



Gartner®

Gartner TalentNeuron™

# Who Is Winning the Talent War?

How leading companies are making  
the right talent decisions

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# Talent as a Business Imperative

**73%** of HR leaders are supporting business growth as a key corporate objective

## Competition for talent is rampant

Today's organizations face a very dynamic talent landscape where it's increasingly hard to find and keep critical skills.

Demand for talent is converging on the critical skills needed to meet business priorities, especially digitalization. Gartner TalentNeuron™ data shows 49% of all job postings by S&P 100 companies in 2018 were for just 39 roles — all of which require in-demand skills such as data analysis, advanced coding and solution selling.

Roles themselves are also changing as different skills emerge, evolve and expire. To future-proof their organization, progressive human resources (HR) leaders are tapping into labor market intelligence to plan and execute their talent strategies.

Making the right talent decisions requires insight, and that requires data — lots of it — scientifically used and applied with good judgment. It is not enough to know what is going on inside your organization, your industry or even your hemisphere. Your winning strategy might lie in novel recruitment strategies, adjacent industries or unlikely locations.

Failing to address this talent mandate is a risk to both the HR function and the organization as a whole. Sixty-seven percent of business leaders believe that failure to digitalize will result in loss of competitiveness — and digitalization requires talent.

For this reason, it's not only CEOs that see the business importance of talent but also shareholders and investors. From 2010 to 2017, the proportion of companies talking about talent in earnings calls increased from 52% to 69%.

## New talent dynamics in strategic workforce planning

Strategic workforce management has changed drastically in the last 15, 10 or even five years. Organizations are recruiting for roles that were previously unheard of, such as 3D printing engineer, DevOps engineer and cloud architect. New emerging skills, such as expertise in blockchain, kubernetes and automotive connective technology have a limited supply of candidates.

Given the evolving skill needs and scarcity of talent, the competitive advantage for many organizations increasingly lies in crafting an effective strategy to identify whom to hire and where. The best companies use labor market intelligence to avoid supply shortages and identify emergent needs based on changes in the marketplace.

For example, heads of HR believe that 14% of the existing jobs across their organization are at risk of automation over the next three years. Anticipating such changes requires companies to optimize search criteria to identify new talent pools. That requires HR to collect and monitor labor market intelligence on macroeconomic conditions, industry trends, candidate profile changes, and the activities of competitors. These insights all inform how HR leaders provide advice and guidance to the business.

Innovative businesses are identifying available local and global talent by taking a proactive, analytics-based approach to anticipating and filling skill gaps. They are designing bottom-up processes to project skill needs for the next three to five years.

### Recruiters as trusted advisors

Recruiters also have to execute differently as the war for critical talent heats up and the need to translate business objectives into a comprehensive talent and recruiting strategy intensifies. Recruiters can't afford to respond blindly to hiring requests from line managers or fill open requisitions by rote; they need to inform hiring managers' talent needs and influence their sourcing strategies.

Progressive companies are adopting an evidence-based, labor-market-centric view of the recruitment process. Rather than trying to just deliver what the business wants, these organizations recognize the traditional "service delivery model" can't sustainably support the long-term digital transformation of the enterprise. Instead, they adopt a more market-driven sourcing strategy that leverages more frequent — or real-time — forecasting that can help close the gap between planning and execution.

This evidence-based approach enables recruiters to sense and respond to changing demand patterns and establish flexible resource management, rather than simply acting as a hiring service.

But to be a trusted advisor to hiring managers, recruiters need data-driven labor market analytics and insights on the many interdependent variables behind today's complex talent-planning decisions. The variables are many, so when your hiring manager logs their next requisition, do you have all the information and context you need to develop an effective strategic plan?

## Misguided workforce decisions can be costly

One thing is certain: The costs of misguided decisions are high. If you employ 100 full-time hardware development engineers, it could cost you millions if you fail to attract the right talent or lose your high performers, especially given associated indirect costs such as productivity loss. If you choose the wrong location for your 100 new software engineers, it could also cost you millions — not in real estate costs, but in the nearly 80% of your overhead that relates to compensation and benefits.

This compilation of case studies offers a look at how leading companies use data and insights to drive key elements of their workforce planning and recruiting to deal with today's talent challenges.

### Recruitment challenges in the digital age

**58%**

of heads of recruiting have difficulty acquiring talent to maintain current business activities

**64%**

of heads of recruiting have difficulty acquiring talent to support a change in strategy

**71%**

of recruiting organizations recruit for more specialized roles than they did five years ago

**20%**

Recruiters report that 20% of their current requisitions are for roles with which they are unfamiliar — and these roles take 38% longer to fill

### Time to fill is rising.



The median time to fill was 72 days in 2018, up from 67 days in 2017 and 61 days in 2015.



# Be Strategic in Your Workforce Planning

**77%** of CEOs cite the availability of key skills as a threat to growth

Most organizations do annual staff planning, but only one in 10 has a process for identifying and responding to strategic talent gaps that may have long-term implications. The result is a plan that addresses current needs without considering the eventual effect on business outcomes. Plans also often lack big-picture perspective on external labor market conditions, macro-level workforce trends, and other factors that may affect the business and talent pipeline.

Workforce planners need access to information on external factors such as competitive information, labor laws and economic conditions for locations of interest. They need to identify skills that can be outsourced and compare global locations for outsourcing based on multiple criteria. And they need to proactively attract and source the best talent to meet current and future business needs.

They also need to analyze what competitors are looking for, how they're going about it, what skills are abundant or lacking in a market, what's likely to happen with wages, where to uncover new sources of talent and more.

In short, they need to plan with full context and deep insight. These case studies offer examples of how the right labor market analysis can improve talent decisions — and drive business goals.

## Telecom giant benchmarks vs. nontraditional competitors to find critical talent

**Company:** Large U.S. telecom service provider

**Business goal:** Establish talent strategy to scale business into emerging domains.

**Talent challenge:** Find and recruit more talent with critical skills that have been identified as key to competitive differentiation.

**Type and scope of analysis:** Competitive intelligence to gauge hiring trends among traditional and nontraditional competitors

### Key findings

- In trying to source and attract critical talent, the company was really competing with content providers and not necessarily other telecommunications companies.
- Existing startups in its desired locations already had the type of skilled talent it needed.

**Result:** The company decided to acquire a small startup in Silicon Valley to more cost-effectively close its skills/capability gap and remain competitive.

## Credit reporting firm optimizes locations

**Company:** A U.S. credit reporting firm with a major hub in São Paulo, Brazil

**Business goal:** Protect revenue growth while maintaining requirements of government incentives.

**Talent challenge:** Address fast growth in talent costs, inflated by unionization and wage growth.

**Type and scope of analysis:** Location optimization to weigh alternative hubs

### Key findings

- 30% to 40% of the talent located in São Paulo had transactional-type roles that could be relocated to any city within the country and still meet government requirements.
- Talent was available at a much lower cost for transactional roles in Tier 2 cities, such as Recife, Curitiba and Salvador.

**Result:** The company projected saving \$50 million over a five-year period as a result of relocating transactional roles to Tier 2 cities.

## Telecom giant saves big on labor costs

**Company:** Global telecom and networking company

**Business goal:** Set up a large engineering division.

**Talent challenge:** Augment R&D capability beyond existing offshore operation in India.

**Type and scope of analysis:** Talent sourcing analysis to garner a data-rich comparison of various geographies — including North America, Eastern Europe and Asia — based on the broader ecosystem and availability of talent with the required skills.

### Key findings

- From talent availability data from more than 300 cities, Canada offered unforeseen comparative advantages:
  - Due to government incentives, the cost of operations in Canada was only marginally higher than similarly populated talent hubs in Eastern Europe.
  - Canada's flexible immigration and expatriate laws produced a high-quality talent pool with the right cultural fit.

**Result:** The company invested \$2 billion in a large R&D talent expansion in Canada instead of Eastern Europe or Asia. The company projected a 20% to 25% cost savings compared to building a talent hub in the U.S., all while maintaining high-talent quality standards.

## Computer hardware company optimizes talent across 100+ countries

**Company:** U.S. computer hardware company

**Business goal:** Strategically scale business to support company growth.

**Talent challenge:** Optimize talent and cost across nearly 200 operating centers in 100+ countries. The company had installed a team of five analysts to refresh data continually so as to produce the high volume of reports required.

**Type and scope of analysis:** Always-on data crawl to compare the supply of talent, and forecast future talent pools and labor costs in various operating centers on an ongoing basis.

### Key findings

- Company achieved more timely and comprehensive reports, drawing on a greater volume of data than it received from the in-house team of analysts.

**Result:** The company gained deeper insights than the five-person team could provide to drive iterative cost and talent optimization, as well as data-based insights to frame often difficult decisions about opening and closing operations in various locations.



## Tech company targets innovation hot spots

**Company:** Computer software company

**Business goal:** Drive innovation in R&D.

**Talent challenge:** How best to tap into the growing pool of R&D talent with innovation potential in Eastern Europe.

**Type and scope of analysis:** Analyze the count and distribution of innovative talent across Eastern Europe.

### Key findings

- Warsaw, Poland, has a large pool of talent but a high concentration of competitors.
- Innovative R&D talent is spread across the region.

**Result:** The company opted to establish multiple smaller, high-impact R&D centers in various locations outside of Warsaw, including Budapest, Hungary, and Bucharest, Romania. This secured its presence close to various sources of innovation, enabling the company to ramp up the team faster than it could have from a single, centralized location.

## A software powerhouse spurs global expansion

**Company:** Software solutions company

**Business goal:** Boost the company's share in challenging global markets, improve customer satisfaction and maintain brand reputation for innovation.


**Talent challenge:** Hire top innovators in competitive markets (e.g., the San Francisco Bay Area and Israel).

**Type and scope of analysis:** Evaluate talent availability in various global markets to identify the best opportunities for expansion, optimization and growth.

### Key findings

- Continuous tracking of talent picture in key hubs provided the evidence-based insights needed to earn senior leader buy-in for expansion strategies.

**Result:** Talent data helped inform strategic decisions to expand data center capabilities in Brazil and professional services in China, and to optimize professional services in Eastern Europe — all initiatives that fueled growth.



# Reinvent Your Recruiting and Sourcing Strategies

**64%** of recruiters are finding it harder to source candidates with the exact skill sets required by hiring managers

Where will you find top-tier talent for current and future business operations? How can you achieve competitive advantage in the talent marketplace, given the hiring dynamics of competitors and suppliers?

Those questions are difficult to answer in a global recruiting environment, especially when business objectives change with every shift in leadership or market conditions. In fact, 73% of business executives surveyed by Gartner believe that changes will occur faster, forcing companies to go through restructuring, culture changes and mergers or acquisitions, at times all at once.

Typical sourcing approaches simply perpetuate the habit of requisition-driven, reactive sourcing because they don't drive prioritized decisions.

Labor market analytics provide a complete view into the current and future availability of talent in the cities of interest. They offer recruiters the data they need to set the right expectations with hiring managers, source critical talent quickly, understand competitors' hiring strategies and develop targeted recruiting plans.

These case studies illustrate how the right data provides recruiters with the insights they need to be better strategic partners to hiring managers, and develop and execute more productive recruitment plans.

## Aerospace manufacturer makes smart recruiting investments

**Company:** Aerospace manufacturer

**Recruitment challenge:** Attract talent with the strategic and innovation skills required in the ultracompetitive aerospace engineering labor market — and find talent willing to relocate.

**Type and scope of analysis:** Compare availability of talent in various locations, analyze talent migratory patterns, and gather competitive intelligence to surface “talking points” to attract talent to select cities.

### Key findings

- Analysis surfaced the locations of high-quality talent, helping recruiters to prioritize and target their hiring efforts.

**Result:** The company successfully attracted top-tier mobile talent from target cities and was able to relocate them to its desired hub using cost-effective recruitment tactics (and minimizing advertising dollars) that filled positions quickly.

## Large bank frames its recruiting efforts in a market context

**Company:** Global financial firm

**Recruitment challenge:** Recruiter was unable to hire the 100 to 200 contact center agents requisitioned by the head of a regional business.

**Type and scope of analysis:** Study the talent availability in the desired location based on the specifications in the job description.

### Key findings

- Analysis shows there is no existing talent pool available matching the exact job criteria.

**Result:** Recruiter educated the hiring manager about grounding the job specs in the reality of available talent in that location. The requisition was revised and the jobs were filled.

## Retailer acquires top-tier talent to beat competition

**Company:** E-commerce team of large retail organization

**Recruitment challenge:** Team based in Silicon Valley was having trouble sourcing the right quality talent in that region.

**Type and scope of analysis:** Competitive analysis for talent in different locations

### Key findings

- Silicon Valley was not the ideal location for critical talent due to high competition for those skills in the region. Los Angeles and New York City had a high concentration of the company's desired skills — with much lower competition for those skills.

**Result:** The team relocated its e-commerce offices to Los Angeles and New York City to attract the best talent.

## E-Commerce company finds the best location for sought-after skills

**Company:** Global e-commerce company

**Recruitment challenge:** Expand the India-based IT team to ramp up support on special projects. Business leader was lobbying for a talent hub in Chennai.

**Type and scope of analysis:** Expand talent pool size by specific IT skills, create forecasts for the talent pool over three years and compare multiple locations in India.

### Key findings

- Chennai alone had insufficient supply of necessary skills over the next three years.

**Result:** The team set up an office in Chennai to satisfy near-term project needs, but augmented that growth with an office in Bangalore to manage expected project needs for the following two to three years.

## Technology company re-energizes graduate hiring

**Company:** Computer software company with IT professional services centralized in Asia

**Recruitment challenge:** The company had originally set up in Asia because of high talent costs in the U.S., but U.S. end users weren't satisfied with their interactions, so the company wanted to locate some employees closer to U.S. end users.

**Type and scope of analysis:** Look at U.S. cities with a fresh perspective and build a list of university towns to set up professional services teams that better served the U.S. user base.

### Key findings

- Although talent from small university towns (e.g., Stillwater, Oklahoma; Greensboro, North Carolina; Omaha, Nebraska; Columbia, South Carolina) was about 30% to 40% more expensive than talent in Asia, it was much cheaper (15% to 20% less) than in some of the top towns in the U.S. These towns provided appropriate talent profiles and a fresh graduate pool each year.

**Result:** The company targeted select U.S. university towns to establish cost-effective offices with cost-effective talent and tap into a renewable talent pipeline.



# Why Industry Leaders Trust Gartner TalentNeuron

**“Our HR leadership team has a high degree of confidence that they’re getting relevant and very recent data and insights in terms of what’s happening in different markets. It is reassuring that they find they have something that’s valid and informs decisions they need to make.”**

Vice President of Talent Acquisition,  
U.S. Enterprise Software Company

Gartner TalentNeuron is a workforce planning and strategic recruiting solution that provides data, analytics and decision support to generate new levels of intelligence on location, talent and competition. TalentNeuron created the labor market insights industry more than 20 years ago. We’re not new at this and we take data quality extremely seriously.

We don’t rely on a single source or self-reported data; instead, we triangulate from 65,000 sources using a rigorous statistical approach to hone in on the best estimate.

Our team of 130+ researchers, data scientists and economists apply a layer of human judgment on top of our automated analytics engine to ensure the highest quality possible and to partner with our clients to get them the insight they need.

**“Quite frankly, I don’t think we had a seat at the table before TalentNeuron. Leveraging the data has allowed us to be a stronger, value-added partner with the business and has actually made us a stronger company, because we’re making the right decisions.”**

Vice President of Talent Acquisition,  
Large Software Company

## How do we do it?

Gartner TalentNeuron follows Gartner's recommended four-step approach to analytics.

**1. Acquire.** We continuously gather talent supply and demand data from over 65,000 global sources, harvesting more than 1,000 gigabytes of data every week. We don't rely on a single source; we gather data from a wide range of public, primary and proprietary sources including:

- Gartner research
- Government statistical bureaus
- Government census
- Trade unions
- Job Boards
- Corporate websites
- University portals
- Social profiles
- Paid data partners

**2. Organize.** Our proprietary technology is based on natural language processing and machine learning and is combined with human judgment to normalize and de-duplicate information. After gathering data from a wide range of varied sources, we can extract and organize it by location, company, function, skills, occupation and other unique attributes.

**3. Analyze.** Our team of over 130 researchers, data scientists and labor economists conduct both prescriptive and predictive analytics based on Gartner research and a deep understanding of HR-related issues.

**4. Deliver.** We can provide our data to customers in a variety of ways, each experience backed by user research, to enable recruiters, workforce planners and HR leaders to make smart insight-driven decisions. Our services include:

- a. Self-service web application for on-demand data analytics
- b. Custom role analysis for your most niche positions
- c. Workbench support for partnership in answering your most strategic questions

### Insights we deliver

TalentNeuron provides the most comprehensive source of global talent demand and supply data, predictive analytics, and real-time insights to help you make smarter talent planning and recruiting decisions, including:

- Workforce planning
- Strategic sourcing
- Location optimization
- Competitive intelligence
- Diversity analysis
- University strategy
- Attrition
- Migratory trends

# Learn more

Find out how leading companies are winning the talent war by empowering their recruiting and workforce planning functions with real-time talent analytics and labor market intelligence.

To hear more success stories from our clients and see how you can get access to sophisticated talent and labor market analytics to complement the intuition and expertise of your organization's HR professionals, sign up for a TalentNeuron product demo.

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## About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow.

Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 15,600 organizations in more than 100 countries — across all major functions, in every industry and enterprise size.

To learn more about how we help decision makers fuel the future of business, visit **[gartner.com](http://gartner.com)**.