



Canadian tech firms lack strategies to retain IT talent

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Canadian technology and telecommunications companies may be on the verge of unprecedented growth, but they lack strategies for developing and retaining IT talent, according to a recent survey by Deloitte and the Information Technology Association of Canada (ITAC).

While a mere 10 per cent of companies surveyed earlier this year had implemented talent strategies, 33 per cent were unprepared and 52 per cent were in the process of developing an approach.

It also found 60 per cent plan to increase investment in recruiting, while 67 per cent rely on financial rewards and incentives as the primary strategy to attract and retain talent.

"Canadian technology companies are poised for great success over the next few years, but must overcome a talent crisis to stay ahead," said Richard Lee, human capital practice leader with professional services firm Deloitte.

Sixty organizations were surveyed, ranging from small (250 employees) to more than 100,000 and representing a "broad cross section of companies," according to Kathy Parker, senior manager with Deloitte's human capital practice. She added that the sample was a mix of ITAC members and non members.

Part of the issue with lack of talent strategies, is the "the complacency of yester-years," said Sebastien Ruest, vice-president of the risk services group at research firm IDC Canada.

IT was "such a hot area" several years ago, and companies were often inundated with job applications from IT professionals, said Ruest. "They became complacent in the fact that if they lose employees, they can always go back to the well and get new ones." But all that has now changed.

The survey also found 70 per cent of respondents anticipated a shortage of senior executives and senior leaders over the next three to five years, meaning that leadership talent will be at a premium as an ageing workforce creates a loss of knowledge workers.

Takeaways in the area of leadership development, said Parker, are that organizations should begin workforce planning, in other words, identifying the leaders in an organization.

"In IT organizations, [to ensure] the folks who have strong technical skills also have the leadership skills to take the organization forward."

"Succession planning is an important and linked element of that in making sure we do have the leaders of tomorrow identified," she added.

While the workforce is ageing, said Ibaracki, part of the issue is also the decline in IT academic program enrolment.

Although the survey findings relate to vendors of technology and telecom products and services, Parker doesn't believe the skills crunch will lead to weaker support from these service providers.

She said respondents indicated concern for the consequences of skills shortage on an organization. "Customer relationships are part of that equation. There is a recognition on their part."

Ruest agrees that clients need not be concerned given that the skills shortage will have relatively less impact on the vendor side of the equation as on the client side.

Overall, said Parker, the survey reveals companies are anticipating the shortage and recognizing there are solutions or "preventative medicine" to talent shortage.

But how applicable is the survey given it focused solely on the technology and telecommunications sector? According to Parker, the results are very transferable to all sectors, in fact, "there certainly are lessons to be drawn from this for others as well."

Stephen Ibaraki, president of Canadian Information Processing Society (CIPS), agrees the findings are "pretty universal" in that similar concerns around skills development and retention exist across the board.

But according to Ruest, it's a good thing the survey did not include non-IT organizations because they generally face greater challenges in procuring IT talent.

"IT companies are competing with themselves [for talent], whereas non-IT companies are competing with themselves and with IT companies," said Ruest.

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