



The state of the digital tech workforce survey



Thanks to participating companies



5 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.

†Of these companies, 62% represented the financial services and healthcare industries.

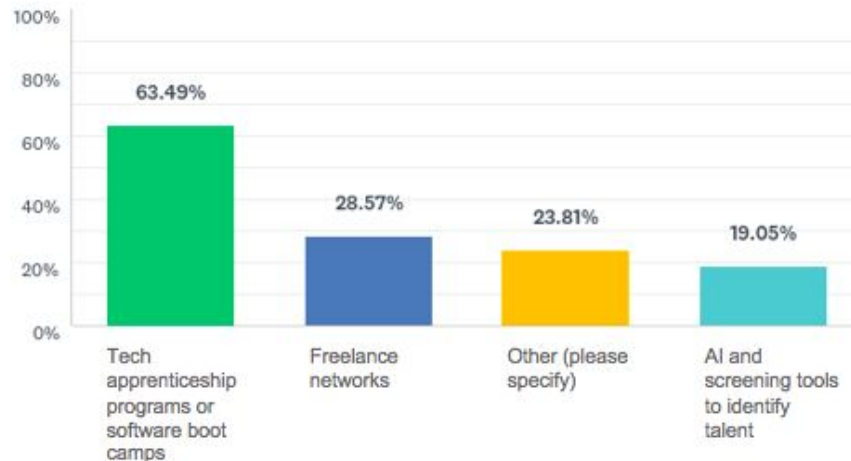
Inability to find technology talent puts companies at risk for becoming digital laggards.

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.

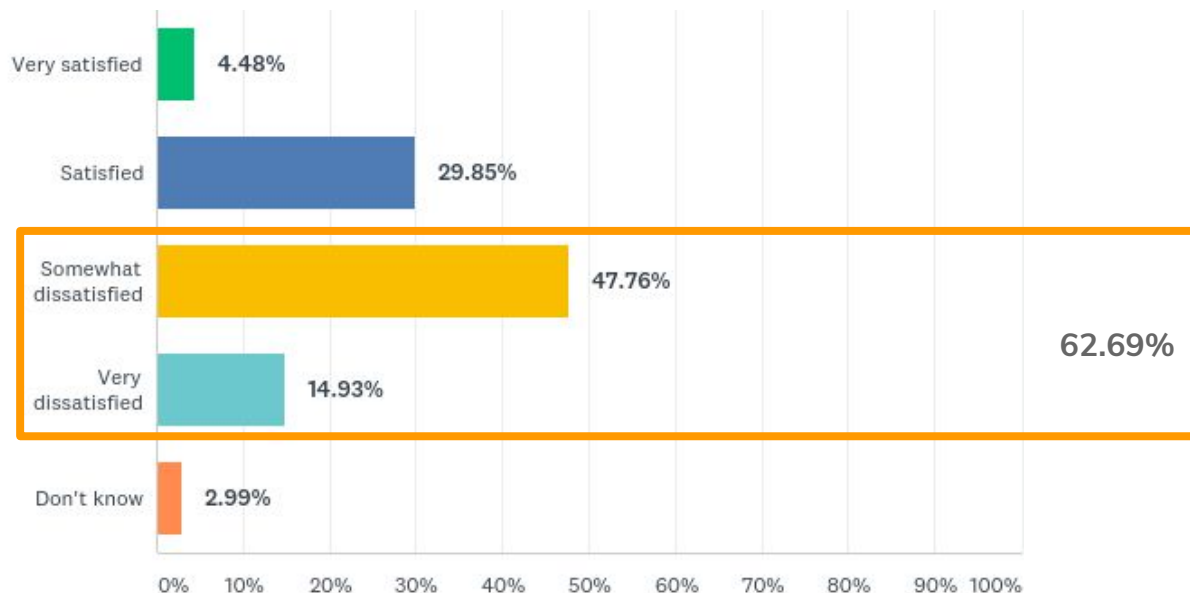
What novel approaches are being used to solve the skills gap issue?



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.

Tech 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?

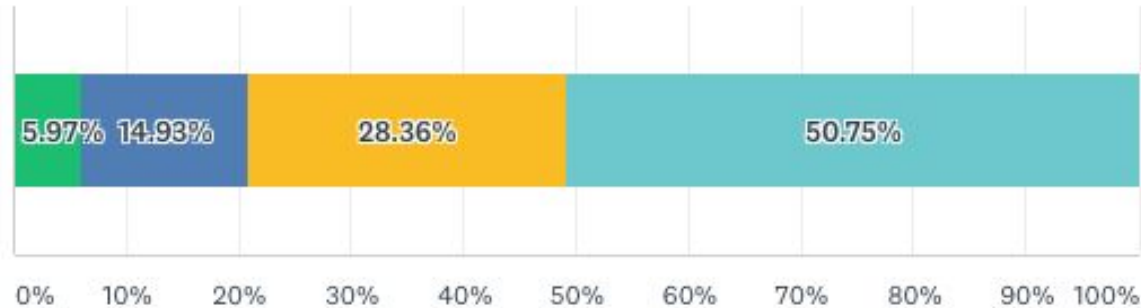
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|---|-----|
| In house development team of FTEs | 49% |
| Hybrid in-house teams and offshore/nearshore teams | 26% |
| In-house team augmented with individual contractors and consultants | 25% |
| Outsourced onshore developers | 19% |
| Outsourced 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.

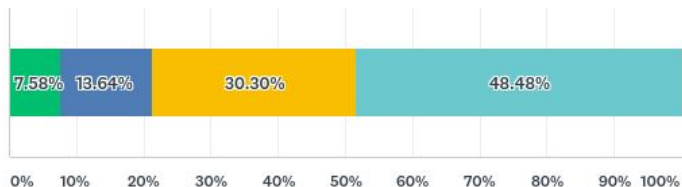
Do you believe diverse teams deliver better outcomes?



- 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

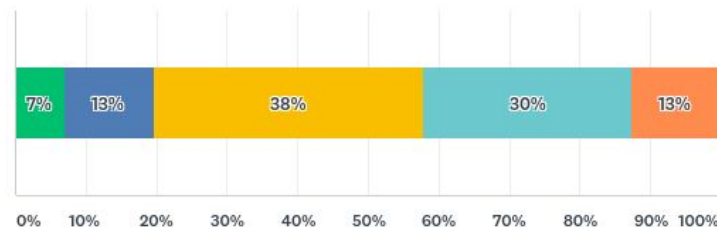
Despite wanting a more diverse workforce, less than half of respondents believed their organization consistently acts to promote diversity or has been effective at achieving diversity.

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

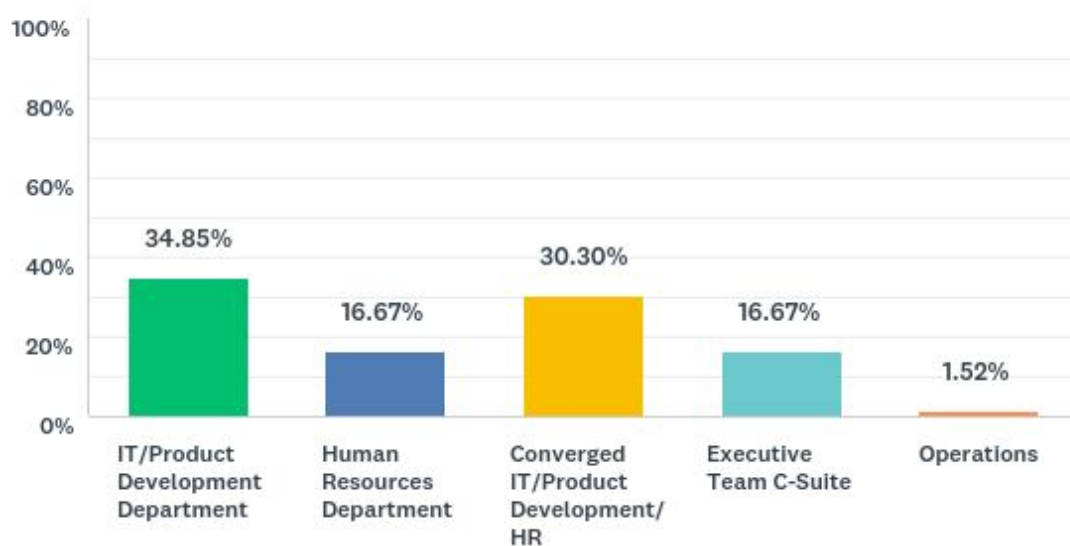
How effective has your company been at achieving diversity in the technology organization?



- 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 find new sources of technology talent.

- **BROADEN YOUR TALENT HORIZONS**

- Look nationally, rather than regionally, to get the best talent available. In a remote work environment, the talent you need doesn't have to live within commuting distance.

- **DIVERSIFY THE TECH INDUSTRY**

- Companies should continue to focus on diversity as a business driver. This includes diversity of location, education, background, age, work experience along with race and gender. Get creative with non-traditional channels to find and engage new sources of great developers.

About Catalyte

Catalyte finds and develops technology talent others can't. Its Odyssey workforce development platform provides new opportunities for exceptional tech talent and powers transformational software engineering – when, where and how it's needed. The company uses AI to close the talent gap and produce sustainable and diverse technology workforces.

With development centers in Baltimore, Boston, Chicago, Denver, Phoenix-Scottsdale and Portland, Ore., Catalyte offers a range of specialized engineering services that accelerate business outcomes. For more information, visit www.catalyte.io.

Thank you!

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