

The talent war: IT staff shortage nears crisis point

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By Anthony Doesburg

Breakfast on the boss, Pilates in the office and a day a month to work on your own project. Those are some of the benefits software company Orion Health provides to attract and keep talent in a tight IT employment market.



Garth Biggs wants to see initiatives to attract hundreds of new people into IT. Photo / Brett Phibbs

The Auckland company is in growth mode, and with fewer IT graduates coming out of tertiary institutions, recruitment is one of the key management issues.

Chief executive Ian McCrae says that from a peak of 600 to 700 graduate CVs a year during the dot-com boom, interest in a computing career has slumped.

As the hype and the flow of CVs have subsided, so have the numbers enrolling for computer science degrees at the University of Auckland.

"They used to have 1400 to 1500 people a year in that department but I believe the numbers have dropped to below 1000," McCrae says, a trend reflected in enrolments in allied degrees. "That hits the industry quite significantly."

A Labour Department survey of IT recruiters at the end of last year showed 36 of the 50 IT occupations covered were difficult to fill.

The toughest people to find were security specialists, telecommunications network planners and engineers, systems test engineers, quality assurance specialists and software engineers and programmers.

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The situation is so close to crisis, says Garth Biggs, until recently a key figure in the Government's IT sector expansion plans, that it may actually trigger a meaningful response. Biggs, a director of a number of IT companies, is working with the University of Auckland and Ministry of Education on ways of easing the recruiting crisis.

He believes initiatives like internships and scholarships are needed to attract young people, and not just on a scale of a dozen or so places, but offering incentives for hundreds of new industry entrants.

"The situation is getting worse. I understand from data last December that only 60 per cent of IT jobs advertised are being filled."

Biggs was head of the HiGrowth Project which, until it was wound down in April, was spearheading the Government's effort to spur IT to contribute 10 per cent of GDP by 2012.

The target hasn't been abandoned, but the Ministry of Economic Development is creating two new bodies to carry it on, the Digital Development Council and Digital Development Forum.

To achieve the target will mean doubling the size of the sector, which by one estimate will create about 30,000 new IT jobs.

The challenge is that the IT industry has an image problem, particularly with parents. Research commissioned by HiGrowth found parents are telling kids that studying IT will lead to blue-collar work with poor job security and low pay.

"Technology is a negative word among parents who are dictating children's choice of education," says John Blackham, a former HiGrowth trustee and director of software company Xsol.

Far from being a career choice for "dummies", Blackham says the kinds of jobs Xsol needs to fill are so specialised and demanding that he's lucky if he can find candidates in New Zealand.

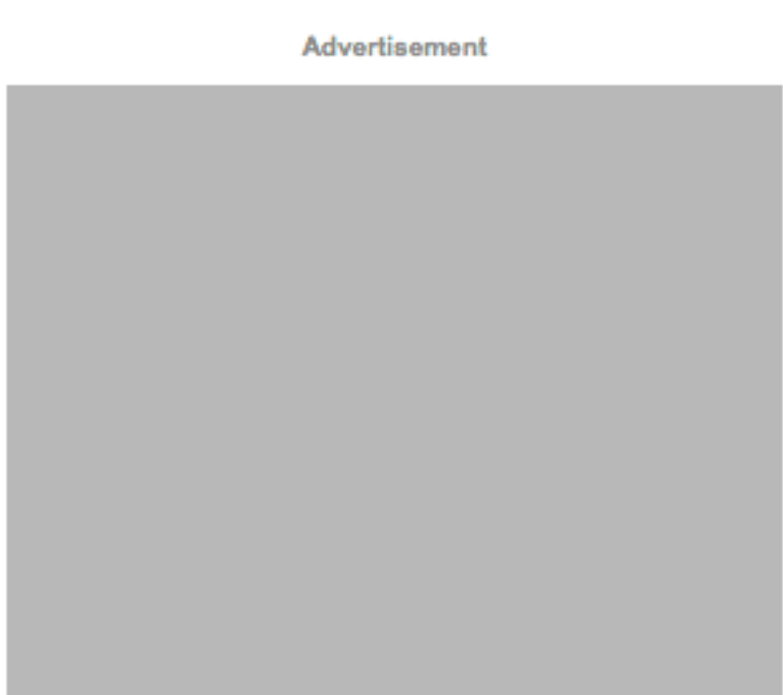
"If you ask parents what is an IT professional, they don't know. I guarantee that 80 per cent of parents will not believe that the average high-end IT wage is \$100,000 a year."

Recruiting from overseas can't be relied on to solve the crisis, since the United States, Britain, Canada, Australia and most European Union countries face their own decline in computer science graduates, and growing demand for IT staff.

Orion Health is precisely the kind of company that is crucial to meeting the Government's IT ambitions. Its annual sales total about \$50 million, but McCrae thinks that's just a fraction of its potential.

"We'd like to be a \$1 billion company and in our space, health, that's absolutely possible. It's a huge market, pushing towards \$80 billion in size."

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Last year the company grew by about 50 staff and this year it will be adding at least 100 in New Zealand.

It will be expanding overseas as well, where it already has offices in the US, Canada, Britain, Spain and Australia.

Being able to dangle the prospect of overseas transfers is a useful recruiting tool in itself, McCrae says.

But he also sets out to make Orion a good place to work, with initiatives such as free breakfasts and exercise classes, support for participation in events like adventure racing and incentives for staff to go on weight-loss and fitness programmes.

Job fairs are one way the company taps into the graduate pool. McCrae spoke at a recent Auckland University business school event, attended by about 250 students from a range of institutions.

Lech Janczewski, an associate professor in the university's information systems and operations management department, has been organising similar events for 15 years and May's was the biggest he has run.

"The numbers illustrate the changed nature of the employment situation. More and more businesses are getting involved and they are happy to provide funding to participate."

The event's co-organiser, the New Zealand Computer Society, views the IT employment situation as needing urgent attention. As the Government finalises its revised digital strategy, society chief executive Paul Matthews says solving the shortfall of qualified IT workers should be made a priority.

"If we do not deal with the ICT skills shortage we cannot develop as a country - it's as simple as that."

Anthony Doesburg is an Auckland-based technology journalist.