CIOs Must Reinvent Their IT Employment Value Proposition to Compete for Top Talent
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With the global increase in demand for IT professionals, CIOs need to reinvent their IT EVP to attract and retain critical talent. Building a more human employment deal requires an EVP that focuses on the whole person, their life experience, and ultimately, the feelings the human deal creates.

Overview

Key Findings

- A recent poll conducted during a Gartner webinar in May 2020 shows 29% of organizations reported having an enterprise-level employment value proposition (EVP), but not one differentiated by talent segment. Only 10% of organizations reported having an EVP tailored for IT talent, and another 13% are planning to develop one for IT talent.

- Digital talent is in high demand. Sixty-five percent of candidates have discontinued an application process in the last year due to unmet expectations, yet 55% of candidates discontinuing the job application process did so for reasons that were not compensation and benefits.

- CIOs are up against wage inflation and global competition for talent. If they do not take charge of their IT EVP, they risk a negative impact on the bottom line as they struggle to retain the very best talent.

Recommendations

CIOs focused on leadership, culture and people who aim to attract and retain top talent with a compelling EVP should:

- Address immediate talent attrition/shortage by taking the lead on talent and partnering with HR.
Strategic Planning Assumption
By 2023, 75% of companies will have an EVP tailored for attracting and retaining technology talent across borders.

Introduction
Organizations globally race to advance their competitiveness by cramming a decade worth of digital transformation and tech adoption into one or more years. Big organizations with big budgets are driving wages up, hunting for tech talent across the globe — making it particularly difficult for midsize and small enterprises to compete. “Invisible talent pools” are becoming more and more common in the race for digital advancement, impacting local talent pooling supply (Maverick* Research: CIOs Must Tap Into the Invisible Talent Pool).

This unprecedented wave of tech adoption is aggravating the talent shortage. Resignation rates are heating up. They are highest among midcareer employees — nearly 12% higher for managers versus 2020. And in the tech industry, there’s a 4.5% increase between March 2020 and March 2021.¹ In addition to limited supply, the pandemic has fundamentally changed the expectation around the employer-employee relationship. Globally, employees and candidates want more value for employment — attractive compensation, work-life balance, respect, stability, flexible location.² And they are willing to drop out of a hiring process or change jobs when the EVP is below expectation. Almost half of employees believe their leadership is not giving enough weight to employee preferences as they consider their future EVP.³

- Reframe EVP components by adopting the human deal — designing for people, based on life experiences and centered on feelings
- Make EVP more adaptive by capturing changes in preferences and responding to individual needs swiftly.
According to HR leaders, the IT function is one of the functions with the highest perceived attrition risk (44%). Employees in IT seem to have more options right now. Active job postings in the U.S. for IT in May 2021 exceeded the prepandemic level seen in February 2020 by 14.7%. And IT professionals are top of the list when it comes to “intent to leave,” with 22% saying they plan to look for a new job with another organization within the year.  

If CIOs do not take charge in designing a human-centered EVP, they will face increased turnover in their critical IT/tech roles, putting at risk the digital transformation of their companies. In a scenario where tech/IT talent is in high demand, this will mean risking their companies’ competitiveness and, consequently, the reputation of the CIOs leading such endeavors (see Figure 1).


Employment Value Proposition (EVP): The set of attributes that the labor market and current employees perceive as the value they gain through employment with the organization
Figure 1: EVP Framework

**EVP Framework**

- Business Travel
- Innovative Work
  - Job-Interests Alignment
  - Level of Impact
  - Location
  - Recognition
  - Work-Life Balance
- Compensation
  - Health Benefits
  - Retirement Benefits
  - Vacation
- Camaraderie
  - Collegial Work Environment
  - Co-Worker Quality
  - Manager Quality
  - People Management
  - Senior Leadership Reputation
- Development Opportunity
  - Future Career Opportunity
  - Growth Rate
  - Meritocracy
  - Stability
- Empowerment
  - Environmental Responsibility
  - Ethics and Integrity
  - Formality of Work Environment
  - Great Employer Recognition
- Inclusion and Diversity
  - Respect
  - Risk Taking
  - Social Responsibility
  - Technology Level
  - Well-Known Product Brand

Source: Gartner 757963_C

**Analysis**

Address Immediate Talent Attrition/Shortage by Taking the Lead on Talent and Partnering With HR

Digital talent is scarce, and workers expect more value from their employment. Considering that many organizations do not consciously articulate EVP strategies at the enterprise level, the pressure and responsibility are on CIOs, in partnership with HR, to address the talent risks. This means implementing some actions to help address the immediate issues, while at the same time, structuring a response to technology talent expectations (see Figure 2).

**Immediate Actions**

Retention
Recruitment

- Promote employee referral programs focused on recruiting tech and digital talent and incentivize participation.

- Take candidates' requests for personalizing their employment deal seriously. When employers approved the requests that candidates made, candidates were 68% more likely to accept a job offer than those whose requests were denied. When none of the requests made were approved, only 41% of candidates accepted the job offer.  

Structural Revisions

- Highlight tech talent's most important experiences in employment brand messaging (see Ignition Guide to Creating and Communicating an Employment Value Proposition for Talent in IT). Avoid marketing hype; people easily see through that.

- Speed up the hiring process by starting interviews directly with the hiring manager, and bring the recruiter into the discussion later. Candidates trust information given by the hiring manager more than they do that given by the recruiter, so make it easier for them to understand the role. Recruiters, on the other hand, need IT help in tailoring the EVP message for technology candidates.

- Evaluate different options available to compose a blended workforce model, and establish necessary organizational systems to accelerate the shift to the new model.
Reframe EVP Components by Adopting the Human Deal

Three major shifts are happening in the future of work that are impacting employees and organizations.

1. **Employees Want to be Seen as People, Not Just Workers**: Management strategies for the past several years have also emphasized the need to recognize the human challenges employees face, shifting from purely a project management approach to a people management approach. Conversations around the employee experience have highlighted a need for personalization and employees' ownership of their day-to-day experience to fit their unique needs, instead of a one-size-fits-all-workers approach. **Impact on EVP**: Rather than defining the EVP around the worker, define the EVP around the entire person.

2. **Work Life Harmonization**: Work is a subset of life, not separate from it. The traditional, strict division between work and life is no longer possible or desirable in today's work environment. Instead, work is increasingly viewed as a subset of employees' lives to be harmonized, not separated.

3. **Center on Feelings Rather Than Features**: Focusing on what employees need in their personal lives and their work lives, and why they want to work for their current organization will reveal their major motivators.

These three shifts require organizations to humanize the employee experience. The human deal framework is just that; it centers around connecting the organization with employees' life experiences, the whole person's identity, and highlights the feelings a positive experience can create between employee and employer.
There are five components to the human deal are (see Figure 3):

- **Deeper Connections** — How tech leaders help employees strengthen their family and community connections, not just work relationships.

- **Radical Flexibility** — How tech leaders provide flexibility on all aspects of work, not just when and where employees work.

- **Personal Growth** — How tech leaders help employees grow as people, not just as professionals.

- **Holistic Well-Being** — How tech leaders ensure employees use holistic well-being offerings, not just ensure they are available.
When organizations make progress on any part of the human deal, they see clear benefits. Some of those benefits include:

- Increase in employees who are highly likely to recommend the organization by delivering deeper connections (28%)
- Increase in high performers by delivering radical flexibility (40%)
- Increase in intent to stay by delivering personal growth (6%)
- Increase in employees’ physical, financial and mental wellness by delivering holistic well-being (7)
- Increase in employees who would be highly likely to accept the job again by delivering shared purpose (9%)

**Make EVP More Adaptive by Capturing Changes in Preferences and Responding to Individual Needs Swiftly**
Companies that capture the elements employees care about most and adapt both their messaging and their investment are more successful. Gartner analyzed S&P 500 companies’ EVP investment as captured by quarterly earnings calls concerning their business performance in FY20 and identified that the best-performing companies adopted an adaptive strategy (see Boost Revenue With an Adaptive EVP Strategy).

How can we change a static EVP evaluation to an adaptive approach? Although it is tempting to create an annual plan for an EVP evaluation, such an approach is slow and insufficient to gain competitive advantage in relation to one’s competitors. To build a relevant set of attributes that people perceive as the value they gain in their life from employment, CIOs need to recognize cues and triggers of change that impact people. Any of the following dimensions can drive changes for people: team, BU or regional offices, organization, global environment (see Figure 4).

**Figure 4: Triggers and Cues**

<table>
<thead>
<tr>
<th>Triggers and Cues</th>
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<tbody>
<tr>
<td><strong>Team</strong></td>
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<tr>
<td>Turnover rate change</td>
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<tr>
<td>Manager change</td>
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<tr>
<td>Absenteeism Increase</td>
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<tr>
<td><strong>Organization</strong></td>
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<tr>
<td>M&amp;A</td>
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<tr>
<td>Culture Change</td>
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<tr>
<td>Senior Leadership Transition</td>
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<tr>
<td>Social Media Attention</td>
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<tr>
<td><strong>BU or Regional Offices</strong></td>
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<tr>
<td>New talent skills required</td>
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<tr>
<td>Regional Recessions</td>
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<tr>
<td>Regional Disaster</td>
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<tr>
<td>Country Regulations</td>
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<tr>
<td><strong>Global Environment</strong></td>
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<tr>
<td>Pandemic</td>
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<tr>
<td>Generational Workforce Shift</td>
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<tr>
<td>Trade wars</td>
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Once these cues are identified, CIOs can reframe the human deal by listening actively to employees and candidates using one or more of the techniques in Table 1.
With a clear trend of shifting from work from home (WFH) to work from anywhere (WFA), the IT talent market is now borderless. People are responding differently to the future of work. People in different age groups, regions and seniority levels expect different things. This means CIOs now also need to take into account segmented EVP drivers of attraction and retention of talent in order to maintain competitiveness. As shown in Figure 5, location gains relevance as an attribute for the older age group, while respect gains importance for the younger age group.

<table>
<thead>
<tr>
<th>Employees</th>
<th>Candidates</th>
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<tbody>
<tr>
<td>Organizational survey</td>
<td>Social media feedback</td>
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<td>Social media feedback</td>
<td>External focus groups</td>
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<tr>
<td>Internal Interviews</td>
<td>Candidate surveys</td>
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<td>Internal focus groups</td>
<td>Nonacceptance phone call evaluations</td>
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<td>Employee review sites</td>
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<td>Candidate surveys</td>
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<td>Talent analytics</td>
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<td>Employee persona research</td>
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<td>Exit interviews</td>
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Evidence

1 Who Is Driving the Great Resignation? Harvard Business Review and  5 Strategies to Help HR Hire In-Demand Tech Workers in This Market, Human Resource Executive

2 IT Workforce Report 1Q21: Emerging Labor Market Optimism and Implications

3 Gartner 2021 Hybrid Work HR Leader Survey. This survey polled 75 HR leaders globally to determine how work design changed in a hybrid work environment and test hypotheses for how leading organizations adapted.

4 Benchmarking Employee Turnover Trends and Mitigation Strategies With HR Leaders
Gartner 2021 EVP Employee Survey. This survey polled 5,000 employees globally on their experiences and expectations of their organizations’ employment value proposition and employee experience.

**Note 1: Invisible Talent Pool**

“Invisible talent” refers to people in the workforce who live in one country, but who work for clients outside their country of residence and across national borders via digital platforms.

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