elements of talent.

McKinsey
& Company

Image: Supplied

Future skill requirements will necessitate continued skill development, hence it is essential for everyone to be lifelong learners.

2. An agile mindset is not a nice-to-have (anymore)

Agile HR is not a new concept. HR departments began utilising the agile approach of working even before the pandemic to be more responsive and complexity-adaptive. It's crucial to comprehend the distinction between "doing agile" and "being agile."

Teams can't adopt agile practices without a mindset shift. This is not effective as agile is about a new attitude and habit of thought. There is no recipe to follow when adopting agile HR practices - one needs to continue to focus on understanding the value chain and evaluate where HR practices and processes may be the bottleneck and require adjustment.

3. Use virtual reality to enhance the employee experience

The metaverse refers to augmented reality that combines aspects of the digital and physical world. This opens many possibilities to enhance employee experience and can be used for onboarding in hybrid workplaces, but also to increase collaboration, productivity and learning.

The importance of a team being onsite, remote, or hybrid is overshadowed by the need to enhance the employee experience outside of the workplace. An employee value proposition (EVP) that clearly communicates organisational initiatives will be more crucial than ever in light of this transition.

According to [Gartner](#), by 2026, a quarter of the workforce will spend at least one hour a day in the metaverse. This indicates that 2023 will serve as the beginning point for actions for the forward-thinking HR teams. This suggests that some of these initiatives, such as virtual events, employee onboarding, career fairs, and meetings, will be launched by the biggest companies in this field in 2023.

Employee onboarding and training give HR one of the strongest use cases for metaverse adoption, according to professional services giant PwC.

However, there are additional factors that could influence businesses to adopt metaverse technologies quickly. When HR gives employees virtual reality headsets for training, it is also upgrading their technical skills.

The small number of companies who have started taking advantage of the metaverse's possibilities will have stronger employer brands, more interesting interactions with remote team members, and also boost productivity.

4. ESG continues to be a high priority

What is your business's impact on the world? The acronym ESG stands for environmental, social, and governance, and remains a major consideration for HR leaders. Younger employees continue seeking employment with green consciousness and sustainable business practices.

ESG goals should be a priority for the leadership team, and HR leaders should play a significant role in achieving these goals. This may range from giving employees time off to participate in community projects to teaching employees skills to improve the business's green economy.

5. Redefining remote and hybrid work strategies

[LinkedIn data](#) shows that remote jobs, which make up around 20% of all jobs on LinkedIn, received over 50% of all job applications!

Additionally, HR professionals will educate themselves and management about combatting proximity bias, which is an

ingrained propensity to favour local employees over remote workers. Establishing objective performance indicators, promotion standards, and pay raise standards will be their main focus.

6. Renewed focus on change management

As businesses formulate and introduce policies for the hybrid way of working, change fatigue is rising. Change fatigue is a real challenge in many businesses. According to the Gartner Workforce Change survey, a drop of 36% is visible from 2016 to 2022. In 2016, 74% of employees were willing to change work behaviours to support business changes and this dropped to 38% in 2022.

The need for HR leaders to coach leaders to understand the impact of change on humans plays a significant role to mitigate the impact of change on teams.

7. Total well-being and self-leadership

Numerous studies show that there is more stress, anxiety, and burnout in the workplace. This calls for an emphasis on all facets of well-being, including mental, physical, and financial welfare.

The pandemic has stretched many HR teams, forcing them to work at a new level while concentrating on their personal well-being.

HR will need to first deal with its own burnout crisis. Human resources specialists should put on their own oxygen masks first, even though this may go against their profession's inherent need to prioritise aiding others. If not, the department won't be able to support the rest of the company. Setting an example for others is therefore crucial.

Organisations will take more responsibility for this looming burnout crisis among employees across the business. First, because it is the right thing to do, and second, because it poses a threat to the continuity of the organisation.

Final words

For HR, 2023 will be a year of tremendous opportunity. But there are several obstacles to overcome.

Firstly, HR can be seen as the 'heart' of the business, and the people as the pulse. HR must prioritise their own needs first and keep strengthening their resilience. This will put HR professionals in a better position to improve employee welfare and assist firms and leaders in preparing for new challenges as they arise.

Secondly, businesses must embrace a broader perspective and recognise that HR trends affect the entire company, not just one department. They need to think about how HR can be a crucial part in managing organisational change. To effectively manage the changes in the workplace, business executives and HR must work closely and acutely together.

ABOUT ANJA VAN BEEK

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