2024 HR Predictions

Remaking work for a new world

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Navigating the new world of work

With the rapid, unabated rate of change in technology and the world of work, it has never been more important for HR leaders to stay current with the latest trends and understand what those trends mean for their organizations. The rise of skills-focused job architectures, talent marketplaces, and just-in-time talent intelligence are a few examples of how the HR industry is evolving. Knowing what else is ahead allows you to position your organization to flexibly conquer new challenges, streamline processes, and prepare your people so they are both eager and equipped for success.
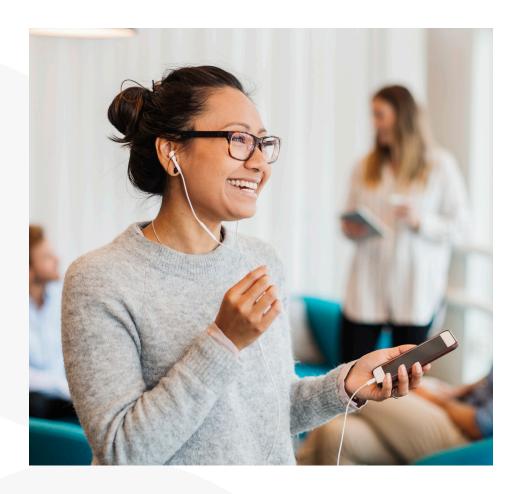
To help continue strengthening your talent management programs in 2024 and beyond, we spoke to industry experts, customers, and Cornerstone thought leaders about the trends they see evolving work and what you can do to evolve with them.

2023 was an eventful year in talent management specifically and HR more generally.

Consider just a few of these developments:

- AI and its powerful impact on how we conceive, plan, and execute work — not to mention its potential to personalize training

- Maturing practices in hybrid work, especially those that enable meaningful collaboration

- Recruiting that is based on skills rather than checking the box for predefined tasks

- A continued reduction in investments for diversity, equity, inclusion, and belonging (DEIB) teams and initiatives

- Agile talent management models that help to ensure top talent is available to meet current and long-term business challenges

We identified some of these dynamics in our first **Talent Health Index,** which defined the essential components of a complete talent program and explained how to overcome the most pressing talent challenges organizations are seeing in the market. For the index, we surveyed more than 700 talent business leaders and more than 1,400 employees across North America, Europe, and Asia Pacific.

Our 2023 Talent Health Index revealed

41%

of surveyed employees don't believe they have what they need to develop their skills

Over 60%

of organizations aren't yet leveraging AI technology to optimize their talent programs

59%

of employees are on the lookout for more career guidance

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Well-managed AI is no more biased than the data that feeds it in the first place, which comes from the humans who've been working on it. So let's stop operating in fear and take the opportunity to minimize that bias. Let's talk about how we can ensure that we all understand what trains our AI, that we all have our heads around which tools we can use that are risk-free and that we have a quality control process afterward."

Meredith Wellard
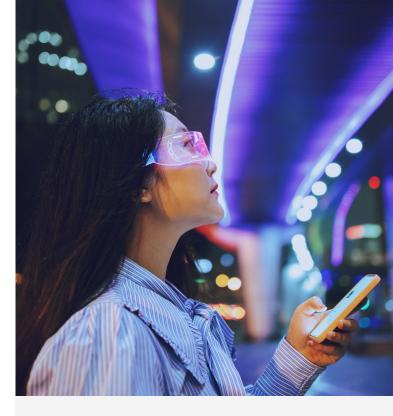VP of Group Talent Acquisition
Learning and Growth
DHL Group

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A talent program has many dimensions that contribute to its overall health. Because sweeping predictions about HR aren't helpful or actionable when looking to the future, **we've organized this report to reflect the same seven dimensions we chose for our Talent Health Index:**

1   Culture & Technology

2   Skills Strategy

3   Learning & Development

4   Content Strategy

5   Performance Management

6   Talent Mobility

7   Talent Reporting, Data & Analytics

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I can see talent strategy evolving because of AI in two ways. One: I think it's going to be easier to map skills and map them to content. Two: You can do role-playing with AI to assist people in their learning. I think the ability to make that more available to more people is really going to change the landscape."

Chad Otto
Director of Global Learning
Learning Technologies and
Content Development
Encore

> The world of work today is almost unrecognizable from what it was just a few years ago. Today, employees want control over their unique career paths. The 9-to-5 beat is fading, and new ideas like fractional talent are emerging. We are navigating more legislation and compliance than ever before. The skills confidence gap is stubbornly expanding. And, of course, AI promises to accelerate it all beyond our imagination.
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> Learning has the ability to shape this transformation. But for organizations to truly thrive in 2024 and beyond, learning must be personalized and accessible, and technology must be responsible, intuitive, and intelligent. Most importantly, learning strategies must stay at pace with the changing needs of the workforce. It is only then that you will bear witness to the power of a truly holistic learning and talent experience."

Himanshu Palsule
Chief Executive Officer
Cornerstone

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Culture & Technology

Mature organizations have implemented a wide range of cutting-edge HR and talent technologies that are propelling their businesses forward. Across these organizations, people view learning and knowledge sharing as strategic differentiators.

The right information at the right time for the right needs will be a focus for 2024. Organizations have always needed to leverage HR and talent technology to build a positive workplace culture and successfully meet changing demands. In 2024, leaders must also leverage HR technology for just-in-time learning. This is true for learners and employees, but it's also true for the HR professionals responsible for planning and executing strategies to develop and retain their people.

Cornerstone Chief Product Officer Karthik Suri describes the impact of just-in-time learning as the intersection of "you" (the organization) and "me" (the employees, individual contributors, and managers) to create the combined force of a "we" where each employee has what they need for their own growth and development and can meet the best interests of the organization to win together.

AI-powered personalization will be key to streamlining the flow of talent processes and providing development at the point of need. Since today's workforce has several different generations of workers, everyone develops differently and has different expectations for growth. Organizations need to build a culture that supports this diversity.

Open architecture is another strong trend. An open architecture is built on open standards and protocols, making it easy to integrate with other systems, including those from different vendors. It's modular, flexible, and interoperable, giving HR leaders the optionality for best-of-breed capabilities. Now more than ever, it's important that HR technology can connect and integrate with other business systems. This open architecture approach saves time and resources and ensures that data is working together to deliver insights on your business as a whole. It's not just about getting data but also about using it to push your organization and people forward in a connected way.

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Talent strategies need to align with the rest of the world. Everything is faster, everything is more organic, and the way that we deploy learning and development opportunities to the workforce has to meet that pace. That's why the use of AI and a focus on skills to generate content and consume it, in the flow of work, is where organizations need to be heading."

Josh Silva
Manager
Educe

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Skills Strategy

Mature organizations can identify skills across their workforce and proactively tackle skills gaps by transforming the business into a skills marketplace for workforce planning.

Skills as currency in human capital management will continue to see more investment and buy-in. The demand clearly exists since 65% of surveyed employees in our 2023 Talent Health Index want additional skills content.

Hiring for skills will become a primary input into strategic workforce planning, accompanied by a continuing shift away from hiring solely for experience. HR leaders with this skills-based lens will use development and hiring to align with the notion of have, want, and need — what skills do I have, and which skills do I want to create the organizational outcomes I need?

Skills ontologies are connected to hiring for skills because organizations can use them to make hiring more practical and powerful by creating a shared skills language across your organization.

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We know that an internal-first mobility mindset is a best practice and imperative. By prioritizing training, upskilling, and reskilling initiatives in 2024 and beyond, the collective self-improvement of employees becomes a shared benefit for the entire organization. I see skills-based succession planning becoming the precursor to strategic workforce planning. Going forward, it's imperative for HR leaders to view skills themselves as a common language to democratize development and execute effective workforce planning."

Mike Bollinger
GVP, Strategic Initiatives, Cornerstone

Skills ontologies: Putting skills into context

An **ontology** is a set of concepts and categories in a subject area or domain that shows properties as well as the relationships between them. Unlike a skills database, a skills ontology creates a rich context for how skills are related to each other within and across vastly different subject matter areas. For example, an ontology can show how specific sales skills relate to marketing, administrative, or project management skills, while a database or taxonomy is limited to showing how the same skills relate to one another only within sales.

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Learning & Development

Mature organizations have implemented more than just a robust and formalized learning program. They are transforming themselves into proactive skills marketplaces that empower their employees to not only build the skills needed for their own journeys but also help their organizations identify the skills needed now and for the future so they can develop their people and improve workforce agility.

People will use AI more extensively during 2024 to map existing skills to content, improve instructional design, and support the creation of learning and development tools such as virtual coaching. All of this will significantly increase efficiency.

Intentional AI will also rise in importance by delivering dynamic, personalized experiences in moments that matter. Through customized learning paths filled with bite-sized trainings, organizations will use AI to make it easier for their staffs to train efficiently and effectively.

Only 38%

of companies are currently using AI to its fullest potential in their talent programs, according to the Cornerstone 2023 Talent Health Index. Surprisingly, those companies with over 10,000 employees use it the least.

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It's exciting to see the AI pendulum for L&D leaders swinging away from anxiety and toward highlighting all kinds of new possibilities — how quickly they can create new content, how easily they can pull better insights into learning analytics, even how efficiently AI can help them do their own jobs in terms of new workflows and processes. I think this journey from being in a state of conscious incompetence about AI to conscious competence about its value will only continue."

Marc Ramos
Chief Learning Officer
Cornerstone

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Content Strategy

Organizations' content represents a critical element of their learning and development program. As we move into 2024, organizations will curate their learning content more closely and more regularly and more directly tie it to business challenges as a solution.

User-generated content will become more integrated into organizations' content strategies, and the technologies that support it will make it easy to format, store, and access the content. For organizations on the leading edge of their industries, the ability to generate and leverage this content will allow team members to develop skills faster and more effectively serve customers.

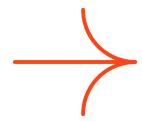**Content value and impact** will become important KPIs that learning officers and HR leaders will need to measure and report out to their organizations as a significant uptick in demand for learning content at work continues. As noted in our 2023 Talent Health Index, nearly half of employees don't believe they have what they need from their employer to build the skills they will need for the future. This disconnect will place a spotlight on employers, pushing them to make investments in the right technology to support learning and development demands.

Accessible learning for people with disabilities will become more strategic to organizations for

attraction as well as retention. Collaborating with employees to create accessible learning learning will require removing barriers that often define existing modalities.

More instructional designers will turn to AI to quickly create content. So-called co-pilot methods, where the designer collaborates with an AI agent or LLM-based tool, will increase in importance, just as co-pilots are becoming more popular in skill-building experiences themselves.
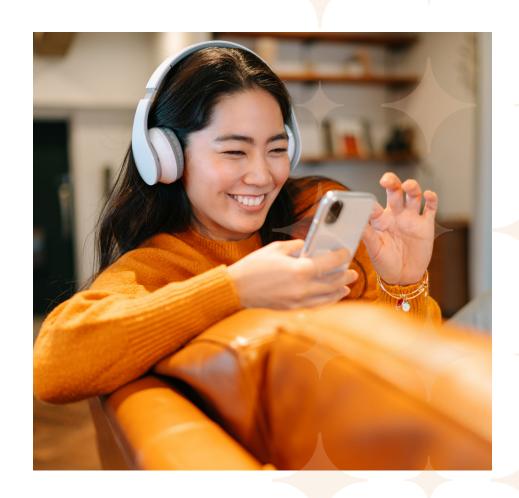
Nearly half of employees **don't believe they have what they need** from their employer to build the skills they will need for the future.[1]

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Microlearning is becoming a major focus now, so having AI technology, the skills library, and competencies all built into our platform allows employees to see where they are and where they can move forward in their career pathing. **What we're looking for in the future is a way to validate that knowledge from this content was actually delivered and the person is actually using this skill.**"

Jason Shepherd
LMS Administrator
MedPro Group

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Performance Management

Leaders in mature performance management organizations will continue to drive performance as a strategic process to achieve business outcomes. HR teams are likely reviewing data and spotting trends and biases, ensuring the workforce has full visibility and transparency into performance goals, metrics, and results.

Over the course of 2024, expect to see these five performance management trends.

Objectives and key results (OKRs) will become more widespread as a framework to help organizations manage their performance and goal-setting. Originally developed in the 1970s, OKRs are enjoying a strong resurgence — replacing SMART goals many of us learned in the workplace — because they identify key objectives at the top of the organization and give teams a way to locate and direct themselves toward achieving these company goals.

The move away from annual, manager-driven performance reviews will continue, with managers replacing them by adopting ongoing performance conversations that happen in a more agile fashion, for example, on a quarterly basis. Over the next three to five years, employees will increasingly drive these reviews and, as a result, feel more empowered to drive their own development.

Formal rating systems and scales will continue to be replaced by simpler assessments of whether employees met or did not meet specific objectives. These assessments will use open-ended questions about performance

and even career development objectives.

Using AI for performance statements and reviews will streamline the process of compiling these documents while making them more accurate. AI products are now available that will gather and analyze data such as employee feedback, self-assessments, and work productivity metrics. Expect more of these products in the coming year.

Tying performance conversations to skills will increase among both employees and managers. Both will be more eager to discuss how they'll develop skills and which learning resources employees can use to strengthen the skills they're targeting.

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As organizations become more comfortable with democratizing decisions, employees will initiate performance management conversations. As that happens, I think performance management will begin to develop into what's called performance development. So instead of these performance conversations always being about what did you do or produce for me today or this year, it will be more about how the work is helping them professionally grow and develop. And, of course, how does that development add value to the organization?"

Cheryl Paxton-Hughes
Director of Strategy Services, TLAS, Cornerstone

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Talent Mobility

Many organizations are taking a fresh look at their employee value propositions to reset and redefine what workers gain from being with the organization and how they can use their skills across departments and even business units. That's one reason why internal recruiting will become more proactive in 2024, as organizations give employees more transparent insights into open positions, projects, and gigs, as well as the job requirements and skills needed to move around in their organizations.

Connecting employees with business-critical skills they are passionate about will become a greater focus. These skills are the ones that leaders know they need in order to create adaptive businesses and agile organizations that attract new employees and retain existing ones.

Initiatives to foster greater project variety for employees will be a natural outgrowth of greater skills as organizations offer employees more opportunities to take on internal stretch projects, gigs, and different roles within the organization.

Supporting internal talent mobility will be a strong push, aided by organizational leaders who discourage talent hoarding and celebrate internal talent mobility and collaboration. This will require building the capability of leaders to understand the value that developing and sharing talent adds to the organization overall. Leaders rightly want to keep the best people on their teams, but being aware that opportunity exists for people to grow beyond their teams, and that talent from other teams can ease the anxiety of their team's succession planning, can open their eyes and encourage greater talent mobility.

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According to the Cornerstone 2023 Global Talent Mobility Study, talent mobility is so important because:

73%
of workers

want to know about career opportunities within their organizations

80%
of workers

prefer to use self-service technology to explore career opportunities

The
#1 way

employees prefer to learn new skills is through experiences

66

Businesses will focus more on connecting the skills employees are passionate about to the mission of creating adaptive, agile organizations. New initiatives will give workers more opportunities to take on internal stretch projects and collaborate across departments and roles. Of course, one of the challenges with fostering internal talent mobility is that it may require a bit of culture change, creating a culture of shared talent versus one more accustomed to talent hoarding. But celebrating internal talent mobility will be key for both the worker and the leader because it lands the value of growth for employees while it supports the organization's success."

Brianna Foulds
VP of People Experience
Cornerstone

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Talent Reporting, Data & Analytics

Our 2023 Talent Health Index found that mature organizations use centralized reports, while managers have access to self-service reports. Organizations that rely on visual dashboards are more likely to have a dedicated HR analytics team. These organizations use data to inform people and business strategy and are exploring predictive analytics to anticipate business needs for the future.

There are three main ways HR leaders can rise to this level in their organizations.

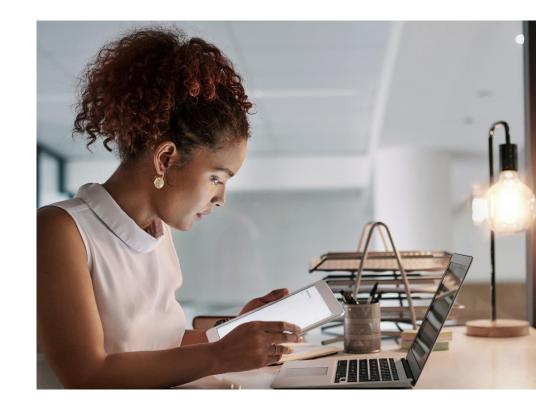**Specific new functionality will take work off of HR's plate.** This means more automation, warnings, verification tools, flexible reporting, and linked datasets.

More proactive data approaches will appear to help businesses manage employee information, employee wellness, and mobile-enabled HR functions in order to better communicate with and personalize information sent to employees.

Customized outcome dashboards will also become more popular. Because each company and CEO is different, HR organizations will adopt dashboards that put data into context and prioritize a focus on outcomes that matter to them, correlating actions and the decisions behind them to actual results.

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HR has a long tradition of collecting vast amounts of employee data that goes unused. That perception has only intensified with multiple HR systems and new AI features. However, as soon as organizations use this data to influence work-related questions, we can see the power of HR and talent analytics. Once we build transformative data governance, data analysis, and storytelling skills, HR and talent analytics can lead to trusted executive-level reporting. When this reporting helps our business leaders answer critical workforce and operational questions, we begin to inform the business strategy and help achieve business outcomes.

There is no quick fix to building these capabilities inside an organization, but the investment has real value. In Sapient Insights Group's 26th Annual HR Systems Survey, strategic HR functions were two times more likely to inform their business strategy with data from HR and talent systems, and those same organizations, on average, achieved 8% higher business outcomes in areas such as profitability, innovation, and market share.

Every time an organization asks an employee to take a test, take an assessment, provide data, or otherwise share information, they should have a clear plan of how that information will be used and, more importantly, how that use will benefit the organization and the employee. With the onset of AI technology, it is more critical than ever to develop strong data governance models that include an ethical code of conduct for using all employee data. Resolving tomorrow's very real skilled labor shortage requires solid data, and all eyes will be on HR and talent leaders to answer that call. Will you be ready?"

Stacey Harris
Chief Research Officer
& Managing Partner
Sapient Insights Group

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Always looking forward

Although no set of predictions can offer a surefire roadmap to guide your talent management strategy for the coming year, **you should consider acting on the themes we identified.**

Top HR predictions for 2024

1 AI will power more personalized learning

2 Companies will prioritize skills over experience

3 Companies will transform into skills marketplaces

4 Content will tie more directly to business challenges

5 Ongoing conversations will replace annual reviews

6 Talent sharing will grow

7 Real-time analytics will improve results

" In 2024, the foremost call to action for organizations is clear: Invest in your people. Our industry has seen seismic shifts in employee demands for internal growth opportunities, faced persistent skills gaps and skills shortages, and navigated a new world where technologies like AI and machine learning are changing the ways in which our people learn and work. Each of these pivotal components demands a strategic shift in perspective. One where our employees are in the driver's seat of their careers, and our leaders believe that embracing intuitive technology as a co-pilot — not as a replacement — is paramount to creating a future where technology is a supportive vehicle in enhancing the capabilities of employees and the organizations that support them. This is an incredible moment for businesses across industries to invest in the power of learning and explore more innovative ways to enable their people to grow."
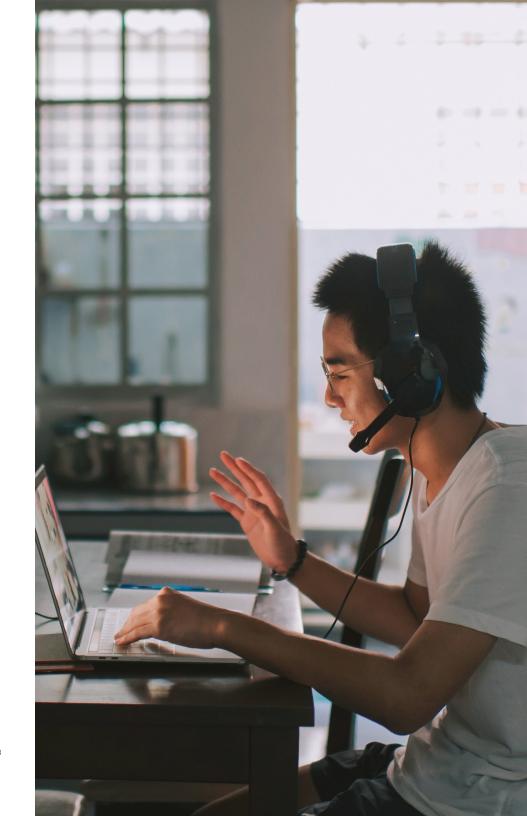
Bernd Leger
Chief Marketing Officer
Cornerstone

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Take our 10-minute talent health assessment to receive immediate next steps for optimizing your talent programs and accelerating your talent ROI.

Start Survey

About Cornerstone

Cornerstone powers the future-ready workforce with its leading AI-powered talent experience platform designed to unite technology, data, and content and inspire a work environment of growth, agility, and success at scale. With Cornerstone, organizations modernize their learning and development experience, deliver the most relevant content from anywhere, accelerate talent and career mobility, and establish skills as the universal language of growth and success across their business. Cornerstone serves over 7,000 customers and more than 125 million users and is available in 180 countries and 50 languages.

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