

Adaptive Talent Management: Building a Resilient Workforce for the Future

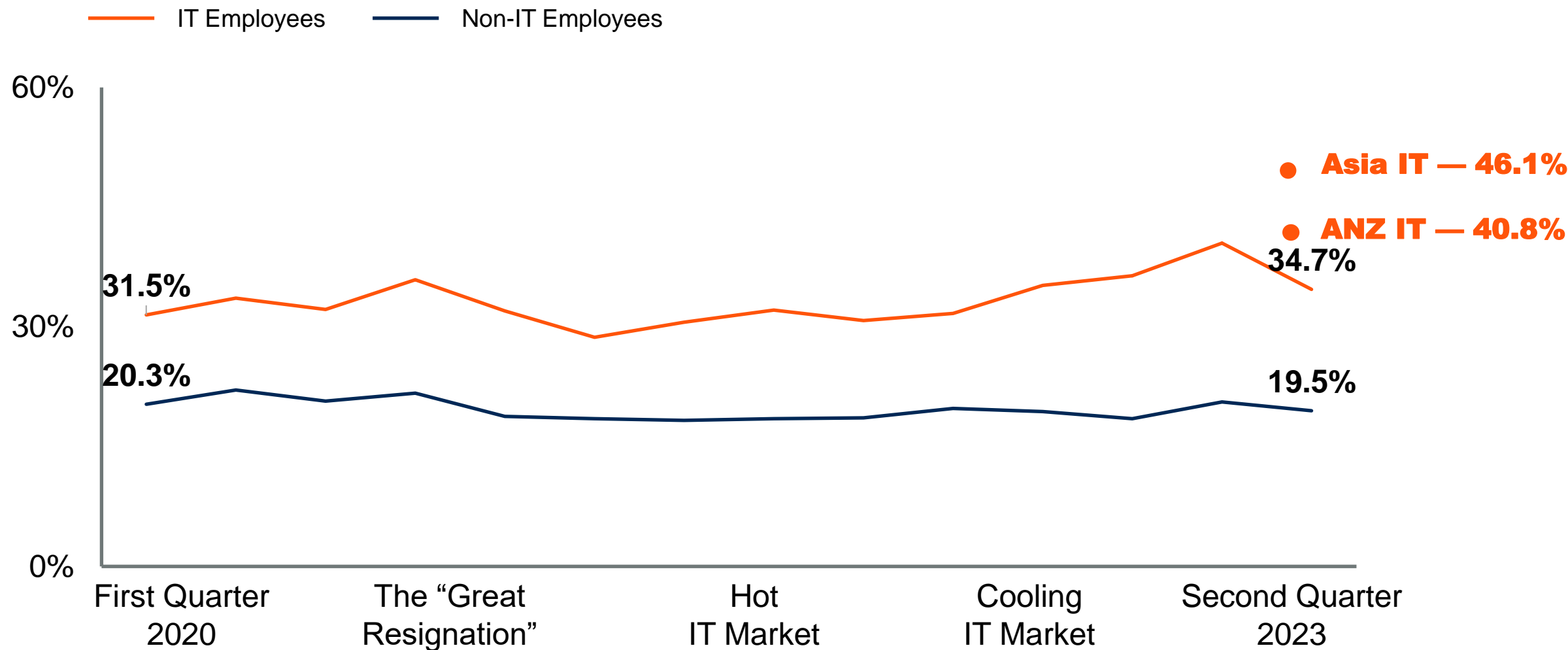
Neil Osmond

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Global IT Talent Market Hasn't Cooled Down

Percentage of Total Employees Who Are Active Job Seekers

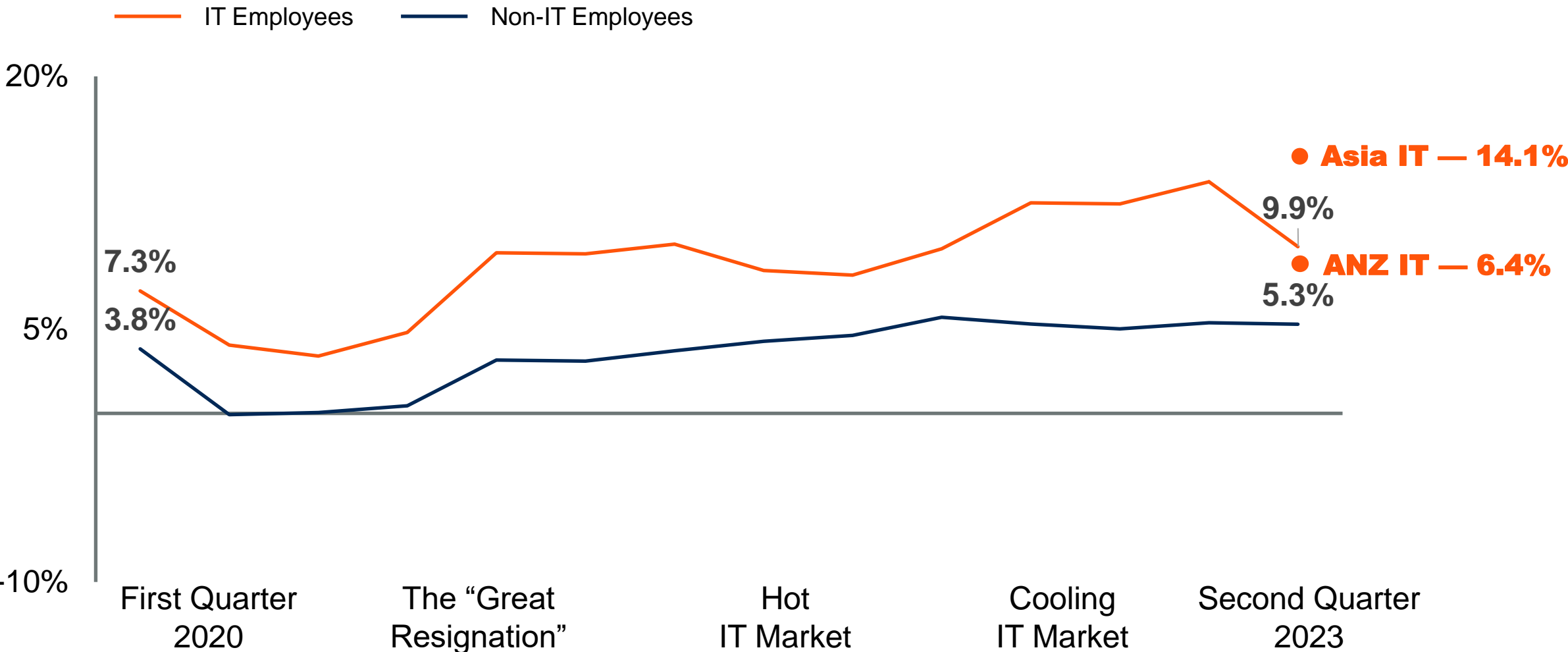


n = 18,002 Employees, Including 1,675 IT Employees

Source: 1Q20-1Q23 Gartner Global Labor Market Surveys

Global IT Talent Market Hasn't Cooled Down

Average Expected Percent Change in Merit Pay of All Employees



n = 17,993 Employees, Including 1,636 IT Employees

Source: 1Q20-2Q23 Gartner Global Labor Market Surveys

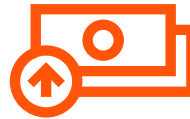
Today's Triple Talent Squeeze

Common IT Talent Hiring and Retention Challenges



Harder to Find

78% of CEOs believe **talent scarcity is reaching crisis proportions.**^a



More Expensive

Switch premium **expectations in 1H23 are at par with an all-time high score in 2H22.**^b



Harder to Retain

29% of IT employees have a high intent to stay, compared with non-IT employees at 40%.^c

^an = 415; Excluding "Not Able to Form an Opinion"

Source: 2023 Gartner CEO and Senior Business Executive Survey

^b2H22 n = 3,328 IT Employees; 1H23 n = 3,311 IT Employees

Source: 3Q22-2Q23 Gartner Global Labor Market Surveys

^c2Q23 n = 1,636 IT Employees; n = 16,357 Non-IT Employees

Source: 2Q23 Gartner Global Labor Market Survey

“Everyone is competing for the same talent. We’re increasing salaries and offering flexible work options, but even the most engaged employees are open to better offers elsewhere.”

— CIO, Financial Services

Typical Talent Approach

Common Characteristics



**Fill specific
open positions.**



**Search for the
“best” candidate.**



**Hire exactly as many
people as needed.**



**Provide training in
addition to work.**

Talent “Patching” Falls Short

Implications of Talent “Patching”

Talent “Patching:” Just-in-time hiring and training **“the right”** technical specialists in response to demand.



**Fill specific
open positions.**

Hire in reaction to need.

- ✗ Diverts attention to near-term needs.
- ✗ Leaves gaps until filled.



**Search for the
“best” candidate.**

**Recruit for
specialization.**

- ✗ Escalates salaries within narrow talent pools.
- ✗ Increases time to hire.



**Hire exactly as many
people as needed.**

**Rely on lean
skills capacity.**

- ✗ Limits organizational agility.
- ✗ Creates key-person dependency and burnout.



**Provide training in
addition to work.**

**Build skills as an
add-on to work.**

- ✗ Deprioritizes learning in favor of “doing work.”
- ✗ Detaches learning from its application.

An Adaptive Approach to Talent Management

Differences Between Reactive and Adaptive Staffing Processes

From Patching Talent Gaps ...

Just-in-time hiring and training “**the right**” technical specialists in response to demand.

- ✗ Hire in **reaction** to need.
- ✗ Recruit for **specialization**.
- ✗ Rely on **lean skills** capacity.
- ✗ Build skills as **an add-on** to work.



... to an Adaptive Talent Strategy

Building processes that allow IT talent to **adapt to new roles** in anticipation of demand.

- ✓ Hire in **anticipation** of need.
- ✓ Recruit for **growth behaviors**.
- ✓ Build **overlapping skills** capacity.
- ✓ **Embed learning** in team backlogs.

Building a Flexible Internal Talent Market



Craig Bierman
Director — Technical
Infrastructure



Jeff McDonald
Senior Work Manager



Michael Hantelis
Director Resource
Management

About Tetra Pak

Industry: Food Packaging and Processing
Headquarters: Switzerland

Revenue: €11.5 Billion
Employees: 25,000+

Build a Flexible Internal Talent Market

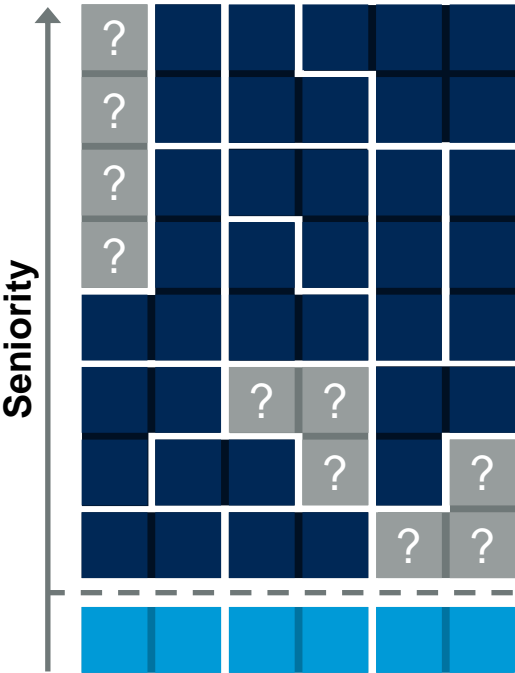
Tetra Pak's Flexible Approach to Manage Talent Demand Internally



Existing Staff ? Expected Attrition Prehired, Entry-Level Staff



Tetra Pak prehires **entry-level staff** to compensate for **anticipated attrition ...**

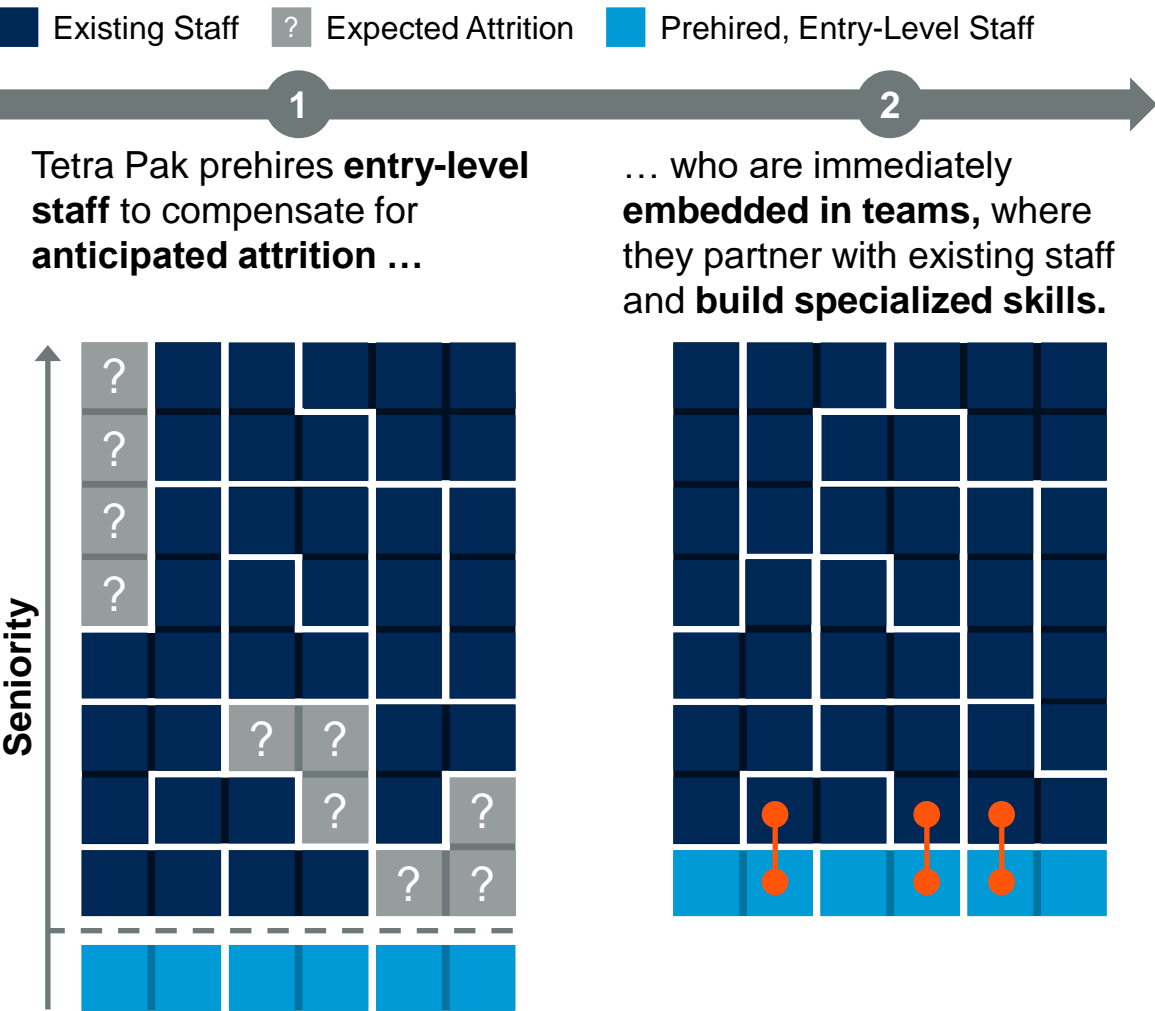


Source: Adapted From Tetra Pak



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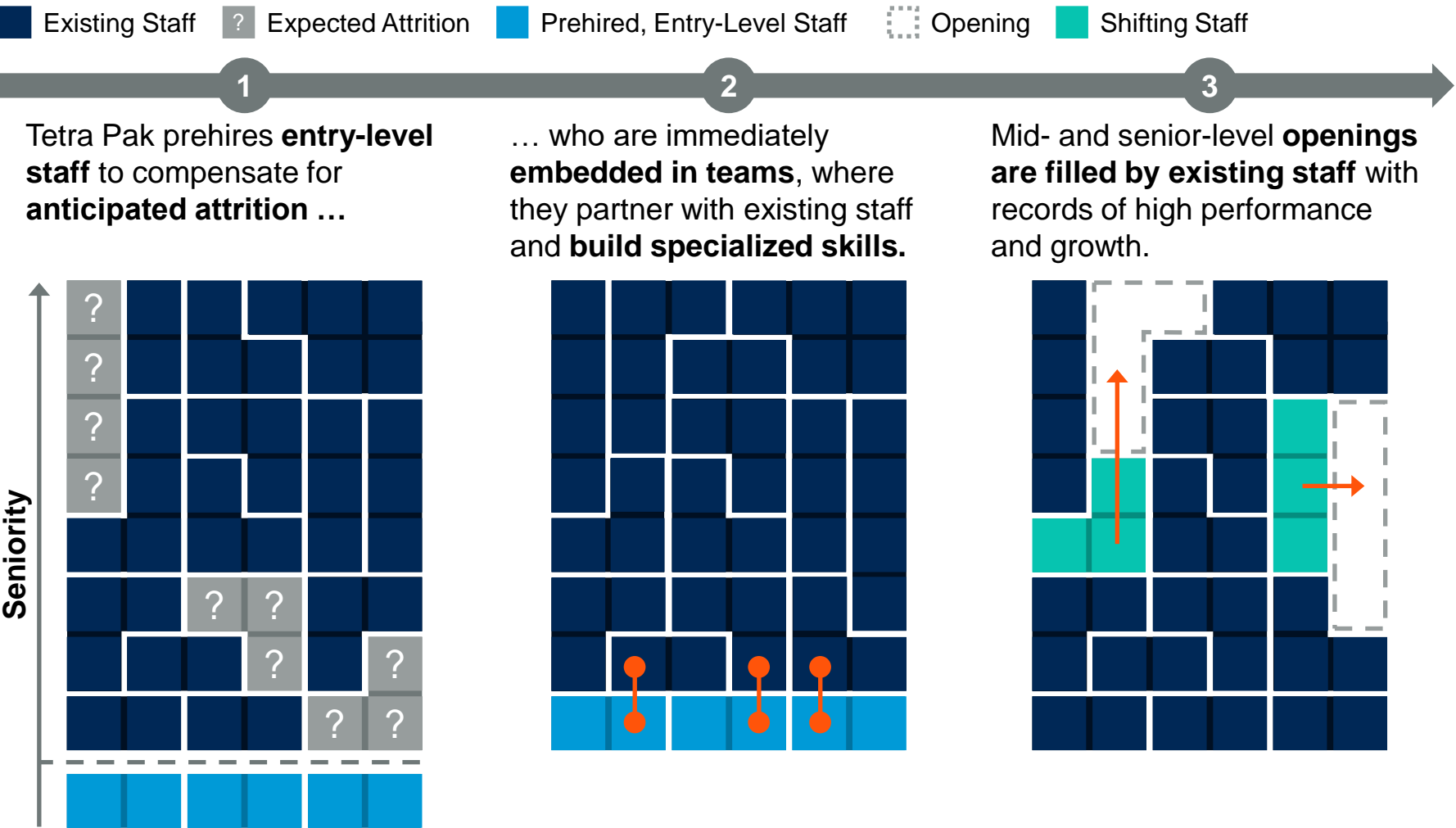


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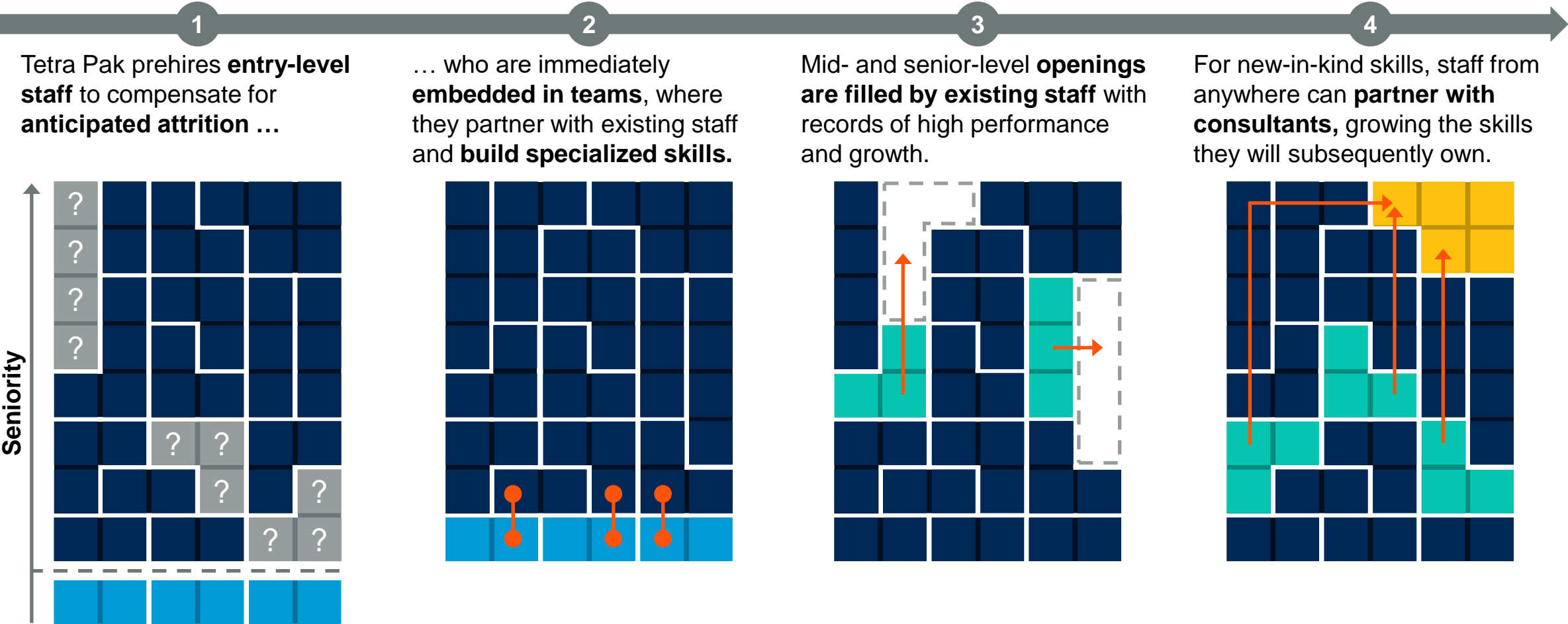


Build a Flexible Internal Talent Market

Tetra Pak's Flexible Approach to Manage Talent Demand Internally



Existing Staff ? Expected Attrition Prehired, Entry-Level Staff Opening Shifting Staff Consultant



Source: Adapted From Tetra Pak



Prehire Entry-Level Staff

Tetra Pak's Business Case for Prehiring Illustrative



Prehiring Calculation:
Fully Staffed Insourced IT (400)
x Attrition Rate (10%)
+ Org. Headcount Growth (0)
= Number of Prehires (40)

% Prehire Entry-Level = 75%

Total Number of Prehires = 30

	Sweden	U.S.	India
Resource Cost per Site			
Average Staff Salary ^a	\$120,000	\$125,000	\$24,000
Entry-Level Salary	\$60,000	\$62,500	\$12,000
Salary Cost Avoidance (A)	\$60,000	\$62,500	\$12,000
Resource Management Cost			
Onboarding and Introduction (15 weeks)	\$17,308	\$18,029	\$3,462
Travel and Tuition	\$10,000	\$10,000	\$10,000
Total Ramp-Up Cost (B)	\$27,308	\$28,029	\$13,462
Ramp-Up Costs as % of Entry-Level Salary	46%	45%	112%
Cost Avoidance per Employee			
Year 1 Savings (C = A - B)	\$32,692	\$34,471	\$(1,462)
Year 2 Savings (A)	\$60,000	\$62,500	\$12,000
Total Saved	\$92,692	\$96,971	\$10,538
Cost Avoidance per Site			
30 Entry-Level Employees	6	6	18
Two-Year Cost Avoidance	\$556,154	\$581,827	\$189,692
Total Two-Year Savings		\$1,327,673	

Tetra Pak makes the case to finance and HR for hiring entry-level staff at **half the price** of more senior staff.

The business case includes significant investment in onboarding, including two weeks at global IM headquarters.

Tetra Pak maintains existing staffing by geographies.

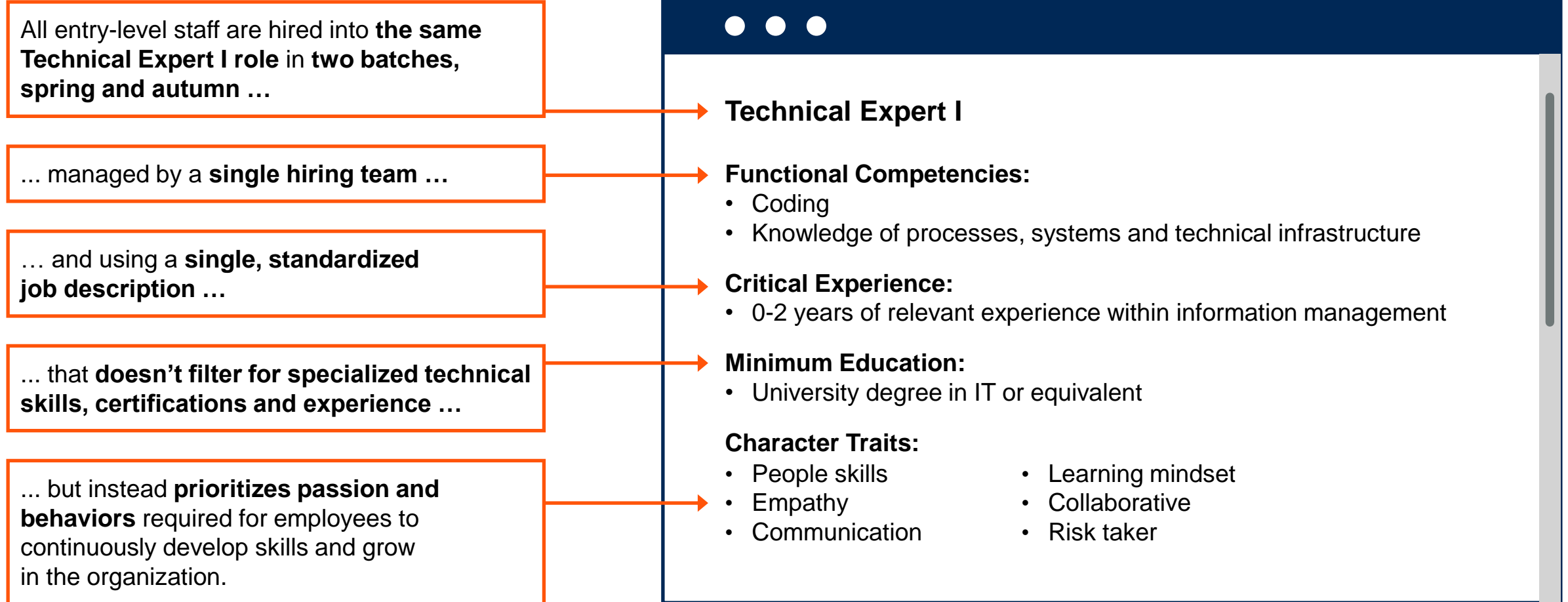
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^aAverage staff salary based on full-stack engineer.



Prehire in Batches for Efficiency

Tetra Pak's Standardized Job Description for Hiring Entry-Level Employees in Batches

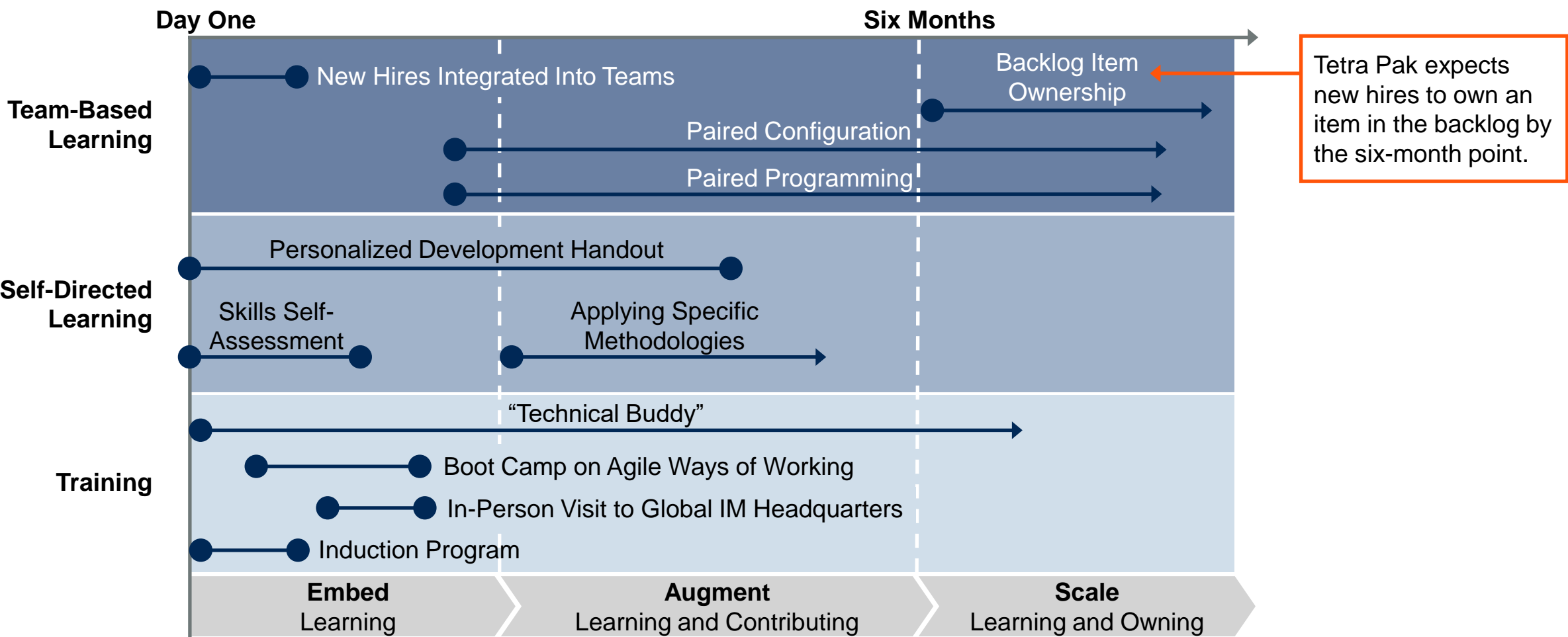


Source: Adapted From Tetra Pak

Embed Learning Into Ways of Working

New Hire Journey on a Product Team

Illustrative



Source: Adapted From Tetra Pak

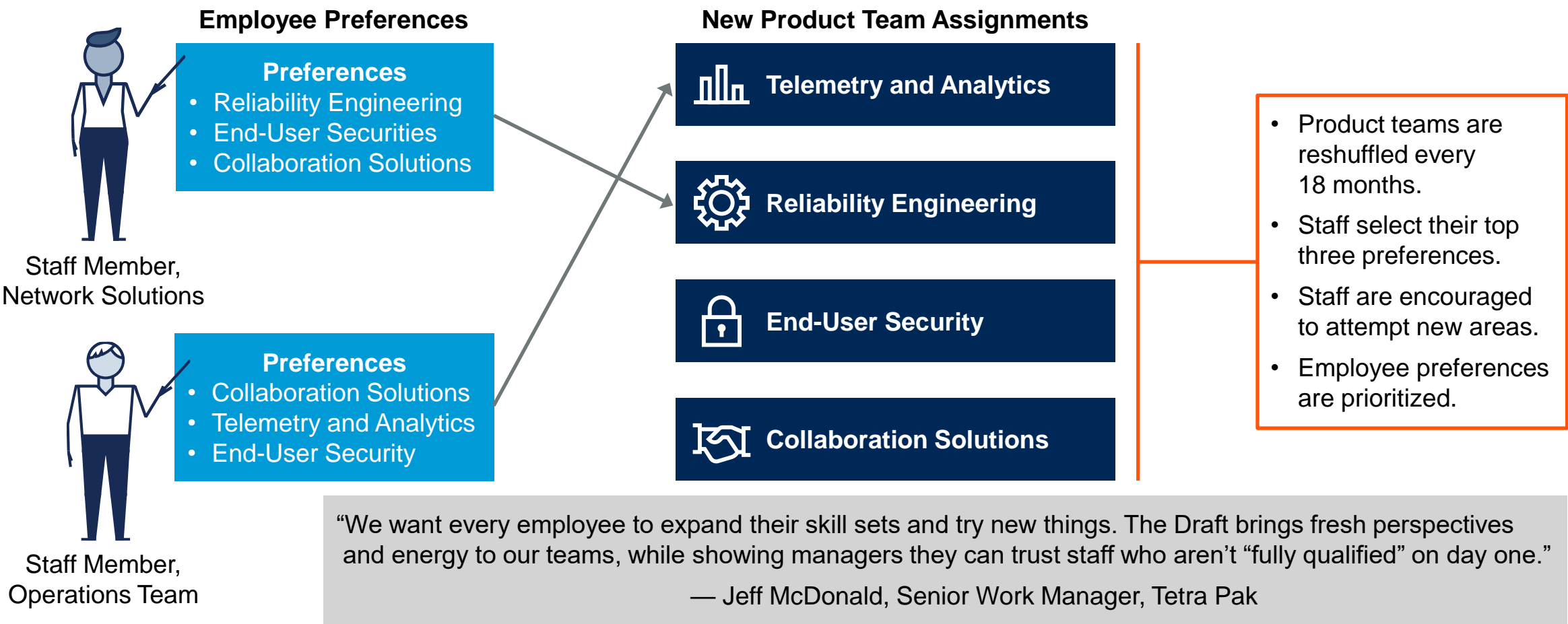


Empower All Employees to Learn New Skills ...

Tetra Pak’s “Draft System” to Empower Staff Members to Move Teams



Illustrative

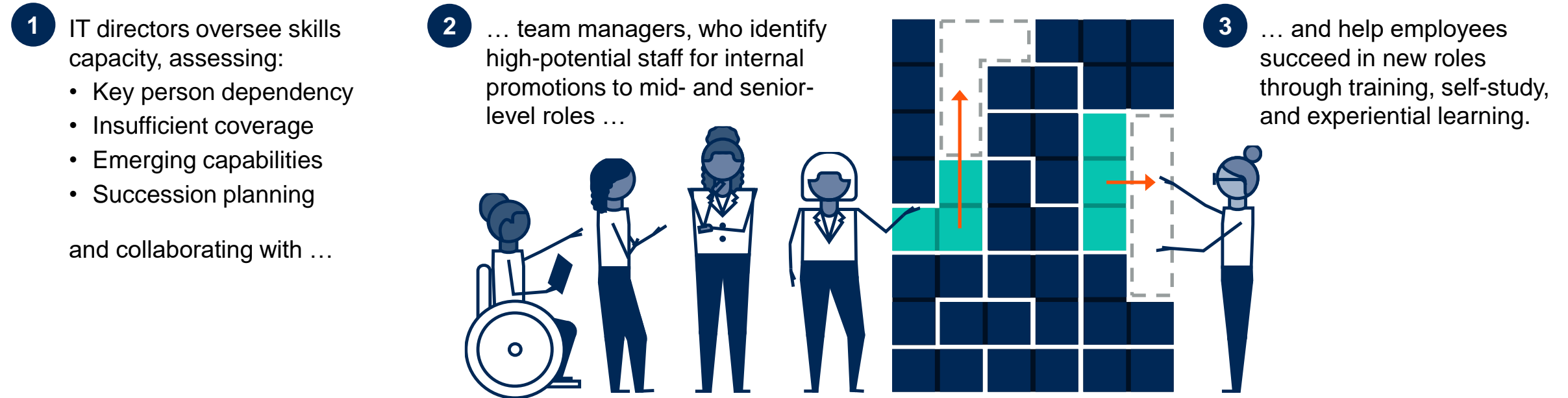


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... And Empower Team Managers to Trust Them

How Tetra Pak Prepares and Promotes Internal Staff



“No one is ever more than 70% qualified for a new role. We don’t expect it. We expect people to grow and learn new capabilities through their work.”

— Craig Bierman, Director — Technical Infrastructure

Build New Employee Skills via Consultants

How Tetra Pak Transfers New Skills From Consultants to Staff



Illustrative

Tetra Pak negotiates the embedding of staff in consultants' contracts.

	Embed	Augment	Scale
Staff	Embedded with consultants to gain experience and learn new skills.	Develop on the job and increase productivity of consulting team.	Upskilled staff become ongoing product team.
Consultant	Commit to working alongside staff.	<ul style="list-style-type: none">• Apportion backlog with staff, working together (e.g., paired programming, paired config).• Coach embedded staff.	Complete contract and leave.
Manager	Assigned to oversee consultant-staff engagement in augment phase.	<ul style="list-style-type: none">• Check in with staff to gauge consultant's participation.• Enforce contract compliance through communications and tracking key deliverables.	Assume day-to-day management of upskilled staff.

Day One

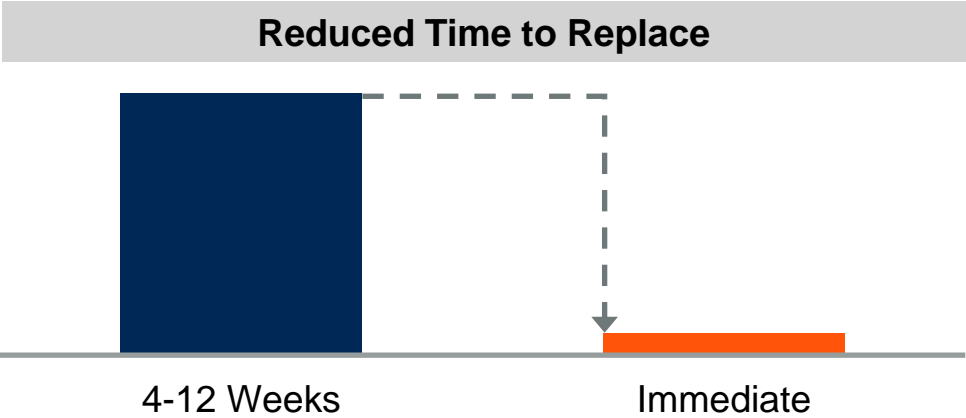
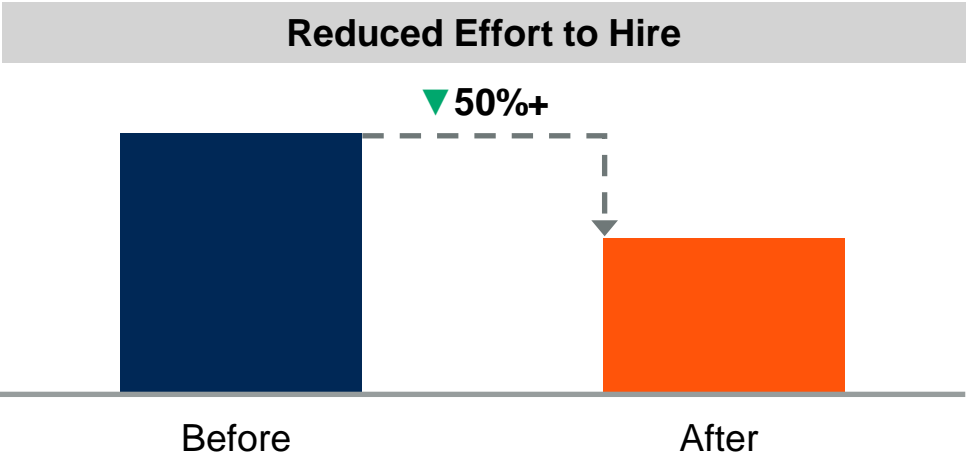
Six Months

Source: Adapted From Tetra Pak



Results

The Impact of the Flexible Internal Talent Marketplace at Tetra Pak



Improved New Hire Time-to-Productivity

- Time to contributing team member = 1 month
- Time to fully productive = 3 months
- Improved new employee engagement

Prehiring Savings (Across Three Geographies)

- Year 1: €418,200 (est.)
- Year 2: €1,096,200 (est.)

“This new structure allows us to maintain productivity, while employees are growing their skills and career. We don’t want to lose great staff, but if we lost anyone, we’d be fine.”

— Craig Bierman, Director — Technical Infrastructure

“With an aging workforce like ours, the lack of new perspectives is a real problem. Batch hiring of entry-level staff brings important fresh ideas to our organization.”

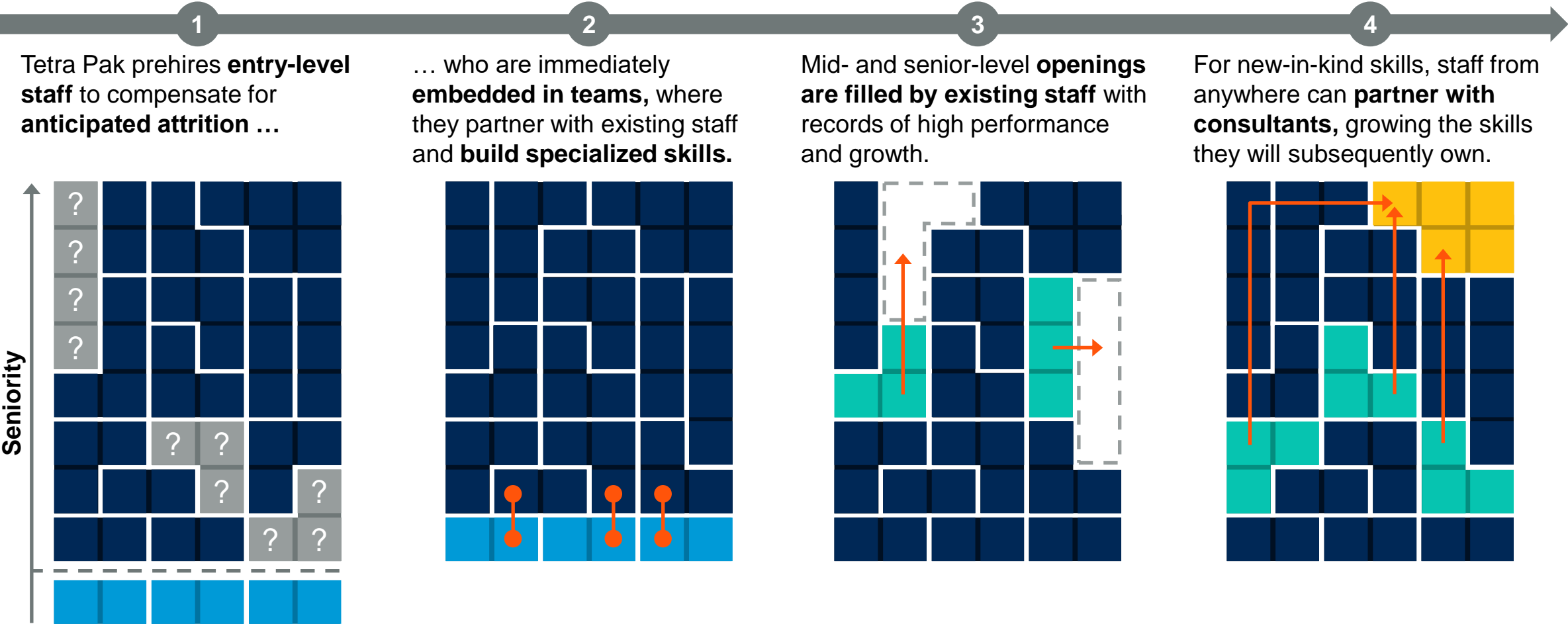
— Michael Hantelis, Director Resource Management

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Recommendations

- ④ Work with HR and finance to prepare for anticipated attrition by pre hiring in batches.
- ④ Cultivate learning and expand talent pools by prioritizing passion and potential in employees and new hires.
- ④ Offer a job rotation program that incorporates development of new skills into the work of delivering key business objectives.
- ④ Require consultants to embed your employees in their teams to augment the team's work, so that employees acquire skills that had not previously existed in your organization.

Recommended Gartner Research

- 🔍 [Case Study: An Internal Gig Marketplace for Technology Skills \(Sun Life\)](#)
CIO Research Team
- 🔍 [Case Study: Digital Badges to Provide Recognition for Business Technologists \(University of South Florida\)](#)
CIO Research Team
- 🔍 [Case Study: Kick-Starting a Low-Code/No-Code Community of Practice \(Heathrow Airport\)](#)
CIO Research Team
- 🔍 [What IT Workers Need to Be Highly Productive and Committed to Staying](#)
CIO Research Team

Recommended Gartner Research

- 🔍 [Three Practical Steps for CIOs to Future-Proof IT Workforce Competencies for Digital Acceleration](#)
Lily Mok, Jose Ramirez and Anish Roy
- 🔍 [Tool: A CIO's Guide for CHRO Conversations](#)
CIO Research Team
- 🔍 [Four Approaches to Build Versatile IT Talent for Digital Transformation](#)
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