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Editor’s Note
by Jonah Shepp and Sari Wilde

Organizations currently face a historically unique set of labor market challenges. Tight labor markets in many countries have driven up the cost of skilled talent. The “great resignation” has seen employees leaving their jobs in greater numbers, whether to pursue new opportunities, change careers or take time out of the workforce. Remote work and other forms of flexibility have become baseline candidate expectations rather than perks. Meanwhile, skills needs are evolving rapidly, leaving employers scrambling for the expertise they need to grow.

In this evolving global labor market, HR leaders need to rethink their strategies for sourcing, recruiting and retaining talent, as well as planning for future talent needs. Winning strategies in the years to come will focus more on skills and less on roles, embrace the reality of remote and hybrid work, expand the talent pool and source high-quality candidates from nontraditional backgrounds.

This issue of HR Leaders Monthly is dedicated to helping HR leaders address these challenges and design more effective recruiting strategies for their organizations. In this journal, we discuss how HR leaders can improve workforce planning by breaking roles down into tasks, effectively source talent for remote and hybrid roles, and achieve high-quality hires more efficiently with a team approach. One of our articles looks at why retention is often more important than “star power” in hiring tech talent especially, while another makes the case for redefining “quality of hire” to better reflect an environment where skills and role requirements are constantly changing.

Recognizing the importance of recruiting to diversity, equity and inclusion (DEI), this journal also highlights the ways organizations can expand their talent pools to include more underrepresented candidates, contributing to better DEI outcomes and business growth. We hear from Harvard Business School Professor Joseph Fuller about how to access the hidden workers who often don’t make it into the candidate pool despite being qualified. We also feature an interview with Cornerstone Building Brands’ Marcin Zielinski about his organization’s second-chance hiring program.

Our aim is to provide a holistic view of how HR leaders can meet ongoing labor market challenges, streamline their recruiting practices, grow and diversify their talent pools, and make their organizations more resilient to the constant evolution of roles and skills requirements. We expect many of today’s challenging dynamics to persist for years to come, and these insights will help HR leaders prepare for that future.
How Recruiting Partnerships Create Competitive Advantage in a Challenging Labor Market

by Tess Lawrence

Unprecedented demand and turnover in a competitive labor market is costing recruiting leaders the speed and quality of their hires, and recruiters doing end-to-end hiring processes can’t keep up. To achieve faster, higher-quality hires, recruiting can partner with sourcers, coordinators and HBRPs.
Skyrocketing demand and unprecedented turnover in a shifting talent landscape have made irreversible changes to recruiting. Business needs are transforming rapidly, and as organizations attempt to stay agile in today’s talent climate, it has become increasingly complex to define and source for emerging skills.

Sixty-five percent of recruiting staff say it’s harder now to source talent from key segments than it was before the pandemic. On top of that, 65% of recruiting staff say it’s harder to get candidates to accept offers.¹

For recruiters, these new challenges have only intensified an already high workload. Currently, recruiters own nearly three-quarters (72%) of all activities in the hiring process (see Figure 1). With skills needs swiftly expanding beyond hiring managers’ knowledge, the onus is falling on recruiters to become experts on a wide variety of emerging skills and where to find them. In reality, they can’t possibly do it all.

In the current approach to the hiring process, three critical issues arise:

- **Recruiter Burnout Is Inevitable:** Already carrying a significant workload, 69% of recruiters say their volume of tasks continues to rise.²

- **Hiring Processes Are Delayed:** Time to fill has increased by 18% between 2020 and 2021, amounting to 15 additional calendar days in the hiring timeline.¹,³

- **Quality of Candidates Is Decreasing:** On average, only 29% of candidates in the applicant pool are identified as high-quality or high-potential, compared to 38% that are poor-quality.¹

This approach is not sustainable for the long term. Recruiters and hiring managers simply cannot do every task in the hiring process alone, and leaders who hesitate to make changes are putting the efficiency and quality of their hires at risk. To withstand the changes in today’s talent landscape, processes need to be made more agile and efficient — but not at the expense of access to high-quality candidates.

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**Figure 1. Distribution of Hiring Responsibilities**

Percentage of Hiring Process Activities Where Role Is Primarily Responsible

![Figure 1. Distribution of Hiring Responsibilities](image)

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruiter</td>
<td>72%</td>
</tr>
<tr>
<td>Hiring Manager</td>
<td>15%</td>
</tr>
<tr>
<td>Other HR or Hiring Staff</td>
<td>8%</td>
</tr>
<tr>
<td>Recruiting Coordinator</td>
<td>5%</td>
</tr>
</tbody>
</table>

n = 247 recruiting staff

Source: 2021 Gartner Recruiting and Sourcing Survey
To Achieve Agility, Recruiting Needs a Team Approach

To address these critical issues in the current recruiting approach, leaders need to first reduce the number of responsibilities on recruiters’ plates. They also need to fill recruiters’ and hiring managers’ knowledge gaps. Both of these priorities can be achieved with a team approach. A recruiting team approach not only solves the recruiter workload problem, but it provides three critical supports that recruiting is currently missing:

- **Business insights to fuel future needs definition**
- **Labor market expertise to define emerging skills profiles**
- **Dedicated administrative support to streamline transactional activities throughout the process**

With a team approach, recruiting leaders get high-quality candidates through the door faster and ensure the business’s future skills needs are planned for. Recruiting leaders can put this approach into action by partnering with five key players: recruiters, sourcers, coordinators, hiring managers and HR business partners (see Figure 2).

As a team, these partnerships work together to distribute hiring process activities across multiple responsible parties, while leveraging each role’s individual strengths and expertise.

- **Recruiters** bring in seasoned experience within the hiring process. They work closely with hiring managers to set the requirements for the role based on the business’s current and future needs, define candidate profiles and collaborate with sourcers to build sourcing and social media strategies. They also build long-term relationships with candidates, where they provide coaching on career opportunities within the organization.

- **Sourcers** bring deep labor market expertise on emerging skills, talent pools and competitors. With these critical data insights, they lessen the amount of time spent on developing an effective sourcing strategy. They then help search for and own the initial engagement of candidates who meet the business’s skills needs.

- **Coordinators** help streamline the hiring process as a whole. As designated administrative support roles, coordinators take ownership of time-consuming transactional tasks, such as tracking candidate information, scheduling and coordinating all interactions between candidates and the recruiting team, and helping new hires manage background checks and prestart paperwork. Due to this high exposure to the hiring process, they also function as ideal entry-level roles for those looking to get hands-on experience in HR.

- **Hiring managers** act as brand ambassadors for the company. They can help identify potential internal and external candidates whose profiles match the business’s key and emerging skills needs, establish targeted lines of communication with those candidates, and

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**Figure 2. Recruiting Team Approach**

![Recruiting Team Approach Diagram]

Source: Gartner
promote the organization’s mission and values. Candidates trust hiring managers’ insight into an organization’s career opportunities and team culture. Hiring managers who can engage candidates directly see a 10% increase in high-quality candidates, plus a 17% decrease in time to fill.4

- **HRBPs** share their business knowledge with recruiters, providing clarity on the business’s future priorities and how hiring needs to be aligned to best adapt to those changes.

**Breakdown of Responsibilities in a Recruiting Team Approach**

With a team approach, recruiting leaders can distribute tasks throughout each stage of the hiring process, rather than putting significant responsibility on one or two roles. This gives teams flexibility to allocate activities to roles that are best suited to them, thus ensuring no one is overburdened and that the process is efficient.
For instance, every role collaborates in the early stages of the hiring process, where the organization’s hiring needs are being defined. In the middle and late stages of the process, recruiters, sourcers and hiring managers work together to get the best candidates through the door, while coordinators carry out time-consuming transactional activities to keep the process moving (see Table 1).

### 3 Keys to a Successful Team Approach

While a team approach is vital for recruiting to move forward in today’s talent landscape, recruiting leaders may see hesitation from recruiters and hiring managers who are unsure how to carry out their new responsibilities.

### Table 1. Team Responsibilities in Each Stage of the Hiring Process

<table>
<thead>
<tr>
<th></th>
<th>Recruiter</th>
<th>Sourcer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Needs Definition</strong></td>
<td>Advise hiring managers on setting requirements for the role, based on organizational needs, current role needs and future role needs.</td>
<td>• Provide labor market data on emerging skills and candidate profiles.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Determine the potential hiring difficulty for the role.</td>
</tr>
<tr>
<td><strong>Attraction and Sourcing</strong></td>
<td>• Develop personas for the role around candidate motivations and information needs.</td>
<td>• Identify skills-based talent pools with candidate profiles that align to business needs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Collaborate with sourcer to build sourcing and social media strategy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Coach prospective candidates on the right roles.</td>
</tr>
<tr>
<td><strong>Interviewing and Assessment</strong></td>
<td>• Conduct early-stage interviews with candidates.</td>
<td>• Own initial engagement and screening of candidates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Help hiring managers select the right interviewers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Guide hiring manager interpretation of assessments.</td>
</tr>
<tr>
<td><strong>Hiring Decision and Offer</strong></td>
<td>• Present the verbal job offer to candidates.</td>
<td>Provide salary benchmarks based on labor market data.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Coach candidates in deciding between offers.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Work with the candidate and hiring manager on negotiations.</td>
</tr>
<tr>
<td><strong>Preonboarding</strong></td>
<td>Maintain contact with the new hire to reduce the risk of ghosting.</td>
<td></td>
</tr>
<tr>
<td>Stage</td>
<td>Coordinator</td>
<td>Hiring Manager</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Needs Definition</td>
<td>Write and post the job description.</td>
<td>Define the business's current hiring needs.</td>
</tr>
<tr>
<td>Attraction and Sourcing</td>
<td>• Track candidate application information.</td>
<td>• Identify prospective internal and external talent.</td>
</tr>
<tr>
<td></td>
<td>• Manage social media and job board posts.</td>
<td>• Identify prospective internal and external talent.</td>
</tr>
<tr>
<td>Interviewing and Assessment</td>
<td>• Schedule interviews and coordinate travel.</td>
<td>• Conduct late-stage interviews with candidates.</td>
</tr>
<tr>
<td></td>
<td>• Administer skills assessments to candidates.</td>
<td>• Conduct late-stage interviews with candidates.</td>
</tr>
<tr>
<td></td>
<td>• Conduct reference and background checks.</td>
<td>• Evaluate candidate assessment results, with input from a panel of experts on the skills being tested.</td>
</tr>
<tr>
<td>Hiring Decision and Offer</td>
<td></td>
<td>• Make final candidate selections.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Make final candidate selections.</td>
</tr>
<tr>
<td>Preonboarding</td>
<td>Provide prehire paperwork.</td>
<td>• Send the new hire a welcome email.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Create onboarding plans.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Introduce the new hire to the team.</td>
</tr>
</tbody>
</table>
Current teams may feel that adding more people to the mix will make handoffs difficult. Similarly, recruiters may not have access to the business information they need to give strategic talent advice effectively, while hiring managers may lack the experience to confidently source and engage talent. In the following examples, three organizations have tackled these challenges using innovative and implementable approaches.

1. Connect Candidate Engagement to Hiring Managers’ Business Experiences

While time to fill and quality of hire improve when hiring managers reach out to candidates, most hiring managers are unsure where to start. They are unfamiliar with sourcing strategies and are not equipped with the experience to confidently build candidate relationships.

One of the biggest keys to engaging candidates is simply authenticity. Candidates rely on hiring managers more than recruiters when it comes to authentic information about working and building a career at the organization. They want the insider perspective they don’t get from standard branding messages. Recruiting leaders need to show hiring managers that this isn’t a completely foreign task. Hiring managers just need to engage candidates on the things that already matter to them — their organization’s mission, their accomplishments and their career experiences. To get hiring managers involved in candidate engagement, recruiting leaders should:

- Make candidate engagement a shared responsibility by connecting it to the organization’s mission, values and purpose.
- Equip hiring managers with suggested topics and templates they can use for social media engagement.
- Facilitate informational sessions between prospective candidates and hiring managers.

Case in Point: Brand Ambassador Approach

**Verizon**

Verizon’s recruiting leaders were struggling to attract talent in new markets and for certain talent segments. To motivate business leaders to engage with candidates, Verizon encourages them to share their individual stories and career journeys, rather than just sharing open requisitions. They developed prebuilt material to make it easier for leaders to share content, and they provided personalized support to help business leaders know where and how to engage candidates. Business leaders were motivated to engage with candidates because they were encouraged to talk about their own team, their successes and struggles, and their overall leadership brand (see Figure 3).
2. Solve Handoff Challenges With Workflow Transparency

Involving multiple roles in the hiring process can potentially limit the team’s visibility into each other’s responsibilities and workloads. As a result, miscommunication can arise on who is doing what, making it harder to hold team members accountable. Recruiting leaders can avoid this by establishing a workflow transparency practice. To build workflow transparency effectively, recruiting leaders must:

- Clarify each person’s responsibilities — what they must do at each stage of the process, as well as whom they must get information from or give information to.
- Secure commitment from each team member on expectations and timelines.
- Create visibility into each stage of the process to drive accountability.

Case in Point: Agile Talent Acquisition Methodology

**Charles Schwab**

To address bottlenecks in the hiring process and improve the efficiency of high-quality hires, Charles Schwab builds scrum teams that hire batches of similar roles over a short period. Schwab uses a workflow-transparency practice to hold teams accountable, where teams meet daily to discuss their progress, agree on their goals for the day, share best practices and review feedback from hiring managers. Teams also use Kanban boards to visually organize team members’ work by each stage of the hiring process, and update their progress daily (see Figure 4).
3. Build Recruiter Expertise Through 360-Degree Needs Definition

As organizations evolve through a hypercompetitive talent market, it is more imperative than ever that recruiters advise the business on how to balance role-specific needs with the organization’s current and future business needs. However, they might not always have the information they need to do this, especially if an organization’s future hiring needs are unclear.

Recruiting leaders can drive a more strategic, consultative approach by establishing 360-degree needs definition processes, especially for new or fast-changing roles. In a 360 process, recruiters speak with multiple people who work with the target role, including junior and senior team members as well as members of adjacent teams, to understand what skills are key to the role’s success both today and in the future. As work becomes more matrixed and collaborative, this gives recruiters a broader perspective they can bring to conversations with hiring managers. To implement this approach, recruiting leaders should:

• Make recruiters aware of strategic workforce planning processes so they understand the business’s future needs and talent gaps.

• Build connections between recruiting teams and HRBPs to expand understanding of key business priorities.

• Set expectations with hiring managers that recruiters should bring multiple perspectives to needs definition conversations.

Case in Point:
360 Degree Needs Definition

DynamicHat*  

To better define future needs, the talent advisors at DynamicHat gather 360-degree inputs from all seniority levels of the broader team in which there is a vacancy. The leadership team defines common traits for success on the team, articulates team evolution in the next two to five years and lists the most needed future skill sets on the team. Junior associates describe how the best managers have prepared them for the evolution of their role and future team success. Peer associates define the skill sets most needed from a peer for the success of their future projects, the ideal next hire on their team and the future of their roles from their perspective.

* Pseudonym
Conclusion

In today’s hypercompetitive talent market, unprecedented demand and high turnover have created long-term changes to recruiting. Recruiter burnout, hiring process delays and lowered candidate quality have made the current recruiting approach unsustainable. Leaders need to bring in additional support to ensure recruiters and hiring managers have access to the business insights, labor market expertise and dedicated administrative support they need. By partnering with sourcers, recruiting coordinators and HRBPs, leaders can build a more effective recruiting function in which workloads are balanced, processes are efficient and candidate quality is high.

1 2021 Gartner Recruiting and Sourcing Survey (n = 247 recruiting staff). This survey, conducted from August through September 2021, polled 247 frontline recruiters, sourcers and recruiting managers. Respondents were asked about their workload, recruiting outcomes, responsibilities and time spend. Respondents were distributed among 26 countries and 23 industries.

2 2021 Gartner Recruiting and Sourcing Survey (n = 153 recruiters).

3 2020 Gartner Future of the Recruiter Survey (n = 253 recruiting staff). The 2020 Future of the Recruiter Survey, conducted from January through March 2020, polled 253 frontline recruiters, sourcers and recruiting managers. Respondents were distributed among 22 countries and 21 industries.

4 2019 Gartner Hiring Manager Survey (n = 3,517 hiring managers). This survey was conducted in November 2019 and polled 3,517 hiring managers who had hired within the last 12 months. Respondents were distributed over 14 countries and 24 industries.

The organizations profiled in this research are provided for illustrative purposes only and do not constitute an exhaustive list of examples in this field nor an endorsement by Gartner of the organizations or their offerings.

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Sustain Workforce Resilience — The Managers’ Role in Reducing Workforce Burdens

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Remote work lets organizations source talent from unlimited locations but also poses risks and complexities. This research offers recruiting leaders practical guidance on how to think about sourcing talent to build a competitive edge and mitigate risks in the remote world.

The percentage of work positions that are flexible (i.e., that are fully remote or allow employees to choose between working remotely or in an office) has more than doubled over the last two years in the U.S., from 5% in 2019 to 14% in 2021, and reached 18% in the first two months of 2022.¹ Flexible roles are becoming more common in various functions and industries, not just those in which remote work was already conventional before the COVID-19 pandemic.

The shift is happening for good reasons. Employees increasingly demand flexibility in where and when they work. The pandemic experience showed how remote working supports business continuity during disruptions. Studies suggest employees who work remotely can be more productive, save time commuting and even sleep better.²
A world in which remote work is common gives organizations more options for sourcing talent. Organizations can’t technically source talent from anywhere, as some advocates claim, due to varied regulations and labor market conditions in different locations. However, sourcing for fully remote roles no longer needs to be bound to the organization’s office locations. While hybrid and on-site roles still need to be located near an office, the organization can source talent for these roles from an expanded radius of proximity to the office or one of several offices, which further increases the choice of locations (see Figure 1).

To really take advantage of these expanded location options for talent sourcing, organizations should carefully assess the limitations and prepare to source talent in unfamiliar locations. This research offers a practical roadmap to help recruiting leaders think about how to effectively source talent in the remote world (see Figure 2).

**Figure 1. Spectrum of Expanded Location Options**

- **Less Flexibility**
  - One Business Location
- **More Flexibility**
  - Location Unbounded
  - Choice of Business Location
  - Expanded Radius From Location
  - One Business Location

Source: Gartner

**Figure 2. The Roadmap to Sourcing Talent in the Remote World**

- **Implications for Sourcing**
  - Address Tax, Pay and Compliance Concerns
  - Leverage Labor Market Intelligence

- **Current Requisitions**
  - Determine Remote Feasibility
  - Remote Roles
  - Office Location Unbounded
- **Hybrid Roles**
  - Expanded Radius
- **On-Site Roles**
  - Work Site Flexibility

Source: Gartner
The journey starts with current requisitions and progresses into key considerations and implications for sourcing in the remote world:

1. Recruiting teams need to determine how much location flexibility a role can have. Determining feasibility of remote work will be a key capability for recruiters in the remote world.

2. Once the roles with flexibility are determined, organizations can tap into more locations to source talent for remote and hybrid roles. To do so, however, organizations need to be prepared to comply with a variety of local employment regulations.

3. Organizations need better and more comprehensive labor market insights to make educated decisions on whether to invest in unfamiliar talent locations.

By taking these three concrete steps, recruiting leaders can drive talent sourcing success in the remote world.

**Determine Feasibility by Activities, Not Roles**

Roles often differ in flexibility. For example, an assembly line worker might not be able to work remotely at all, but most sales representatives can work remotely for a significant portion of their time, and most software developers may prefer remote working as the default. So to start, recruiting leaders need to carefully assess how remote different roles can be.

Most organizations take a role-based approach to this assessment, but this is often ineffective. Recruiting leaders who limit their view to what other organizations are doing about flexibility in a given role can miss opportunities to offer remote or hybrid work options. The same role can vary significantly by organization and industry in terms of remote feasibility. The activities the role requires the employee to perform determine whether a job can be done remotely, either some or all of the time.

For this reason, we recommend an activity-based approach to determining remote feasibility. This approach requires recruiters to demonstrate strategic influence and act as true talent advisors to hiring managers. Managers are often biased toward assuming their team members need to be in the office full-time, but looking at roles through the lens of activities may change their perspectives. The recruiter’s task is to work with the hiring manager to review each role by its core activities, realistically reassess its potential for flexibility and, in the process, get the manager’s buy-in on adding flexibility to a role where appropriate.

**Activity-Based Discussion Questions for Managers to Assess Remote Feasibility**

Recruiters can use these activities-based discussion questions in conversations with hiring managers to address their biases in assessing remote feasibility of roles:

1. What activities does this role focus on?
2. What are the different activities our team does?
3. Which of these activities can be performed flexibly?
4. What activities require employees to be in person, work specific hours or complete work in a defined manner?
Legal, finance, accounting and other teams to make sure the organization can comply with regulations in any new locations where it is trying to source talent.

Figure 3. Activity Analysis for Flexibility

<table>
<thead>
<tr>
<th>High Feasibility</th>
<th>High Portability</th>
<th>Offer complete location and schedule flexibility.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Feasibility</td>
<td>Low Portability</td>
<td>Offer partial flexibility, improve portability.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continue working on-site.</td>
</tr>
</tbody>
</table>

Source: Gartner

An activity-based approach uses two lenses to review the major activities required to perform in a specific role — feasibility and portability:

- **Feasibility** is about whether the role can deliver the needed outcomes in a remote setting. If an activity relies on face-to-face interactions with customers or benefits from synchronous collaboration with co-workers, it has low feasibility, as there is less flexibility in when and where these tasks can be performed.

- **Portability** concerns whether an activity requires the use of specific equipment or technology that is location-bound, so employees have to work on-site to access it. If that’s the case, the activity has low portability.

The best solution for any given role depends on the interaction of its flexibility and portability (see Figure 3). A role with high feasibility and high portability is a good candidate for total location and schedule flexibility. Low-feasibility, low-portability roles are better suited to on-site work. If a role has high feasibility and low portability (or vice versa), the organization can offer partial flexibility and look for ways to increase portability or feasibility to make the role more flexible.

**Leverage Cross-Functional Expertise to Address Tax, Pay and Compliance Concerns**

Taxes, pay policies and other regulations vary across locations. Companies looking to hire talent in new locations must cope with all these requirements. Recruiting teams shouldn’t try to address all requirements by themselves. This is a team effort that requires expertise from legal, finance, accounting and other teams to make sure the organization can comply with regulations in any new locations where it is trying to source talent.

**Five Steps to Navigate Tax and Compliance Complexity**

Follow these simple action steps to navigate complexity in tax and compliance practices when sourcing remote talent:

1. Connect with key stakeholders from legal and finance to contextualize tax and pay implications within the wider organizational strategy.
2. Gather data, in partnership with IT, HR business partners and talent management leaders, to understand where employees are currently working, where they would prefer to work and if they plan to relocate.
3. Analyze likely compliance, operational and cost challenges to understand what policy changes remote workers will require.
4. Identify boundaries regarding where employees will be permitted to work, including nonnegotiable locations.
5. Develop a compliance response plan to ensure clarity for employees on required activities and availability of necessary resources.
Another difficult question when hiring remote workers is whether to benchmark their pay according to average salaries and costs of living in the places they live (which may be lower than in major cities), to pay them the same as their peers in higher-cost areas or to use some other criteria for determining compensation.

Before the pandemic, most employees worked on-site and their pay was usually tied to their location. In the remote world, however, there is no consensus among organizations on how to determine pay. Most companies (63%) are still using employee work location as criteria to determine compensation, but more than a third are using other location criteria (see Figure 4).

We’ve also seen companies such as Reddit, Zillow and Spotify adopt location-agnostic pay, which ties compensation to pay ranges of high cost-of-living areas regardless of employees’ actual work locations,\(^3,4,5\)

It’s imperative the company’s pay policy is perceived as fair by all employee segments, not just on-site or remote employees. Organizations can improve employee confidence in pay fairness by:

• Increasing pay transparency
• Training managers
• Helping employees understand the complete value of their rewards package

Use Labor Market Insights to Guide and Influence Hiring Plans

Labor market intelligence enables organizations to make talent plans just as light enables eyes to see. Without labor market intelligence, companies risk making blind guesses in a fast-paced, constantly changing labor market. However, an analysis of recruiting team activities between January 2020 and July 2021 found that only 26% were gathering labor market intelligence.\(^6\)

Beyond the tax, pay and compliance limitations described above, recruiting leaders also need relevant labor market insights to identify which locations are most promising for sourcing talent. Recruiting leaders can focus on three criteria to narrow down where they can get a good return on investment from sourcing talent in a given location. The greatest returns are where:

1. The costs (salaries) are significantly lower.
2. The location has a robust supply of talent relative to demand.
3. The location will enable them to meet their organization’s diversity goals more easily (see Figure 5).

Figure 4. Location Criteria Used to Determine Employee Compensation
Percentage of Organizations

37% Other Location Criteria
63% Employee Work Location

n = 30 HR leaders worldwide
Source: 2Q21 Gartner Compensation Watch Survey

Figure 5. Key Talent Metrics for Sourcing Location Considerations

Source: Gartner
Analyzing locations based on these criteria can deliver high-impact labor market intelligence to not only help guide talent sourcing decisions but also influence the business’s strategic direction. When the labor market becomes more volatile, recruiting leaders can also bring labor market insights to business leaders to inform them of the changing talent landscape and how they can best adapt their future sourcing and hiring plans.

Remote Work Is Here to Stay

The shift toward remote work is not a passing trend that will disappear when the pandemic ends. Although it has some limitations, a remote work environment offers great opportunities to organizations for sourcing talent. To grasp these opportunities, recruiting teams must:

• Know how to assess the feasibility of remote work in any given role.
• Have a practical, cross-functional plan to deal with tax, pay and compliance complications when sourcing from new locations.
• Leverage labor market intelligence to make informed decisions about where to hire talent.

Case in Point: Workforce Modeling Tool for Business Leaders

Philips

Philip’s Workforce Modeling Tool for Business Leaders helps recruiters work with the talent intelligence team to optimize sourcing by talent location, not business location:

• Philips implemented a data-driven strategy to position itself more competitively in the market.
• Recruiters at Philips work with their talent intelligence team to use data to map out where talent sits all over the world, for example, coders and developers.
• Based on supply availability at any given location, Philips recruiters influence hiring managers to consider broadening their hiring criteria to encompass more viable locations.
• The recruiting team also proactively shares information with business leaders to guide future sourcing decisions. By allowing leaders to visualize talent cost and availability, the tool makes it easier for them to make future trade-off decisions about talent.
• This process has effectively evolved the relationship between hiring stakeholders and the recruiting team. Hiring managers now expect to see talent supply data as they determine the best hiring strategy.

1 Gartner TalentNeuron
2 Are We Really More Productive Working from Home?, Chicago Booth Review.
3 Evolving Reddit’s Workforce, Reddit.
4 Why Zillow Group Is De-emphasizing Location as a Component of Compensation, Making It Easier for Employees to Move, Zillow.
5 Spotify Says It’s Letting Employees Work From Anywhere, While Still Paying San Francisco and New York Salaries, Business Insider.
6 Gartner HR Score for Recruiting (data collected from 1 January 2020 through 31 July 2021).

The organization profiled in this research is provided for illustrative purposes only, and does not constitute an exhaustive list of examples in this field nor an endorsement by Gartner of the organization or its offerings.
Developing an Effective HR Transformation Strategy

Organizations are under continued pressure to manage a highly volatile business environment. HR leaders must adapt and evolve their own role, functional strategy, operating model and talent to drive business outcomes.

This toolkit provides actionable resources to support four goals of successful HR transformation:

- World-class leadership
- A modern HR operating model
- Future-proof HR team competencies
- HR technology enablement

→ Download Your HR Transformation Toolkit
Recruiting leaders are under pressure to improve quality of hire, but the ways they track and measure this outcome are often outdated. This research explains why recruiting leaders should update their definition of quality of hire and how it needs to change.

Measuring the recruiting function’s performance is a double-edged sword. Tracking efficiency is often straightforward: Many outcomes can be calculated in days, financial value, pipeline ratios or simply the number of requisitions filled in a given time frame. Softer measures such as “quality,” on the other hand, are much more elusive — and more important.
In our 2020 survey of recruiting leaders, 67% reported being under more pressure to recruit higher-quality talent (see Figure 1). This was a challenge even before the COVID-19 pandemic, and if anything, it has become even more pressing over the past two years. While “quality of hire” is generally understood to be a measure of the caliber of new talent an organization hires, few can say confidently how it should be measured despite the constant pressure to improve it. This raises an important and troubling question: How do recruiting leaders know if (and when) they are making meaningful progress?

**Current Measures Overemphasize Hiring Manager Opinion and Current Role**

As far as most recruiters are concerned, quality of hire is a reflection of what the hiring manager thinks about the new hire in the current role. Typically, this is measured by Net Promoter Score, willingness to repeat, or some other general satisfaction metric on a posthire survey. Occasionally, new-hire performance ratings are considered after onboarding or orientation is completed. The problem with these measures is not that they are useless, but rather that they aren’t measuring quality. When you ask a hiring manager, for example, how satisfied they are or if they would repeat their decision, they’re answering the question, “Did I make the right choice?” (see Figure 2). This is entirely different from asking them if the new hire has the skills they will need to be successful in the future.

These measures may have been useful in a work environment characterized by stable skills and role requirements, longstanding organizational structures and ladder-based career paths (where hiring managers have held the role they’re hiring for). Today, however, three fundamental talent realities undermine their utility to the recruiting function:

1. Rapidly changing skills and role requirements
2. More collaborative work relationships
3. Talent mobility crossing traditional boundaries

**Figure 2. Percentage of Hiring Managers Rating New Hires Highly, by Definition**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied With Quality of Candidate Hired for Position</td>
<td>83%</td>
</tr>
<tr>
<td>Would Repeat Hiring Decision</td>
<td>72%</td>
</tr>
<tr>
<td>New Hire Improved Team’s Ability to Meet Future Challenges</td>
<td>60%</td>
</tr>
<tr>
<td>New Hire Highly Prepared With Current Skills Needed</td>
<td>29%</td>
</tr>
</tbody>
</table>

n = 3,517 hiring managers  
Source: 2019 Gartner Hiring Manager Panel Survey
Rapidly Changing Skills and Role Requirements

Talent management priorities in today’s work environment are in flux, characterized by frequent reorganizations, addition and elimination of roles, and changing skills and competency requirements. It’s no surprise, then, that the skills required for roles are highly volatile. For example, an analysis of job postings for IT, finance and sales roles at S&P 100 companies based in the U.S. shows the average number of skills required for these roles has increased by 5.4% each year from 2019 to 2022, and nearly a third of the skills required in 2019 were set to become redundant within the same time frame (see Figure 3).

This indicates that capturing the extent to which the new employee has the skills required for their current role is no longer a useful way to predict how well they will perform over time. In other words, prioritizing specific skills (especially technical skills) as a barometer of quality of hire will likely lead to lower-quality hires in the long term.

Figure 3. Average Skills Required per Job Posting
IT, Finance and Sales Roles in the U.S. (S&P 100 Companies)

The total number of skills required for a single job is increasing at 5.4% annually.

33% of the skills that were present in an average job posting in 2019 will not be needed by 2024.

n = 7,897,507 S&P 100 full-time/permanent job postings (1 January 2019 to 31 March 2022)
Source: Gartner TalentNeuron
Note: 2020 excluded from analysis due to major pandemic-induced disruption in the job market; Compound annual growth rate from 2019 to 2024
Figure 4. Hiring Manager-Employee Relationship in a Matrixed Work Environment

Illustrative

Hiring Manager

Employee

Employees work less with their direct manager and more with others across the organization.

More Collaborative Work Relationships

One positive implication of the rise of matrixed organizational structures is that employees are more likely to work with others outside of their immediate team. Likewise, they are less likely to work directly with their hiring managers and more with others across the organization (see Figure 4). Partially as a function of shifting roles and structures, hiring managers themselves are also becoming less intimately familiar with the roles they are filling. In a 2021 survey of hiring managers, only 28% said they had worked in the role they were hiring for, and only 40% had previously worked with someone in that role.²

While this does not invalidate hiring manager perceptions about what makes a new hire “high-quality,” it does mean their opinions should not be the ultimate determining factor when tracking and measuring quality over time.

Talent Mobility Crossing Traditional Boundaries

Our 2021 candidate survey shows that not only are many candidates changing roles, functions and industries, but they are also changing their learning behavior: Fifty-eight percent had taken courses in person or online to learn new skills outside their current roles.³

Organizations and HR leaders are also playing a role in this trend, especially in the face of pandemic-induced talent and business disruptions. A June 2020 poll of HR leaders found 75% were redeploying or considering redeploying staff as a result of COVID-19-induced disruption.⁴ However, this is not just a short-term trend that will cease when the pandemic ends; it is also part of a talent and culture development strategy. Sixty-five percent of HR leaders in 2020 expressed a desire to increase internal hiring.⁵

In light of this trend, potential to perform across a variety of roles has become a more critical measure of quality of hire.

Toward a New Definition

Given these talent realities, continuing to place such a strong emphasis on hiring manager satisfaction and role-based skills is short-sighted at best and harmful at worst. We propose the following redefinition of “quality of hire.”
To measure quality of hire according to this definition, the emphasis must shift from hiring manager satisfaction to the organization’s perspective, and from specific, role-based skills to cross-role potential (see Figure 5). Recruiting leaders must then refine how they put this definition into practice. This requires three shifts in their approach to measuring quality:

• Who you ask
• What you ask
• When you ask

Who You Ask: Getting a Broader View

Deemphasizing hiring manager opinion as the sole measure of quality does not mean cutting them out of the picture. It means expanding beyond the hiring manager (who may or may not have full visibility into the role). Individuals in supervisory roles are not the only sources of information, nor are the hiring managers the only individuals in supervisory roles. Depending on the role in question, quality can be measured with 360-degree feedback from those below, above, and/or at the same level as the employee. This can help mitigate the hiring manager’s bias while also providing deeper insight, ultimately resulting in a more accurate measurement. Consider the following roles:

• More senior: Managers (including hiring manager), leadership, more senior teammates
• Same level: Direct peers, project partners, adjacent teammates
• More junior: Direct reports, mentees, more junior teammates

Recruiting leaders may choose to ask the same questions to a varying set of stakeholders to compare answers, or use each stakeholder group to assess something different. For example, you may choose to use questions around future skills preparedness, or seek opinions about collaboration effectiveness, upward management, or consistency and quality of coaching.

What You Ask: Measuring Skills Preparedness

Opinions on candidate performance do matter for quality-of-hire assessment, but it is important to use more objective assessment questions than, “How satisfied are you?” or “Would you hire this person again?” While no measure will be perfectly objective, recruiting leaders and hiring managers should aim for more consistent questions on observable characteristics and behaviors. Refining these questions is critical to creating a more valid, consistent and fair measure of quality that can be measured and tracked year over year.

To capture this information, recruiting leaders can use a metric we use in our own research: skills preparedness.

Figure 5. Shifting Emphasis of Quality of Hire

<table>
<thead>
<tr>
<th>Who Matters</th>
<th>What Matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring Managers</td>
<td>Specific Role-Based Skills</td>
</tr>
<tr>
<td>Organization</td>
<td>Cross-Role Potential</td>
</tr>
</tbody>
</table>

Source: Gartner
When You Ask: Timing the Assessment

Assess quality of hire after the full scope of onboarding has been completed and the new hire has had a chance to demonstrate their performance.

Too often, posthire surveys to assess quality of hire happen too early and fail to account for the true length of the onboarding process. The right timing of quality-of-hire assessments will vary by role, as each role has a different learning curve. Measuring too early (at the beginning or middle of the learning curve) will lead to an invalid assessment of quality. Consider elongating your measurement time frame, or otherwise asking individuals familiar with the role to define the length of the learning curve.

A Call to Action

Measuring concepts like “quality” will never be a perfect science; what matters most is that organizations refine their approach — and for many, these changes will be long overdue. Fortunately, recruiting leaders are well positioned to lead this charge.

Start small: Begin by setting expectations with your team on a new definition or concept of “quality of hire” by deemphasizing the current role and hiring manager opinion and emphasizing cross-role potential. Then, recalibrate how you measure quality of hire.

Figure 6. Calculating Quality of Hire by Assessing Current and Future Skills Preparedness

How to Measure Skills Preparedness

Skills preparedness measures the extent to which an employee has the skills needed for both their current role in the organization and their future career. To determine where candidates fall on this matrix, consider the following qualities and customize them to your organizational context as needed (see Figure 6):

**Current Skills**
- The employee has the skills they need for their current job.
- The employee can quickly apply the skills they have learned.
- The employee can teach their skills to other employees.

**Future Skills**
- The employee has the skills they will need for their job three years from now.
- The employee could easily be hired for a comparable job at a different organization.
- The employee could easily be hired for a comparable job at a different business unit within our organization.
- The employee could easily be hired for a job very different from their current job within our organization.
by gathering more objective inputs from more people when the employee has had time to get up to speed in their role.

**Does your organization have a unique way to measure quality of hire? We want to hear from you. Contact your account manager to connect with our research team.**

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1. In a 2020 Gartner survey, an overwhelming majority of heads of talent management indicated their organization would change skills or competency requirements (90%), add new roles (83%), and eliminate others (78%) in the next two to three years. Source: 2020 Gartner Employee Experience and Talent Mobility Benchmarking Survey (n = 81 HR leaders).
2. 2021 Gartner Hiring Manager Survey (n = 3,510 hiring managers)
3. 2021 Gartner Candidate Survey (n = 3,000 candidates)
4. 2020 Gartner Coronavirus Polling on Talent Strategy and Budget Shifts (4 June 2020) (n = 99 HR leaders)
5. 2020 Gartner Employee Experience and Talent Mobility Benchmarking Survey (n = 80 HR leaders)
5 Best Practices for Recruiting a More Diverse Workforce

by Samantha Lustig and Jonah Shepp

Building a more diverse organization begins with broadening the talent pool. Recruiting leaders can use these best practices to make their hiring processes more inclusive and accessible to underrepresented talent, as well as more efficient at meeting the organization’s skills needs.
Recruiting a more diverse workforce is a key initial step in improving diversity, equity and inclusion (DEI) in the workplace. Seventy-six percent of employees and job seekers say a diverse workforce is important to them when evaluating companies and job offers. Consequently, diversity in hiring is a major priority for diversity and inclusion (D&I) leaders, 69% of whom said in late 2020 that they planned to prioritize influencing diverse talent acquisition efforts in the next 12 to 18 months.

One of the best ways to increase the diversity of the workforce is by expanding the talent pool, but few organizations do this effectively. Recruiters often utilize the same, traditional talent pools and miss out on qualified, diverse talent from nontraditional sources. In a 2020 survey, only 6% of recruiting staff reported filing their last requisition from a nontraditional source. Recruiting functions that draw from a larger talent pool can not only build more diverse workforces, but also meet their organization’s skills needs more efficiently. To do so, recruiting leaders need to embrace a total skills market, including candidates who:

- Are self-taught
- Gained their skills in a different function or industry from the target role
- Come from different employment models
- May be excluded by the standard hiring process (see Figure 1)

The following best practices can enable recruiting leaders to tap into this total skills market.

![Figure 1. The Total Skills Market](source: Gartner)
1. Design Demand Criteria for Flexibility

Rigid hiring criteria can be a barrier to a diverse workforce by excluding candidates who don’t fit a very specific profile. Diverse candidates who don’t have the exact background, experience and skills listed as requirements for a role often won’t even bother to apply. To overcome this barrier, recruiting leaders should flex criteria such as required credentials, experience and location, and focus more on potential and transferable skills.

Some people think flexing demand criteria means sacrificing quality of hire, but there are many paths to strong performance. Not every great hire comes from a top-tier university or a prestigious internship. Many candidates have skills beyond what their background and experience suggest. Fifty-eight percent of candidates recently considered for a new role have taken courses to learn new skills outside their current job in the last year, and 56% have applied to jobs outside their current career in the last year.4

Instead of just looking at credentials, recruiters should look at potential and evaluate candidates based on their ability and motivation to develop the necessary skills for a role. For example, Lilly’s architecture apprenticeship program develops potential architects from nontraditional sources within the company’s IT team, based on their potential, and offers them apprenticeships to help them learn the necessary skills. The program has opened up a new pipeline of high-potential architects from within Lilly’s existing workforce.
Expanding location criteria can also help organizations access a larger, more diverse talent pool. The evolution of the hybrid workplace has made it more feasible to source talent for many roles without limiting the search to a specific city or region (where the needed talent may be scarce and not very diverse). Philips created a workforce modeling tool for tech talent that lets business leaders enter their demand criteria and determine the cost and feasibility of their desired hiring profile. The tool also maps out the availability of coders and developers around the world, which influences hiring managers to adapt their location strategies to where the talent is located, not just where the business is located (see Figure 2).

2. Customize the Hiring Process to the Candidate

Hiring processes can often disadvantage or exclude underrepresented candidates if these processes are not designed with their needs in mind. To address this problem, recruiting leaders should create segment-specific hiring processes. This entails identifying underrepresented talent segments, identifying the barriers that exclude them from the hiring process and either removing these barriers or making accommodations to enable these candidates to overcome them.

For example, candidates with disabilities may self-select out of the hiring process because it is inaccessible or they expect some part of the process to be harder to complete due to their disability. An inclusive hiring process for these candidates should not only be accessible; the organization should also advertise that accessibility to candidates without them having to ask. Simply mentioning accommodations in job descriptions and holding virtual interviews to simplify logistics can make the process much more accessible and inviting to these candidates. Other underrepresented segments might include self-taught individuals or candidates restarting their careers after a period of absence (e.g., returning caregivers). Raytheon Technologies, in partnership with iRelaunch and the Society...
of Women Engineers’ Stem Reentry Task Force, created the Raytheon Technologies Re-Empower Program for people who have been out of the workforce for two years or more. The program gives these returnees the opportunity to participate in a 14-week paid training program to help them brush up on their skills before transitioning into full-time roles.

Organizations can also make their hiring processes more inclusive by diversifying the groups of people who interview and evaluate candidates. Fifty-five percent of D&I leaders report using diverse interview panels, which can help mitigate unconscious bias during the interview process by having a diverse range of backgrounds and perspectives represented on the panel.

3. Consider Alternative Talent Models

Alternative talent models such as part-time, freelance, project-based or contract-based employment, gig platforms and talent-sharing partnerships can help organizations meet new skills needs at a lower cost than full-time employees (FTEs). These alternative models can also be an avenue for bringing more diverse talent into the organization.

To leverage alternative talent models, recruiting leaders should audit their process and identify opportunities to make acquiring diverse talent more efficient and accessible. For example, in Unilever’s Open Talent Economy approach to talent acquisition, managers staff their projects according to skills, not FTEs. They break projects down into smaller tasks, identify the skills needed and then choose whether to bring in FTEs, people on temporary assignment, freelancers or other types of workers to fulfill the need.

Streamlining its talent acquisition process made it easier for Unilever to hire non-FTEs and encouraged the organization to embrace a wider range of talent sources, resulting in a 2.1x increase in the number of flex projects undertaken throughout its top 24 markets (see Figure 3).

As with other hiring processes, recruiting leaders should ensure processes for engaging talent in alternative work models are inclusive and accessible to underrepresented candidates.

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**Figure 3. How Unilever’s Workforce Embraces the Open Talent Economy**

Source: Adapted From Unilever
4. Support Hiring Managers to Consider Nontraditional Candidates

When recruiting leaders encourage hiring managers to look for talent outside of traditional pools, they often fail to change hiring managers’ behavior. To more effectively influence hiring managers, persuasion isn’t enough; the recruiting function must also provide them with tools to successfully consider diverse talent and ensure fairness and equity in the process. This can include:

- Explaining the pros and cons of different hiring pathways to illustrate the trade-offs involved
- Helping them weigh the value of transferable and soft skills
- Building awareness on how to support candidates with different needs

An example of this support comes from Westpac Group, which partnered with Specialisterne Australia to launch its “Tailored Talent” program, which provides recruiting opportunities to neurodiverse candidates. One facet of this program involves specialized training for managers to build awareness of the needs of people with autism and how they can make the hiring process and the workplace more accommodating for them.

5. Specialize Recruiting Strategies for Different Types of Candidates

Attracting and recruiting more diverse candidates requires different approaches for different roles and levels. Recruiting leaders should design specific strategies to target entry-level, midlevel and senior hires as well as internal candidates for midlevel and senior positions.

- **Entry-Level Candidates** — Many of the most common methods to diversify the talent pool involve campus recruiting efforts, which work well for diversifying early career talent. Sixty-seven percent of D&I leaders report using summer internship programs for diverse students and 61% report using diversity campus recruiting. Recruiting leaders can improve the impact of these programs by working with a wider selection of colleges and universities, as well as trade schools or bootcamps to engage talent with nontraditional educational journeys.

- **Midlevel and Senior Candidates (External)** — Diversity referral programs can work well for reaching underrepresented talent at all levels, including the senior and middle levels where the representation gaps are much larger. However, they are not commonly utilized, with only 24% of D&I leaders reporting they use diversity referrals. To help diversify the organization at the middle and senior levels, recruiting leaders should consider implementing diversity referral programs or other initiatives that encourage employees and leaders to broaden and diversify their professional networks.

- **Midlevel and Senior Candidates (Internal)** — Even organizations that succeed at hiring diverse talent into entry-level roles often struggle to advance these employees into more senior positions. A popular strategy for helping close these promotion gaps, used by 67% of D&I leaders, is to partner with organizations and nonprofits dedicated to empowering underrepresented talent. These organizations help existing employees from underrepresented groups gain the necessary training and skills to become attractive internal candidates for more senior roles. However, organizations should not put all the burden on diverse employees to make themselves visible as internal candidates; internal recruiting and promotion processes should also be audited to detect and mitigate structural biases.

By specializing strategies for different types of hires, recruiting leaders can start to break down the barriers facing diverse talent at different points in their careers. In keeping with the other best practices described above, the key is to understand the candidates the organization needs in its talent pool, figure out what’s keeping them out and design solutions specific to their needs.

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1. Glassdoor’s Diversity and Inclusion Workplace Survey, Glassdoor
2. 2021 Gartner Diversity, Equity and Inclusion Functional Benchmarking Survey (n = 39 D&I leaders)
3. 2020 Gartner Future of the Recruiter Survey (n = 253 recruiting staff)
4. 2021 Gartner Candidate Panel Survey (n = 3,000 recent candidates)
5. Raytheon Technologies Re-Empower Program, Raytheon Technologies
6. 2021 Gartner Diversity, Equity and Inclusion Effectiveness Survey (n = 33 D&I leaders)
Plan Your Workforce Without the Limitations of Roles

by Russ McCall

Workforce planning is rarely realized because the business does not prioritize it, HR does not have the expertise to run it and change thwarts all plans. To address this, HR leaders should decouple tasks from roles to make planning decisions that drive impact and organizational responsiveness.

True strategic workforce planning continues to be a dream that few HR leaders successfully realize. While more than half of CHROs want to advance beyond headcount planning as their workforces shift, less than 28% are confident in their approach to workforce planning.¹² There are many reasons why the ambition of workforce planning falls prey to the practical execution of workforce planning, including HR acumen and business buy-in challenges, but the most prevalent reason is change.

The increasing amount of change organizations face reduces the output quality of less-mature workforce planning (headcount forecasting), while the unpredictable nature of change makes more mature approaches (strategic workforce planning) a futile exercise:

- **Near-Term Headcount Forecasting** — Generating annual headcount projections does not take into consideration change within roles, leaving critical workflows rife with risk. There is an opportunity to adjust forecasting to align with near-term shifts in business strategy while decreasing costs by depending less on the go-to strategy of recruiting to replace and grow.

- **Long-Term Strategic Workforce Planning** — As external threats like pandemics, inflation and geopolitical tensions continue to upset our business models and talent supply, HR and business leaders have an understandable skepticism to planning for an uncertain future. Simply put, long-term strategic workforce plans become shelfware when an external shock hits.
What’s more, flexible work has made the process of workforce planning more difficult. Hybrid work has caused sustained, elevated turnover, which makes it harder to source essential capabilities by using building and buying solutions. Additionally, flexible work arrangements have also shifted how employees view work itself. With less time spent in office settings, employees have less of an opportunity to develop work friendships or engage in rituals like coffee chats and happy hours. As a result, they will value the work they do over any sense of an organizational culture that surrounds that work.

Is there a “Goldilocks” approach to managing change within workforce planning that avoids the change negligence of a headcount forecast and the change disruption of a long-term strategic workforce plan? HR leaders should consider the use of composability, which anticipates near-term change without pretending to know the future. Applied to workforce planning, composability breaks down roles into a group of
tasks, analyzes those tasks and determines the workforce strategies that will better align with and adapt to demand for a company’s products or services. Importantly, composability moves in lockstep with the near-term fluctuations of organizational strategy and external influences and provides a more relevant way of planning your workforce in line with today’s volatility.

Here are four steps you can take to apply a composability approach to your workforce planning.

1. **Prioritize Roles**

Start small and think ahead. Only use composability for the roles that are essential to critical workflows and that warrant the additional money, time and bandwidth that workforce planning necessitates. Roles are good candidates for composability planning if they:

- Are important to the delivery of organizational strategy in the next 12-18 months
- Are expected to be difficult to hire in the market
- Have high turnover
- Create significant costs to the organization when they are vacant
- Represent a large segment of the workforce

For example, consider how a healthcare organization might prioritize three roles for composability: respiratory nurses, anesthesiologists and pharmacists (see Figure 1).

In this illustrative example, the best candidate for composability planning is the respiratory nurse. The role represents a sizable swath of the population, already experiences high turnover, has high tangible and intangible costs to the organization when not filled, will continue to be difficult to hire, and is critical for providing patient care.

**Figure 1. Prioritizing Roles by Composability**

<table>
<thead>
<tr>
<th>Composability Criteria</th>
<th>Respiratory Nurse</th>
<th>Anesthesiologist</th>
<th>Pharmacist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance to Delivery of Future Org Strategy (12-18 months)</td>
<td>⬤</td>
<td>⬤</td>
<td></td>
</tr>
<tr>
<td>Projected Difficulty to Hire in Market</td>
<td>⬤</td>
<td>⬤</td>
<td></td>
</tr>
<tr>
<td>Current Rate of Turnover</td>
<td>⬤</td>
<td>⬤</td>
<td></td>
</tr>
<tr>
<td>Cost of Vacancy</td>
<td>⬤</td>
<td>⬤</td>
<td></td>
</tr>
<tr>
<td>Size of Population</td>
<td>⬤</td>
<td>⬤</td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td>⬤</td>
<td>⬤</td>
<td></td>
</tr>
</tbody>
</table>

The best candidate for composability planning is a respiratory nurse.

Source: Gartner
2. Decouple Tasks

Having identified roles suitable for composability planning, HR leaders must deconstruct the selected roles into a composite list of tasks and then make sense of those tasks. The task analysis must be conducted according to criteria relevant to the role, to the industry, and to the organization's strategy. Continuing with our example, a healthcare company might evaluate a nurse’s tasks according to their complexity, interdependence with other tasks and degree of human connection (see Figure 2). This would be quite different from a manufacturing or retail sales role, where the more appropriate refinement criteria could be time spent on the task, ease of learning or even the ability to complete the work remotely.

3. Strategize Solutions

Once HR leaders have prioritized the roles, translated them into tasks and analyzed those tasks, they should begin evaluating ways to optimize the delivery of tasks that were once confined to a role. In this exercise, HR leaders may find many tasks can remain within their original role, while others might be ripe for innovative sourcing models.

For example, tasks that might be low on human connection, complexity and interconnectivity could be good candidates for automation. Providence Health used AI to transcribe nursing notes and send them directly to doctors, freeing up time to focus on patient care. Similarly, White Castle uses robots to flip burgers, allowing employees to prioritize tasks related to the customer experience.

![Figure 2. Task Deployment Framework: Nursing](image)

Source: Gartner
For more complex, recurring tasks, HR directors may simply decide to build slack into the system with more diverse resourcing options. For example, Unilever has a program called “U-Work,” where employees select the assignments of most interest to them, rather than having a fixed role. Similarly, employees at Aldi perform multiple tasks that go beyond the boundaries of a role, from stocking to taking inventory and receiving shipments.

4. Monitor and Course-Correct

HR leaders should be ready to course-correct with the interventions they choose. Two considerations are clarity of impact and speed of signal: In other words, which of these strategies will successfully deploy the tasks of resource-constrained roles? And how quickly can we access data that will provide a clear signal of success? HR leaders must also evaluate how recomposing tasks among different stakeholders or technologies adds work friction. For example, does the added interplay of automated note-taking in nursing cause unnecessary complexity or detract from patient outcomes?

Conclusion

The use of composability aligns workforce planning with today’s environment of constant change. Its near-term nature reduces the impact of future disruptions, and some of the steps, namely the data, task and intervention analyses, offer the strategic insights that a talent forecast lacks. As more organizations recognize the importance of protecting critical workflows, composability offers a practical lens on how to take action today.

1 Gartner’s 2022 HR Priorities Survey was conducted from 7 July 2021 through 28 July 2021 and includes responses from 572 HR leaders globally and across all major industries.
2 2021 Gartner CHRO Survey; n = 44 HR leaders.
3 Providence Taps Nuance to Develop AI-Powered Integrated Clinical Intelligence, HIT Consultant.
4 White Castle to Hire 100 Robots to Flip Burgers, Today.
5 Future Workplace, Unilever.
6 How a Cheap, Brutally Efficient Grocery Chain Is Upending America’s Supermarkets, CNN Business.
In the market for specialized talent such as data scientists, organizations often assume candidates with stellar credentials deliver the greatest value. In fact, CHROs can get more value by hiring for retention and selecting candidates who will stay with the organization longer.
Keeping up with growing demand for data and technology skills is a constant challenge for chief HR officers in today’s business environment. Gartner TalentNeuron data shows that software development, analytics and other digital technology skills are consistently among the most sought-after skills in major global markets. These skills are not only required in IT but also in operations, finance, marketing and other core functions. Building, maintaining and managing technology are no longer highly specialized tasks specific to the IT function.

CHROs need to make sure these skills are available when and where they are needed. However, traditional strategies for filling skills gaps increasingly fall short in an environment of rapidly evolving skills needs and a competitive labor market where candidates with high-demand skills are scarce. The more skills and experience a role requires, the smaller the pool of ideal candidates and the harder the role is to fill (see Figure 1). Furthermore, skills are growing obsolete at such a fast pace, having the ideal skill set for right now is not as important as the ability to learn new skills and keep up with changing role requirements.

**Figure 1. U.S. Data Scientist Job Candidates by Skills Requirement**

- Total: 75,000
- More Than Two Years Experience*: 35,000
- More Than Two Years Experience and Python: 25,000
- More Than Two Years Experience, Python and SQL: 16,000
- More Than Two Years Experience, Python, SQL and Machine Learning: 11,000

*n = 75,000 data scientist candidates in the market, January 2018 through September 2021

Source: Gartner TalentNeuron

Note: This analysis includes all job postings with “data scientist” included in the job title (e.g., senior data scientist, lead data scientist), while excluding temporary roles (e.g., intern data scientist).

*Excluding entry-level positions (Zero to two years’ experience required)
With so many organizations competing for a small number of ideal candidates for these highly specialized roles, star talent is in high demand. Yet business leaders who try to meet their organizations’ digital skills needs by paying high salaries to attract top talent are often disappointed with the value these star hires deliver. Again, the perfect candidate is often elusive, as the more technical skills a role requires, the fewer ideal candidates are available (and the more expensive they get). Most organizations can’t compete with the tech giants for these candidates, whether in terms of salary, prestige, location or brand value of the role.

Research from our data and analytics research practice illustrates this phenomenon vividly. Data specialists are in high demand in many industries and command premium salaries. However, when an organization gets its hands on a top-tier data scientist, the employee often doesn’t stay in the role long enough to understand what the business does and really begin to add value. The true value of a data scientist comes from their knowledge of business operations, which can only be acquired by spending time in the organization and interacting with business users.

The organizations we see solving this problem do so by looking for technical talent that is likely to stick around instead of continuing to seek out “unicorns.” Rather than fixate on technical wizardry, they look for people interested in business operations. Employees who will stay at the organization for five years or more stand to generate far more business value than high-flying superstars who might move on to their next job within 18 months.

Case in Point: Asurion’s Value-Driven Approach to Data Science

Asurion has achieved a 93% talent retention rate on its data science team by recruiting for and engaging on three things that drive data scientists: impact, inclusive community and creative freedom. The company adopts a hub-and-spoke organizational model to provide its data scientists with both community and a variety of exciting and impactful opportunities. It evaluates talent on the basis of demonstrated potential, not just accomplishments, in order to encourage creativity and willingness to try new initiatives that may fail at first. And it recruits inclusively, looking for candidates with intellectually diverse backgrounds, experience and areas of expertise. This dramatically impacts the diversity of the D&A team.

Asurion’s approach has resulted in a diverse, value-generating team that is remarkably stable. Data scientists stay at Asurion longer, have a stronger sense of community and can see the impact of their work on customer experience.
By focusing on potential and staying power rather than ideal credentials and skill sets, CHROs can achieve some stability and cost-efficiency in a highly volatile and competitive market for tech talent. This approach has the additional benefit of building more diverse data and technology teams, as the pool of high-potential candidates with the ability to learn the needed skills is much larger and more diverse than the pool of star candidates who already have them.

To hire for staying power (and long-term value contribution) CHROs should look for candidates who:

• Want to learn how the business works and make an impact
• Demonstrate enthusiasm and aptitude for learning new skills
• Are resilient and adaptable enough to grow with the organization and evolve their role in response to a changing business environment

"Retaining data scientists is essential because they have to know how the business works to deliver value. This is knowledge that can only be acquired by spending time in the organization and interacting with business users — you get it by focusing on retention in addition to hiring."

Faker Zouaui, Chief Analytics Officer, Asurion

1 Gartner TalentNeuron
Top 5 Priorities for HR in 2022

Gartner surveyed more than 500 HR leaders across all major industries to assess their priorities and expected challenges in 2022.

This report highlights key findings from the survey, detailing:

1. The 5 initiatives CHROs and HR leadership are prioritizing in 2022
2. Common challenges HR leaders are facing in each priority
3. Actions HR leadership should take to address each priority in the year ahead

View the key findings and assess your top priorities for 2022.

Download Report
Joseph Fuller shares why many qualified applicants never make it to the candidate pool for consideration. He discusses the assets these hidden workers bring to the organization and offers ways HR leaders can reevaluate recruiting processes that are no longer fit for purpose.
Joseph Fuller recently joined the Gartner Talent Angle podcast to discuss the growing number of hidden workers — qualified job applicants who are consistently screened out of the candidate pool. The following insights are excerpted from that conversation.

**Defining Hidden Talent**

Hidden talent are potential workers who, because of attributes of their work history and the way in which most employers seek to find talent, end up being hidden from the view of potential employers for consideration.

Even though they apply for a job, they never transit from the applicant pool into the candidate pool because they’re systematically eliminated from consideration for various reasons.

Some of the reasons can be quite understandable. For example, they simply don’t have the background or credentials to be a serious candidate for the job. But they can also be for factors like a gap in their work history or the absence of one or two skills that the employer requires, but may in fact not be essential, or the absence of a college degree, or the presence of a criminal conviction.

Variables are used to decide who makes that journey from applicant to candidate, and hidden workers are applicants who are screened out of the candidate pool by those considerations.

One of the perverse things about being a hidden worker is the longer you are one the longer you’ll be one. Hidden workers are often relegated to that classification because they have not been employed in the last six months. It becomes a vicious cycle, which can only be broken by a very directed effort to engage a hidden worker population and get them the skills and experiences they need to get back on a career pathway.

**Hiring Hidden Workers Goes Beyond Altruism**

Let’s look at the performance of workers who’ve been brought into a workforce through a program that was specifically designed to engage a subpopulation of hidden workers — veterans. Veterans are very often screened out of hiring processes. Why is that? Well, the work they do in the military does not map easily into what a corporation is looking for.

The specificity with which veterans describe their work and the terms they use don’t map well into an average employer’s hiring process. The algorithm looking for certain words or certain experiences, doesn’t see them in the submission of a veteran. Companies that have understood what veterans offer, in terms of skills and attitudes, and that have designed programs to remediate any gaps, report that workers from that population are more productive, they turnover at a lower rate, and they are more engaged.

Hiring hidden workers doesn’t have to be justified through the lens of, “We feel badly that there are people with challenges,” or “We want to show support and gratitude to veterans.” It’s a clear-eyed, hard-nosed smart business decision.

**The Assets Hidden Workers Bring to Organizations**

I think what most companies are learning is that it’s increasingly a fool’s errand to say, “I really need to find someone who’s an expert in this specific technology, and that’s enough for me. If they’re not a great team player, if they don’t have a high level of self-efficacy, if they don’t have good workplace habits, it doesn’t matter just as long as they’re good at the technology.”

The half-life of technology keeps shortening. What you really want is someone who has a capacity to learn and who has social skills. People who can successfully interact with others who are unfamiliar to them have, what’s called in psychology, a theory of the mind. It’s someone who can anticipate how others are thinking or feeling. Someone with good native negotiation skills. Someone who can get involved in a give-and-take with a customer, or a supplier, or a colleague and have a successful conversation.
They may not necessarily get exactly what they wanted, but they reach an agreement which both parties can accept willingly.

Those are the types of skills that will be increasingly relevant to a successful worker as technology intrudes more on the routine tasks that were the bedrock of many jobs for the last half-century.

Applying Quality Management Principles to Hiring Practices

In looking for and bringing talent into your organization, you ought to apply the fundamental thinking behind a total quality management system that companies would use to buy ball bearings or printer paper.

Somehow, when it comes to securing talent, the logic goes out the window. If you had a design engineer that created the product where the scrap rate was through the roof and the return rate from customers was abnormally high, you’d probably fire the engineer. That data would be visible upstream. If companies bought ball bearings the way they hire talent, planes would be falling out of the sky left and right. Because there’s no effort to understand what constitutes a quality hire, what process created the quality hire and what elements of the process led to a defective hire.

If you’re going to maximize your human asset base, you need to start by understanding what you’re looking for. It’s not just someone who will take the job quickly or who the applicant tracking system validates is qualified. Instead, you should understand which talent pools hired in what way correlate to a successful hire. And you should measure the success of the recruiting function on their capacity to continuously improve measures like that, not just cost control.

Selecting Hidden Talent Stakeholders

Organizations who do this the best acknowledge that the everyday processes the company has implemented have not led to the desired outcome. “This will be different. We’re going to make errors, and we’re going to have to be humble about this. We’re going to have to listen to people who understand this hidden worker population. They are not going to tell us that everything we do now is perfect and beyond criticism.”

With that mindset, you need sponsorship, ideally from the core operations of the business. At the best companies, the sponsorship for these hidden worker processes resides in people with P&L responsibility — not the CHRO and not the corporate foundation or corporate social responsibility function.

You want that type of leadership because there will be barriers and trade-offs, and you need someone who has credibility and organizational heft to overcome those. You also want someone who is holding the program to the standard of contributing to the enterprise economically.
Someone who can understand if this population is productive. “What are we learning about the quality of our program and the quality of our hiring? How are we continuously improving both the onboarding process and the actual workplace processes that allow one or more categories of hidden workers to be more productive?”

**Identify Hiring Processes No Longer Fit for Purpose**

Companies have very finely tuned systems and processes for hiring, evaluating, training and onboarding that have evolved over the years as the company has been in business. My father was the longtime chief human resources officer at General Motors. He passed on many years ago, but I believe that if he were suddenly reincarnated today and went to see the CHRO of GM, he would largely understand the core processes of human resources management as it relates to recruiting and onboarding, as they’re quite like those that he supervised in the seventies and eighties.

You have to acknowledge that whether it’s the changed attitudes toward work invoked by COVID-19 or the desire to attract new catchment pools of talent from these hidden worker populations, those standard time-honored, highly refined processes aren’t going to be entirely fit for purpose.

They have to be changed — in some cases, significantly. If you don’t have senior sponsorship, you’re not going to get the commitment to make those types of changes. Certainly not to the degree and for the duration required for a fair experiment to see how these economics worked out in your organization.
In the current labor market, unprecedented demand to fill open job requisitions and extremely high levels of turnover are making it increasingly difficult for recruiters to keep up. The 2021 Gartner Recruiting and Sourcing Survey finds that recruiters own nearly three-quarters (72%) of all activities in the end-to-end hiring process, and 69% of recruiters say their volume of task responsibilities continues to rise. This state of affairs is untenable: Recruiters can’t possibly do it all, and worrying levels of recruiter burnout seem inevitable. This issue is especially critical for HR leaders in today’s labor market, where recruiters’ skills are needed most and they are extremely difficult to replace when they quit.

To address the risk of recruiter attrition and also help the business, HR leaders should reduce recruiters’ workloads by utilizing a team-based approach with dedicated support throughout hiring process activities (including in marketing, sourcing, administration and operations). With said support, recruiters’ intent to leave their organizations is about 20% lower (see Figure 1), they spend significantly more time on candidate conversion and report over 30% fewer days for time to fill compared to recruiters with no dedicated staff support.

**Figure 1. Recruiter Activities Supported**

<table>
<thead>
<tr>
<th>Time to Fill (Days)</th>
<th>Intent to Leave Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Support</td>
<td>1.75</td>
</tr>
<tr>
<td>Less Than Half</td>
<td>3.5</td>
</tr>
<tr>
<td>More Than Half</td>
<td>3.0</td>
</tr>
</tbody>
</table>

n = 153 recruiters, contracted recruiters and recruiting managers

Source: 2021 Gartner Recruiting and Sourcing Survey
Metrics of the Month features snapshots of data from our Global Talent Monitor reports, which track worldwide trends in employee experience and perceptions. In keeping with this issue’s theme, this month’s metrics focus on employees’ labor market perceptions and intent to stay.

### Employee Confidence in Job Availability

- May 2021: 55.1
- Sep 2021: 54.0
- Jan 2022: 54.5
- Apr 2022: 55.1

### Employee Intent to Stay

- May 2021: 39%
- Sep 2021: 37.5%
- Jan 2022: 40%
- Apr 2022: 39%

### Employee Compensation Switch Premium Expectation

- May 2021: 10.8%
- Sep 2021: 10.5%
- Jan 2022: 11.0%
- Apr 2022: 10.8%

### Employee Business Confidence

- May 2021: Current 43.6, Overall 47.6, Future 51.6
- Sep 2021: Current 44.1, Overall 48.1, Future 52.1
- Jan 2022: Current 44.6, Overall 48.6, Future 52.6
- Apr 2022: Current 45.1, Overall 49.1, Future 53.1

Source: Gartner Global Labor Market Survey, May 2021-April 2022

Note: All metrics are measured monthly and contain responses from an average of over 3,000 employees across various geographies and industries. “Intent to Stay” (ITS) refers to the percentage of employees who had an average rating of “Disagree” or “Strongly Disagree” across four separate but related ITS indicators. “Confidence in Job Availability” is a composite metric with scores ranging from 0-100, where higher numbers indicate higher confidence.