

# IT STAFFING REPORT

An Examination of IT Staffing Needs, Priorities  
and Recommendations for the Future



# CIO EXECUTIVE COUNCIL IT STAFFING REPORT 2005

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# I. EXECUTIVE SUMMARY

## INTRODUCTION AND MISSION

This study, the *CIO Executive Council IT Staffing Report, 2005*, examines the top IT staffing priorities, practices and plans from the perspective of 303 senior IT executives. These executives from a wide selection of industries and companies ranging from less than 500 employees to more than 100,000 employees, share their ratings and views on overall IT staffing priorities, the relative importance of business vs. technical skills when hiring IT staff at all levels, current hiring criteria, and projected demand by level within their organization and by targeted technologies. The study also includes guidance for colleges preparing students for IT careers.

The study was commissioned by the CIO Executive Council's IT Staffing Task Force, which was formed at the behest of Council members who continually face challenges when hiring, training and retooling the current crop of information technology (IT) workers. Faced with a bleak 10-year outlook for domestic IT talent and leadership, the IT Staffing Task Force is focused on collaborating with external stakeholders (i.e., academia, government) in evaluating and improving the current supply chain of IT talent and ensuring there is talent to meet current and future demand.

This report, providing a baseline of needs and deficiencies, marks the first phase of the IT Staffing Task Force's deliverables. The next phase entails working with leaders in academia and government to brainstorm and identify solutions for the current IT workforce problem, as well as creating a set of best practices for retooling existing staff.

The council's IT Staffing Task Force is co-chaired by Barb Kunkel, CIO of Nixon Peabody LLP, and Gerhard Karba, CTO and VP of Hines Interests.

## KEY FINDINGS

### Increasing importance on business skills

Seventy percent (70%) of the 303 senior IT executives, responding to the CIO Executive Council's IT Staffing Survey, 2005, rated finding IT professionals with a balance of business and IT knowledge a critical or high priority. Second place priorities are keeping staff up-to-date on new technologies and developing a responsive/flexible staffing strategy to support the ebb and flow of business, both with 57% of executives rating these as critical or high staffing priorities.

Senior IT executives expect strong growth in the emphasis on business skills. For those on their senior IT management team, approximately half (52%) of executives responding prefer an equal weight between IT and business skills with nearly an even split of the remaining respondents giving preference to technical (26%) and business (24%) skills. However, in projecting out three years, that emphasis shifts with 46% granting equal weight, 16% favoring technical skills and 38% giving heavier weight to business skills.

Expectations for mid-level IT managers and staff are currently weighted more heavily toward technical skills, and will experience a more modest shift toward business skills over the next three years.

This high, and still growing, emphasis on business savvy and skills indicates a maturing of the role of IT in business. Line of business executives have lost much of their awe for technology and are beginning to demand greater alignment with business goals and requirements. Tightened budgets are compelling many IT projects to provide well-argued business cases and ROI projections before approval. IT success is increasingly measured as much by user adoption as by the technological sophistication of a solution. And, growth in local and offshore IT outsourcing are creating new requirements for IT executives and managers. Succeeding in this evolving environment requires senior IT managers to deeply understand business strategy, goals and operational processes, and be able to communicate clearly with line-of-business counterparts and internal clients.

However, the growth in importance of business skills does not let the IT organization off the hook technologically. Many may not wish to be the leading edge of adoption for new technologies, but new technologies applied in business-specific and appropriate ways is still core to how an IT organization can create competitive advantages and contribute to both top line revenue and bottom line profits.

When identifying top skills required among their senior management team, IT executives most frequently rated the following five as the critical or high priority:

- Leadership skills (87%)
- Problem solving skills (85%)
- Understanding of business dynamics (83%)
- Project management (72%)
- Understanding of corporate strategy (70%)

## Respondent Profile

**Respondents were identified as a senior, often the most senior, IT executive within their organization.**

- Industry representation was very diverse
- Finance, Banking, Accounting, Insurance (16%)
- Manufacturers (12%)
- Healthcare, Pharmaceutical, Medical (9%)
- Education (8%)
- Government (8%)
- Other - (47%)

### Size of Organization (total employees):

- Less Than 1000 (37%)
- 1000 to 9999 (38%)
- 10,000 or more (25%)

Approximately 40% identified leadership and understanding of business dynamics as skills which their senior IT management team consistently lacked. Although, not quite as high a priority within middle management and staff, executives feel the lack of leadership skills even more (47% consistently lacking) at that level within their IT organization.

## Hiring criteria for senior and mid-level IT managers

Consistent with this shift in emphasis toward business skills, 99% of IT executives rated "communication" a critical or very important skill for senior IT management hires, and 93% gave it the same high priority for middle IT management and technical staff. Among the "soft" skills, communication is a significant enabling skill that improves team performance at all levels. However, the differences in requirements between senior management and the rest of the staff show up in business management skills such as ability to manage vendors and outsourced workers; 74% rating it a critical or very important skill for senior managers versus 55% for the remainder of management and staff. Ability to manage finance/purchasing/legal issues and contract negotiations shows a similar distinction between senior managers (66%), and for middle management and staff (40%).

While business skills are moving more center stage, especially for senior IT management, the second highest overall priority is keeping staff up-to-date on new technologies. IT executives weighed in with more detail, identifying which emerging technologies are impacting their own staffing needs. The top technologies cited were:

- Security (69%)
- Web services (65%)
- SANS/Data stores/warehouses/database management/replication (57%)
- Wireless (56%)
- Disaster recovery (55%)
- VoIP (55%)

## Projected demand and flexible staffing strategies

Regardless of level within the IT organization there are openings for career development. Approximately 40% of executives anticipate staffing deficiencies over the next three years in each of the following positions: Director or IS/IT Technology, Information/Security Manager, Database Analyst/Administrator, and Information/Security Specialist.

These projected demands must be balanced against the overall staffing priority of developing a responsive/flexible staffing strategy to support the ebb and flow of business, which was in a tie as second highest staffing priority. The economic belt tightening of the past three to four years has led to the current condition, where an average of 21% of IT staffing needs are met through some form of outsourcing. Over the next three years that proportion is expected to rise to 25%, with 17.5% sourced domestically, and 7.7% sourced offshore.

## Improving IT education to support shifting priorities

This surveyed panel of IT executives provided advice on preparing college graduates for IT careers. The most popular advice puts the responsibility squarely on the shoulders of the student, with 78% indicating that it would be extremely or very valuable to do a double major—computer science and business. The second most popular advice was directed at universities/colleges, with 73% wanting more professors specifically trained/qualified in IT. Commentary added by the IT executives on the panel strongly emphasized the need for real world experience for both professors and students.

## II. MAIN REPORT

### I.T. STAFFING PRIORITIES AND REQUIRED SKILL SETS

This section covers the overall IT staffing priorities from the perspective of 303 senior IT executives and the associated skill sets for senior IT managers, mid-level managers and technical staff.

#### Most critical IT staffing priorities

The top IT staffing priority, now and again in three years, is finding professionals with the correct balance of business and IT knowledge (see Figure 1). This concern is rated as a critical or high priority during the next year by 70% of respondents, growing to 79% in three years. The next most important items are keeping staff up-to-date on new technologies and

