



TECHNOLOGY STATE OF HIRING

The technology sector is facing a skills shortage, which is driving up the cost of top talent. The challenge for the sector lies in meeting requirements today whilst also future proofing your organisation with a pipeline of talent going forward.

This represents a resourcing and cost dilemma for most organisations. How do you balance the benefits and risks of providing highly competitive salaries and employment packages for existing top talent, against the merits of hiring and training younger employees to meet the evolving needs of the industry?

CHALLENGES FOR TECH

How do you develop employment programmes that encourage staff retention and make you an attractive employer now and in the future?

While industry giants might have a monopoly on both areas, the technology industry is defined by the promise and potential it also holds in the start-up and scale-up arena. As an SME or start-up organisation, **how do you compete in the technology recruitment market without compromise?**

By looking at the shape of the technology industry and its particular recruitment challenges, we consider where the opportunities lie for strategic, dynamic recruitment with both the short- and long-term success of your business in mind.

The crucial thing that we must all recognise is that this is no longer a short-term issue, but one that needs immediate support as well as solutions that work in the long-term.



According to the Korn Ferry Institute, by 2030 the tech industry labour-skill shortage will reach 4.3 million workers and an unrealised output of \$449.70 billion globally.

THE FINTECH TIMES

The 10 most in-demand skills in the technology sector are currently:

- JavaScript
- AWS
- React
- GIT
- Python
- Java
- SQL
- C#
- Docker
- Azure Stack

Meanwhile, the 10 most in-demand tech jobs are:

- Database administrator and architect
- Information security analyst
- Software developer
- Network and computer systems administrator
- Computer programmer
- Web developer
- Computer and information systems manager
- Systems analyst
- Help desk and desktop support professional
- Network/cloud architect

CHALLENGES FOR TECH

The pandemic escalated industry growth

Part of this rising demand for tech talent is due to the general growth of the industry, which is increasingly integrated into all areas of our daily lives. However, the pandemic also escalated that growth as businesses sought to find digital solutions to physical challenges - such as remote working. "The pandemic compressed 10 years of digital growth into two" [writes Forbes](#).

The article continued, noting the rise in salaries, but also the role that a global and connected world, open to remote working has to offer: *"One of the most prominent shifts in the workplace was the incredible growth in salaries and the eagerness of companies to recruit talent across the U.S. and in other countries to find skilled computer professionals."*

Demand is driving up cost of talent

This high level of demand is resulting in one very clear trend - the cost of talent is going up. Whilst meeting the demands of today, businesses face a particular need to stop and think strategically about the long-term need and how it can be addressed - do you go for established top talent and pay the premium? Or do you combine that top talent with young talent and nurture those coming into the industry to meet its needs whilst supporting their career paths?

Recruitment companies around the world are seeking to support businesses in meet-

-ing the discussed challenges in ways that suit them. [Robert Half Technology's 2022 IT salary report](#) was particularly interesting, looking at the in-demand skills of the day alongside typical salaries ranked by those still acquiring some skills vs those who had all the skills they needed to fulfil the role. Even amongst those who were new to the type of role in question and still acquiring relevant skills, salaries started around \$52,000, while top, established talent went up to \$180,500.

The level of interest in the tech sector and its clear appeal for investors has also meant that some surveys indicate a so-called levelling of the playing field when it comes to competing on salary. Commenting on recruitment firm, Hired's 2022 State of Software Engineers, Forbes Senior Contributor, Jack Kelly, wrote:

"The report found enterprises—companies with more than 1,001 employees—often face increased pressure to compete with startups—1-300 employees—which have seen an unprecedented level of funding and growth. Smaller companies are quickly catching up with compelling pay and benefits to attract and hire top talent – bringing pay from startups on par with enterprises with an average annual salary of \$155,000 for software engineers in 2021."

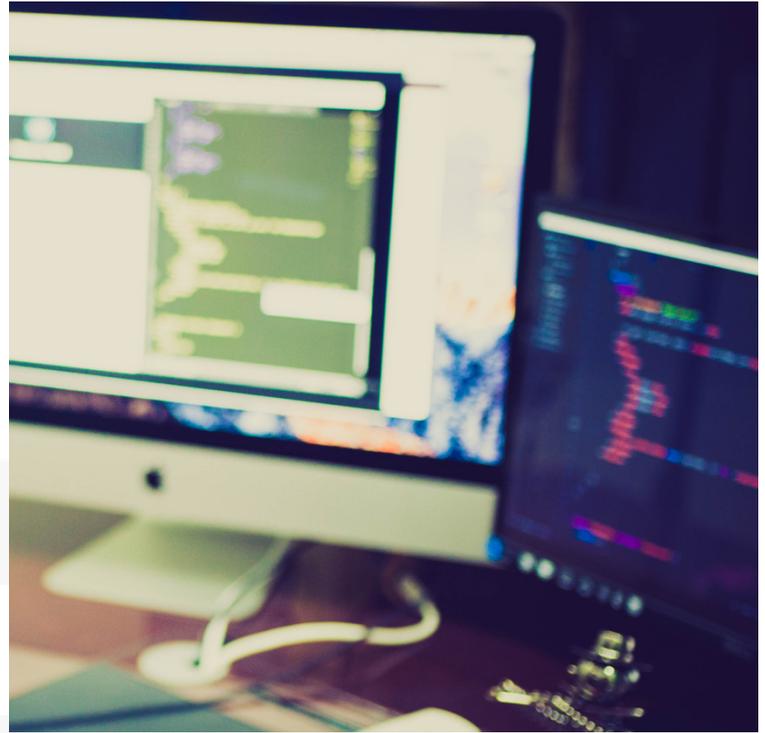
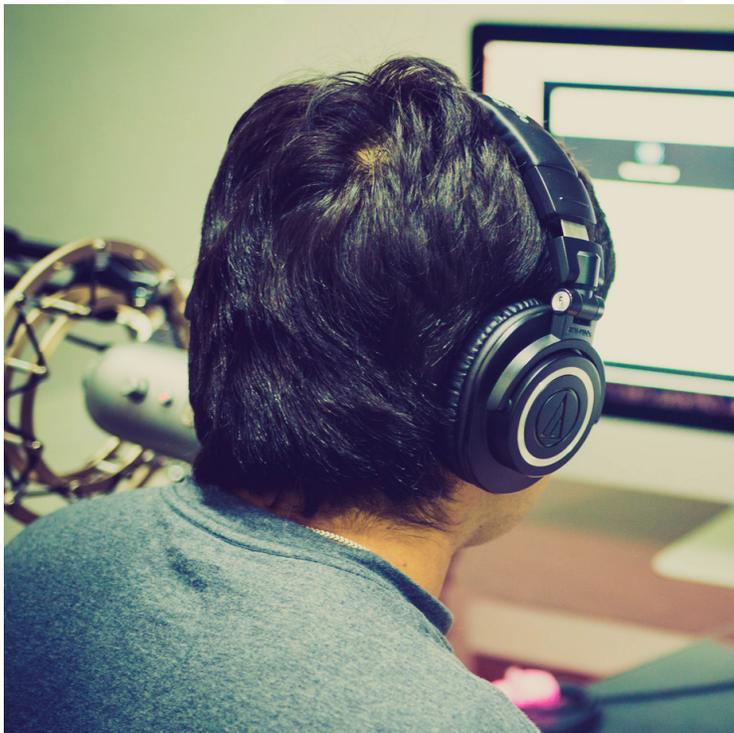
The need for ongoing learning

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continually evolve and adapt to new technologies, whether via formal training or organic osmosis. This gives companies something important to think about - even by employing top talent it does not negate the need for ongoing skills development programmes if you want to keep your organisation at the forefront of a growing space.

CEO of edtech company, Udacity Gabriel Dalporto, told Forbes: "If companies do not invest in talent transformation, they are destined to fail. The lack of job-ready digital talent has become an existential threat to businesses around the world."

NEXT: REPORTS ON THE SKILLS SHORTAGE IN TECH



USEFUL REPORTS

Barriers to tech employment and skills survey

Hackney council issued a report with a view to closing the skills gap to help residents get new skills, retrain and progress into good jobs, specifically relating to the digital tech sector.

Key to their findings, they looked at representation within the industry, noting "*only 2% of workers are from a Black, African, Caribbean or Black British background, only 11% have disabilities, 22% are aged 50 or above, and women make up only 17% of tech workers.*"

Tech skill shortages affect all industries

In a cross-industry survey, **KPMG** researched the general skills shortage and found that "the only cross-industry roles that were highlighted as issues (60% of respondents) are in technology/digital". Interestingly, they found that pay increases attracted 76% of respondents but only retained 48% of key skill sets. Increased flexible working was highly attractive to employees. A focus on skills and career development was also highly prized by more than 50% of respondents.

Hiring challenges lost business

In October 2021 the **Pearson** survey reported on 2,000 UK business leaders, showing that 21% of businesses polled across the UK had lost out on new customers or contracts as a result of hiring challenges. Around 36% also said they had not been able to expand because they could not find enough appropriately skilled people.



USEFUL REPORTS

Everyone's transforming

The pandemic forced businesses to rethink the way they work and triggered digital transformation initiatives. As a result many businesses triggered plans to transform rapidly, also adding to the talent shortage. A report from [Gartner](#) showed that 58% of IT leaders reported either an increase or a plan to increase emerging technology investments in 2021, compared with 29% in 2020. There was already a talent shortage in this skilled area, but now it's even more.

Creating a positive company culture

"The majority of women in technology say they have experienced toxic work environments, with 21% experiencing it frequently", said [HRreview](#). "52% of tech employees say their workplace is toxic", [another study showed](#). The industry has a reputation for toxicity ranging from micromanaging to sexual misconduct and blatant discrimination.

Creating a positive working culture is a core value of GenZ, and really anyone going into the workplace today, driven by changing values and a greater awareness of mental health and wellbeing. This is something we at Sort have outlined in our profiling of millennials and GenZ, and the 730,000+ prospective candidates in our diverse early-career community.

WHAT ARE THE OPPORTUNITIES WHEN IT COMES TO HIRING TALENT?

For all the challenges that the technology sector faces when it comes to skills shortages and recruitment, there are opportunities as well. In many ways, the challenge of finding and nurturing top talent can become a driver for best practice and a proactive rethinking of how we inspire young people to join the industry, how we support their career development, and how we retain their interest for their individual success, for company success and for the long-term benefits of the industry as a whole.

Remote workforce opens world of talent

The rise in remote working and hybrid working models has caused a number of businesses to make changes to the way they recruit and work. Across all industries, 'remote work' job listings have increased 357%, with the tech sector leading in job listings. CodinGame found that 95% of developers vastly prefer a hybrid working model. Remote and flexible working can be used as a powerful tool to attract new team members. However, it can also be a strong way to attract senior talent on a part time/gig basis, driving down the cost of experienced team members whilst providing high level strategic input and a framework for younger employees to be guided through everyday tasks and to learn by osmosis and mentoring.

1

Skills development is in high demand

As mentioned in the reports cited, training opportunities and skills development is not only essential to the tech industry's own future, but to individuals and their careers. Putting frameworks in place for learning opportunities is a powerful way to attract and keep new team members.

2

Career development is in high demand

Clear career development opportunities are also a high priority for young people entering the technology industry, knowing that their hard work will be rewarded. Combining this objective with skills development in clear career pathways provides an opportunity for businesses to show their investment in their team and attract young talent. We know that Millennials and GenZ are not purely driven by salary, and that they are powerfully motivated by working for brands that provide a sense of purpose. Feeling valued within their roles and assured of career progression and a positive working culture provides an opportunity for businesses to retain employees and stop them wanting to look elsewhere for career progression.

3

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Consider your benefits package

According to [Glassdoor](#), 80% of employees prefer additional benefits over a pay increase. That might include health care benefits, paid leave, retirement savings plans or childcare solutions - for example. There may be opportunities to support those who feel lifestyle restrictions limit their ability to enter a highly competitive industry, whether that's single parents or young people caring for parents and older relatives. Reassessing your benefits offerings so that they provide a better experience for employees and consider a range of circumstances is one way to help attract and engage with a more diverse pool of would-be employees.

5

Apprenticeships

How we recruit and how we assess talent is one way to address the point at which we bring young people into the technology industry. By re-evaluating what it means to develop skills, businesses can begin to access a more diverse pool of talent and create a pipeline of skills at an earlier stage. For example, consider whether a career in a specific field requires a degree or if a talented young person could gain the same skills faster with a mentor on a well-organised apprenticeship scheme or by partnering with universities and colleges on apprenticeships, sandwich degrees and sponsored internships and qualifications.

6

Approach school leavers

"56% of young people say a career in tech is 'complicated'," according to [Education Technology](#). This ripe market of GenZ digital natives are exactly the people you want entering the workplace, filled with energy, ambition and ideas. However, there is a concern amongst a large proportion of young people that the industry is intimidating.

Education Technology continued: "Three-quarters of tech leaders think Gen Z will solve the digital skills shortage (72%), with 77% (believing these 'digital natives' have the best ability of any generation... However, while half of Gen Z have a career in tech or firm plans to pursue one in the next five years (46%), they have low confidence in their digital abilities."

There is an opportunity here for businesses to consider programmes going into schools to talk to students and inspire them to a career in technology, inviting students into your business and running workshops and seminars/career days.

GET IN TOUCH



Lucy

Co-founder, Sort Your Future

Discovering late in life that she is autistic, Lucy is an advocate for greater understanding of neuro-diversity and mental health in education and workplaces.

She started her career working in organisational development and leadership training before moving into education marketing at the University of Hertfordshire. There she was responsible for student recruitment, working in both UK and overseas markets.

She began lecturing in Marketing at the University of Hertfordshire in 2006 and moved on to a lecturing post at the University of Wales Trinity Saint David in 2010, winning multiple awards for her teaching.

She is a regularly invited to speak at business and education conferences and workshops, and her TEDx talk “**How Designers can Transform Education**’ was described by global education pioneer Sir Ken Robinson as ‘moving’.

She has also been a Board Trustee at the Royal Society of Arts, a member of the RSA’s Fellowship Council, and currently Co-leads their Innovative Education Network.