

Improve Attracting and Retaining Talent by Addressing 3 Blind Spots for Tech CEOs

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Initiatives: [Business Performance Management for Tech CEOs](#)

Tech CEO success is often influenced by activities that appear as lower priority. We identify these activities as blind spots – high-impact activities that tech CEOs are not prioritizing but will improve attracting and retaining talent.

Overview

Key Findings

- Business models and ecosystems represent a significant blind spot for tech CEOs trying to attract and retain talent because it is often a low priority, yet it has a high impact on the EVP of a company.
- Managing culture is a low priority and therefore also a blind spot for tech CEOs seeking to attract and retain talent, as strong culture management throughout a company's life cycle leads to better overall company attraction and talent retention.
- Market expansion is a blind spot because, despite being a low priority, it can derail the attraction and retention activities.

Data Insights

Tech CEO activities are interrelated and complementary. Specifically, the business models and ecosystems activity has a major impact on talent attraction and retention strategies. In addition, Gartner research identifies that talent attraction and retention strategies are also impacted by market expansion and managing culture.

Based on the High Tech CEO Score maturity assessments, we know which activities are of higher and lower priority for tech CEOs to address.

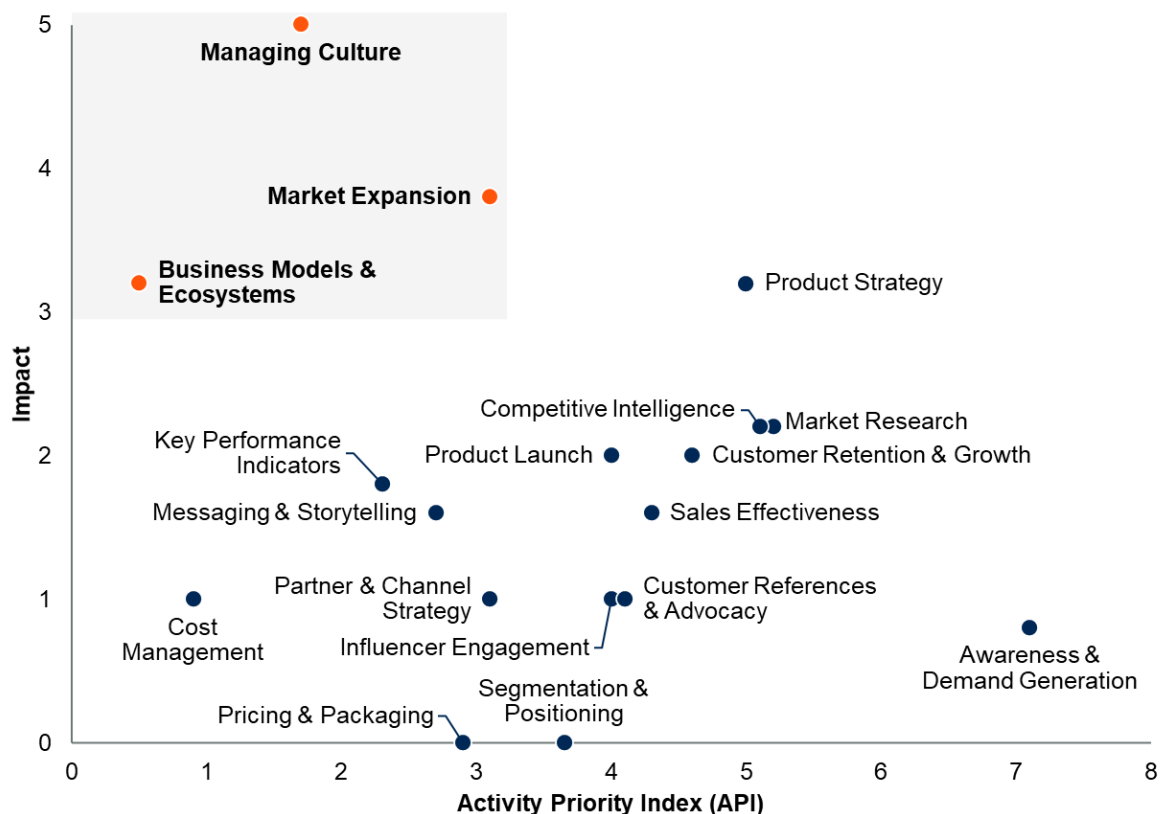
The Gartner Activity Priority Index (API) shown on the horizontal axis in Figure 1 is calculated from the gap in maturity in relation to tech CEO importance. Activities with lower maturity and higher importance result in a higher API or “priority for improvement.” However, these tech CEO priority activities are unlikely to be a blind spot because they are positioned on the right-hand side of Figure 1. For more information on the Gartner High Tech CEO Score and API, refer to [How Should High Tech CEO Score Gaps in Maturity Versus Importance Inform My Plans?](#)

Combining high-impact and lower-priority activities infers a potential blind spot; Figure 1 highlights the three blind spots in the top left area.

This research examines three activities that are of lower priority for tech CEOs but have a high impact on attracting and retaining talent.

Figure 1. Three Blind Spots for Tech CEOs Trying to Improve Attracting and Retaining Talent

Blind Spot Activities for Improving Talent Attraction and Retention



Source: Gartner
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The business models and ecosystems activity has a very low API compared with other activities and, combined with its impact on attracting and retaining talent, this makes *business models and ecosystems* a blind spot for tech CEOs. Any attempt to improve attraction and retention should be accompanied by robust business models and ecosystems.

Similarly, *managing culture* and *market expansion* also have a very high impact on attracting and retaining talent compared with other activities. Combined with their API, this makes these two activities blind spots as well.

Product strategy also has a high impact on attracting and retaining talent because of the skill sets that are in demand. But it is already a relatively high improvement priority. So, product strategy is unlikely to be a blind spot for tech CEOs.

Blind Spot No. 1: Business Models and Ecosystems

Implement Business Models and Ecosystems That Lead to Better Attraction and Retention of Talent to Provide Skills Your Business Needs

Better attraction and retention of talent helps tech CEOs improve the company faster. Tech CEOs can maximize talent impact by marketing that they have a successful and enduring business model and ecosystem. Better business models attract better talent. One of the key reasons why candidates want to join and employees want to stay in a company is the belief that it will outperform its peers and have a long successful stint.

It's important to have a clear understanding of the type of talent that suits your business's mission, vision, strategy and culture. The employment value proposition (EVP) summarizes the value that you, as an employer, commit to offering prospective candidates and employees in exchange for their work. A key benefit of a defined business model is it enables you, as the tech CEO, and your team to describe your company in a quantifiable format. This clarity, when expressed clearly in the EVP, attracts candidates. Your EVP should be consistent and executed effectively through your employer-branding processes. Be clear about how you want to use your EVP to stand out as an employer of choice.

You should leverage ecosystems to establish new key strategic partnerships with other companies, as well as relationships with regulators and industry experts. This provides alternative avenues to build the EVP for the industry and thought leadership for the company. One of the key components of EVP is future growth of the company that is reflected in the key partnerships with companies of repute.

For employees, “switching costs” (costs associated with employees switching jobs) are lower than ever before due to the proliferation of remote working. It generally requires very low investment from employees to find a different employer in the current market – which suggests employees could be less tolerant of lower levels of personalization. As a result, EVP should be even closely aligned to the ecosystem so that you do not miss out on the changes being made by other competitors and peers.

Blind Spot No. 2: Managing Culture

Manage Culture to Improve Attraction and Retention of Talent

Culture is one of the most important issues that affect the attraction and retention of talent. The reason it’s a blind spot is because many tech CEOs think that culture grows organically, and it’s difficult to steer it in a desirable direction. That is why many EVP actions in a company are aimed toward compensation and training, which seem like easy levers. However, in reality, managing culture can bring long-lasting effects to an organization’s ability to attract and retain talent.

Three major shifts that need to happen to culture to help the EVP for both employees and organizations are:

1. **Humanization:** Employees want to be seen as people, not just workers. Management strategies for the past several years have also emphasized the need to recognize the human challenges employees face, shifting from purely a project management approach to a people management approach. Conversations around the employee experience have highlighted a need for personalization and employees’ ownership of their day-to-day experience to fit their unique needs, instead of a one-size-fits-all-workers approach. Rather than defining the EVP around the worker, define the EVP around the entire person.
2. **Work-life harmonization:** Work is a subset of life, not separate from it. The earlier approach to work-life dichotomy was to treat work activities and life activities separately with the two separate entities, forever in competition. The current thought process must shift to a more inclusive, empathetic mindset that accepts work as a part of life and understands how employee needs and outcomes are all interdependent, regardless of what category these needs fall in. The traditional, strict division between work and life is no longer possible or desirable in today’s work environment. Instead, work is increasingly viewed as a subset of employees’ lives to be harmonized, not separated. Rather than defining the EVP – that is, separating work-life and balancing it – focus on harmonizing work.

3. Emotional focus: Focusing on what employees need in their personal lives and their work lives, and why they want to work for their current organization, will reveal their major motivators. Rather than defining the EVP around benefits, focus it on how they feel and what makes them happy

These three shifts require organizations to humanize the employee experience. The human deal framework ([How the Human Deal Redefines the Employment Value Proposition](#)) is just that: It centers on connecting the organization with employees' life experiences and the whole person's identity, and highlights the feelings a positive experience can create between employee and employer. Strengthening employee experience moves the organization culture toward a stronger EVP and helps attract and retain talent.

Blind Spot No. 3: Market Expansion

Use Market Expansion Strategies to Grow Your Business and Improve Attraction and Retention of Talent

Market expansion strategies enable tech CEOs who are leading their company through its growth stage to secure new revenue streams and accelerate business growth. However, market expansion has two types of effect on the EVP of the organization. Firstly, when organizations rapidly expand, they forget to staff up properly, so existing staff feel overworked. Secondly, they often hire outsiders for the prime positions to lead or be instrumental in the expansion. Consequently, they pass over existing employees who essentially have to do the grunt work under a new leader who knows little about how the organization really works.

In order to achieve growth objectives, you, as the tech CEO, must consider market expansion strategy as indispensable. You must research and analyze various market expansion options, including direct and channel sales, geographic, vertical and acquisitions (see [Toolkit: Improved Geographic Expansion Selection Accelerates Scale for Tech CEOs](#)). This growth is always accompanied with an increase in the talent pool and, in many cases, involves hiring a more diverse talent pool. As a tech CEO, you need to think about the talent attraction and retention part of this growth in advance. As the various market expansion strategies are implemented, you can see the immediate impacts on your target challenge. Many times, tech CEOs realize it too late that they should have started the process to hire in advance. Unlike other resources, building up a team cannot be achieved in the short term. The delay in hiring leaves existing staff overworked and feeling exhausted at times.

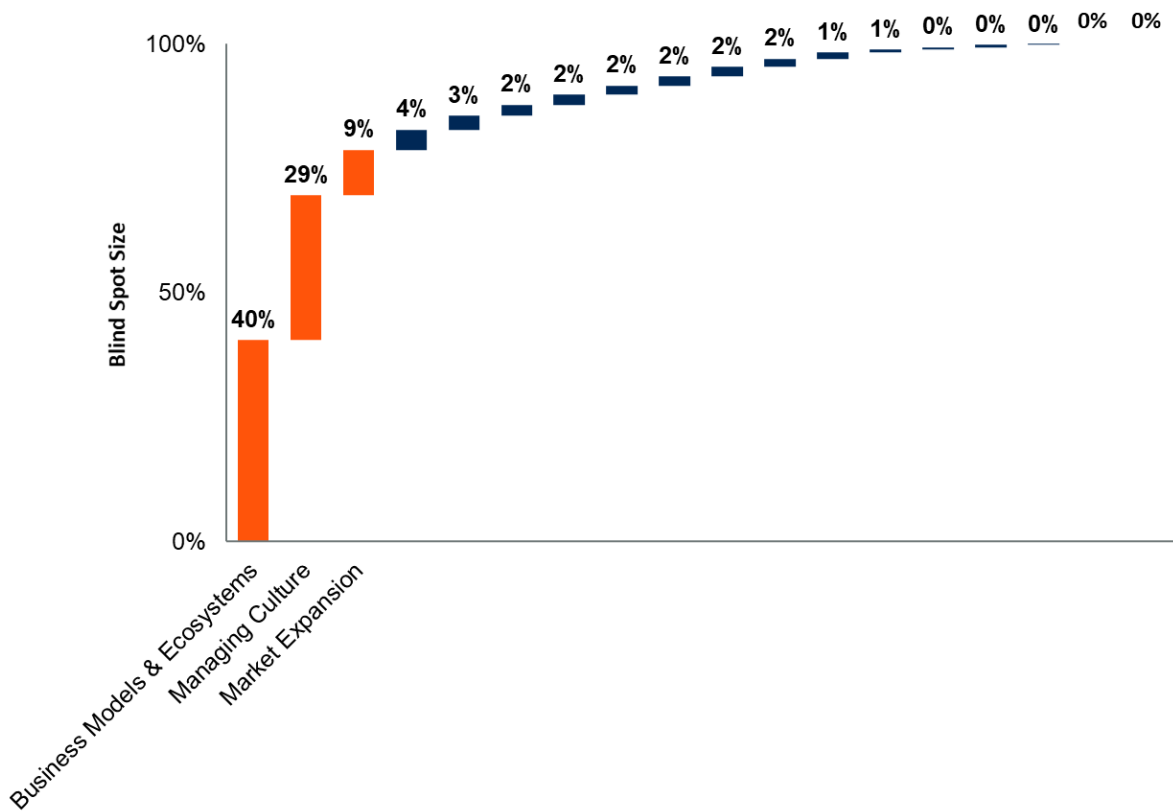
Expansion efforts and moving into an alternative market will help build development opportunities and future career opportunities for your employees. Both of these attributes are very high in importance for your EVP. You must firstly plan in advance for employees' growth. You should identify the career growth opportunities well in advance for the existing employees before hiring new employees for roles in the expanded organization. Existing employees understand the culture of the organization, as well as know the challenges the organization faces. Hiring outside talent because of skill gaps is a necessary step but should be done only after internal succession planning has been prioritized.

Narrow Your Focus to Yield a Better Return on Time Invested

The blind spots shown in Figure 1 can be quantified – the bigger blind spots have more impact and a lower API, and therefore a greater opportunity for returns on time, money and efforts invested. This quantification implies diminishing returns from a focus on small blind spots. Therefore, the best approach is to focus on the larger blind spots – the largest in this case being business models and ecosystems (see Figure 2).

Figure 2. Blind Spot Priority Activities for Improving Talent Attraction and Retention

Cumulative Total of Blind Spot Activities That Improve Attracting and Retaining Talent



Source: Gartner
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The three blind spots highlighted in Figure 2 will have the greatest impact on attracting and retaining talent. We have outlined the key steps for tech CEOs to work through specific action plans and next steps in the interactive [Gartner Tech CEO Priorities Navigator](#). This will guide you through a set of steps and related Gartner research.

The next step is to determine where and how to improve business models and ecosystems; this requires the tech CEO to self-assess using the Gartner [High Tech CEO Score](#) tool.

Evidence

This research is based on a variety of primary and secondary data sources, including Gartner's [High Tech CEO Score](#), vendor briefings, relevant document reviews, end-user inquiries, personal observations and provider interviews. The positions outlined and opinions expressed were formulated over an extended period of time to ensure that they accurately represent modern business dynamics and encourage business innovation envelope to showcase what could and should become the future state. All assumptions, conclusions and recommendations have been tested and refined in conjunction with members of Gartner's tech CEO research community to ensure that they objectively prioritize the demands on the tech CEO role and the impact on the software and service provider community.

High Tech CEO Score Methodology

The High Tech CEO Score asks you to provide input on maturity and importance to gain perspective on your highest-priority activities.

Maturity

Measured on a scale ranging from 1 (low) to 5 (high). Maturity measures how advanced an activity is relative to Gartner's best-practice research.

Importance

Measured on a scale ranging from 1 (unimportant) to 5 (critical) based on participants' input. Importance measures how important each activity is to the overall effectiveness of your function in meeting its objectives.

Prioritization

Activity Priority Index (API) identifies the activities that should be prioritized for improving maturity. It is calculated from maturity and importance: $API = (Importance - Maturity) \times Importance$. A higher API indicates a greater priority for improvement.

Blind Spot Methodology

Gartner's activity blind spot data points are calculated from two axes and are visualized in Figure 1. To qualify as a blind spot, an activity must have high impact and low priority for improvement (referred to as the "Activity Priority Index" [API]).

The y-axis — Impact — answers the question, “To what degree does each activity help to improve the priority in question?” The data is calculated from surveying Gartner tech CEO analysts with combined technology industry experience of more than 100 cumulative years.

The x-axis — Activity Priority Index (API) — is derived from the High Tech CEO Score data submitted by Gartner clients between 30 November 2020 and 30 April 2021 (number of respondents = 211). API identifies those activities that tech CEOs rate as important but low maturity. Normally, those activities with a high API are relevant, because they demand attention for improvement. However, in this case, a low API indicates an activity that is considered either more mature or less important; these are potential blind spots.

The size of each blind spot shown in Figure 2 is calculated by multiplying the impact squared by one over API (blind spot size = $\text{impact}^2 \times 1/\text{API}$). Therefore, a larger blind spot results from having a large value for impact combined with a small value for API. The square function for impact biases the results toward higher impact rather than lower API, thus creating a wider deviation in the percentages.

Recommended by the Author

Some documents may not be available as part of your current Gartner subscription.

[High Tech CEO Score](#)

[High Tech CEO Benchmarks](#)

[How Should High Tech CEO Score Gaps in Maturity Versus Importance Inform My Plans?](#)

[Tech CEOs: Establish Real-Time KPI Performance Dashboards for Your Business](#)

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