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Shaping the IT Workforce of the Future

by Diana Bersohn

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Change or be changed

Now, more than ever, businesses are dependent on technology to drive digital transformations. Yet becoming a digital business involves more than incrementally digitizing manufacturing, supply chains, marketing or other critical business functions to realize productivity gains and growth.

Whether sourcing the diverse skill sets needed to improve agility, stewarding the growing mobile, data and security needs for the business or bridging the gap between the traditional and growing number of tech-savvy workers throughout the business, building the workforce of the future presents a challenge for organizations in every industry.

Shaping the new workforce and managing the diversity of talent required has the potential to keep executives awake at night. When a 2013 survey asked US-based executives at large companies if a skills gap persists in their businesses, nearly half expressed concerns that they will not have the skills they need in the next two years—the greatest demand being for IT skills (44 percent).[1] Businesses need to harness technology, together with talent, to achieve the multiplier effect and advance their digital ambitions. No one is better positioned than CIOs to lead the charge. To do so, they must adapt the culture of the IT organization to strategically upskill, attract and source the right people, while embracing distributed technology workers across the enterprise. Are we witnessing the end of the IT organization as we know it?

Entering a new era

Three factors are affecting the existing IT organization:

Innovation ownership is evolving

In a digitally-infused world, a growing number of "new IT" workers, often embedded across the business and with strong technology skills, means that innovation happens independent of the IT organization. Recent trends indicate a marked change in the view of innovation ownership in the last two years. In 2015 analysis, only 34 percent of companies expect the IT organization to be the main generator of innovation, less than half of the 71 percent two years ago.[2] The pressure to build and deploy capabilities rapidly requires a critical set of skills for all IT technologists, including a deep understanding of how digital technologies—such as social, mobile, analytics and cloud (SMAC)—present opportunities for improving performance. Meanwhile IT leaders must seek out and orchestrate alliances across the enterprise to drive innovation. Some CIOs are choosing to intentionally blur lines between their organizations and the business by assigning business leads to IT functions. For example, CIOs can source people from an analytics function to head up the IT support for that digital initiative—driving a rich partnership and ensuring IT meets the needs of individual functions.

As roles blur between traditional IT organizations and business functions, the IT organization must redefine its role across the enterprise.

The nature of IT work is changing

Balancing the skills trifecta—business plus digital plus technology capabilities—is a priority. Using the new digital, cloud-based IT operating model, the way IT works is evolving—from managing programs and developing software to integrating hybrid IT services, including legacy and cloud, into business-relevant services. These services include the use of sensors and analytics to map data from farmland to improve yield or using wireless devices to manage the safety of employees working with hazardous chemicals. Traditional design, build and run programs will morph into service assembly and integration. IT organization leaders must help the IT workforce adopt new roles, not only as custodians of data integrity, security and consistency but also as integrators of systems and processes across the enterprise.

IT leaders need to upskill their workforce, not only shifting the focus on how work is delivered and by whom, but also by attracting and sourcing new talent. Future workforces will include employees working alongside intelligent machines, a critical collaboration that requires essential training.[3] Human and robot collaboration is already in evidence in industries such as energy, where the impact of remote sensors, autonomous robotic drilling or remote-controlled trucks is being felt by the industry's workforce. Such collaborations emphasize that technology is becoming pervasive in new and different ways— and this is only the beginning. Stronger and richer financial analysis, vendor management, and business relationship skills, as well as the new capabilities required by the digital world, such as applying analytics to drive innovation, will be as important as technology acumen in sourcing new talent.

The talent ecosystem is expanding

Digital means managing talent is even more complex and demanding. Globalization of the highly mobile IT workforce results in broad cultural and demographic shifts that place a renewed focus on the diversity of IT talent. Talent scouting must appeal to a new breed of IT workers who are drawn to innovation. IT roles must be more business and market-savvy rather than focused on legacy support. IT resources must be geographically distributed and highly mobile, with companies adapting their brand and culture to attract the preferred skills. IT employees must engage with workforces from many different backgrounds and areas across, within and outside the business. New incentives to promote collaboration across distributed teams must combine with innovative approaches, such as crowdsourcing with customers and suppliers, to pool ideas.

Talent to transform

As the bedrock of technology fundamentally shifts, IT leaders need to manage not only the role of the IT organization, but also the impact on the broader technology workforce across the enterprise. Three actions to reshape the IT organization include:

Invent the new IT organization

Question everything. Consider how an IT organization would be structured starting from scratch. Adapt the organization's image. Establish new organizational structures, governance and interaction models that make the best use of skills and capabilities across the ecosystem. Redefine the role of IT. Forge new connections that position the role of the IT organization as one of data stewardship and master of high performance, and as a driver of critical enterprise technology functions, such as security. Secure and strengthen alliances—whether business, IT or third-party partners. Harness technology talent so that the IT organization is both orchestrating and driving innovation—what technology needs to be delivered and how.
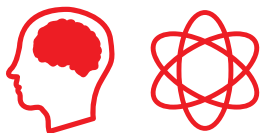
Proactively adapt to the changing talent ecosystem

Be skills-savvy. Conduct strategic workforce planning using a thorough understanding of supply and demand. Move beyond transactional decision making and be thoughtful in the sourcing strategy for IT—establish a well-defined and justified ratio of internal versus external support and onshore versus offshore workers—across the various IT functions and the enterprise. Create a focus on agility and accelerate innovation by using emerging workforce options such as crowdsourcing. Identify and fix legacy workforce issues so that the IT organization can move forward from a single speed IT function to deliver multispeed IT—reskilling talent, teams and capabilities along the way to introduce the flexibility and versatility required.

Adopt a "new IT" workforce mindset

Think transformation rather than incremental fixes. Create a workforce plan to reskill, attract and source talent that will match the digital demands of the business and IT, including the use of analytics, mobility, cloud and other emerging technologies. Assess how the IT organization's skills and talent are being acquired, developed and managed on an ongoing basis. Develop new digital career paths and roles, such as service design strategists or scrum masters who can serve as catalysts to convert traditional "analog" approaches to digital ones. Incorporate roles that are shared with the business and sourced from the larger ecosystem. Establish "what's in it" for the employee and promote the value proposition; use the organization's brand and culture to offer key differentiators that influence and attract.

IT organizations need to evaluate the skills for both their aging workforce and newer millennials and adjust training and development methods accordingly. Such adjustments to transform talent are already being made in some industries. Malaysian multinational Sime Darby, a government-linked company, is now partnering with third parties to develop its high-potential employees by placing them in a talent exchange program at other companies.[4] These types of innovative approaches can help attract increasingly-selective, high-performing workers.

New rules for the New IT

Digital places IT at a critical juncture: change or be changed. IT must be a partner in driving business value; now more than ever, the CIO can be instrumental in bringing together technology and talent to deliver business outcomes and innovation. Ultimately, technology leaders have an opportunity to execute a technology strategy that enables them to deliver the New IT through shaping the IT workforce of the future.

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