



Gartner TalentNeuron™

# Disruption-Proof Your Talent Strategy Using Labor Market Insights

Key scenarios for workforce planners

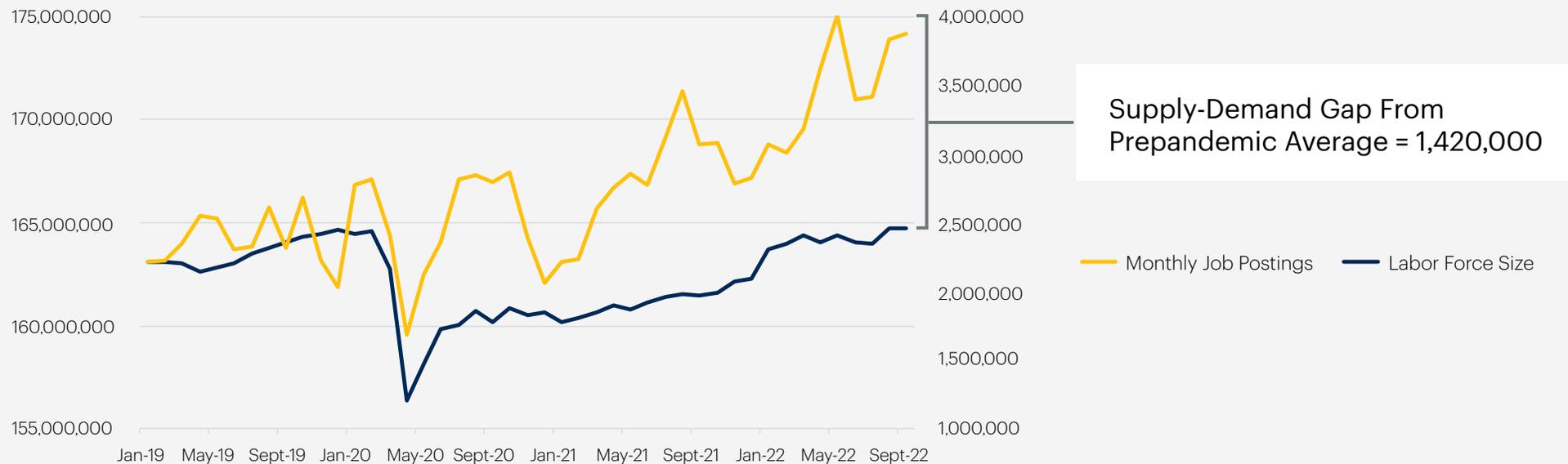
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# Talent competition remains high despite economic disruption

Past economic disruptions have occurred in lock-step with steep reductions in demand for talent. This time it's different. Talent demand has remained persistently high overall since 2020, creating a talent supply-demand gap that

is driving up labor costs. High-demand skills viewed as critical for resilience and growth are particularly scarce and expensive in today's market, a trend HR leaders expect will persist for the foreseeable future.

## Labor Force Level and Job Posting Volume in the U.S.



Source: Gartner TalentNeuron (Monthly Job Postings) and U.S. Bureau of Labor Statistics (Labor Force Size)

# Four scenarios for revising workforce planning in a disrupted market

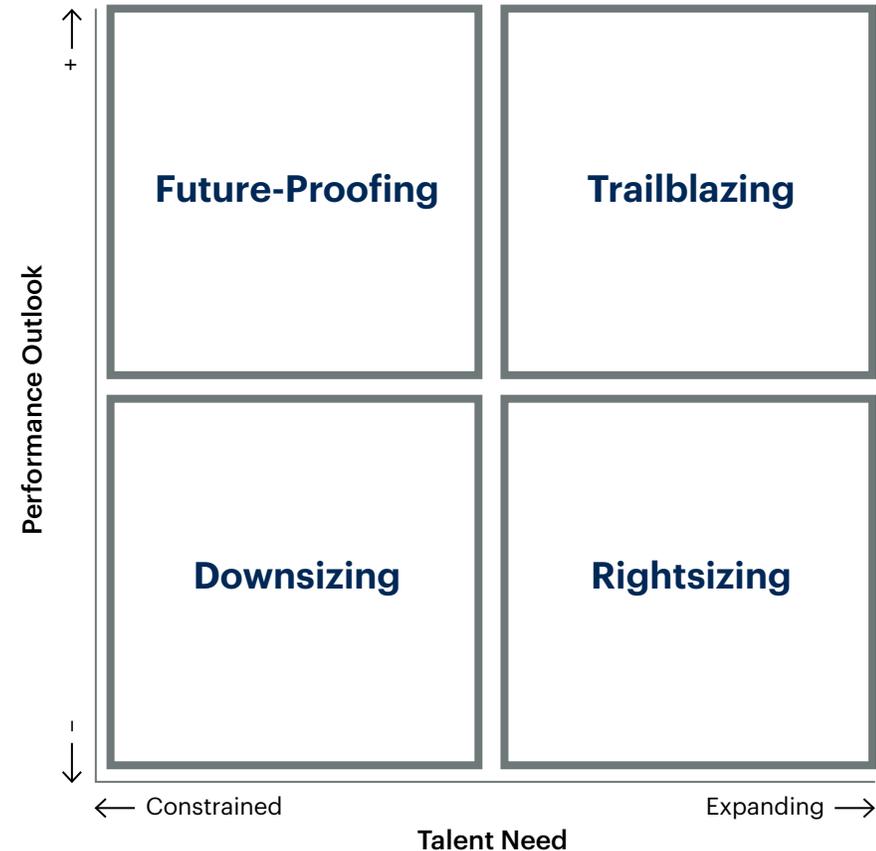
The talent crunch is forcing HR leaders to revisit their workforce planning strategies. That's universal, since talent is the most critical resource organizations have to survive and thrive. Yet the performance pressures and talent growth conditions vary by organization.

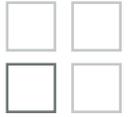
The following four scenarios can guide the approach workforce planners take depending on where the organization falls on the continuum of talent need and performance outlook:

- Organizations looking to decrease their demand for talent due to a poor performance outlook should follow a workforce planning playbook for **downsizing**.
- Organizations that need to add talent to fulfill their operations while under performance pressure should be **rightsizing**.
- Organizations that have the talent they need and are seeing strong economic performance should be **future-proofing**.
- Organizations with a strong performance outlook and an eye on talent expansion should be **trailblazing**.

The following pages highlight the key questions and actions workforce planners should take to pursue each scenario.

Talent Scenarios During Economic Disruption





## Downsizing steps for workforce planners

Downsizing organizations will consider reducing their workforce with an eye on the risks those actions have on future talent needs and organizational reputation.

Workforce planners in a downsizing scenario should consider the following questions and actions.



### Ask key questions

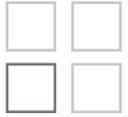
- How do we identify and prioritize the most critical talent segments?
- What are the cost/talent implications of maintaining our current location strategy?



### Take key actions

- Prioritize roles based on business continuity and difficulty to hire.
- Offer location flexibility to reduce cost.

## Downsizing Key Action



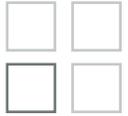
# Prioritize roles based on business continuity and difficulty to hire

Evaluate your current talent mix through the lens of the skills you need to maintain the business, as well those that would be difficult to recruit and retain in the current market. Leverage labor market data to understand metrics, such

as the size of the talent population in your geographic labor markets. The software developer role emerges as the highest priority for downsizing in this representative scenario.

Prioritization Criteria	Software Developer	Sales Engineer	Finance Manager
Importance to Organization's Strategy (12-18 Months)	●	◐	○
Projected Difficulty to Hire in Market	●	●	◐
Current Rate of Turnover	●	○	◐
Cost of Vacancy	◐	◐	○
Size of Population	●	○	◐
Average	●	◐	◐

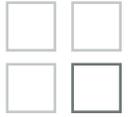
## Downsizing Key Action



# Offer location flexibility to reduce cost

Take advantage of a diversified and decentralized location strategy to access a larger and possibly less expensive talent pool. Identify the jobs that must be done in a specific location, as well as those that can be done remotely. And leverage labor market data from Gartner TalentNeuron™ research to conduct a location analysis. Assign weights to the talent parameters (supply, demand, salary) based on business priorities to identify high-potential locations.

Rank	Ctry	Location	Supply	Demand	Supply-demand ratio	Est. salary	Location rating
1	US	Washington-Arlington-Alexandria MSA, DC	2,579 Adequate PA	6,485	0.4 Very low	\$162k - \$229k	Fair
2	US	Dallas-Fort Worth-Arlington MSA, TX	1,640 Adequate PA	4,070	0.4 Very low	\$143k - \$194k	Fair
3	US	Trenton MSA, NJ	213 Adequate PA	694	0.3 Very low	\$135k - \$181k	Fair
4	US	Atlanta-Sandy Springs-Roswell MSA, GA	1,233 Adequate PA	3,643	0.3 Very low	\$143k - \$198k	Fair
5	US	Raleigh MSA, NC	373 Adequate PA	1,377	0.3 Very low	\$140k - \$191k	Fair



## Rightsizing

Rightsizing organizations with a poor performance outlook and high talent demands will need to prioritize actions to ensure employees have the right skills for their roles and to create a culture that drives retention and efficiency.

Workforce planners in a rightsizing scenario should consider these questions and actions.



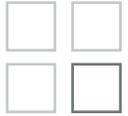
### Ask key questions

- Which global locations should we consider for our most critical roles?
- Should we consider alternative employment models to manage costs?
- Can we leverage adjacent skills to address critical skill needs?



### Take key actions

- Identify alternative locations to source talent and optimize costs.
- Evaluate costs and risks for different employment models to meet talent needs.
- Use internal talent with adjacent skills to fill critical roles.



# Identify alternative locations to source talent and optimize costs

IT talent based in existing IT talent hubs are often expensive because of high competition for the same resources. Instead, look to emerging locations to support your business priorities. Conduct a location analysis to identify favorable talent hubs based on the availability of skilled labor, local talent

competition and labor costs. The Talent Score provided within Gartner TalentNeuron is a weighted average of talent parameters, such as talent supply, supply-demand ratio, salary cost and location. Workforce planners can use the standard weights or customize weights based on organizational scenarios.

## Example: Location Analysis Using Gartner TalentNeuron

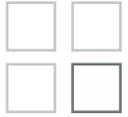
Less Favorable More Favorable

Existing IT Hubs	Software Developer	Sales Engineer
Bangalore	7.4	373,450
Tokyo	7.0	424,450
Delhi NCR	6.8	322,750
São Paulo	6.8	765,650
Shanghai	6.8	295,050
Beijing	6.6	241,600
New York	6.6	224,700
Pune	6.0	180,700
San Francisco	6.0	279,300
Hyderabad	6.0	177,900

Existing IT Hubs	Software Developer	Sales Engineer
Mexico City	6.3	126,900
Ahmedabad	6.2	126,600
Budapest	6.1	173,550
Kolkata	6.1	88,550
Manila	6.1	174,600
Buenos Aires	6.0	78,000
Helsinki	6.0	112,450
Rio de Janeiro	5.8	102,950
Guadalajara	5.7	98,400
Melbourne	5.7	85,650

Source: Gartner TalentNeuron

Note: The Talent Score is calculated based on talent supply, talent demand, salary cost and a few other location-based parameters.



# Evaluate costs and risks for different employment models to meet talent needs

Optimize talent costs and mitigate risks with an ideal combination of permanent employees and contingent workers for each business unit. To identify the ideal mix, conduct scenario planning for each business unit by mapping the “cost of

getting work done” against “implementation risks” as the key strategic drivers. This makes it easy to communicate with business leaders about the budget impact and feasibility of different talent models.

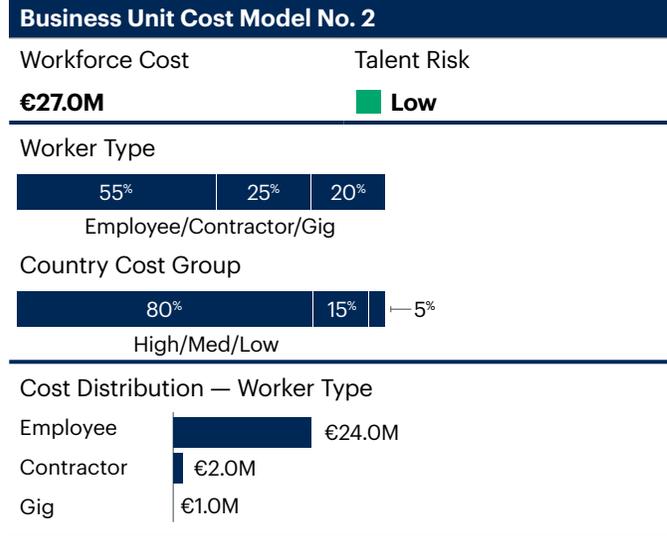
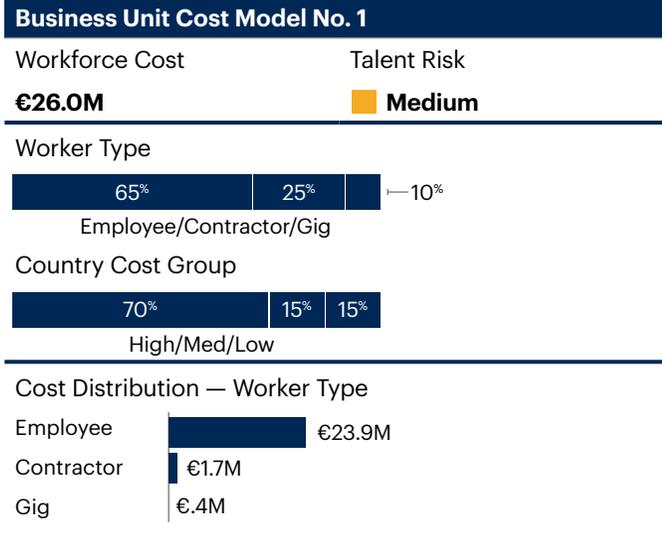
## Permanent vs. Contingent Mix Optimization (Illustrative)

**Talent Cost:**

The total cost of the workforce — including full-time employees, contractors and gig workers — for a business unit.

**Benefit of Using:**

Business leaders can see the real-time impact their workforce decisions have on the bottom line.



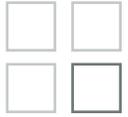
**Talent Risk:**

The risk of getting work done in a location due to factors like legislation, demographics, political stability and talent availability.

**Benefit of Using:**

The balance of cost with the feasibility of implementing this option.

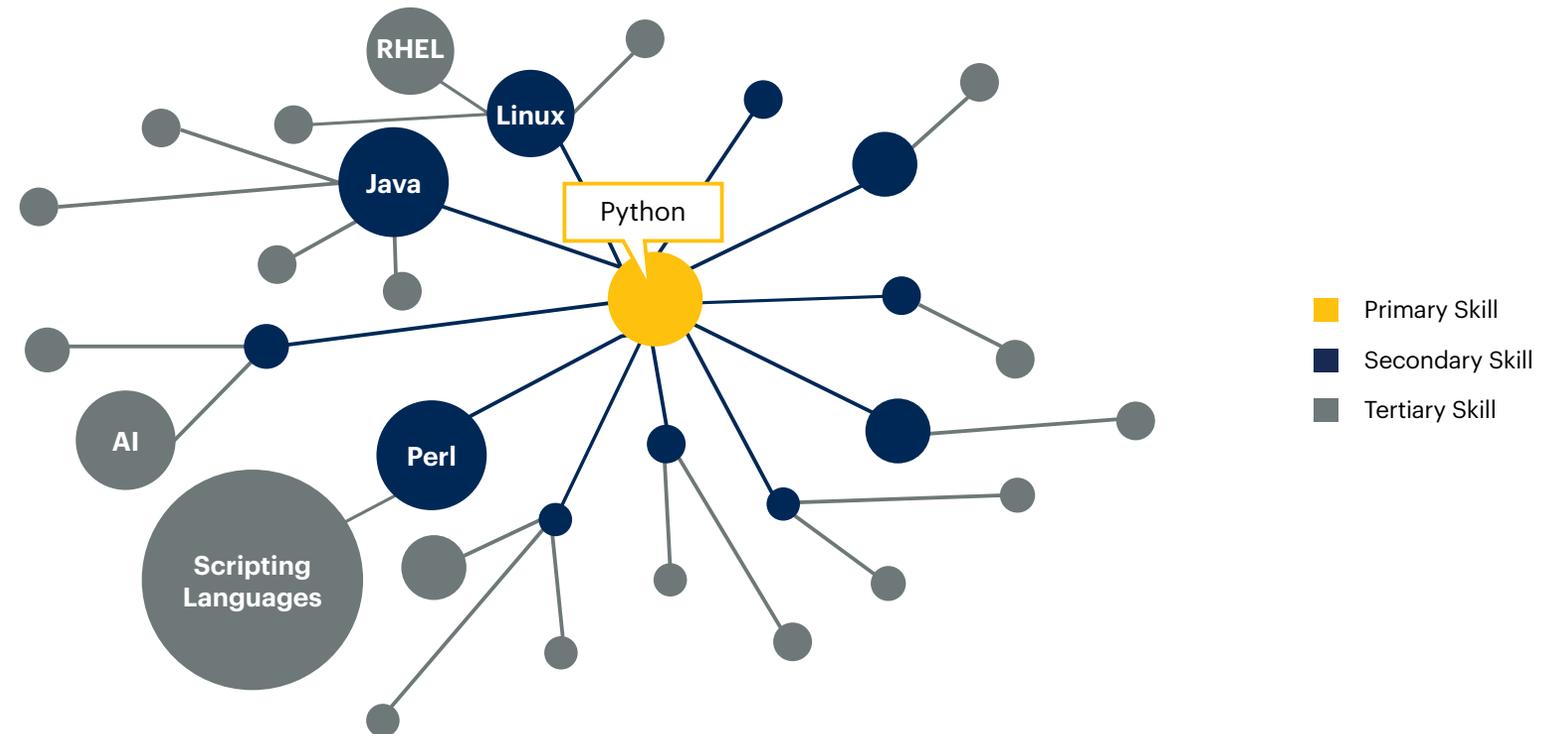
## Rightsizing Key Action



# Use internal talent with adjacent skills to fill critical roles

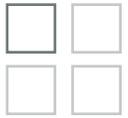
Workforce planners should expand the search criteria to include talent with adjacent skills to the ones you need to source. Doing so enables you to reach out to a wider pool of potential candidates — including those within the organization — who can be easily trained to fill a skills gap.

### Skills Adjacency Model for Python (Illustrative)



Source: Gartner TalentNeuron

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## Future-proofing

Future-proofing organizations focus on talent resiliency against future shocks. Key activities might include combining or removing redundant functions, redefining skills requirements and enhancing the employee value proposition (EVP) to improve talent retention.

Workforce planners in a future-proofing scenario should consider these questions and actions.



### Ask key questions

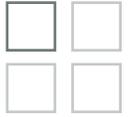
- Which skills should we prioritize building internally through learning and development (L&D)? Which skills should we prioritize hiring from outside?
- How do we retain critical talent in a competitive labor market?



### Take key actions

- Conduct skills-based workforce planning to inform build-buy decisions.
- Evaluate competitive strengths to attract and retain critical talent.
- Prioritize EVP traits valued by your talent.

## Future-Proofing Key Action



# Conduct skills-based workforce planning to inform build-buy decisions

Evolve the organization's skills base to equip the business with talent and capabilities needed to drive growth. Those needs change quickly. Stay on top of them with a skills evolution model to differentiate and plan for new, emerging, growing, core and declining skills. The build vs. buy strategy will change depending on which category a skill falls under.

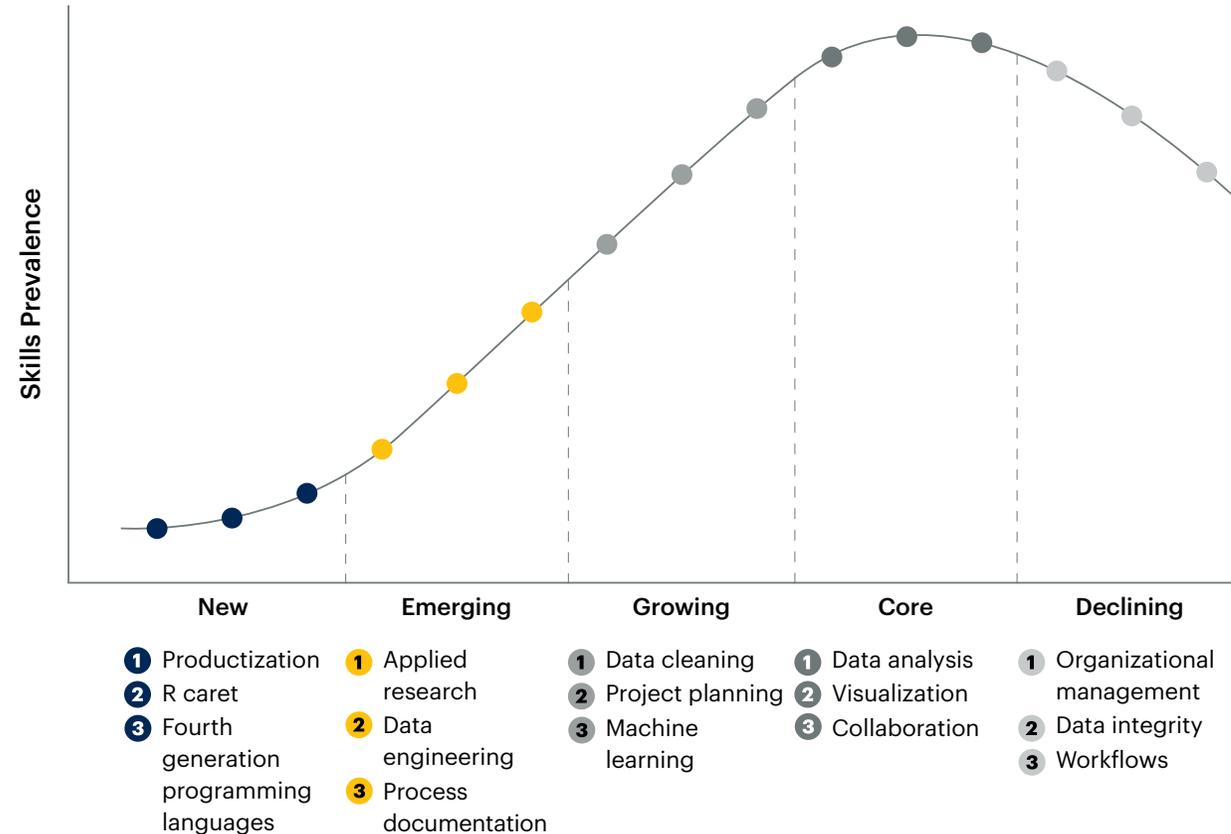
**Build:** Create development plans for workers in roles that rely mostly on core or declining skills to prioritize their acquisition of emerging and growing skills.

**Buy:** Acquire talent to fill skills gaps that are hard to close internally.

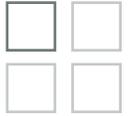
Learn how to optimize build-buy decisions in the Gartner TalentNeuron eBook, [Five Ways to Leverage Talent Data to Acquire Digital Skills](#).

Source: Gartner

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## Future-Proofing Key Action



# Evaluate competitive strengths to attract and retain critical talent

Examine job descriptions from your talent competitors to ensure your organization can match or exceed their offers. Look for information about the EVP and how it differs from yours, particularly as it relates to retention red flags, such as compensation.

### Dashboard — Sentiment Analysis (Illustrative)

Sentiment	Your Organization	Competitor A	Competitor B	Competitor C	Competitor D	Average Sentiment Score
Radical Flexibility	3.2	3.7	3.7	3.4	4.2	3.6
Holistic Well-Being	3.6	4.0	4.1	3.8	3.9	3.9
Personal Growth	3.2	3.5	3.5	3.6	3.8	3.5
Deeper Connections	3.0	3.2	3.3	3.4	3.7	3.3
Shared Purpose	3.4	3.8	3.9	3.7	4.2	3.8
<b>Average Company Score</b>	<b>3.3</b>	<b>3.6</b>	<b>3.7</b>	<b>3.6</b>	<b>4.0</b>	<b>3.6</b>

□ Average Overall Score

□ Average Company Score above Average Overall Score

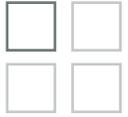
□ Company equal to or above Average Sentiment Score

XX — Sentiment Score has grown in the latest four quarters.

XX — Sentiment Score has declined in the latest four quarters.

Source: Gartner TalentNeuron

## Future-Proofing Key Action

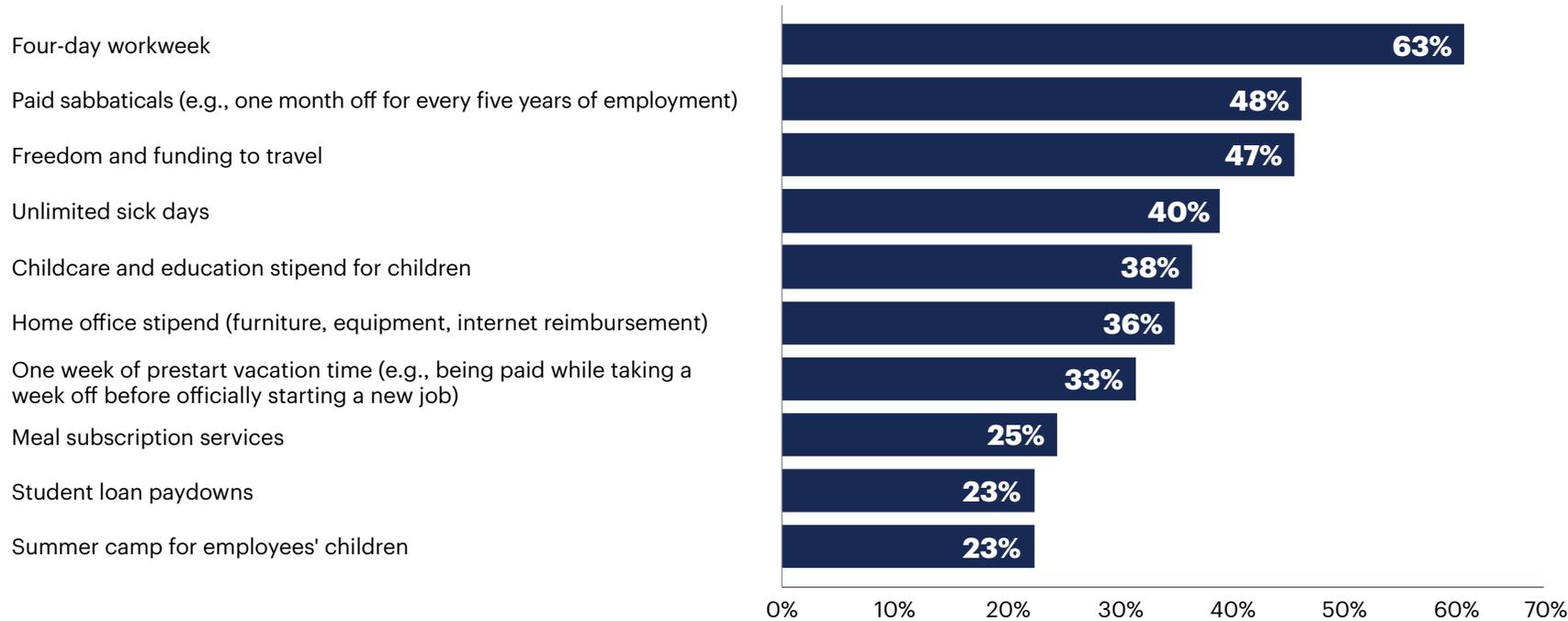


# Prioritize EVP traits valued by your talent

Identify what matters most to candidates and high-value talent and proactively implement programs to differentiate your organization with them. Tailor the EVP around people's lives, not just their careers.

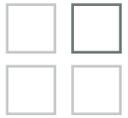
### Innovative Benefits That Would Attract Candidates to a Job

Percentage of candidates selecting in their top 5



n = 3,621 candidates

Source: 2022 Gartner Candidate Survey; Note: Respondents could select up to five benefits. The question included 17 innovative benefits. The chart above shows the 10 most frequently selected.



## Trailblazing

Trailblazing organizations can take more risks and be more aggressive in their strategies. As profit projections trend up, trailblazers have fewer cost constraints limiting expansion.

Workforce planners in a trailblazing scenario should consider these questions and actions.



### Ask key questions

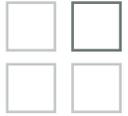
- How do we find and attract the critical talent that we need to drive business growth?
- What talent should we focus on for growth?



### Take key actions

- Analyze hiring competition to meet critical talent needs.
- Fuel your expansion plans with graduate hiring.

## Trailblazing Key Action

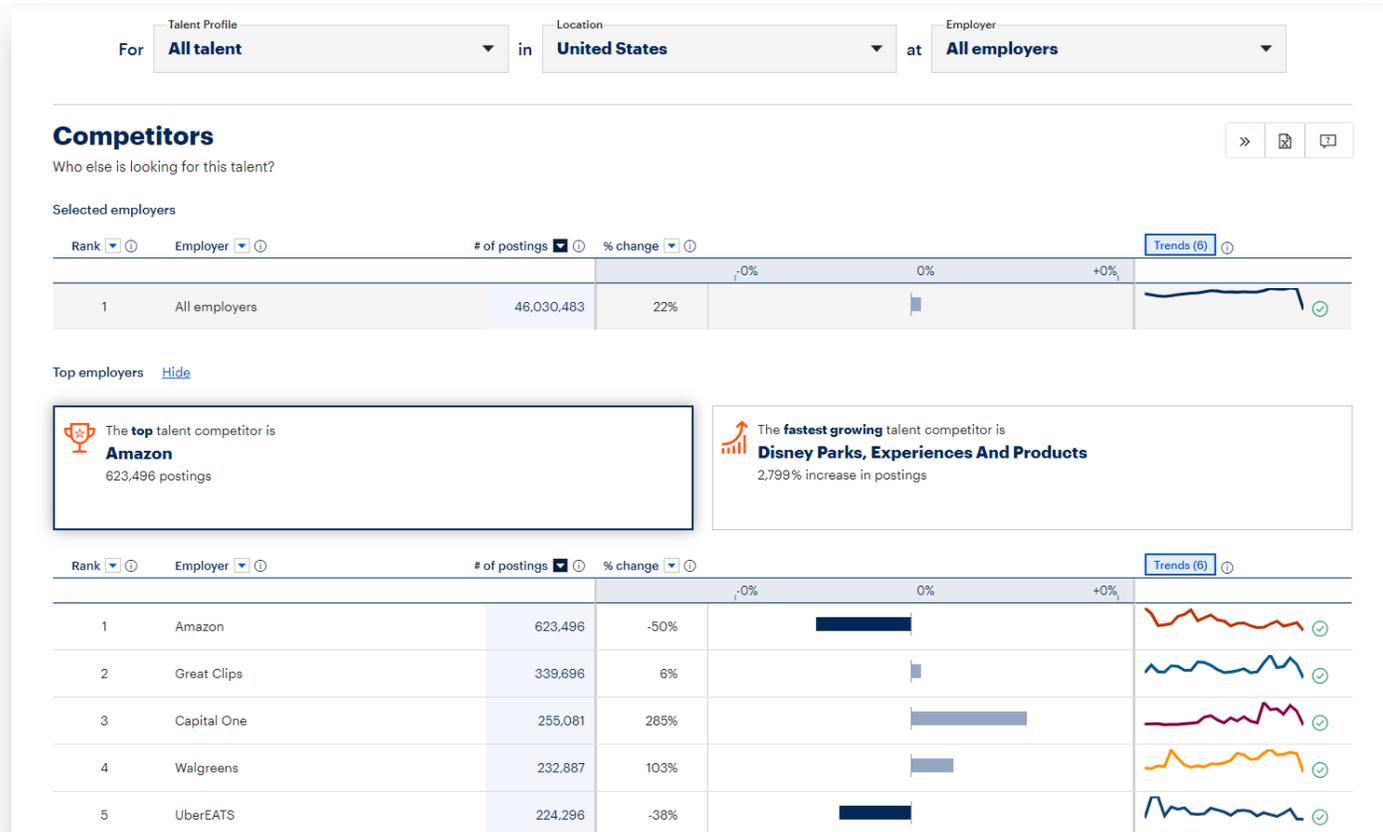


# Analyze hiring competition to meet critical talent needs

Evaluate your talent competitors — both the largest ones and those who are growing fast — to understand competitor demand for your most critical roles and where you may struggle to compete.

Look, as well, at how competitor talent priorities have changed over time to more accurately assess your ability to hire key talent.

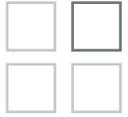
## Assess Competitor Hiring Trends Using Gartner TalentNeuron



Source: Gartner

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## Trailblazing Key Action



# Fuel your expansion plans with graduate hiring

Graduate programs serve as a key pipeline for talent into certain geographic markets — both for current talent needs and for the future. Partner with graduate programs developing the skills you need. Doing so can allow you

to strategically develop cost-efficient, future-focused ways to achieve talent growth despite volatile market conditions.

### Example: University Sourcing Analysis for IT Function

University Name	Total Graduates 2019	Gender Diversity (%)		Total US Graduates	Ethnic Diversity (%)					
		Male	Female		Whites	People of Color	Ethnic Distribution - People of Color			
							Black or African American	Asian	Hispanic	Others
The University of Texas at Austin	1,052	81.6%	18.4%	990	42.7%	57.3%	2.2%	37.4%	13.0%	4.6%
Rutgers University-New Brunswick	896	83.4%	16.6%	779	39.5%	60.5%	3.0%	43.0%	8.6%	5.9%
The University of Texas at Dallas	852	82.7%	17.3%	801	41.3%	58.7%	5.7%	31.0%	16.0%	6.0%
University of Phoenix-Arizona	798	78.3%	21.7%	772	50.3%	49.7%	13.9%	3.6%	11.3%	21.0%
Florida International University	743	86.1%	13.9%	669	8.5%	91.5%	8.4%	4.5%	75.9%	2.7%
University of Washington-Seattle Campus	736	67.7%	32.3%	615	47.3%	52.7%	2.9%	35.8%	4.4%	9.6%
New Jersey Institute of Technology	678	89.2%	10.8%	648	34.1%	65.9%	8.8%	29.6%	18.5%	9.0%
University of California-San Diego	630	82.9%	17.1%	520	27.5%	72.5%	1.2%	47.7%	13.1%	10.6%

Female Diversity and Minorities: **Unfavorable**

Female Diversity and Minorities: **Favorable**

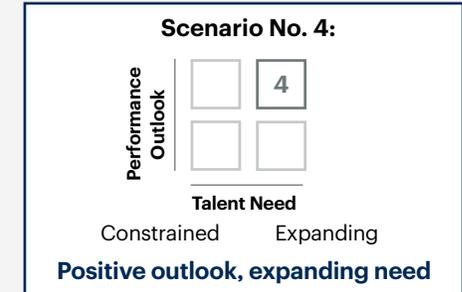
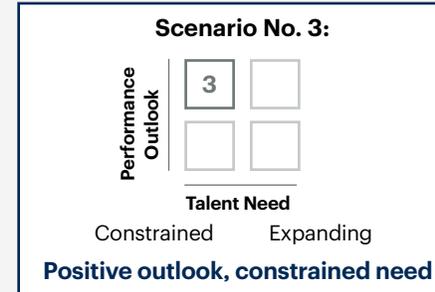
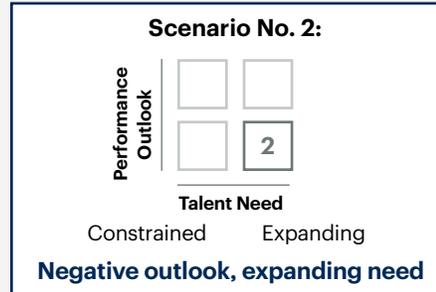
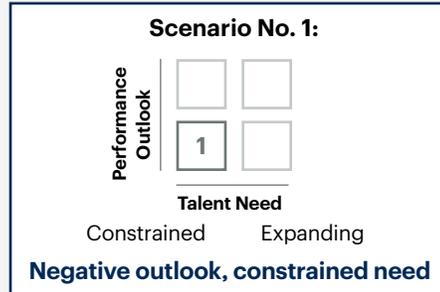
Source: Gartner

# Four workforce planning scenarios in summary

## 1 Introductory question

How is the economic environment affecting your organization's performance outlook and your need for talent over the next six to nine months?

## 2 The four scenarios



## 3 Workforce planning focus

### Downsizing

- How do we identify and prioritize the most critical talent segments?
- What are the cost/talent implications of maintaining our current location strategy?

### Rightsizing

- Which global locations should we consider for our most critical roles?
- Should we consider alternative employment models to manage costs?
- Can we leverage adjacent skills to address critical skill needs?

### Future-Proofing

- Which skills should we prioritize building in-house through L&D?
- Which skills should we prioritize hiring from outside?
- How do we retain critical talent in a competitive labor market?

### Trailblazing

- How do we find and attract the critical talent that we need to drive business growth?
- What talent should we focus on to pursue growth?

## 4 Key workforce planning questions to solve

- Prioritize roles based on business continuity and difficulty to hire.
- Offer location flexibility to reduce cost.

- Identify alternative locations to source talent and optimize costs.
- Evaluate costs and risks for different employment models to meet talent needs.
- Use internal talent with adjacent skills to fill critical roles.

- Conduct skills-based workforce planning to inform build-buy decisions.
- Evaluate competitive strengths to attract and retain critical talent.
- Prioritize EVP traits valued by your talent.

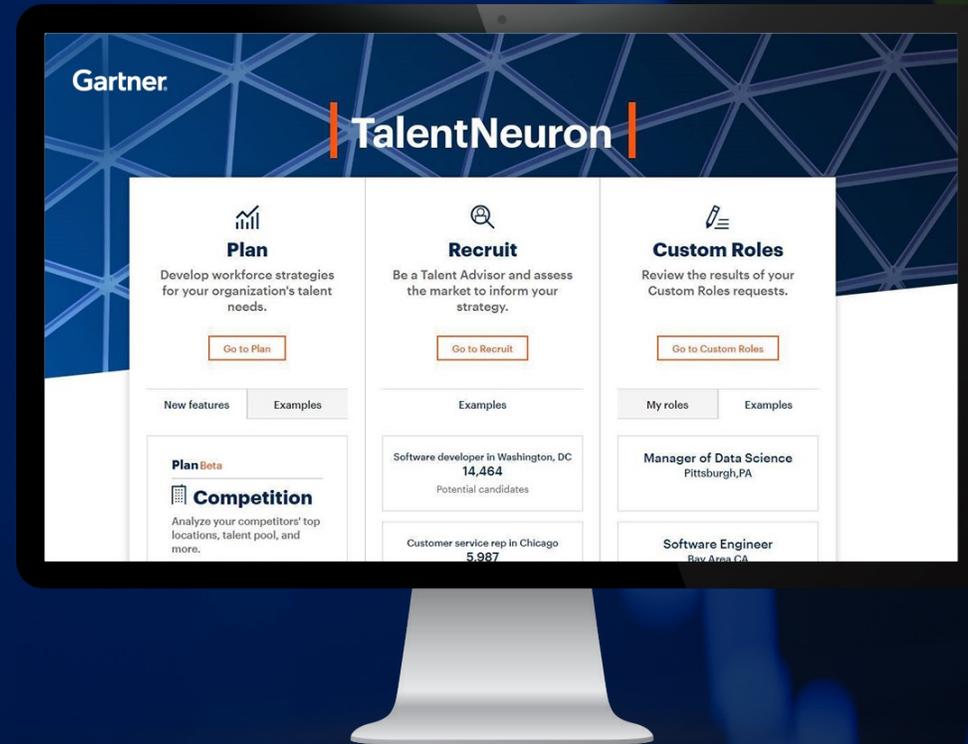
- Analyze hiring competition to meet critical talent needs.
- Fuel your expansion plans with graduate hiring.

## 5 How Gartner TalentNeuron can help

Source: Gartner

# The most comprehensive source of global talent data

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