

Reference : <http://www.businessedge.ca/article.cfm/newsID/17553.cfm>

Skilled IT worker shortage a major concern

Companies cope with surging demand and drought of available talent

By Tess van Straaten - for Business Edge

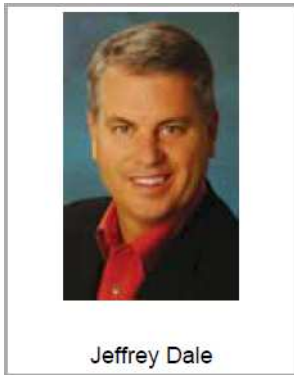
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Canada's technology industry is booming again, but when it comes to finding enough skilled workers the situation is a bust.

"It's not even close," says Sapphire Canada president Terry Power.

"Demand far exceeds supply and companies are having a really hard time finding people."

One of the nation's largest technology staffing firms, Toronto-based Sapphire Canada is reporting some startling statistics on just how big the need for tech talent is.



Jeffrey Dale

Take Winnipeg, where demand for full-time technology positions has surged 125 per cent in the last year. Calgary, Edmonton and Vancouver all saw double-digit growth with even greater pressure expected in all four western provinces throughout 2008.

But it's not just the booming West that's busting to fill technology roles. Despite the economic slowdowns in Ontario, high-tech workers are in high demand in Toronto and Ottawa.

The nation's capital, thriving once again as a global technology centre, has hit an all-time high for tech employment. A record 82,000 workers are now plugged into Silicon Valley North - with even more positions available as employers struggle to find talent.

"We're hearing again and again that talent is becoming a key factor," says Jeffrey Dale, president and CEO of the Ottawa Centre for Research and Innovation (OCRI).

"What we've noticed in the last few years is a much higher increase in mergers and acquisitions and one of the key things around those mergers is actually acquiring the talent, getting the people they need who have the skills to get the job done."

With demand in Canada now at an all-time high, many believe the skills shortage is a national crisis.

"The problem is right across the country and it's extremely serious," Power says.

So serious, in fact, a national coalition has been formed to address Canada's shortage of IT professionals.

Led by telecommunication giant Bell Canada, the Canadian Coalition for IT Succession is made up of technology companies and major players in telecommunications, financial services, energy and transportation who rely heavily on information technology to do business.

"Neglecting to take the necessary steps to significantly grow the pool of IT workers in Canada will have repercussions," says Bell Enterprise Group president Stéphane Boisvert.

"Each vacant IT position represents an average cost to the Canadian economy of \$119,000 a year ... failing to fill the 89,000 or so IT jobs that will become available over the next three to five years would represent losses in excess of \$10 billion - and this is a conservative estimate."

With such a potentially debilitating cost to business, it may come as a surprise that some executives are playing down the problem.

According to a new survey for Microsoft of more than 1,000 Canadian C-level executives, IT professionals and students, 90 per cent of respondents agree that there is a skills shortage. However, only 60 per cent of CEOs feel the shortage represents a serious concern for business - compared to 96 per cent of CIOs.

"I think we have a vicious circle at the moment with business leaders saying it isn't as bad as it is and under-investing in the problem," says Strategic Counsel analyst Warren Shiao, who conducted the survey.

"When you have the business side saying it's not as serious, that tends to roll over onto the IT side and then budgets are limited and then when a student looks at that ... it has a direct impact on whether they go into IT."

In fact, while Boomer retirements and industry growth account for part of the shortage, experts say the slump in IT enrolments at Canadian colleges and universities is an even bigger concern.

"Enrolment has really dropped since the dot-com bust, especially in what I call the tech programs - computer science engineering and computer engineering," says Rob Babin, associate director of the IT management program at Ryerson University's Ted Rogers School of Management. "We're now starting to see the effects of that, so enrolments really need to increase."

That's one of the issues the Canadian Coalition for IT Succession will be working to address because despite a hot technology market, many students - and their parents - aren't convinced it's a good career choice.

"We need to encourage students that this is a career option that is viable and when we see stories that Nortel is laying people off, parents think the tech market is still bad and it isn't," says OCRI's Dale.

"We need to change that misconception."

Rebranding technology jobs could also help businesses attract more people - especially women who are less likely to take on tech roles.

"We know that women need to see the roles differently than men do, so we may want to reclassify some of these positions - instead of an IT job is it more a finance or marketing role with a strong IT skillset?" asks Power. "Refining some of these roles could help attract more people."

Attracting skilled workers from overseas is also a key part of the solution. Without immigration, experts all agree Canadian companies will come up short.

"From 1995 to 2000, we doubled the number of people in the tech sector in Ottawa and we didn't do that organically, we didn't do it by all of a sudden ramping up school enrolments," Dale explains.

"We did that by being a destination of choice for some very skilled immigrants who wanted to move to Canada and Ottawa for some very exciting work."

While immigration is necessary, insiders say it's no longer happening as quickly as it needs to. Current average visa processing times for skilled workers from the United Kingdom is 42 to 48 months.

"I have people who tell me they've found someone, but they have to rescind the job offer because it just takes too long to get them here," Dale claims.

"If we want to fix the skills shortage, we need to fix the immigration system."

In the meantime, employers can help stem the shortage by retraining employees they already have.

In the ever-changing world of high technology, that might seem like a given, but experts say it hasn't been happening.

"In the tech industry, that's really a new concept for us," says Dale. "The first thought was to jettison the old skills that weren't needed anymore and hire the new skills that were, but as the labour market gets tighter, employers are going to have to figure out how to take someone with the old skills and retrain them for the demands they have now."

With technology becoming more strategic and increasingly integral to a business's success, failing to do so could have big consequences.

"We're at a tipping point where if these challenges in finding people continue, the shortage could delay projects or a company's growth initiative and that will start impacting on the bottom line," Power says.

"The demand issues are here and they're not going away. For the next couple decades, perhaps longer, the demographics are that this will be a problem."

(Tess van Straaten can be reached at tess@businessedge.ca)

Results of keywords searches :-

Labour - one instance

Shortage - many instances

Unemployment - zero instances

Social – zero instances

Social assistance – zero instances

Hidden – zero instances

Ottawa – many instances

Discouraged – zero instances

Employable – zero instances

Agreement – zero instances

Under – one instance

Hire – one instance

Layoff - zero instances

Old – two instances. Indication that re-training of existing workers on new skills is considered a “new” concept.

Hours - zero instances

Searches of all the source documents for this article, based on these same keywords, have also been done and analyzed to determine the level of awareness of the sources concerning the issues noted below, plus an issue reported by some sources concerning some people being over-worked.

Comments :-

Searches of the article, based on the above terms, reveal little of no awareness at all of any of the following:-

1. True state of the high tech labour market with respect to hidden unemployment or “under-employment”
2. Re-hires of individuals previously laid off
3. The implications of the numbers in the “Ottawa’s Hidden Workforce” report of Fall 1998
4. People out of work who are on social assistance due to not being able to get work
5. The Ottawa Talent Initiative and the difficulties encountered by its members - high tech people out of work, all encountering various barriers and prejudices tending to block re-employment
6. Correct method for counting individuals re-hired out of those laid off
7. The Statistics Canada “Life After the High Tech Downturn” report of July 20th 2007
8. Confusion and mis-reporting in the local media, in Ottawa, over the numbers laid off and re-hired , caused by incomplete and contradictory information “:at source” emanating from Statistics Canada and O.C.R.I., and wrong analysis based thereon. Mis-use of the information to make it appear there was a “recovery”, in terms of people getting back to work, when such was not the case.
9. Implications of immigration policies on the job market as a whole; no consideration therein of numbers of people in Canada who are out of work and cannot get work. Un-admitted and gross job market inefficiency, resulting from inattention to stimulating the economy to create the jobs actually required.
10. The Statistics Canada report of March 2006, “Work Hours Instability in Canada” which revealed a massive under-employment problem.
11. Only since 2008 – 7 years after the high tech slump in Ottawa started, accompanied by massive layoffs -

is re-training in new skills being considered at all as a requirement for keeping people working. There is still apparently no recognition at all of the requirement for re-training, with employment guarantees, to get other people, who are out of work, contributing to the tax base again.