Solving an Ever-Widening IT Skills Gap
Talent Management Solutions

Companies across the country are preparing for a widening job-skills gap, thanks to a demographic challenge rapidly approaching – the retirement of Baby Boomers. A recent poll released by AARP and the Society for Human Resource Management (SHRM) found that 72 percent of HR professionals identified the pending retirements of Baby Boomers as a problem their organization hopes to address. Not surprising when considering a Pew Research Center report indicates 10,000 Baby Boomers will reach age 65 every day for the next 20 years. Nationwide, the U.S. Chamber estimates that at least 3 million jobs go unfilled due to the skills gap; a figure expected to reach 7 million by 2018.

While this is a widespread challenge across many industries, it is particularly problematic within the IT sector. As technology has evolved, it has transformed all sectors of the economy and is a core function of any enterprise in today’s digital age. In fact, with technology needs increasing, planners and economists say IT workers are the skilled laborers of the contemporary workforce – and the workforce is simply not growing fast enough to fill needs. As Baby Boomers begin to retire in mass numbers, this will only exacerbate the skills gap within the IT industry.

Several Metro Areas First to Feel the Pinch

Many U.S. cities are already feeling the strain of a retiring IT Baby Boomer generation. In Los Angeles, about 60 percent of the city’s IT staff will reach retirement age within the next five years, according to the general manager for the city’s Information Technology Agency. Washington D.C., Houston, and Dallas have projected shortfalls of approximately 5,000 middle-skill workers in technology and engineering over the next two years (see chart).

In Massachusetts’ Pioneer Valley, where more than half the IT jobs are in non-tech sector businesses such as health care, manufacturing and education, Baby Boomers will be leaving their workforce in record numbers over the next three to five years. A 2012 study of labor trends in the region suggested the Valley will face the Boomer exodus sooner than other parts of the country because it is home to a larger aging workforce. A survey of 40 local business owners in the region revealed they see unfilled tech positions as an obstacle to their success.

Unfilled IT Positions Costly, Hinder Success/Innovation

As Baby Boomer IT workers begin to retire, what kind of skill gaps will they leave behind and what will it cost employers? Even beyond the job vacancy left behind when Baby Boomers retire, the equally concerning ramification is the loss of business knowledge and corporate wisdom they take with them.
Also, in the poll by AARP and SHRM, more than half the HR managers said their older workers exhibit a stronger professionalism and work ethic. These aspects of a job are often difficult to retain or teach within a short timeframe, and are hard to put a price on.

However, according to a new survey from CareerBuilder, employers estimate that on average, they lose more than $14,000 for every job that stays vacant for three months or longer, and 1 in 6 companies say they lose $25,000 or more.

Furthermore, companies are facing a critical phase in the move to digital technology, adopting cloud-based networks, embracing mobile platforms and capturing big data in order to achieve greater efficiencies, flexibility, productivity, customer satisfaction, and revenue generation.

Unfortunately, according to a global survey of CIOs by Gartner, Inc.’s Executive Programs, the typical enterprise is realizing just 43 percent of this technology’s business potential. One major obstacle is the supply of skilled IT labor, which has many companies scrambling to manage, monitor, and maintain their IT infrastructure.

Simply put, if an organization doesn’t have the workers with the right IT skill sets, any competitive advantage gained by new technologies is lost. The good news is there is a solution many enterprises are turning to in order to fill gaps left by Baby Boomer retirements or other loss of IT skills – supplemental IT staff augmentation.

Creating an IT Staff Structure that Addresses Skills Gaps

Knowing how detrimental unfilled or vacant technology positions can be for an organization, today’s enterprises are turning to IT staffing partners to help address skill gaps they face today, and to prepare for future challenges. A staffing model that includes the right mix of both full-time IT employees augmented by short-term or flexible IT talent helps companies remain agile, productive and innovative in order to keep pace with today’s market dynamics.

IT staff augmentation allows companies to focus on the growth and development of their business, while also providing access to the industry’s top IT talent and skills when needed. To help curb loss of wisdom and corporate knowledge many Baby Boomers would take with them in retirement, many HR professionals are re-hiring their retired IT staff as part-time or temporary workers through their staffing partners as a way to retain those valued workers.

In addition to delivering more stability in your organizational staffing structure, relying on a staffing partner to augment your IT staff enables you to bring new skills and knowledge into the company that can be transferred to your core workforce, improving job performance and overall productivity.

Other benefits companies are experiencing from IT staff augmentation include:

- More time to focus on your core business. Although IT is critical to a company’s growth and innovation, the IT operations are likely not among the core business activities that made the enterprise successful. Partnering with an IT staffing company to maintain effective staffing levels and talent needs frees up time to focus on business strategy and innovations.
- Achieve cost efficiencies and control. Staffing strategies can help organizations better predict labor costs on an ongoing basis, while driving cost savings through increased uptime, more efficient operations, and reduced personnel costs.
- Minimize recruitment, onboarding and training process. The process of listing jobs, conducting interviews, hiring and training can be cumbersome and lengthy. However, an IT staffing partner can significantly decrease the amount of time you spend on those processes, because they’ve already sourced and
onboarded workers with the exact skills, attitudes, and values needed to hit the ground running and fit within your specific workplace.

**IT Staff Augmentation Solves Skill Gaps, Drives Business Success**

As the skill gaps left behind by Baby Boomer retirements begins to materialize, companies will need to seek ways to fill the void – or risk loss of productivity, operational hiccups, or lag behind their competition in innovation or speed-to-market. Without adequate levels of IT talent, companies will struggle to keep up with technological advancements.