

10 Predictions About Work and Leadership This Year

HR executive | Dean Carter | February 8, 2023

Three years ago, the once-distant future of work landed in our laps when a global pandemic changed everything.

The roles of HR leaders became more complex, as organizations placed more emphasis on employee safety and wellbeing, communications and DE&I, among other areas. And in the transformations that followed, the CHRO has become a more strategic role; in a recent Accenture survey of 570 CEOs, 89% said CHROs should have a central role in ensuring long-term, profitable growth. Also in that survey, finding and developing talent was tied for the top business priority CEOs identified, and almost four in 10 CEOs said that finding and developing talent was their top focus for driving growth over the next three years.

Coming out of the events of the last few years, it strikes me that what we need now is a "CHRO compass" to help us navigate through uncertain terrain while always pointing back to our North Star. With that in mind, I'm launching Guild's CHRO Compass, an effort to build a purpose-centric HR community to elevate and reimagine our field.

Today, I'm sharing my top 10 predictions about work and leadership for 2023. If these spark your interest, let's connect.

1. Every company is a country.

People used to look to their elected officials and governments for public leadership. Now people trust businesses more than any other institution to create safety and stability in an uncertain world. Purpose-centric CHROs understand this dynamic. We have a responsibility to lead positive societal change from our platforms as business leaders. Together, we can rethink approaches to culture, benefits and employee growth that will have broad-reaching implications for our employees and the communities they represent.

2. CHROs will be the compass.

With employees looking to their workplaces for everything from community, justice, security and friendship, the new cadre of CHROs is poised to bridge traditional business goals with a new set of workplace table stakes. As we rebuild, we have a once-in-a-century chance to create something better that is more grounded in purpose. We can advocate for societal change from within as our companies' moral compass. To meet current expectations of employees, we need to deliver an experience that is more regenerative and fulfilling, improves people's lives and feels less extractive.

3. Yesterday's leadership styles will finally retire.

Human-centered leadership will prevail. The top-down, patrician, homogenous leader stereotypes that shaped generations of corporate warriors are ready for their permanent

makeover. Since March 2020, we've seen the emergence of management qualities and styles that have proven essential to guiding organizations through rocky times. Humility, authenticity, a learning orientation and the ability to make people feel seen and heard will all be critical to motivating and engaging teams that will do the jobs of the future. Leaders who can project their own humanity—and reflect others'—will be most successful at attracting, retaining and developing employees.

4. Growing inequality will spur the C-suite to embrace innovative approaches.

Societal disruptions are on the rise with social unrest, populism and distrust in capitalism, institutions and democracy. Over the next three years and beyond, we'll face additional disruptions and challenges that are both predictable and surprising—stemming from economic, climate and political shifts. While fears of recession and recent layoffs are in the headlines, the labor market on Main Street remains tight. The most successful companies will embrace HR strategies that seek internal stability through community-building and equitable practices.

5. Future-proof skills and career mobility will eclipse pay.

While compensation remains employees' top priority, they also have their eye on the durability of their capabilities in a changing world. The opportunity to learn, grow and develop new skills is becoming an ever-closer second-place priority, as people have their eye on the uncertainties that increasing automation and digitization will bring. Employees can see that, while a fatter paycheck will feel better today, the skills and experience that come from high-quality learning opportunities will put them on a more secure footing for tomorrow. CPOs like Teuila Hanson at LinkedIn helpfully note that career mobility efforts can also reinforce DEI strategies.

6. CHROs will influence a bigger slice of the corporate budget and strategy.

In 1975, 83% of S&P 500 assets were "tangible": plants, property, equipment and other physical goods. But by 2015, 84% were "intangible": the humans who power the knowledge economy. When companies say, "People are our No. 1 priority," this is what they mean. Paying people who have the right skills and competencies to learn how to do the jobs of tomorrow has a huge impact on the bottom line. CHROs need to be able to advise and influence on the right strategic investments given this new reality.

7. Every board will seek a CHRO.

The top conversation among every company's board of directors today is about talent, but most boards are missing a critical piece: anyone with professional experience centering on pay and people. That will finally change in 2023. Boards will strategically invite new members who can lead decision-making on executive compensation, succession and labor risks, as well as well-informed discussions on employer brand, people experience and employee engagement. These people-focused topics are critical to the bottom line and contribute to strong brands, attractive valuations and sustainable businesses. This is why my company, Guild, includes Johnny C. Taylor, Jr., the president and chief executive of SHRM, the premier professional organization for HR leaders.

8. Employee experience is now brand, and brand is employee experience.

Companies that treat people well will be rewarded. Those that treat them poorly will be punished by the market's sensitivity to reputation. Look at Elon Musk, for instance. The way he treats people is his brand—and is the brand of his companies. He may be one of the richest people in the world, but the way he's treated Twitter employees has affected not only Twitter but also Tesla's stock price and will no doubt affect sales in 2023. Today, leadership has an outsized impact on both internal company culture as well as on external brands with direct market implications.

9. The WFH revolution is here to stay.

Many leaders who have been in the workforce for three decades or more wish everyone would just go back to the office. But as it turns out, we're never going back to 2019. One reason: The pandemic sparked a massive explosion in innovation and investment to support work-from-home collaboration and sharing. Patent applications for remote work products have doubled each week since 2020—and continue to rise. Work-from-home days appear to be leveling off, around 30%; but despite its popularity, WFH is far from perfect and poses some big strategic challenges, including how to reinforce positive community, culture and collaboration.

10. Work is our (new) community.

CHROs are the new Chief Community Officers. People working in hybrid and remote workplaces are reporting feelings of disconnection and disengagement like never before. As CHROs, we're no longer managing office spaces. We're managing communities. As our organizations' moral compasses and advocates, we'll need to reinforce positive work cultures and human connection across boundaries of space, meeting people where they are at every important life stage and moment. That's something we're incubating at Guild (more on that soon), and I'm looking forward to hearing what's working for you too. Our work communities are becoming more representative of all ages, more equitable for those seeking opportunity, more connected and agile, and more inclusive, providing different ways of belonging.

For 2023, my compass is pointing to this North Star: finding purpose in community and community in purpose.

I'm excited to join with other purpose-centric CHROs as we incubate ways to make work more regenerative, fulfilling and positive for employees, their loved ones and their communities.

I'd love to hear your thoughts too. What is your compass pointing toward this year?