



The State of the Digital Tech Workforce Survey Trend Report

Thanks to participating companies



Five facts about the state of the digital tech workforce

1. **THE SKILLS GAP IS REAL** - 50% of companies can't find enough qualified candidates for tech roles. 40% can't pay enough to attract top talent.
2. **AND NO ONE IS SURE HOW TO SOLVE IT** - 63% are dissatisfied with current programs designed to find new sources of tech talent.
3. **DIVERSITY IS GOOD FOR THE BOTTOM LINE** - 79% believe that diverse teams have “moderate to big” impact on business outcomes.
4. **PASS THE BLAME** - Even distribution of who is responsible for fixing the skills gap.
5. **IN-HOUSE PARTY** - 65% will hire FTEs to solve talent shortages. 54% will increase investments in training.

Companies can't find the technology talent needed to meet the growing demands of digital businesses.

Companies cited multiple roadblocks keeping them from finding the talent they need, with not enough qualified candidates being the most difficult to overcome.

Not enough qualified candidates*	50.75%
Pay rates are not competitive†	40.30%
Insufficient resources/time to develop junior talent	37.31%
Location (the business is not where the talent is)	28.36%
H-1B visa availability	19.40%

*Of these companies, 69% represented the financial services and healthcare industries.

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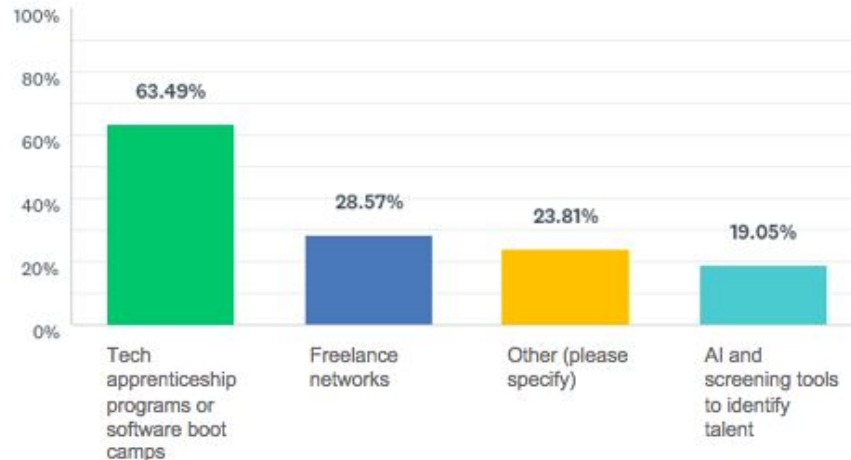
Inability to find technology talent puts companies at risk for becoming digital laggards.

Has your organization experienced any of the following due to talent shortages in software development?

Shadow IT projects (departments hiring outside technical resources to get what they want)	59.38%
Stalled or non-scalable digital transformation initiatives	57.81%
Reduced customer experience/not meeting CX KPIs	43.75%
Lost revenue or reduced sales performance	18.75%
Failure to meet compliance requirements	14.06%
Other (please specify)	10.94%

To stay even with the competition, companies are trying alternative means of talent discovery and training.

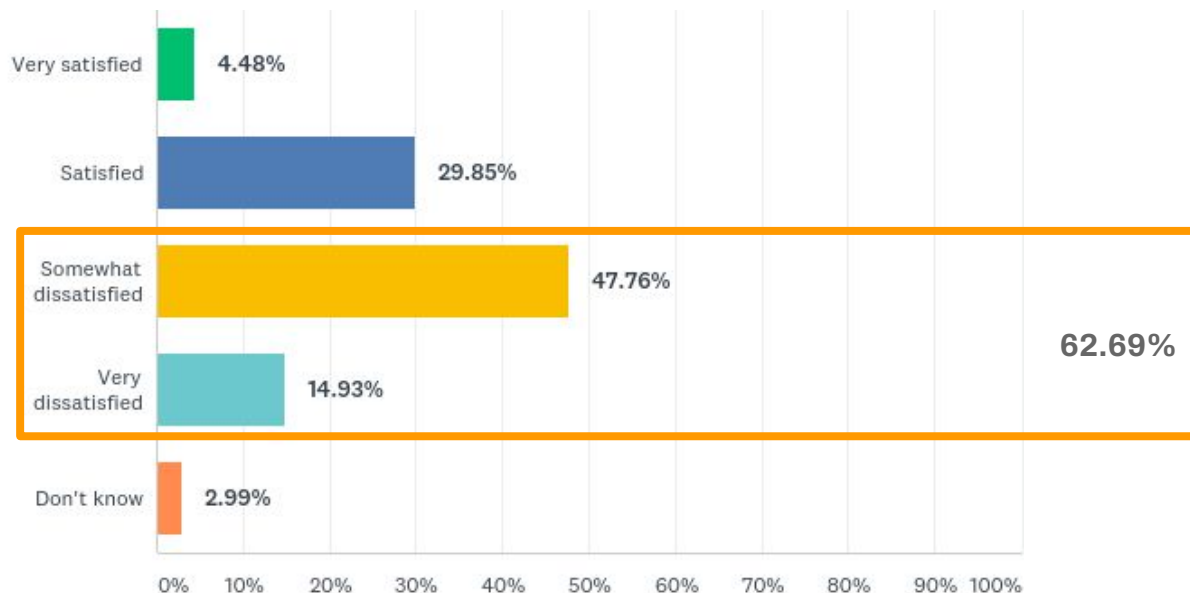
What novel approaches are being used to solve the skills gap issue?



The most common response for “other” was partnerships with colleges and universities. However, the current university system will only fill 30% of the more than 1.2M software developer jobs*. This gap will increase as the number of software engineering jobs is expected to grow at 24% by 2026, much faster than the average growth rate for all occupations.

IT/HR leaders don't think these new ways to develop technology talent are working. Over 62% indicated some level of dissatisfaction with their own programs.

How satisfied are you with your company's program to develop new sources of technology talent?



Despite challenges finding talent, most organizations currently utilize and want to continue to use FTEs for technology positions.

By percentage what are the ways your organization delivers software now?

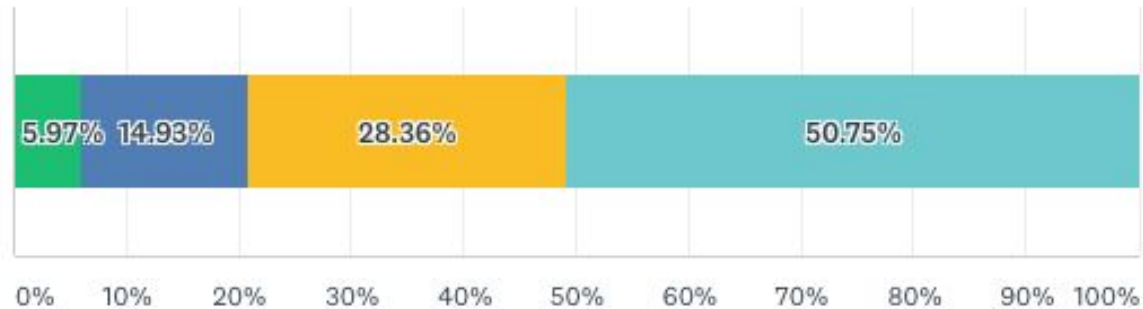
In house development team of FTEs	49%
Hybrid in-house teams and offshore/nearshore teams	26%
In-house team augmented with individual contractors and consultants	25%
Outsourced onshore developers	19%
Outsourced offshore developers	15%
Don't know	36%

In the next 12 months, what will you focus on to solve talent shortages?

Hiring more FTEs	65.67%
Increased investments in training	52.24%
New talent development strategies such as apprenticeships or boot-camps	50.75%
Increased investments in tools to improve efficiency	50.75%
Increased use of offshore outsourcing	23.88%
Increased use of onshore outsourcing	17.91%

Respondents want FTEs, either new hires or upskilled workers, to be diverse because it's better for business.

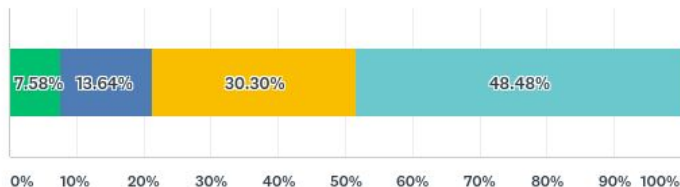
Do you believe diverse teams deliver better outcomes?



- Diverse teams have no impact on outcomes
- Diverse teams have a minimal impact on outcomes
- Diverse teams have a moderate impact on outcomes
- Diverse teams have a big impact on outcomes

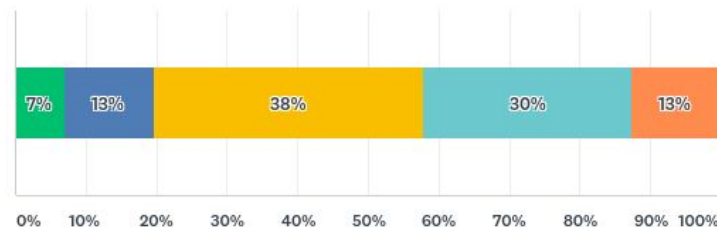
Despite wanting a more diverse workforce, less than half of respondents believed their organization consistently acts to promote diversity or has been effective at achieving diversity.

How would you describe your efforts to promote diversity in your IT organization?



- Defined goals and policies but no real action
- No policy goals or action to achieve diversity in the IT organization
- Defined goals and policies and modest action to implement them
- Defined goals and policies and consistent action to implement them

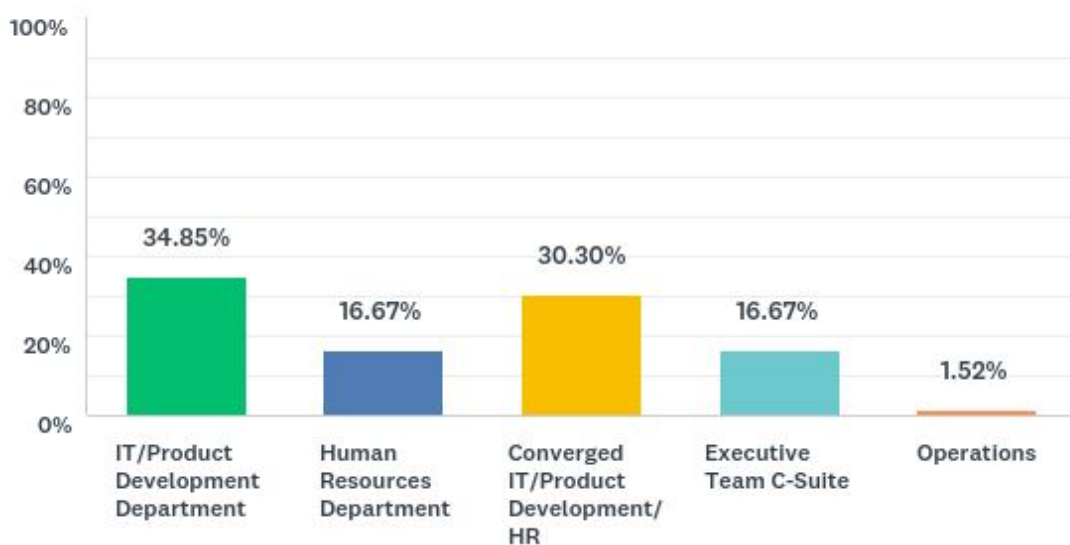
How effective has your company been at achieving diversity in the technology organization?



- Not Effective at All
- Slightly Effective
- Moderately Effective
- Effective
- Very Effective

So who is responsible for fixing these problems? No one seems to agree.

Who has primary responsibility for solving skills gap problems and meeting demand?



Financial services and healthcare companies make up the majority of companies addressing the skills gap issue at the C-suite level. A large portion of these companies indicated they are dissatisfied with current programs to develop technology talent.

What needs to change?

- **BRIDGE THE GAP**
 - For companies to continue to grow, innovate and deliver the digital products customers expect, they must overcome the skills gap and find new sources of technology talent.
- **CULTIVATE NEW TALENT ASSESSMENT/TRAINING METHODS**
 - Get creative with non-traditional methods in order to find, train and deliver new generations of great developers.
- **DIVERSIFY THE TECH INDUSTRY**
 - Companies should continue to focus on diversity as a business driver. This includes diversity of education, background, age, work experience along with race and gender.
- **WHO'S THE BOSS?**
 - Companies need a defined owner to close the skills gap, perhaps including the C-suite.

About Catalyte

Catalyte has redefined hiring. Its proprietary AI uses 500+ data points to unbiasedly discover and develop high-potential talent. By elevating aptitude over pedigree, Catalyte deploys a workforce that looks like America and that helps its clients boost productivity, quality and diversity metrics. By giving high-grit, high-aptitude talent the opportunity to launch new careers, Catalyte transforms individuals, companies and communities. For more information, visit www.catalyte.io.

Thank you!

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