

Gartner for HR

Advancing Recruiting's Value Through Uncertain Times: Shaping the Workforce

Advancing Recruiting's Value Through Uncertain Times: Shaping the Workforce

Initiatives: Recruiting

Traditional recruiting methods that focus on replacing the workforce have become outdated due to a number of macroshifts in the environment. Recruiting leaders must shift their methods to focus on shaping, not replacing, the workforce with needs definition, sourcing and talent attraction.

Overview

The value of the recruiting function has always been to acquire quality talent with critical skills to meet the organization's short- and long-term objectives. To accomplish this objective, traditional recruiting methods centered on replacing the workforce. Recruiting functions acquired similar candidate profiles – from known talent pool sources – who were attracted to existing employment value proposition (EVP) attributes.

However, the world in which we recruit has seen a number of macroshifts that challenge the fundamental assumptions our traditional recruiting methods are based on. Skills evolution beyond business leader expertise, skills dispersion beyond known and trusted talent pools and the employee experience revolution have rendered traditional recruiting methods obsolete. Recruiting leaders need to shift their focus from replacing the workforce to shaping the workforce via their needs definition, sourcing and talent attraction strategies.

Key Findings

- Recruiting is struggling to hire quality talent. Only 29% of new hires are highly prepared with the skills needed for their role, and only 23% are prepared with skills needed for the future. Further, only 16% of new hires have both.
- Recruiting used to rely on traditional methods to hire quality talent, but a series of macroshifts have compromised the effectiveness of these processes. While these macroshifts already threatened the viability of existing recruiting strategies over time, COVID-19 has accelerated this reality, creating more urgency – and opportunity – to redesign recruiting strategy.
- To hire quality talent, recruiting leaders must shift their recruiting strategies from replacing to shaping the workforce.
- To effectively shape the workforce, recruiting functions must consult on the skills acquisition decision, source from the total skills market and leverage labor market intelligence to drive the

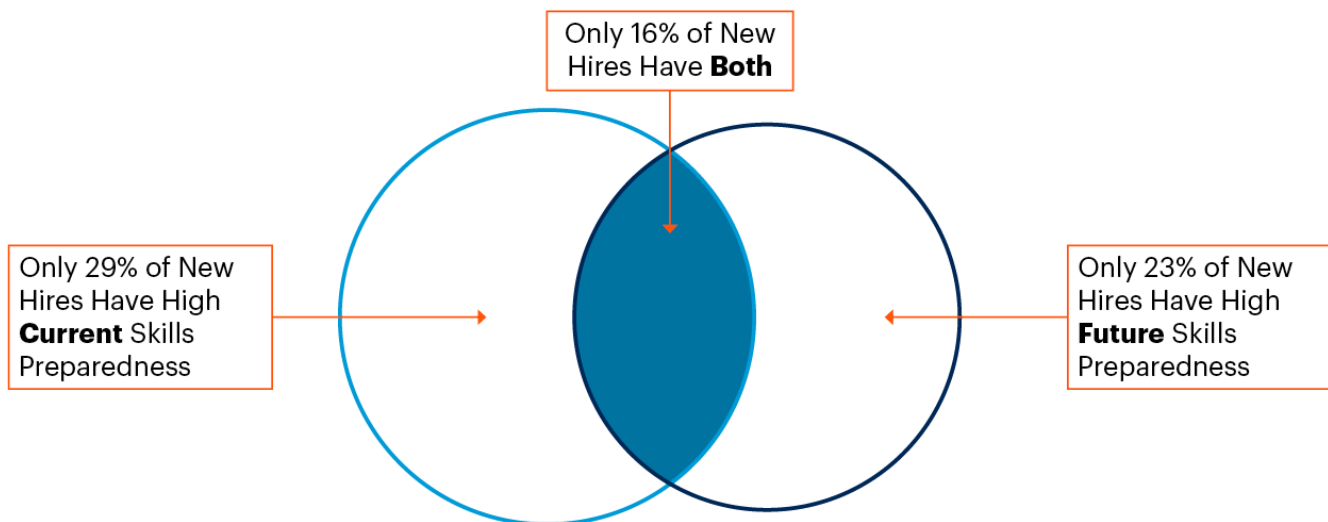
EVP's responsiveness to candidates.

A New Context

The recruiting function has always delivered its value by acquiring quality talent with critical skills that help the organization meet its short- and long-term goals. However, organizations are struggling to hire high-quality talent and they have been for some time now. According to hiring managers, only 29% of new hires are highly prepared with the right skills for their current position, and just 23% are highly prepared with the skills needed for the future. More alarmingly, only 16% have both (see Figure 1).¹

Figure 1: New Hires' Current and Future Skills Preparedness

New Hires' Current and Future Skills Preparedness



n = 3,517 hiring managers
 Source: 2019 Gartner Hiring Manager Survey
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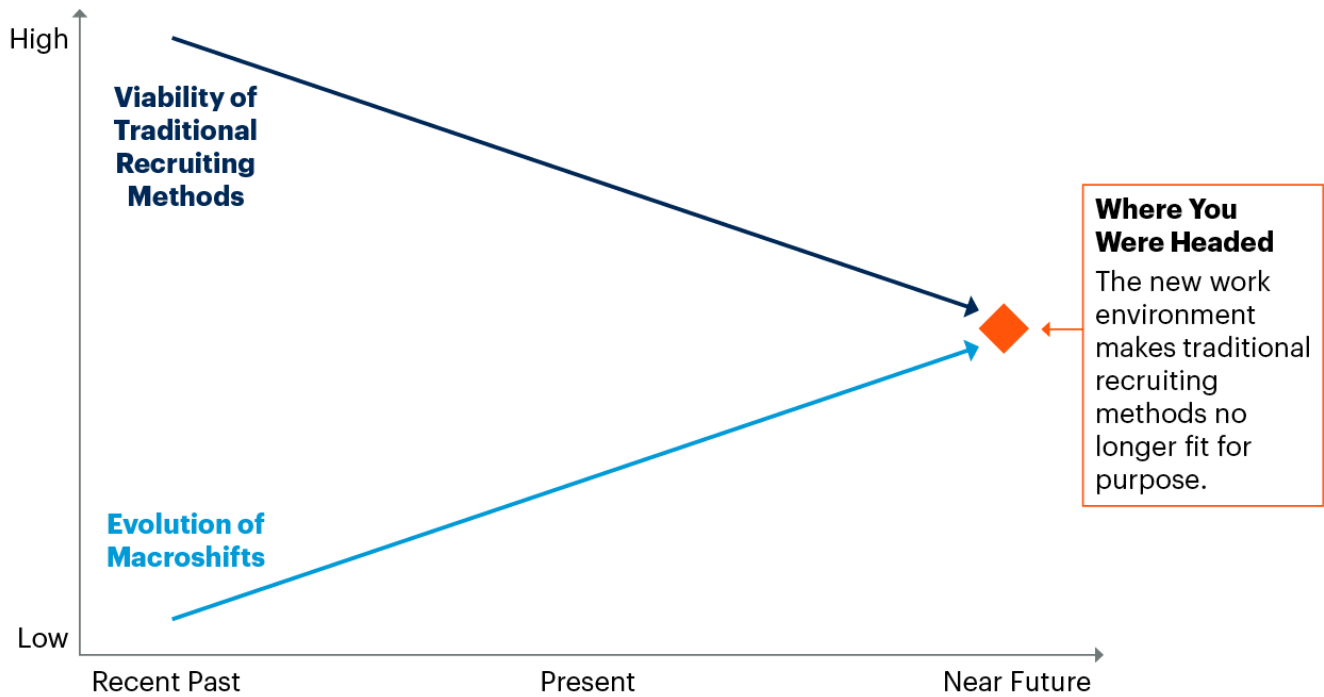
In an effort to hire high-quality talent, traditional recruiting methods relied on three main assumptions:

1. Hiring managers are the authority on who to hire.
2. Traditional talent pools are the best source of talent.
3. Candidates are attracted to existing EVP offerings.

However, the world in which we recruit has seen a number of macroshifts that challenge the fundamental assumptions our recruiting strategies are based on. As these macroshifts took hold of the recruiting landscape, they set an expiration date for existing recruiting strategies (see Figure 2).

Figure 2: Change in Macroshift Evolution With Traditional Recruiting Method Viability

Change in Macroshift Evolution With Traditional Recruiting Method Viability

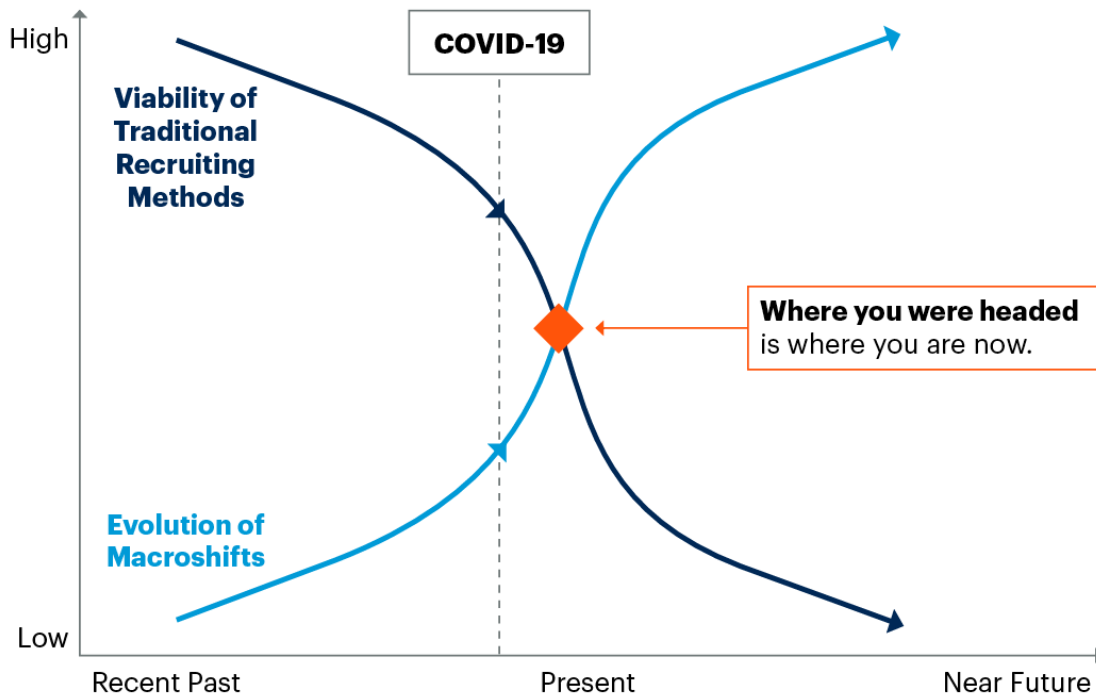


Source: Gartner
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Far from halting these long-term developments, COVID-19 has brought these macroshifts forward and accelerated their impact on recruiting strategies (see Figure 3).

Figure 3: Why COVID-19 Accelerates Need to Rethink Recruiting Methods

Why COVID-19 Accelerates Need to Rethink Recruiting Methods



Source: Gartner
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Skills Evolution

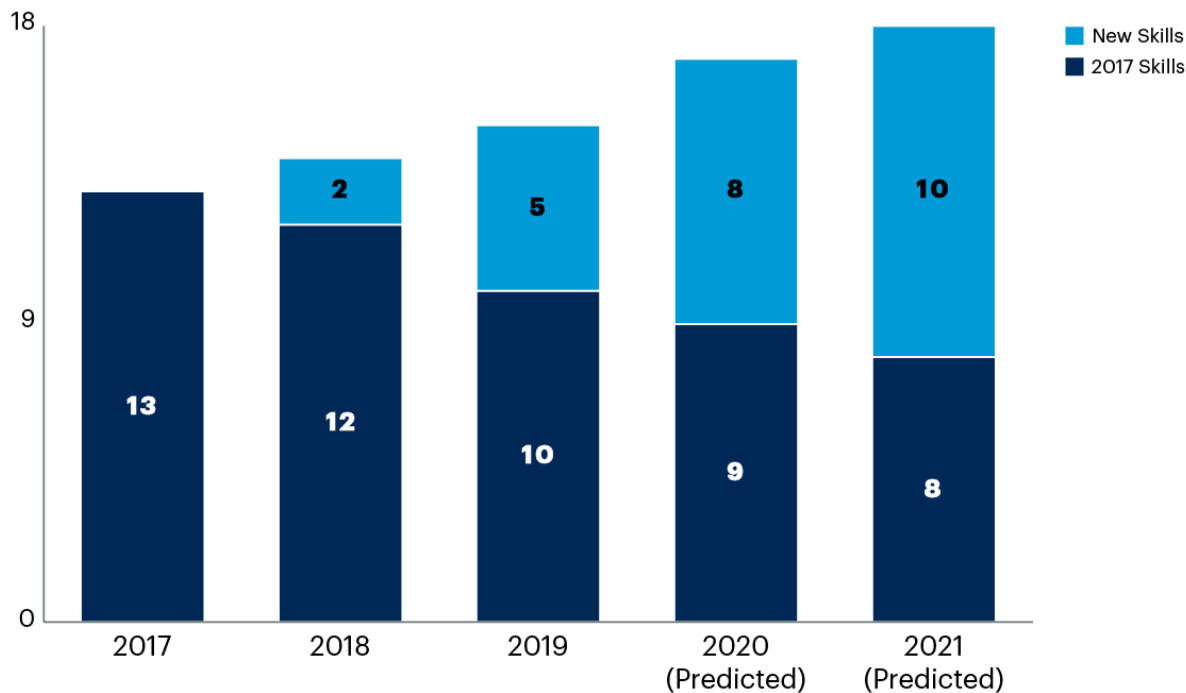
When it comes to needs definition, hiring managers have traditionally been the authority on who to hire. This approach made sense in a world that was centered on replacing the workforce. Hiring managers would use what worked in the past to help determine what they needed for the future. In many cases, they would articulate hiring profiles similar to the person who just vacated the role and add additional skills to the profile as the role evolved: “I would like Sally plus these three other qualifications.”

However, skills evolution has outpaced hiring manager expertise. Skills are evolving rapidly, and they have been for a while. TalentNeuron research shows existing roles may require up to 10 new skills by 2021, and nearly half of a role’s prior skills will become redundant (see Figure 4).² Further, hiring managers demonstrate low familiarity with the roles they hire for. In fact, before COVID-19, 46% of hiring managers had low familiarity with the roles they were hiring for.¹

Figure 4: Change to Skills Required for IT, Finance, Sales Roles in the U.S.

Change to Skills Required for IT, Finance, Sales Roles in the U.S.

Skills Required per Job



n = 13,166,410 (2019); 12,008,840 (2018); 9,991,265 (2017) job postings

Source: Gartner TalentNeuron

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The pandemic only further accelerated skill evolution beyond hiring manager expertise. Given the virus-driven shift to remote work and social distancing required for on-site work, work redesign and automation have boomed. Employers are being forced to rethink how to best get work done and what skills their employees will need to adapt in this new context.

Additionally, many organizations are implementing hiring freezes, as 54% of organizations we surveyed planned to stop external hiring for noncritical roles.³ This further decreases hiring managers' opportunities to practice hiring, which becomes a real problem. The less frequently managers hire, the less likely they are to hire quality talent. We find managers who hire frequently tend to have a 9% boost in quality of hire over those who hire rarely.¹ In short, needs definition strategy can no longer be based on the traditional assumption that hiring managers are skills experts; recruiting functions must rethink how to articulate what must be hired.

Skills Dispersion

Recruiting functions traditionally rely on known talent pools to deliver candidates who meet their hiring manager-articulated profiles. In an environment focused on replacing the workforce, it makes sense to look in those pools that harbor skills grown and acquired from reliable sources.

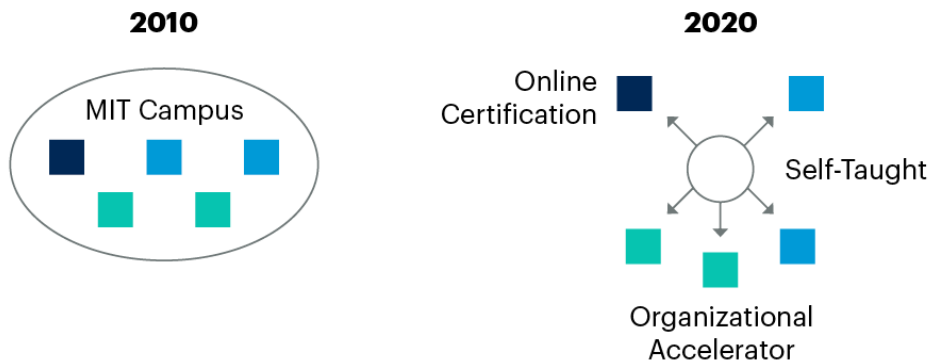
However, skills have dispersed beyond traditional, reliable pools. With improved access to learning opportunities, talent is finding new and fast-tracked ways to acquire critical skills – for example,

through online certification or corporate skills development programs (see Figure 5). In fact, 43% of candidates say they are self-taught in one or more of the required skills for their job. ⁴

Figure 5: Change to Location of Entry-Level Programming Skills

Change to Location of Entry-Level Programming Skills

Illustrative



Source: Gartner
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Skills dispersion beyond traditional talent pools was further accelerated by COVID-19. Lockdown life, work lulls and layoffs for some have driven a boom in virtual learning, giving workers new autonomy in developing skills outside their day jobs. Furthermore, the economic instability due to COVID-19 makes traditional talent pools even less viable for sourcing talent as high-quality candidates with traditional qualifications are unlikely to leave their current positions. ⁵ Sourcing strategy can no longer be based on the assumption that known and trusted talent pools will deliver the talent needed: Skills dispersion and passive candidate behavior no longer make this a viable approach.

Employee Experience Revolution

To drive talent attraction and conversion, organizations have relied on capturing candidate attention with tailored EVP messaging. Most often, their EVP messaging focuses on the organization’s most attractive, existing EVP offerings. But today, these EVP offerings are failing to evolve at the rate of candidates’ expectations for their experience working at an organization.

In today’s labor market, the value of employee experience has risen. Static EVP offerings won’t cut it. Candidates increasingly expect companies to offer them not only competitive compensation and benefits but also a compelling employee experience. Candidates today desire more influence on and control over their jobs, including how, when, where and with whom they do their work. In fact, 42% of candidates expect to influence the design of their jobs. ⁴

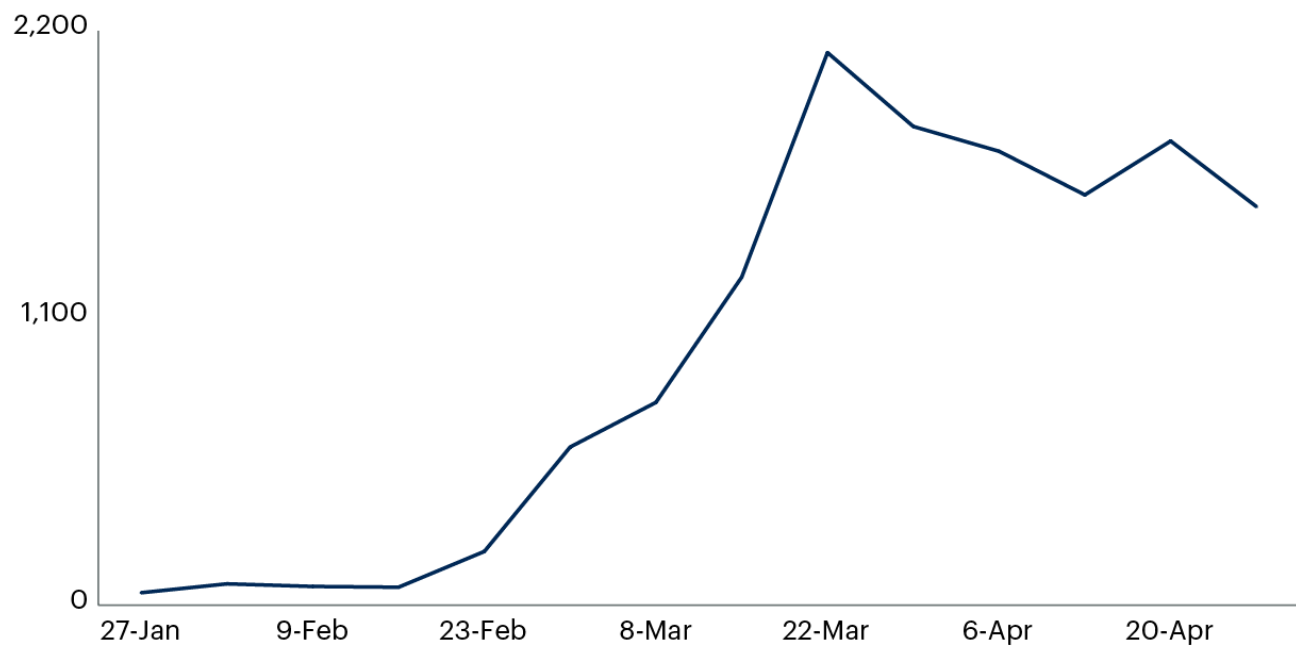
COVID-19 has accelerated this macroshift, primarily driven by the ubiquity of remote work. Remote work gets candidates accustomed to designing their own employee experience at a time when this autonomy and flexibility is desperately needed. Candidates may be reluctant to give up this new autonomy, even if they eventually return to the office.

Additionally, EVP interest has increased as candidates scrutinize organizations’ responses to the pandemic (see Figure 6). Candidates are looking to see how companies have helped – or failed to help – employees with their work-life balance, shift to remote working, safety precautions on the job and overall physical and mental health. The increased scrutiny and workers’ demand for more influence on and control over their jobs hinders recruiters who fully rely on their usual incentives to attract talent.

Figure 6: Volume of #coronavirus Tweets Discussing EVP

Volume of #coronavirus Tweets Discussing EVP

Number of Tweets



n = 13,684 tweets

Source: Tweets collected by 30 April on Twitter

Note: These are #coronavirus or related tweets that also discuss EVP topics.

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From Replacing to Shaping the Workforce

Traditional recruiting methods focused on replacing the workforce: Recruiting teams would acquire similar candidate profiles – from known talent pool sources – that were attracted to existing EVP attributes. However, three macroshifts fundamentally altered the underlying principles that guided these traditional recruiting strategies. Though many organizations were aware of – and in many cases preparing for – these eventual strategic shifts, the pandemic has accelerated the need for change. Business leaders must rethink – now – how to acquire skills necessary for achieving strategic goals.

Our research reveals the best recruiting functions are altering their methods. Leading organizations have shifted their focus from replacing the workforce to shaping the workforce. Shaping the workforce consists of three strategies based on the realities of the new recruiting landscape: (1) acquiring new skill sets, (2) from a diverse skills market, that (3) influences an organization’s EVP.

These strategies unlock the ability for organizations to recruit a different-in-kind workforce to meet changing business needs. To effectively shape the workforce and implement these new recruiting methods, recruiting functions need to make three key shifts:

- Needs Definition – Define talent needs by prioritizing skills instead of hiring profiles.
- Talent Sourcing – Uncover the total skills market instead of targeting known talent pools.
- Talent Attraction and Conversion – Create responsive EVPs, not just responsive candidates.

When organizations excel in these workforce-shaping behaviors, they see a 24% increase in quality of hire, which has benefits for managers and their teams (see Figure 7). ¹

Figure 7: Maximum Impact of Workforce-Shaping Behaviors on Quality of Hire

Maximum Impact of Workforce-Shaping Behaviors on Quality of Hire



n = 3,517 hiring managers

Source: 2019 Gartner Hiring Manager Survey

Note: Maximum impact calculations adjusted for industry, region and organization size; see appendix for methodology.

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Table 1: Key Changes From Replacing to Shaping the Workforce

Stage of Hiring Process	Replacing the Workforce	Shaping the Workforce
Needs Definition	Train recruiters to define hiring profiles more effectively with hiring managers.	Reengineer needs definition around the skills acquisition decision.

Talent Sourcing	Provide recruiters with support to source in talent pools with desired profiles.	Enable recruiters to source skills across the total skills market, including nontraditional sources.
Talent Attraction and Conversion	Enable recruiters to leverage EVP attractors to capture candidate attention.	Use labor market intelligence to drive EVP responsiveness to changing candidate expectations.

Source: Gartner

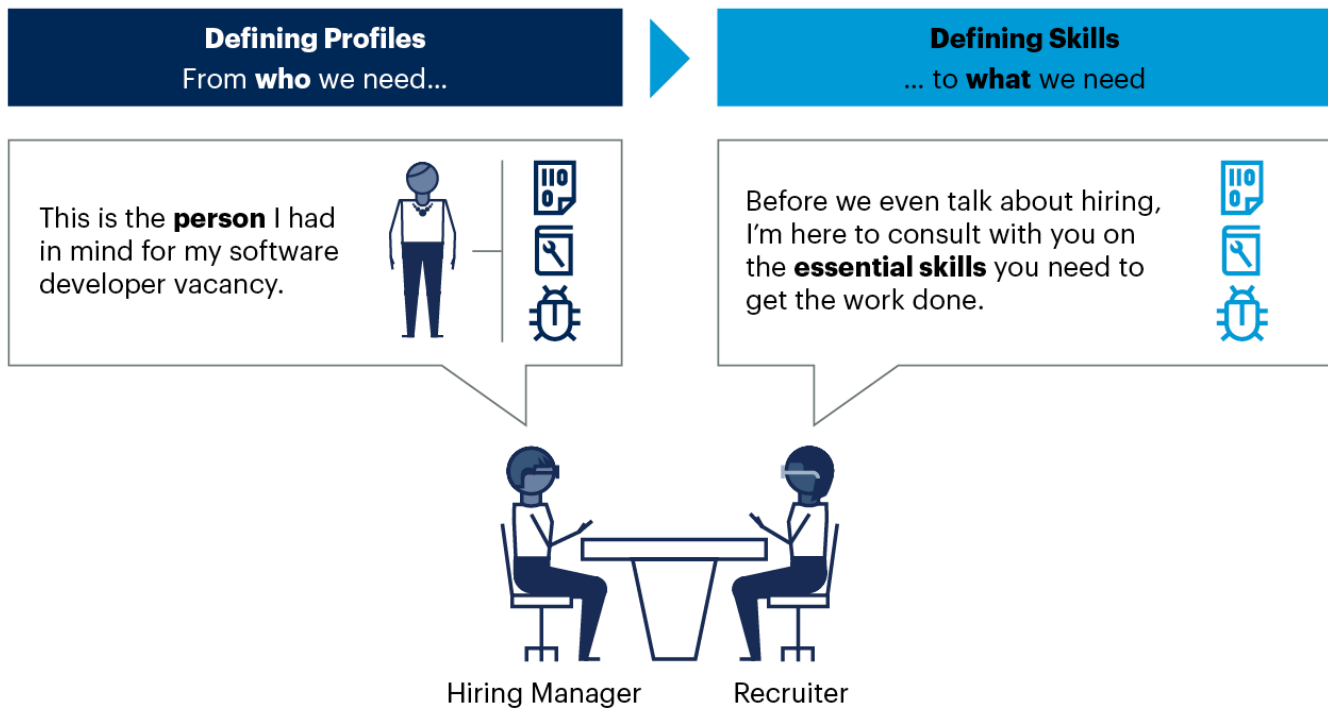
Prioritize Skills Acquisition

Shaping the workforce starts during needs definition. In traditional needs definition, business leaders typically define hiring needs by articulating the candidate profile they want to see in the role, relying on presumptions that desired skills are tied to certain qualifications or experiences. More often than not, hiring managers recycle the last job description and add new desired skills to the list, creating an impossible task for recruiters who must search the labor market for these “unicorn” candidates.

Leading organizations, however, shift the focus of needs definition conversations away from desired hiring manager profiles and instead toward defining the essential skills needed to get the job done (see Figure 8). By prioritizing skills acquisition, recruiters and hiring managers are liberated from defining the type of person to hire and are instead able to focus on the job that needs doing and options for getting it done. These reengineered conversations truly empower recruiters to play a consultative role in needs definition. Recruiters are no longer being told: “Go and find this.” Instead, they are strategizing with hiring managers to come up with the best solutions to fill critical skills gaps, whether through build, buy, borrow or some combination of the three.

Figure 8: Recruiter Consultation on Skills

Recruiter Consultation on Skills



Source: Gartner
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The first step in equipping recruiters to effectively strategize is to give them the proper knowledge. Recruiters need to understand skill needs in the larger context of organizationwide strategy. In needs definition conversations, hiring managers are often concerned with filling the immediate gap in their business units. However, the business is not always best positioned to understand and close long-term talent gaps. Recruiters are uniquely positioned to consult the business on how to best align job strategy with organizationwide objectives. To equip recruiters with this knowledge, the best organizations will leverage HR partnerships to map future skill needs.

Once recruiters have a strong understanding of skill needs in relation to organizationwide strategy, they are better equipped to play a more consultative and strategic role in needs definition. However, this approach is insufficient on its own. Recruiting functions must also reengineer traditional needs definition conversations to center on skills needs. By prioritizing skills acquisition, rather than hiring manager demands, recruiters are better able to challenge managers' default-hiring mindset or propose different-in-kind approaches to filling critical skill gaps.

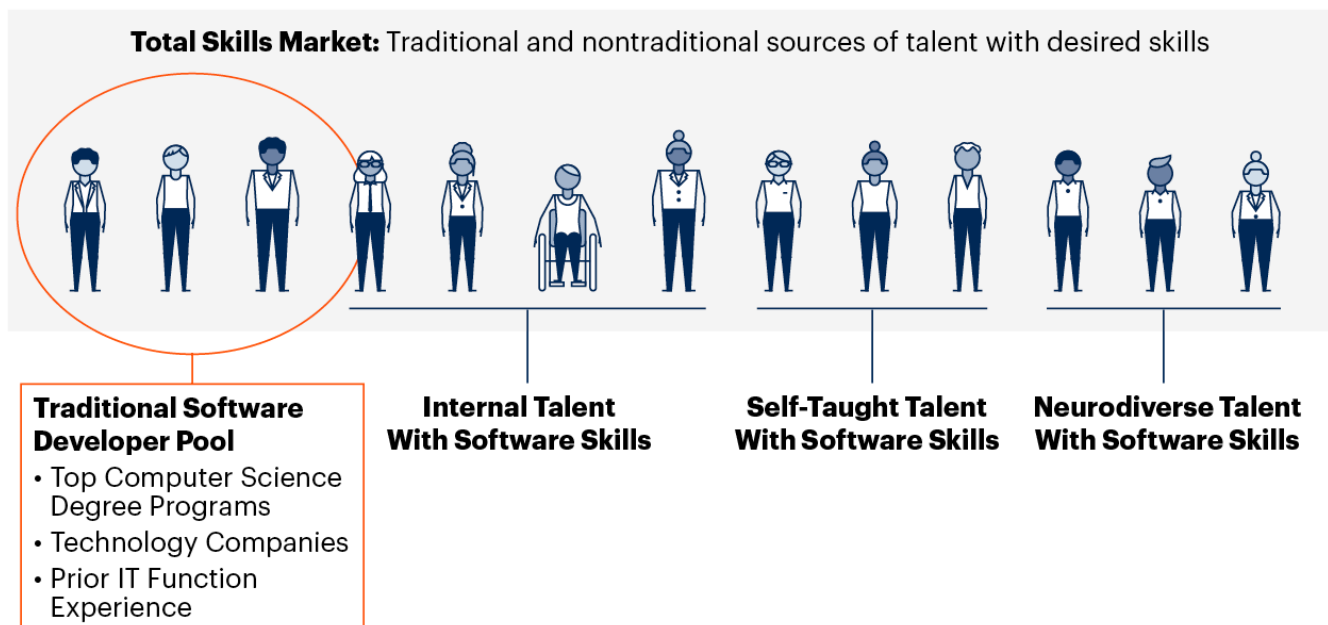
Target Total Skills Market

Recruiters have long relied on known talent pools that contain desired candidate profiles to source skills. However, 43% of candidates today are self-taught in one or more of their role’s requirements, and organizations are increasingly developing high-value skill sets through accelerated training programs. ⁴ Skills are no longer exclusively held by individuals with specific credentials and backgrounds. With skills dispersing beyond these known talent pools, recruiters are missing out on quality talent from nontraditional sources.

Business leaders who shape the workforce look beyond sourcing in traditional talent pools and instead target the total skills market – a market composed of all the traditional and nontraditional sources of talent with desired skills (see Figure 9).

Figure 9: Total Skills Market for Software Developers

Total Skills Market for Software Developers

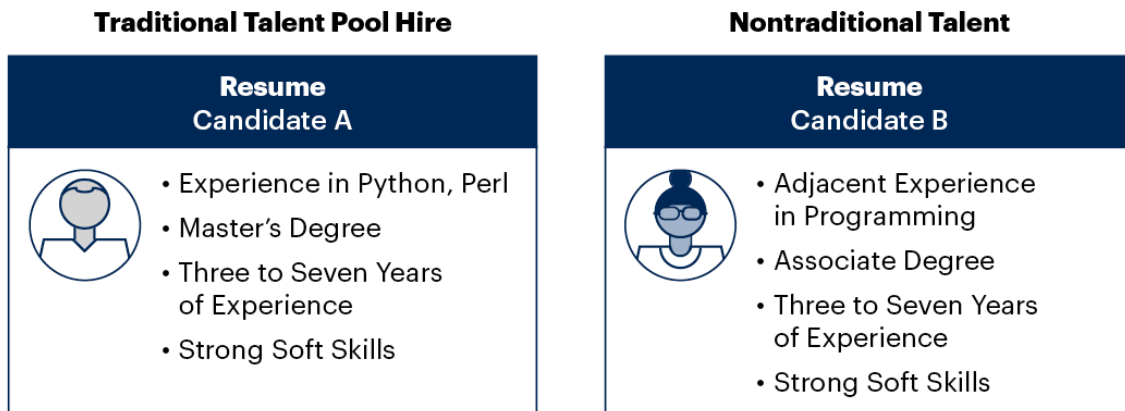


Source: Gartner
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Uncovering the total skills market has demonstrable benefits. Our analysis shows nontraditional talent pools often contain more cost-effective and diverse talent. For computer and mathematical occupations, hiring nontraditional talent with adjacent skills experience is more cost-effective: The median salary of traditional hires is 42% higher than nontraditional talent, primarily due to their education background. Further, the nontraditional talent market has increased gender and racial diversity, with 11% more women and 7% more minorities than the traditional talent pool (see Figure 10). ⁶

Figure 10: Traditional Versus Nontraditional Talent

Traditional Versus Nontraditional Talent

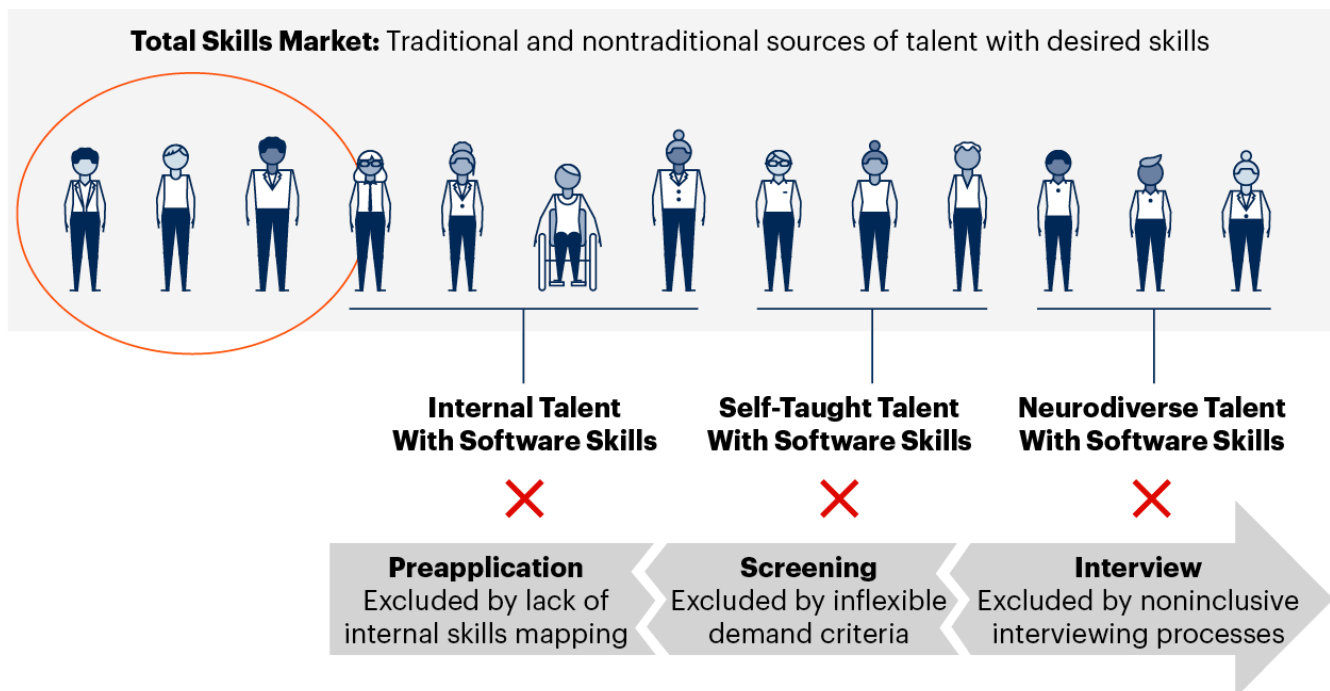


Source: Gartner
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To effectively uncover the total skills market, leading organizations begin by identifying where their traditional sourcing strategies and processes are limiting their access to people with the necessary skills. In many cases, organizations' own hiring processes are excluding viable talent (see Figure 11).

Figure 11. How Hiring Processes Exclude Viable Talent

How Hiring Processes Exclude Viable Talent



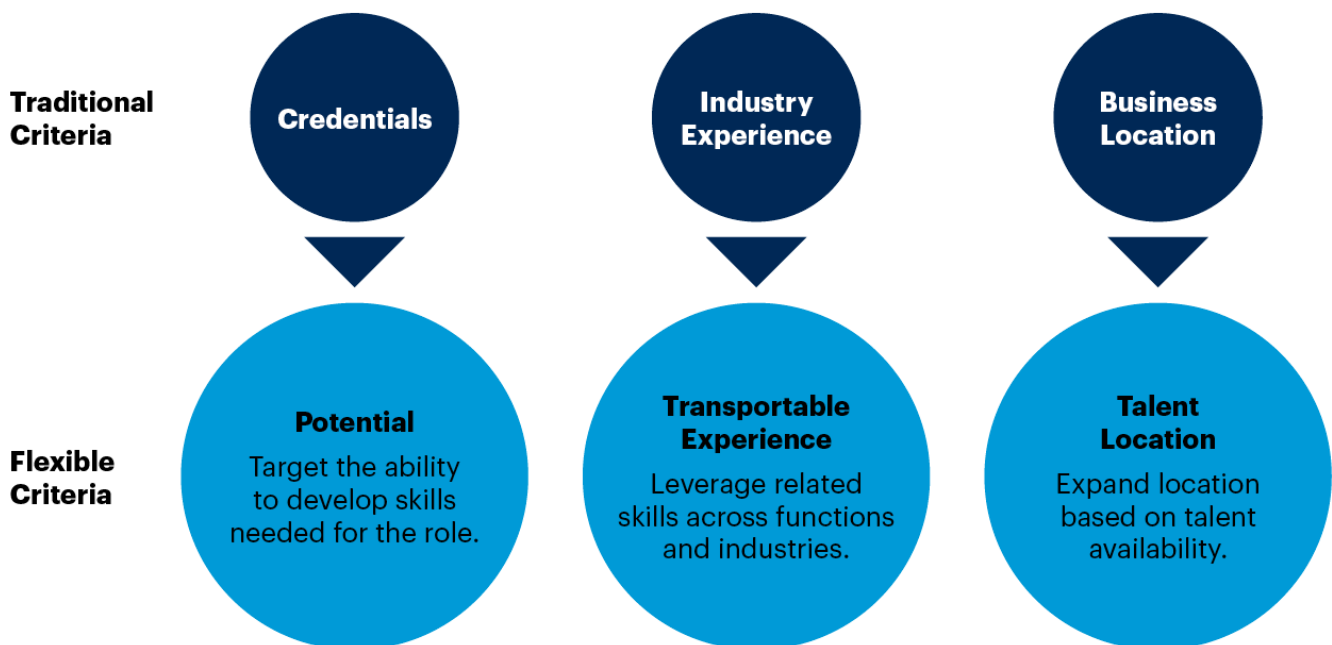
Source: Gartner
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Beyond examining where hiring processes may be noninclusive, organizations should also consider where their search criteria can be broadened. A skills-based sourcing strategy agnostic of other criteria (e.g., background, credentials, experience) opens broader skills markets. The best organizations will evaluate opportunities to be more flexible with their demand criteria (see Figure 12) and ask themselves:

- Can we look at candidate potential over candidate credentials?
- Tap into candidates with transportable experience rather than industry experience?
- Hire based on where the talent is located, not where the business is located?

Figure 12: Traditional Versus Flexible Sourcing Criteria

Traditional Versus Flexible Sourcing Criteria



Source: Gartner
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Lastly, to target the total skills market, organizations should explore the skills available through alternative employment models as well as underutilized skills from within the organization.

Drive EVP Responsiveness

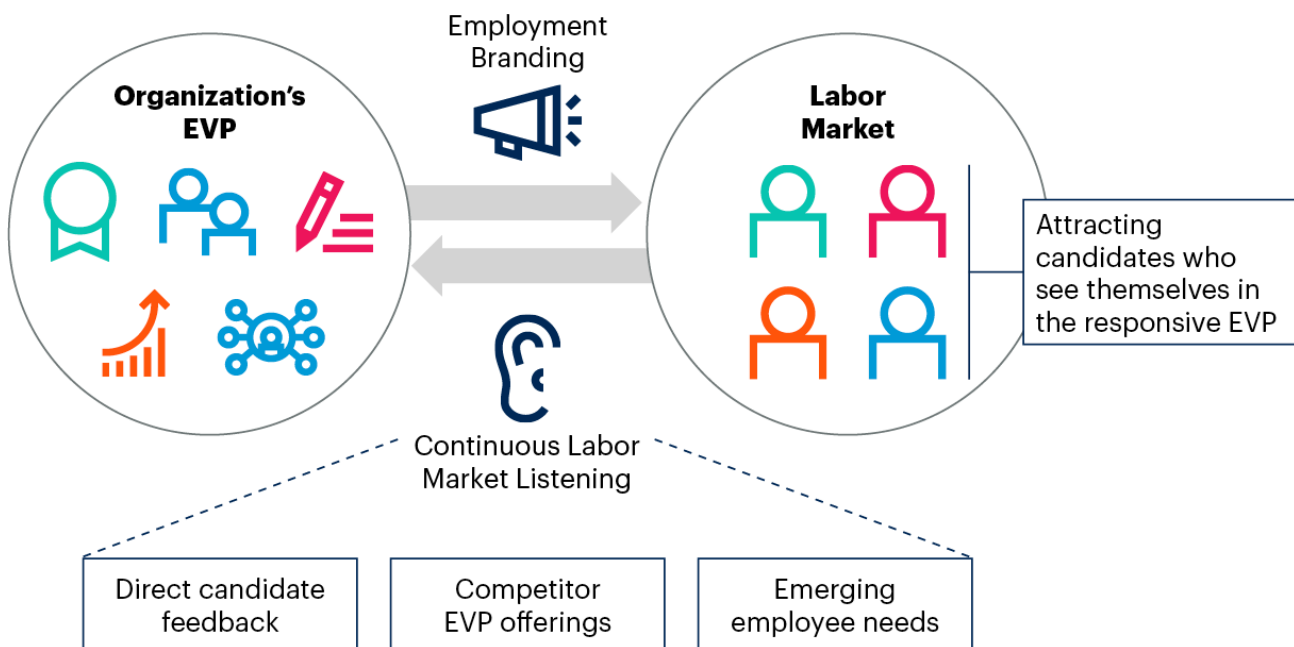
Recruiting leaders have traditionally leveraged their organization’s most attractive EVP attributes to appeal to their desired talent segments. Through employment branding, organizations communicate their existing, often static, EVP attributes and hope to catch candidates’ attention. But that approach is not sufficient when the EVP is no longer fulfilling candidate expectations. In fact, 65% of candidates have cut short the hiring process because they found aspects of the job (e.g., work-life balance, development opportunities, company culture) unattractive. ⁴ As organizations look to recruit different-in-kind talent, they need to rethink what they have to offer.

And today’s candidates are paying close attention. They are analyzing organizations’ EVP offerings and finding them lacking; they are demanding more influence over their day-to-day experience and are looking for organizations that meet this need.

To meet these changing candidate expectations, the best organizations drive EVP responsiveness. They leverage labor market insights – such as direct candidate feedback, competitor EVP offerings and employee needs – to evaluate and adapt their EVP to changing expectations (see Figure 13). In many cases, these organizations go beyond updating select EVP attributes; instead, they use these insights to inform job design and new employee experience initiatives. By prioritizing EVP responsiveness to candidates instead of candidate responsiveness to the existing EVP, organizations ensure they are providing the experiences candidates and employees value.

Figure 13: Adaptation of EVP to Changing Candidate Expectations

Adaptation of EVP to Changing Candidate Expectations



Source: Gartner
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To drive EVP responsiveness, recruiting needs to adapt hiring to market dynamics. By investing more in data analytics to understand changing candidate preferences, organizations can create a more compelling vision for candidates.

Conclusion

Conventional recruiting methods are no longer yielding high-quality talent. A series of macroshifts in the environment — skills evolution, skills dispersion and the employee experience revolution — have rendered recruiting's traditional approaches outdated. Far from diminishing the effect, COVID-19 has accelerated the impact of these macroshifts and further threatened the viability of existing recruiting strategies. To hire quality talent, recruiting leaders must shift their recruiting strategies and focus on a consultative approach to the skills acquisition decision, sourcing from the total skills market and leveraging labor market intelligence to drive the EVP's responsiveness to candidates.

Recommendations

To effectively shape the workforce needed to meet changing business needs, recruiting leaders should:

- Focus needs definition conversations on skill needs, not hiring needs, by discussing the essential job outcomes that need to be achieved.
- Support more cost-effective hiring by flexing demand criteria to focus on potential and hire for transportable skills rather than industry experience.
- Expand access to alternative talent models to make acquiring non-FTEs easier for hiring managers.
- Use talent intelligence to design and position opportunities more competitively in the labor market based on the needs of critical talent segments.

About This Research

This research is drawn from extensive qualitative interviews with over 70 companies as well as quantitative analysis. Collectively we surveyed over 250 recruiting staff on recruiter behaviors, experiences and training needs. We surveyed nearly 3,000 candidates across industries and geographies on hiring expectations and experiences, as well as more than 3,500 hiring managers on their experiences with and expectations of the recruiting function. Additionally, we conducted more than 70 recruiting executive interviews and collected budget, structure and strategy data to understand recruiter challenges and changes to recruiting strategy over time.

Recommended by the Authors

6 Accelerators Changing the Future of Recruiting

A number of macroshifts have transformed talent acquisition and rendered once-reliable recruiting strategies outdated. Recruiting leaders were already preparing for these shifts when COVID-19 accelerated them, bringing forward the need to develop new strategies for shaping the future workforce.

Tool: Nontraditional Talent Planning Guide

Many organizations struggle to access and deploy talent when needs shift after budgets and headcounts are set. HR leaders can use this tool to help their organizations fully consider and access nontraditional talent sources rather than always relying on hiring full-time employees.

Future-Proofed Hiring With 360-Needs Definition

This research helps recruiting leaders better understand how talent advisors collect 360-degree inputs from the broader marketing team to future-proof the function's hiring needs in fast-evolving roles.

Presentation Deck

Download presentation slides of this material.

Endnotes

¹ 2019 Gartner Hiring Manager Survey

² 2019 Gartner TalentNeuron

³ 2020 Gartner Pulse on Coronavirus

⁴ 2020 Gartner Candidate Survey

⁵ 3Q20 Global Labor Market Survey

⁶ 2020 Gartner TalentNeuron

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