

Innovative Strategies to Attract, Retain and Thrive in the New War for Talent

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Initiatives: [Executive Leadership: Talent](#); [Employee Experience](#); [Future of Work Reinvented Resource Center](#); [Recruiting](#)

Organizations are struggling to succeed in a war for talent driven by resignations, hiring slumps and mass turnover threats. Yet, organizations can thrive when executive leaders differentiate their approaches to talent acquisition and retention with four innovative strategies.

Overview

Today's hypercompetitive labor market differs from those of the past, rendering familiar tools ineffective or inadequate. This war for talent impacts all talent segments, and driven by employees' evolving motivations, unprecedented demand and turnover are happening at the same time. To survive — and thrive — in this context, executive leaders must take a more holistic look at the problem and innovate ways to solve it. This shift involves addressing workflow risks by changing the work to be done and exploring more ways to do it. It also involves tapping into previously unconsidered sources of talent supply and revamping employee value propositions (EVPs) to create new sources of value.

Key Findings

- Fifty-two percent of chief human resource officers (CHROs) recently identified shortage of critical talent as the No. 1 trend impacting organizations, but only 19% reported organizational preparedness for handling a shortage of critical talent.
- Forty-eight percent of organizations reported significant concerns about mass turnover events, especially as vaccine mandates and on-site work policies evolve. When high turnover occurs, recruiting isn't likely to backfill positions quickly enough to satisfy demand.
- Forty-nine percent of candidates who accepted a job offer in 2021 were considering two or more additional offers, and candidates' expectations of pay increases have continued to rise in recent times. Most organizations will be unable to successfully compete based on compensation alone for all in-demand talent segments.
- Sixty-five percent of employees have said the pandemic has made them rethink the role of work in their lives. Evolving employee preferences are significantly influencing talent acquisition and retention outcomes.

Recommendations

To succeed in the current war for talent and effectively manage future talent risks to the organization, executive leaders should:

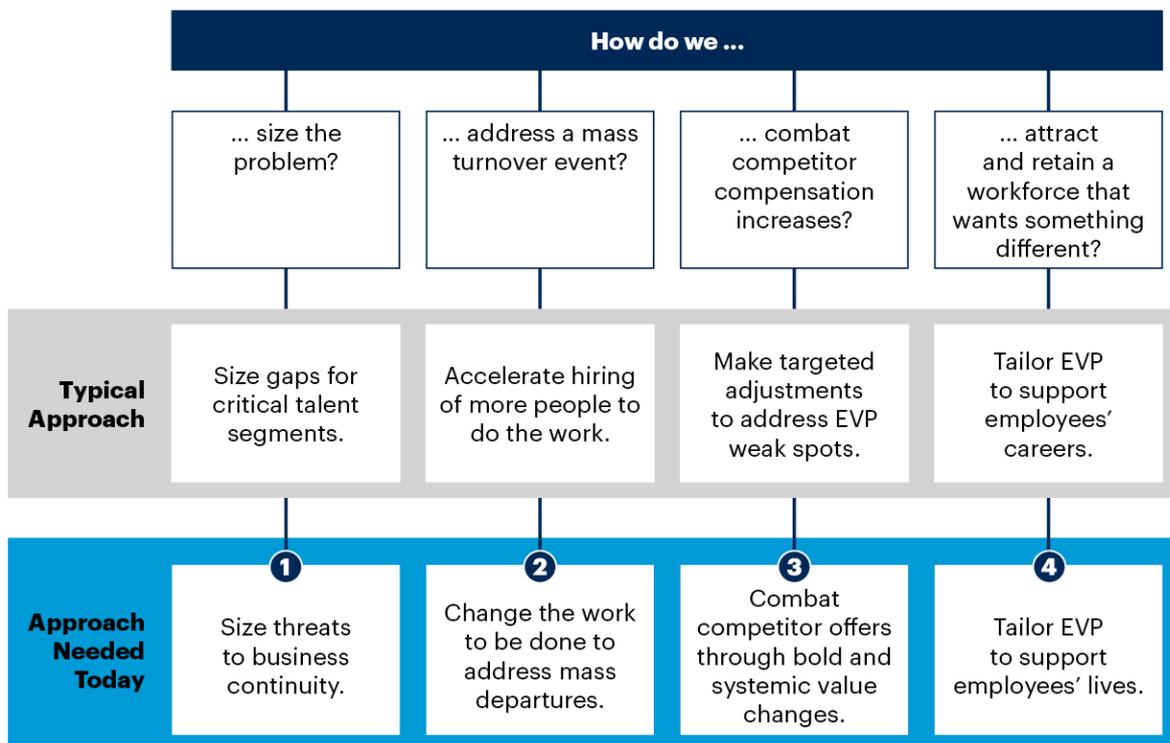
- Focus on business continuity threats, not just talent gaps, by mapping critical workflows to uncover vulnerabilities that could impact basic business function.
- Adopt a new approach to mass turnover events by changing the work to be done rather than just hiring more people to do it.
- Counter compensation increases by differentiating the EVP with bold and systemic changes, not just targeted adjustments.
- Attract and retain a workforce with preferences that have changed since the onset of COVID-19 by tailoring the EVP around lives instead of merely careers.

Executive leaders are facing an unparalleled war for talent that is challenging organizations on multiple fronts simultaneously. Time to fill a role has increased by 18% since before the pandemic, ^{1,2} leading to lost productivity, more offer rejections and overwhelming recruiting workloads. Pressure to quickly backfill roles is mounting, along with higher burnout and lower morale for remaining employees. Organizations are competing not only with peers for talent but also changing employee lifestyle preferences and ambitions. Mass turnover risks threaten organizations with shutdowns instead of slowdowns.

Acting swiftly is crucial to surviving and thriving in this very different war for talent. However, since familiar tools are proving to be ineffective or inadequate for this talent crisis, organizations must find and create new ones. Executive leaders can develop a talent management strategy that differentiates their organization and increases success rates for talent acquisition and retention by answering the critical questions and adopting the four approaches outlined in Figure 1.

Figure 1: Four Strategies for the War for Talent Acquisition and Retention

Four Strategies for the War for Talent Acquisition and Retention



Source: Gartner
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1. Size Threats to Business Continuity

Fifty-two percent of CHROs recently identified shortage of critical talent as the No. 1 trend likely to impact their organizations, ³ and only 19% of them felt they were currently prepared for the impact of a shortage of critical talent. ⁴

In fact, talent risks are appearing throughout the enterprise for all types of talent, not just employees traditionally thought to be “in demand.” As a result, previously useful measures are not accurately predicting today’s talent risks, which are constantly changing. Essentially, the old approach of sizing gaps for critical talent segments is not working.

The solution to sizing talent risks is to assess threats to business continuity. This approach targets the true source of risk when recruiting and retention challenges are widespread. It also addresses interdependencies between roles to identify vulnerabilities that could impact basic business functions.

Identifying critical workflows, not just critical workers, is the first step in sizing threats to business continuity. The new definition of “critical talent” today encompasses not just employees who have critical skills or are in strategically important jobs but also those who are involved in critical workflows. Attrition among these employees creates the biggest threat to business continuity, as opposed to just generating a talent gap. Thus, executive leaders developing strategies for sizing the talent problem must focus on the talent segments that drive the enterprise’s most crucial workflows.

Case in Point: TwentyAuthority’s* People-Related Operating Model Conflicts Assessments



Medical devices company TwentyAuthority* starts sizing risks to business continuity by mapping the functions and leaders who are key to developing a new capability. Then, the company uses this map to identify four kinds of risks:

- Sole ownership silos where teams could get overburdened or create a roadblock in workflows
- Key handoffs where there might be continuity risks

- Key handoffs where there might be continuity risks
- Areas of overlapping responsibilities that could create conflict
- Role ambiguity where key work or decisions might fall through the cracks

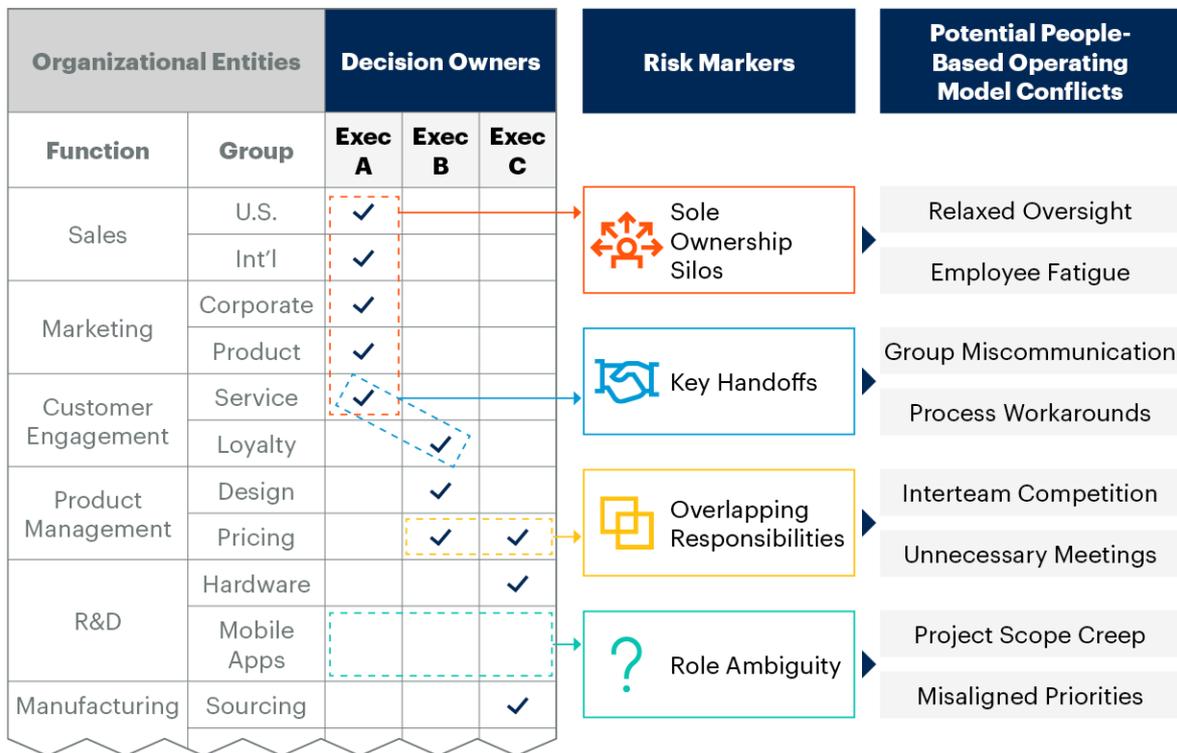
This map and potential risks can help identify critical workflows where talent is key to successful execution in the business (see Figure 2).

The strategy team works with HR to understand the impact of these potential talent conflicts. It gets HR's perspective on what informal indicators might signal a problem, what data is available to assess a problem and how much the problem would impact capability development – and therefore, successful execution of the strategy. These interviews uncover some of the talent-related challenges that might not show up on an organization chart or even in individual functions' process maps. ⁵

**Pseudonym*

Figure 2: How TwentyAuthority* Identifies Workflow Risks

Risk Marker Identification Map for New Capability
Illustrative



Source: Adapted From TwentyAuthority*
* Pseudonym
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Looking beyond the averages to find high risk teams and workflows is another method for sizing threats to business continuity by identifying challenges for specific teams and demographic groups. Organizations can sometimes make the mistake of analyzing data on employees based on obvious demographic differences, without considering more nuanced contextual or attitudinal differences within those groups that may be more pertinent.

Case-In-Point: National Bank of Canada's Resilience-Diagnosis Support



National Bank of Canada looked “beyond the averages” by mining its annual employee engagement survey data, alongside follow-up pulse surveys. The pulse surveys asked some questions consistently or as follow up to higher-level questions to explore how different groups were faring with the pandemic, over time. The company found a number of disparities lying below the surface among its workforce; for example, the averages suggested young people enjoyed working remotely overall. Yet, the research also showed employees under 35 who lived alone had particularly low morale.

Looking “beyond the averages” helps organizations find hidden talent risks among teams that merit attention. This is why the National Bank of Canada uses focus groups with representatives from teams that are either thriving or struggling, to identify what conditions are leading to each state. This allows it to find practical, company-specific solutions for struggling groups and other talent risk groups before hidden problems lead to turnover or absence. ⁶

Determining the availability of needed skills, internally and externally, helps executive leaders gauge the ability to replace lost talent quickly. The key is to ensure the organization is fully able to leverage existing internal talent in addition to monitoring the external availability of talent that can meet the organization’s needs.

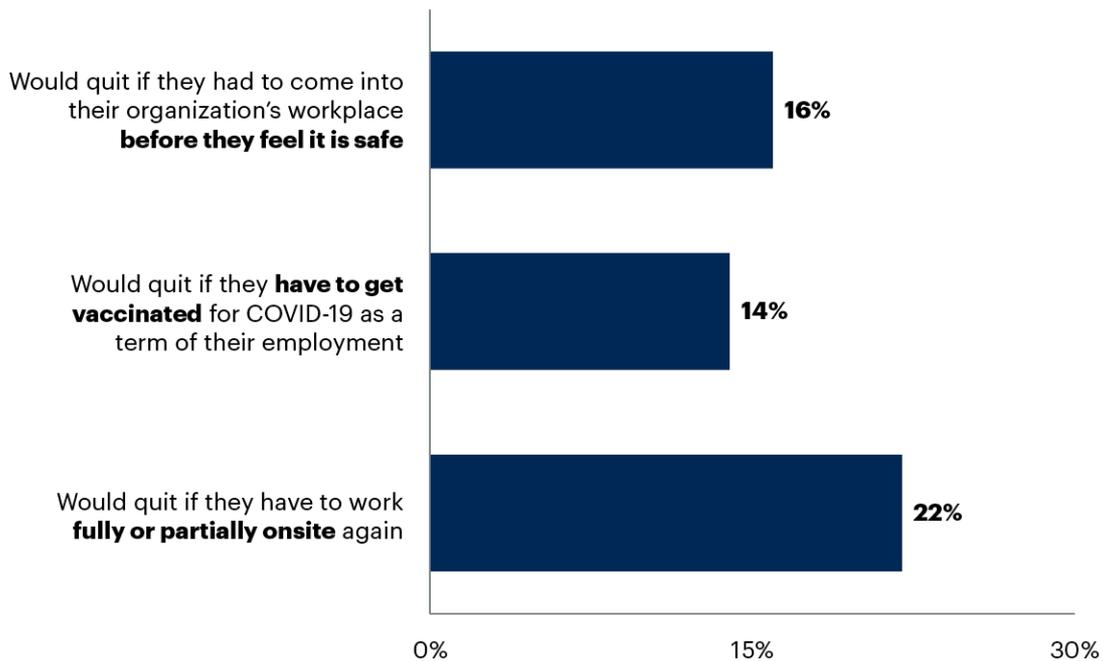
2. Change the Work to Be Done to Address Mass Departures

Forty-eight percent of organizations recently reported significant concerns about turnover in the next few months, ⁷ with employees leaving for various reasons (see Figure 3).

Figure 3: Reasons Employees Would Quit Their Jobs

Reasons Employees Would Quit Their Jobs

Percentage of Employees Agreeing



n = 3,515 employees

Source: 2021 Gartner Hybrid and Return to Work Survey
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Organizations won't be able to recruit their way out of the problem. Recruiters are already overworked, with 67% of recruiting staff recently saying it is harder to manage requisition volumes since the onset of the pandemic.⁸ And the demand for recruiters in the U.S. has increased by 146% across 2021, making the addition of recruiters difficult and expensive.⁹ Realistically then, recruiting won't be able to backfill empty positions quickly enough to meet demand. Instead, executive leaders need to change the work to be done — reprioritizing work and expanding options for getting it done.

By addressing mass turnover risks through changes to the work itself, executive leaders can expand the organization's solution set. This approach can also improve morale and retention by reducing pressure on the remaining workforce.

Prioritizing critical workstreams is a prime starting point for changing the work to be done. Canadian insurance organization Co-operators developed processes for leaders to quickly reprioritize work and shift resources amid changing enterprise priorities and constant disruptions. To achieve this, executive leaders reduced barriers to sharing resources by introducing shared goals and a shared backlog among functions. They also defined triggers that would initiate crucial resource-sharing needs due to collective priorities, interteam dependencies and unplanned changes in backlog. ¹⁰

Redeploying talent based on critical tasks is another approach to addressing potential turnover through internal mobility. Rather than simply moving employees from high-supply roles to existing high-demand roles, organizational leaders at TDECU move talent based on overlaps in tasks and skills. This step helps employees assist in areas where they are already proficient or likely to quickly become proficient. ¹⁰

Expanding use of alternate employment models broadens an organization's ability to respond to talent changes. Rather than defaulting to hiring full-time employees, leaders must consider all possible sources of the needed skills. For instance, Unilever's HR team introduced a new "Open Talent Economy" approach to help managers source and deploy talent from nontraditional sources using novel employment models beyond full-time work.

Case in Point: Unilever's Open Talent Economy



Unilever

HR leaders at Unilever knew relying solely on full-time employees (FTEs) to meet talent needs can limit an organization's ability to respond to changes in the external business environment and pursue new growth opportunities. Unilever's Open Talent Economy (OTE) helps managers select the most relevant talent for key projects by tapping into nontraditional talent sources in addition to their FTEs (see Figure 4):

- **Employees (FTE or FLEX Experiences)** – In addition to FTEs, Unilever's FLEX Experiences program allows employees to upskill and work on projects outside their traditional job responsibilities based on their interests and skills.
- **Crowds and Partners** – Tapping into the wisdom of the crowd gives Unilever access to ideas and talent who are closer to insights than the organization. Partnerships with startups and small companies support experimentation through quicker prototyping and lower costs.
- **Contingent Workers** – Temporary workers can provide coverage for short-term leaves of absence or specialized roles. These typically require in-house support

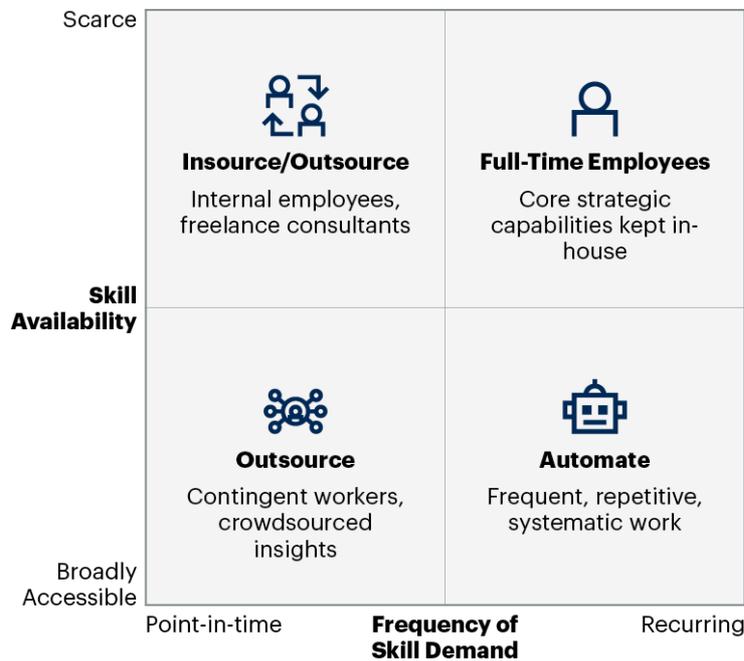
and are usually hired by third-party agencies to work full-day hours exclusively for a given company.

- **Freelancers** – Independent workers may be engaged for gigs and to provide either highly specialized or low-end support on short-term projects for several companies at the same time. They offer highly specialized support and are accessed through local freelancing platforms.
- **Students** – Emerging talent is accessed via partnerships with universities and through nongovernment organizations to upskill them through real projects.
- **Talent Inbounds and Outbounds** – Exchanging talent (in and out) with other organizations allows Unilever employees to learn from leading experts in their fields and build stronger professional networks.

Through Unilever's OTE, managers are encouraged to take creative new approaches to identify the most relevant talent for their skills needs, exactly when and where they are needed. ¹¹

Figure 4: Unilever’s Talent Sourcing Choice Model

Talent Sourcing Choice Model



Source: Adapted From Unilever
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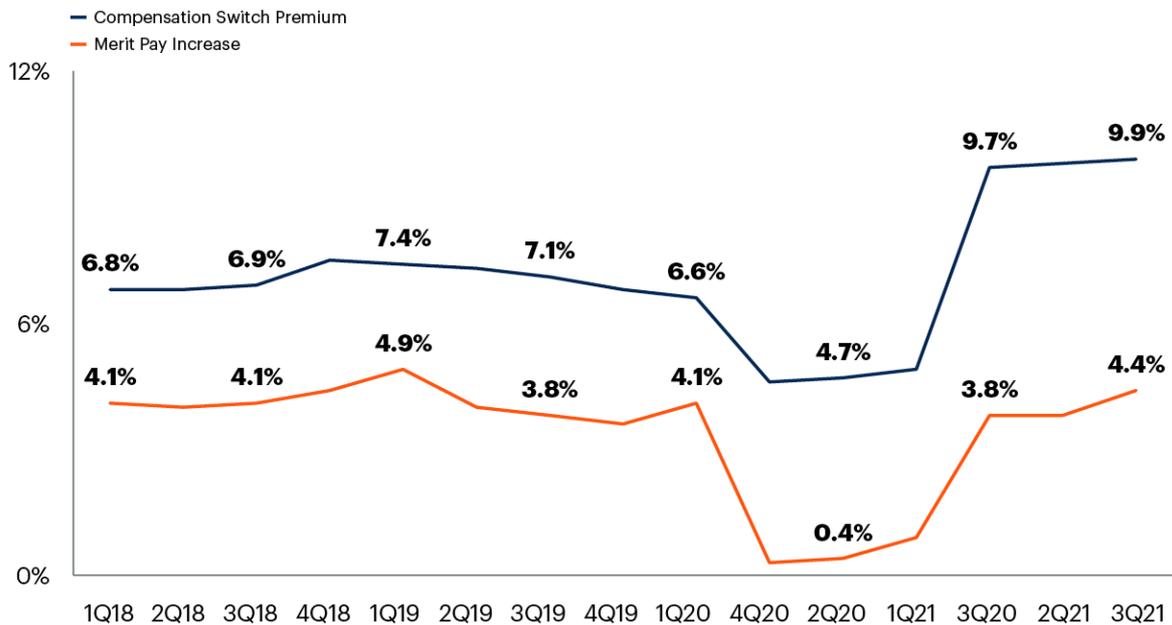
3. Combat Competitor Offers Through Bold and Systemic Value Changes

Forty-nine percent of candidates who recently accepted an offer were considering at least two other job offers at the time.¹² Further, employees expect more today in merit increases as well as for switching jobs (see Figure 5).

Figure 5: Employees' Expected Compensation Increases

Employees' Expected Compensation Increases

Percent Increase in Pay Expected for Switching Employers vs. Merit Increase



n = 18,001 (3Q21)

Source: Gartner Global Labor Market Surveys (1Q18 – 3Q21)
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Meanwhile, organizations' attempts to outbid competing offers via targeted adjustments to the EVP become ineffective when they are matched by competitors.¹³ They also become ineffective when they are burdened by pay inequity issues¹⁴ or construed as too small to reflect the level of extra effort put in by employees.¹⁵

Furthermore, organizations simply can't afford to match significant compensation increases for all the employees they want to retain, largely because the scope of "in demand" talent is broader than ever in the current war for talent.

While organizations typically address EVP shortfalls through targeted adjustments (for example, compensation boosts for hard-to-attract talent, added well-being support), today organizations need to make bold, systemic change that dramatically shifts the value created for employees. Value does not necessarily mean money. Leaders can consider boosting value by giving employees more money, more time or more opportunity.

Making bold, systemic changes to create differentiated value gets organizational attention from the talent market. It also rebuilds trust by showing the organization takes talent concerns seriously and is willing to make sacrifices to fix them.

Making a statement with bold compensation and benefit changes is a powerful technique for talent management. While making incremental adjustments to compensation will not be effective for the reasons discussed, employee perceptions can be shifted by making bigger, bolder changes to the compensation and benefits offered. Organizations should consider new benefit offerings that apply to the entire workforce (not just targeted roles) and indicate a commitment to organizational values. For example, with the rise of remote work, organizations could experiment with decoupling base pay from location and appealing to new talent as a result.

Executive leaders can also boost the value of the compensation package with “lock-in” incentives or benefits — such as paying for tuition or large bonuses that only pay out over time. For example, Target offers tuition reimbursement and money toward books for U.S.-based employees who are participating in one of more than 250 business-aligned programs. ¹⁶

Paying employees with more time is another method organizations are beginning to use to combat large compensation increases. Supermarket Morrisons has offered a four-day workweek to headquarters staff since their return to the office in July 2021, ¹⁷ and Kickstarter plans to pilot a four-day week for some staff in 2022. ¹⁸ Organizations could also consider guaranteeing a maximum workload or offering flexibility to reduce workload for adjusted pay.

Expanding opportunities for existing talent is another effective strategy for retention in the war for talent. As part of development efforts, one organization, Schlumberger, deliberately looks for “nonobvious” cross-business and cross-function moves to stretch employees. ¹⁹ Other ideas for retaining existing talent include lowering promotion requirements for senior roles while backfilling junior roles and moving people from low-demand roles to high-demand roles.

Bringing talent based on potential, not credentials, expands the talent pool.

Organizations are using a variety of approaches for this tactic, including reducing or eliminating exclusionary requirements (for example, education, industry experience or criminal record). Other examples include implementing probationary employment or apprenticeships to allow access to roles for candidates who would have been considered too risky before.

For example, leaders at Lilly are expanding their architect pipeline through an apprenticeship program.

Case in Point: Lilly's Architecture Apprentice Program



Traditional enterprise architect talent pools are increasingly difficult to hire from, as demand for experienced enterprise architects outstrips supply. To overcome this challenge, organizational leaders at Lilly supplemented their traditional search for experienced enterprise architects. They recruit nonarchitects at the company who have high architect potential, such as high-performing IT staff with an interest in an enterprise architecture career path (see Figure 6).

These potential candidates are developed through an apprenticeship program focused on building 10 behaviors that are key to being a successful architect. This program increases the talent pool by instilling architecture behaviors in those with potential. ²⁰

Figure 6: Lilly's Approach to Expanding the Architect Pipeline

Lilly's Approach to Expanding the Architect Pipeline



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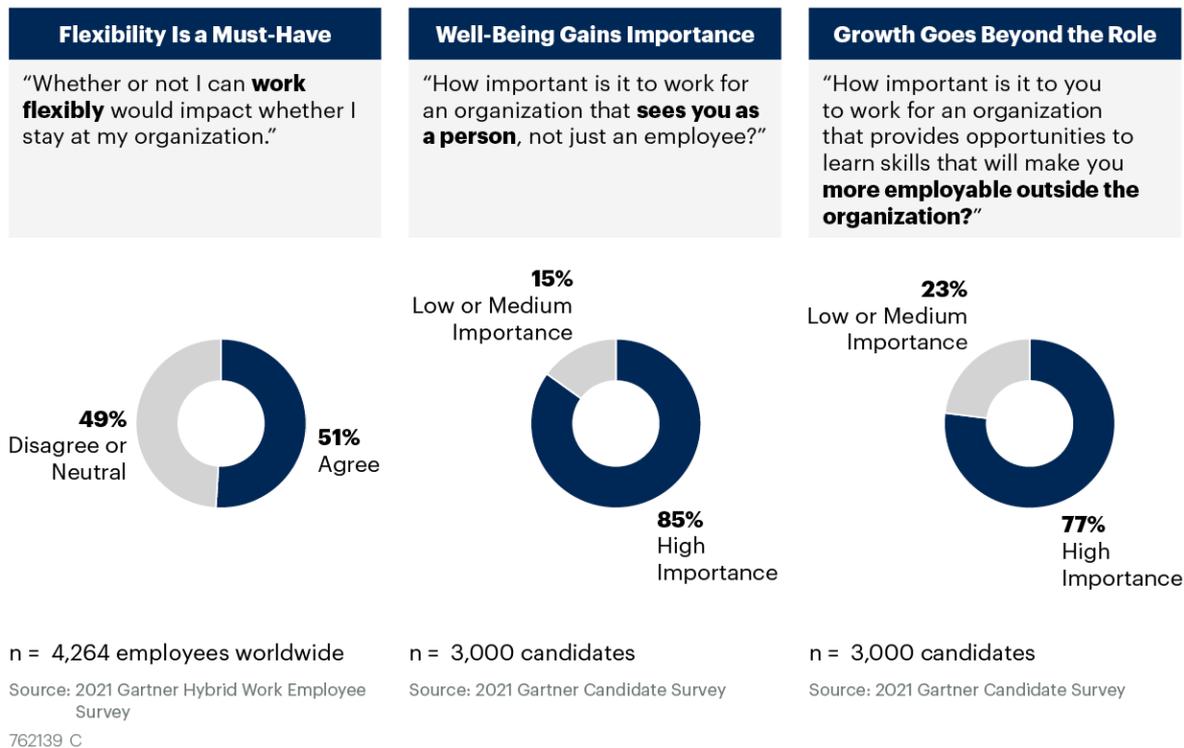
4. Tailor EVP to Support Employees' Lives

Sixty-five percent of employees have said the pandemic has made them rethink the role of work in their lives. ²¹ While organizations have traditionally focused on compensation, benefits and development in the role, employees today expect organizations to go further and support their overall quality of life (see Figure 7).

Figure 7: A Fundamental Shift in Employee Expectations

A Fundamental Shift in Employee Expectations

Key Value Drivers for Employees



Employees want organizations to support their emotional and mental well-being, connections to family, personal growth, autonomy in their work and a sense of shared purpose. To meet these expectations, executive leaders must invest in a reassessment and overall redesign of their EVP. But in the shorter term, they must also convince employees and candidates that they see the challenges and are working toward change.

Tailoring the EVP around quality of life speaks to employees' and candidates' new preferences regarding the role of work in their lives. It also creates an opportunity for differentiation in talent markets and improves employment brand even where attrition is unavoidable, creating long-term brand ambassadors.

Leading with authenticity, not simply positivity, in messaging is key in getting an immediate benefit from changes made to the EVP, which may take a while to deliver. For example, Microsoft's HR leaders use an email initiative to acknowledge negative experiences employees encountered at key moments in their employment life cycle. Then, they highlight the positive impact employee feedback had on improving those experiences for others and reframe how employees feel about those negative experiences, while the company makes improvements.²²

Moreover, organizations must transparently share information about ongoing efforts to create a human-centric EVP. The Australian Tax Office publishes a timeline of EVP improvement initiatives so employees can see what the organization has already done and what is to come. This timeline helps employees understand the full scope of EVP development and access candid feedback from peers on specific programs.²³

Promoting effective work-life integration is another strategic approach for attracting and retaining talent. In an innovative model, Mashreq offers a customizable well-being program that adapts to employees' needs and helps employees achieve personal goals related to family, community, fun, physical, professional, community and financial endeavors.²⁴

Identifying employees' interests beyond those related to their current job is also useful for tailoring EVP as part of talent management strategy. One organization, S&P Global, has even recognized that external opportunities offer benefits to the organization as well as the individual.

Case in Point: S&P Global's People-First Career Coaching

S&P Global

S&P Global knows people hesitate to share their true personal development goals in traditional professional development conversations, so it provides colleagues with objective career coaches to help them meet their personal and professional aspirations. Its “people-first” approach to career coaching focuses on uncovering the personal and professional aspirations of individuals.

Career coaching conversations at S&P Global expand beyond the organization to focus on individuals and their interests, outside of their current roles and organizational contexts. S&P Global career coaches are positioned as independent, division-agnostic and confidential resources. Though seemingly counterintuitive, S&P Global’s support of external exploration provides benefits to both the individual and the organization, with less than 5% of employees choosing to leave the organization (see Figure 8).²⁵

Figure 8: Mutual Benefits of External Opportunity Exploration

Mutual Benefits of External Opportunity Exploration



Source: Adapted From S&P Global 749432_C

Conclusion

Lost productivity, risk of shutdown and pressure to backfill roles will continue in this ongoing war for talent. Previously helpful strategies do not apply to today’s talent crisis. Yet, executive leaders can help their organizations not only survive but also thrive in this war for talent by adopting new strategies that:

- Size threats to business continuity.

- Change the work to be done to address mass departures.
- Combat competitor offers through bold and systemic value changes.
- Tailor the EVP to support employees' lives.

Recommended by the Authors

[6 Questions to Size Your Company's Turnover Risk](#)

[Understanding the Shifts in the U.S. Talent Demand After Pandemic-Led Disruption](#)

[5 Ways to Prepare for a Vaccine-Mandate-Driven Mass Turnover Event](#)

[How to Manage a Hiring Surge \(Without Additional Resources\)](#)

[Disruptive Strategies to Attract and Retain Talent When Confronted With Higher Base Pay Offers](#)

[4 Strategies to Disrupt Compensation-Based Competition in the War for Talent](#)

[Why Employees Are Leaving: A Framework to Understand Attrition](#)

[Attracting Hourly Workers in the U.S.](#)

About This Research

This research provides guidance for executive leaders on how to develop a differentiated talent management strategy to thrive in the war for talent and increase success rates of talent acquisition and retention. It has been adapted from the presentation "Surviving and Thriving in a Different 'War for Talent,'" which provides executive leaders with new approaches to address today's talent challenges.

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 organization or its offerings.

Presentation Deck

[Download the presentation.](#)

Endnotes

¹ 2021 Gartner Recruiting and Sourcing Survey; n = 204 recruiting staff.

² 2020 Gartner Future of the Recruiter Survey; n=253 recruiting staff.

³ Gartner CHRO Survey (April 2021); n= 69 CHROs.

⁴ Gartner CHRO Survey (April 2021); n = 36 CHROs who selected talent shortage as a high-impact trend.

⁵ [Case Study: People-Related Operating Model Conflicts Assessments to Accelerate Capability Development \(TwentyAuthority*\)](#).

⁶ [Case Study: Resilience Diagnosis and Support \(National Bank of Canada\)](#).

⁷ 2022 Gartner HR Priorities Survey; n = 572 organizations.

⁸ 2021 Gartner Recruiting and Sourcing Survey; n= 247 recruiting staff.

⁹ Gartner TalentNeuron analysis. Gartner TalentNeuron is a web-based platform that provides real-time labor market data on 90% of the world's GDP. Using a combination of machine learning and statistical analysis, TalentNeuron transforms data from over 65,000 sources into insights that help business leaders make data-based talent decisions.

¹⁰ [Sustaining Workforce Resilience Through Disruption](#).

¹¹ [Case Study: Open Talent Economy \(Unilever\)](#).

¹² 2021 Gartner Candidate Panel Survey; n = 1,609 candidates. Note: Respondents were filtered for those who received an offer for the last job they interviewed for. Candidates were asked how many offers they were considering in addition to the one they ended up accepting from their current organization.

¹³ [Bank of America, Barclays and Other Banks Are Offering Five-Figure Raises, Time Off and Other Incentives to Make Young Bankers Happier](#), Forbes.

¹⁴ [Companies Pay New Workers Higher Wages, and Current Employees Ask, 'What About Us?'](#), The Wall Street Journal.

¹⁵ [2022 Salary Increases Look to Trail Inflation, SHRM.](#)

¹⁶ [Offering Debt-Free Degrees to More Than 340,000 Target Team Members? Now That's a Smart Move, Target.](#)

¹⁷ [Four-Day Working Week to Be Introduced by Morrisons as Support for Concept Grows in Wake of Coronavirus Crisis, The Independent.](#)

¹⁸ [What It Means That Kickstarter Is Trying a 4-Day Workweek, The Atlantic.](#)

¹⁹ [Schlumberger Limited: Non-Obvious Development Moves \(2019\).](#)

²⁰ [Architecture Apprenticeship Program \(Eli Lilly\) \(2019\).](#)

²¹ 2021 Gartner Hybrid and Return to Work Survey; n = 3,515 employees.

²² [Case Study: 'Acknowledge It' Email Initiative \(Microsoft\) \(2019\).](#)

²³ [Case Study: Experience Progress Roadmap \(Australian Taxation Office\) \(2019\).](#)

²⁴ [Case Study: Customizable Well-Being Strategy \(Mashreq Bank\).](#)

²⁵ [Case Study: People-First Career Coaching \(S&P Global\).](#)

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