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# Plotting a course through the tech talent shortage

Four factors of formidable tech talent









Against a landscape of rapidly evolving technology, a sound tech talent strategy is essential—not just for tech leaders but for the entire organization. The value of an intentional approach to technology is clear: organizations that execute purposeful tech strategies often see improved decision-making<sup>1</sup>, optimized cost efficiencies<sup>2</sup>, and better worker experience<sup>3</sup>. But the right technology is nothing without the right talent, and a highly competitive tech talent landscape has rendered building and maintaining an effective talent pool a challenge for many organizations. Unemployment rates in the tech sector fall significantly under overall unemployment—and those rates are compounded by a growing demand for tech talent to keep up with shifts in key skills.4 So, what can organizations do to thrive amid a vicious tech talent shortage?

A traditional, fixed model of tech talent management is no longer enough to serve the expanding tech talent needs of today's world of work. Deloitte research identifies four imperatives to help organizations navigate gaps in the workforce and transform their tech talent strategy: planning continuously, developing skills in tandem with human capabilities, embracing an ecosystem model, and strengthening retention and development through microcultures. When combined with the Eightfold mission to pair people with possibilities and enhance intelligent talent design through the Talent Intelligence Platform, these factors have the potential to truly transform organizational approaches to tech talent.

## 1

## PLANNING CONTINUOUSLY FOR TECH TALENT

Traditionally, organizations hired tech talent as part of an annual plan to serve IT and IT-related functions. But the pace of business in today's landscape requires a dynamic approach, and workforce planning conducted annually and in a silo cannot sufficiently sense the needs of the organization. Instead, organizations should shift to a model of continuous tech talent planning to anticipate and respond to the changing dynamics of the market. Even during high-profile tech sector layoffs in 2023, 90 percent of tech leaders said that recruiting and retaining tech talent remained either a moderate or major issue, with challenges related to the tech workforce outpacing challenges related to fostering innovation, driving productivity, and integrating new technology.<sup>5</sup>

Leveraging predictive modeling and artificial intelligence (AI) can help tech talent leaders forecast skill deficiencies and keep a finger on the pulse of staffing needs across the organization. These technologies can help organizations combine insights from past data analysis with real-time market trends to forecast changes in the marketplace and shape their workforce planning strategies accordingly. Predictive modeling and AI can also help organizations anticipate skill deficiencies and staffing needs before they disrupt organizational goals and outcomes.

Eightfold recently announced <u>Talent Design</u>, an Al-powered solution to help organizations align skills needs to the business at hand and plan for the future with real-time, dynamic skills intelligence. Talent Design can enable continuous tech talent planning by empowering organizations to identify in-demand technical skills strategically aligned the goals of the business to inform every talent decision. By bringing skills data across the organization into a single view, Talent Design can help cut through the noise to power a holistic view of the entire workforce's existing skills and enable frequent and flexible talent decisions that occur not during arbitrary review periods but when and where they're needed.



## UNITING SKILLS AND HUMAN CAPABILITIES

Technical skills are an essential building block to ensuring organizational success, especially as the half-life of tech skills continues to shrink: Deloitte's 2024 Global Human Capital Trends research finds workers are spending 50 percent more time learning new skills compared to last year.<sup>6</sup> A traditional approach to job roles that focuses squarely on acquiring and building technical capabilities is no longer enough to keep up with the rapid advancement of technology. Instead, organizations should adopt a skills-based approach to meet the demands of the current world of work. Deloitte research finds organizations that utilize a skills-based approach are 63 percent more likely to achieve business outcomes than those that don't.<sup>7</sup>

But skills are only part of the puzzle: combining a skills-based approach with a focus on enduring human capabilities can supplement tech skills with elements critical to success like leadership, problemsolving, and creativity and imagination. These capabilities, paired with a holistic understanding of the tech skills needed for strategic outcomes, can help expand the responsibilities of the workforce and provide workers with opportunities to take on different challenges.

Many organizations are turning to digital playgrounds to help foster human capabilities, test new ideas, and explore new skills. Similarly, the Eightfold deeplearning AI Talent Intelligence Platform is built to give talent leaders the visibility they need into their talent pool's skills (and skill adjacencies) so they can make the best decisions when looking for best-fit talent or identifying people to upskill. The platform uses a large global talent data set to provide clarity into internal and external talent and harnesses AI to partner human capabilities and technical skills.

#### 3 EMBRACING THE ECOSYSTEM

Even when organizations have a holistic and actionable understanding of their workforce's skills (and skill gaps), it's not always possible to meet strategic objectives with in-house talent alone. A transformed approach to tech talent casts a wider net via an ecosystem model. A workforce ecosystem includes full-time employees as well as gig and contingent workers, long-term contractors, freelancers, and even automated tools and services (e.g., AI, bots) to help organizations develop a comprehensive approach to organizational goals. When HR and procurement partner to manage a talent ecosystem, organizations have more flexibility to securely deploy internal talent, build teams, and tap external tech talent to ease the burden of in-house workers and managers.

In addition to facilitating a skills-based approach to work, the Eightfold AI-powered <u>Talent Intelligence</u> <u>Platform</u> can also help talent leaders find the best-fit talent—whether internal or external—to meet organizational objectives. The platform uses advanced AI to help map and align skills to existing roles by integrating internal data and external, publicly available local and global data to help identify skill gaps and power talent-related decision-making. That means leaders are better equipped to pivot quickly to meet fluctuations in the rapidly evolving tech landscape without sacrificing the bigger picture of a long-term, internal workforce.

Ecosystems are truly dynamic talent models that are easily adaptable to change, but they require a concerted effort to bridge divides between full-time workers and external talent. Fostering a partnership between HR and procurement can help support a shared sense of values, commitments, and goals. Leaders should also be careful to manage the dynamics between full and part-time tech workers and ensure workers of every background are onboarded well and have the resources they need to do the job.



## BUILDING MICROCULTURES FOR MACRO IMPACT

Effective organizations understand that highly-skilled workers—especially in tech—are hard to come by. Most industries simply can't hire the talent they need to keep up with the changing realities of the current world of work. A traditional approach to tech talent sought to integrate tech workers into an existing organizational culture. Amid the accelerated pace of change in technology, though, organizations should seek to strengthen tech talent retention and development through a focus on customized experiences and microcultures.

Organizational culture encompasses the shared values and lived behaviors that are uniform across the organization, but leaders are beginning to recognize the importance of variation. In the world of tech talent, building a microculture designed specifically to facilitate change and flexibility—pillars tantamount to a successful tech strategy—can help foster innovation and motivate workers to align on outcomes. That means tailoring a customized experience for tech workers by reducing hierarchies, granting autonomy, and encouraging a bottom-up and collaborative approach to problem solving.

A customized employee experience allows workers to learn new skills and build career paths best suited to their individual capabilities. Many organizations are turning to tech solutions like AI to power the talent insights necessary to understand what existing employees need to perform their best and maximize their potential while delivering high-quality work to meet business objectives. Eightfold Talent Management helps HR leaders prioritize employee development by building personalized skills portfolios to identify new opportunities and career paths, courses, mentorships, and more. Employees are also put into the "drivers' seats" of their own careers with Talent Management. They can see how their current skill sets can lead to learning new skills and advance their careers. This skills-based view empowers everyone—from HR to hiring managers to employees—to take this skills-based lens to all their talent activities.

#### TRAVERSING TRANSFORMED TECH TALENT

People are the most important element of any organization. As technology continues to rapidly and exponentially evolve, it's critical that organizations take an agile, continuous, and responsive approach to their tech talent—both internal and external to the organization—to ensure employee experience aligns with strategic objectives. Tech talent will only become more important to the goals and vision of the business, and leaders should accordingly tailor their talent strategies to support flexible deployment models, foster an appetite for complexity, and develop and strengthen tech talent microcultures.

## DELOITTE AND EIGHTFOLD: REIMAGINING THE WAY YOUR ORGANIZATION APPROACHES TALENT

Deloitte research demonstrates that a transformed approach to managing people can help lift tech talent out of a silo and partner with the organization to adapt to wildly fluctuating market conditions. Eightfold products and services help to support the four imperatives of a transformed tech talent ecosystem by using Al to help power both holistic and personalized understandings of an organization's tech talent and identify the paths needed to build toward success. By using Eightfold's solutions to act on the four tech talent imperatives, organizations can keep their finger on the pulse of disruption and stay agile as they adapt and thrive in the current world of work. Together, Deloitte and Eightfold are helping companies reimagine the way they approach talent and realize the full potential of their workforce.

#### Get in touch

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