



IT Executives  
Council™

# The CIO State of IT Talent: Study Report **2023**



Research Report: ITEC723

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# The CIO State of IT Talent Study (2023)

## Table of Contents

Executive Summary.....	3
Study Key Takeaways.....	4
Survey Questions/Answers/Takeaways.....	5-14
Study Classification Demographics.....	15-16
IT Talent is Challenging but Manageable.....	18
About the IT Executives Council.....	19



# The CIO State of IT Talent Study (2023)

## Executive Summary

Over the past several years, businesses have experienced a wave of unprecedented IT-related challenges, including global talent shortages, as well as professional recruitment and retention issues. Although 2022 marked a step toward a return to normalcy, businesses are still starved for IT talent, a challenge that is only exacerbated by the rapid evolution of business technologies largely fueled by advancements in the fields of artificial intelligence and machine learning.

As the push for enhanced productivity and increased operational efficiency continues, businesses are employing a variety of strategies to fully realize their digital transformations and overcome the aforementioned IT talent challenges.

In this year's study, the IT Executives Council laid out a multi-faceted set of objectives, with the 2023 CIO State of IT Talent Survey being designed to gather insights on the difficulties in finding IT talent that the majority of organizations are facing.

To answer important questions and shed light on IT talent retention and recruiting issues, we polled more than 100 technology executives, including CIOs, CISOs, IT directors, and VPs of information technology, to create a resource for business leaders across all major verticals to more effectively navigate the ongoing challenges. Leverage the findings of our report to assist with your IT recruiting, retention, and upskilling strategy.

We encourage you to use this information to benchmark and assist in your organization's talent planning, strategy, and decision-making. We invite you to share your feedback and unique perspectives with the IT Executives Council at [www.ITexecutivescouncil.org](http://www.ITexecutivescouncil.org).

*We would also like to thank all the CIOs, CISOs, and information technology professionals who took the time to share their knowledge and expertise in this study.*

# 2023 The CIO State of IT Talent Study: **Key Takeaways**

Here are a few key takeaways from the 2023 CIO State of IT Talent Survey:



## **Nearly 70% of Businesses Are Struggling to Find IT Talent**

The IT talent gap is very real, as almost 70% of businesses are currently struggling to find the workers they need to fill key vacancies. The lack of talent could delay digital transformation initiatives, lead to lost productivity, and hinder overall business growth.



## **There Is a Scarcity of Cybersecurity and Data Science Professionals**

While the entire IT talent pool is a bit scarce, the data science and cybersecurity niches seem to be hardest hit by the shortage. Network engineers and software developers are also hard to recruit, according to our survey respondents.



## **The Leading Causes of IT Attrition**

Our survey respondents cited a lack of career advancement opportunities and inadequate compensation as the top two drivers of IT talent attrition, with burnout or overwork being the third most common response.



## **Flexible and Remote Work Are Top Retention Tools**

Businesses are leveraging a variety of tools and strategies to improve retention and reduce attrition. At the top of the list are flexible schedules, remote or hybrid work opportunities, and competitive salaries. Many of our respondents are also offering expanded benefits packages.

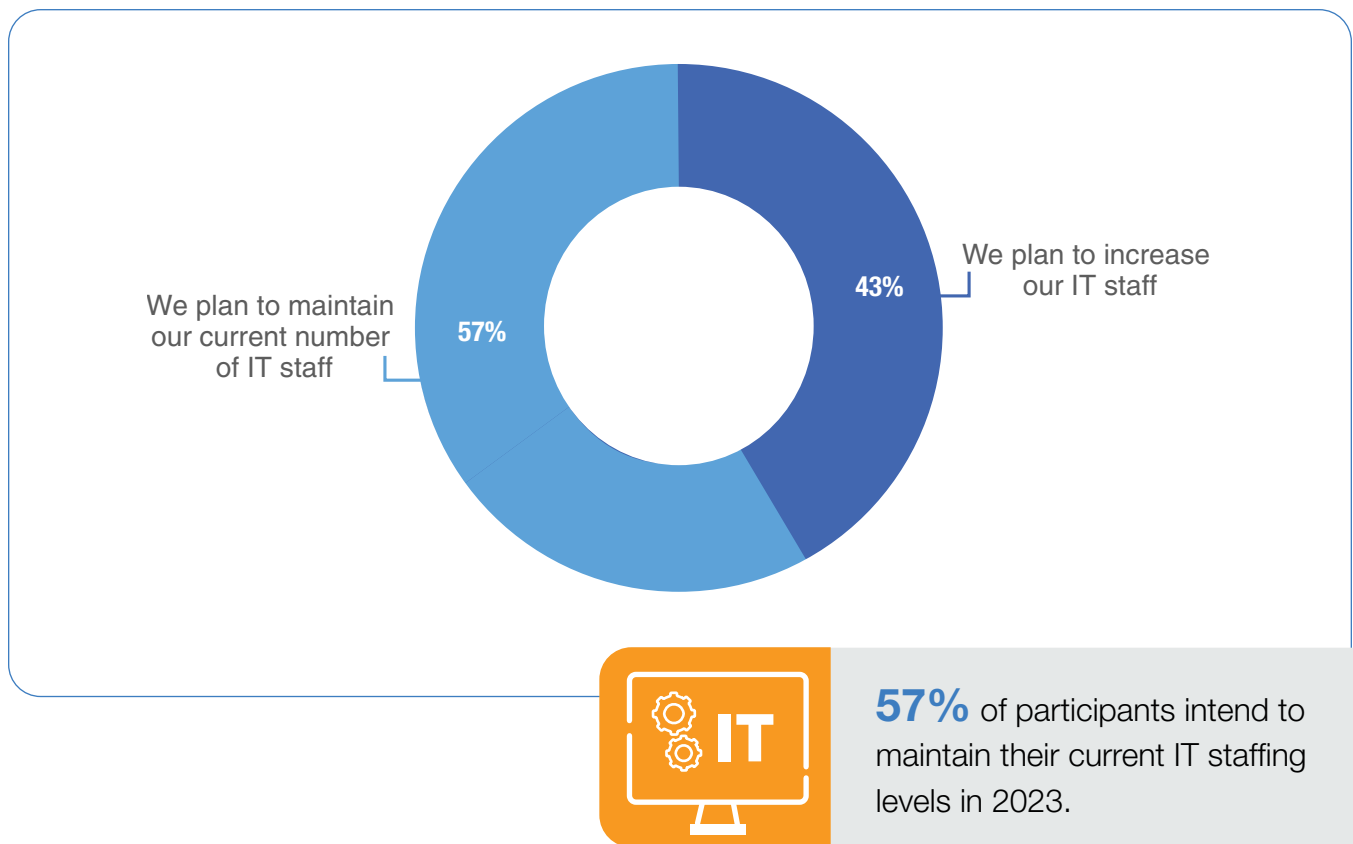


The following report details and summarizes the responses to each question, followed by respondent classifications.

# What Are Your Organization's Hiring Plans for IT Staff in 2023?

In 2022, tech giants including Amazon, Meta, and Google, were laying off employees [by the thousands](#), and many smaller firms followed suit, trimming back their IT personnel to cut costs and offset some pandemic-related losses.

We opened our survey with a question about each organization's hiring plans for IT staff in 2023 to determine whether recent trends of scaling back tech staff would persist into the new year. Specifically, 42.68% of respondents plan to increase their IT staff in 2023, whereas the remaining 56.64% of participants intend to maintain their current staffing levels.



## TAKEAWAYS

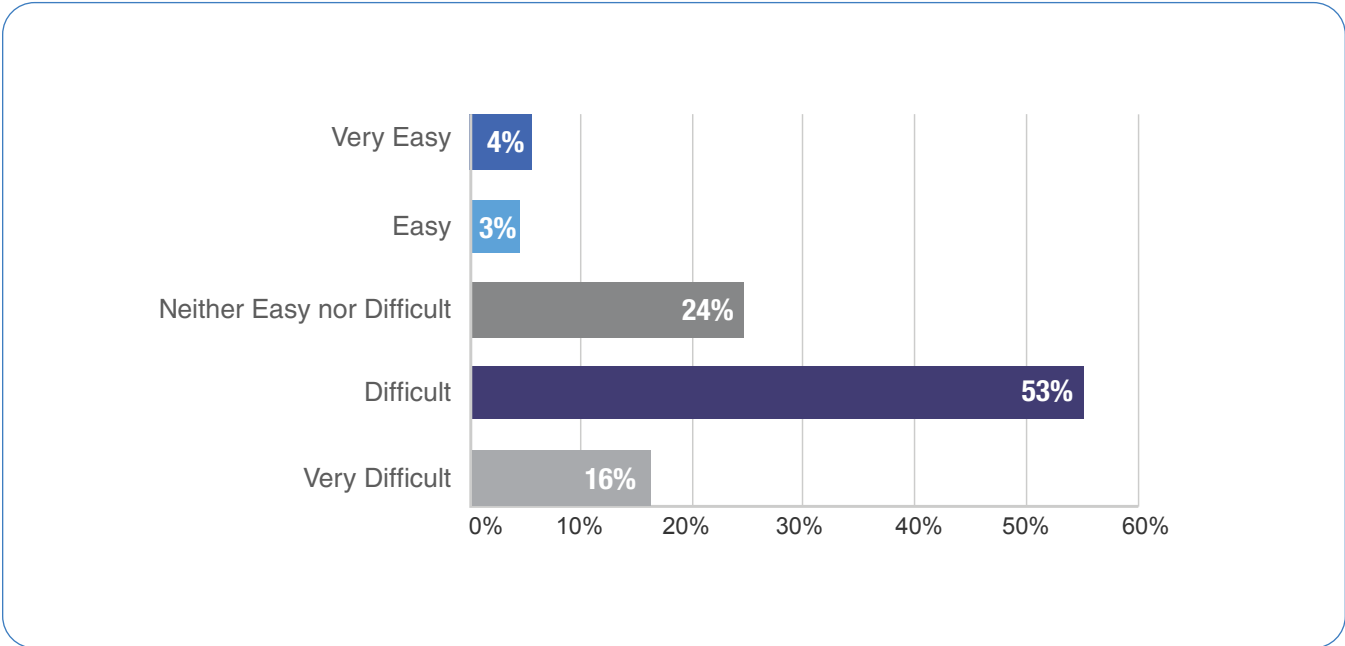
None of our respondents report plans to decrease their IT staffing, a stance that demonstrates how organizations across a variety of verticals are embracing the concept of digital transformation and understanding the importance of having a skilled, adequately staffed IT team in place.

That said, those who do intend to scale up their IT teams will have to first overcome the IT talent shortage. While doing so will certainly be challenging, the organizations that succeed will gain a definitive edge in the modern, technology-centric business environment.

# How Difficult Is It to Find IT Talent for Your Organization?

Our next question asked participants to rate how difficult it is to find IT talent for their organizations.

Possible answers ranged from a score of 1 (very easy) to 5 (very difficult). Over half of our respondents (53%) rated sourcing IT talent as “difficult,” and 16% categorized it as “very difficult”. Approximately 6% of participants considered finding IT talent “easy” or “very easy,” while one-fourth rated the process “neither easy nor difficult”.



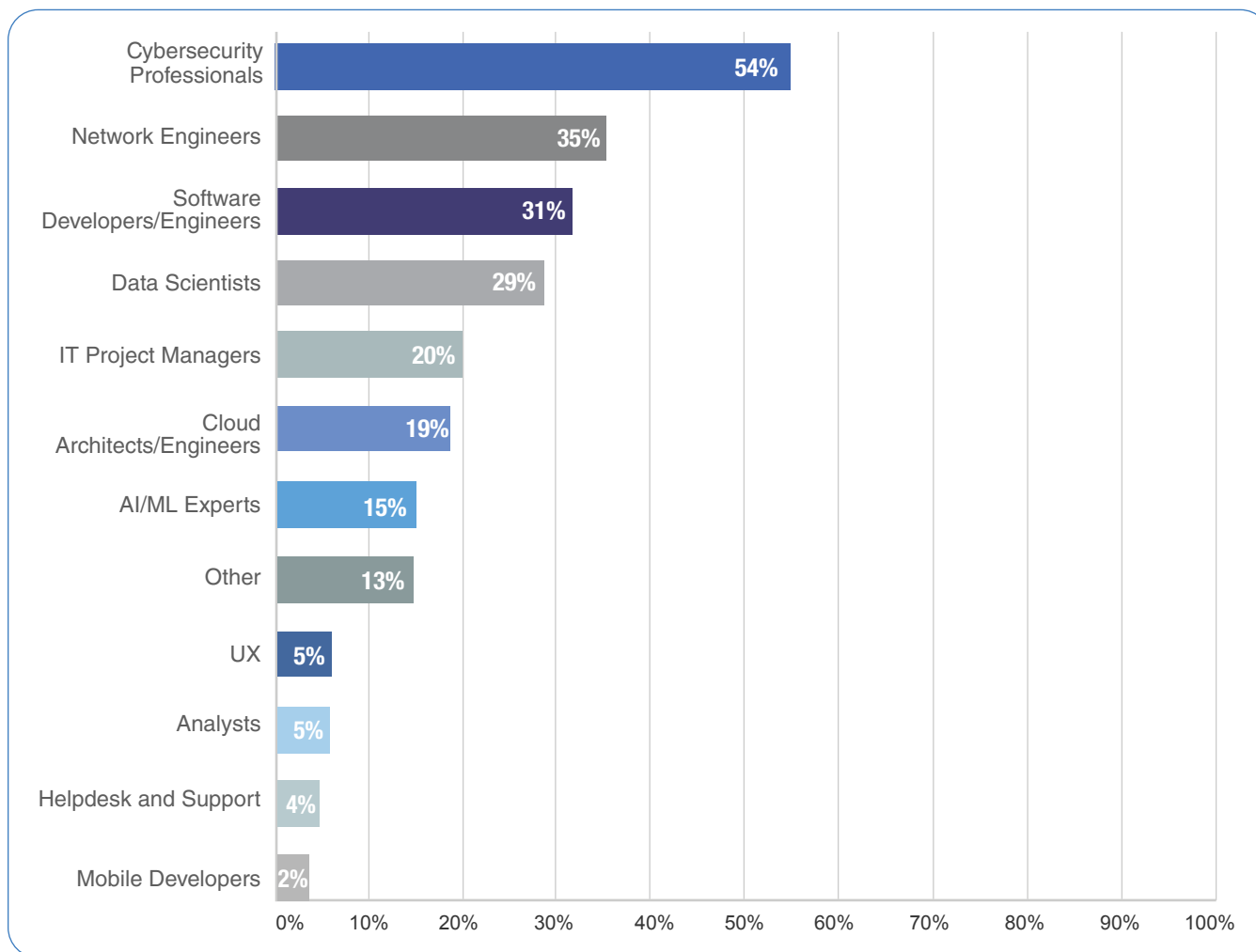
## TAKEAWAYS

With nearly 70% of respondents finding it at least difficult to find IT talent, there is no question that the shortage is having a negative impact on a wide range of industries, and despite a small percentage of respondents classifying the process as “easy”, it is unknown whether these organizations are actively attempting to scale up their tech team or are simply maintaining current staffing levels.

# Which IT Skills Are the Most Challenging to Recruit for in Your Organization?

(Choose all that Apply)

Cybersecurity professionals represented the most common answer by far, with over 54% of respondents citing this as a difficult skill to recruit for. Following that, network engineers (34.51%), software developers (30%), data scientists (29.2%), and IT project managers (15.93%) rounded out the top five.



## TAKEAWAYS

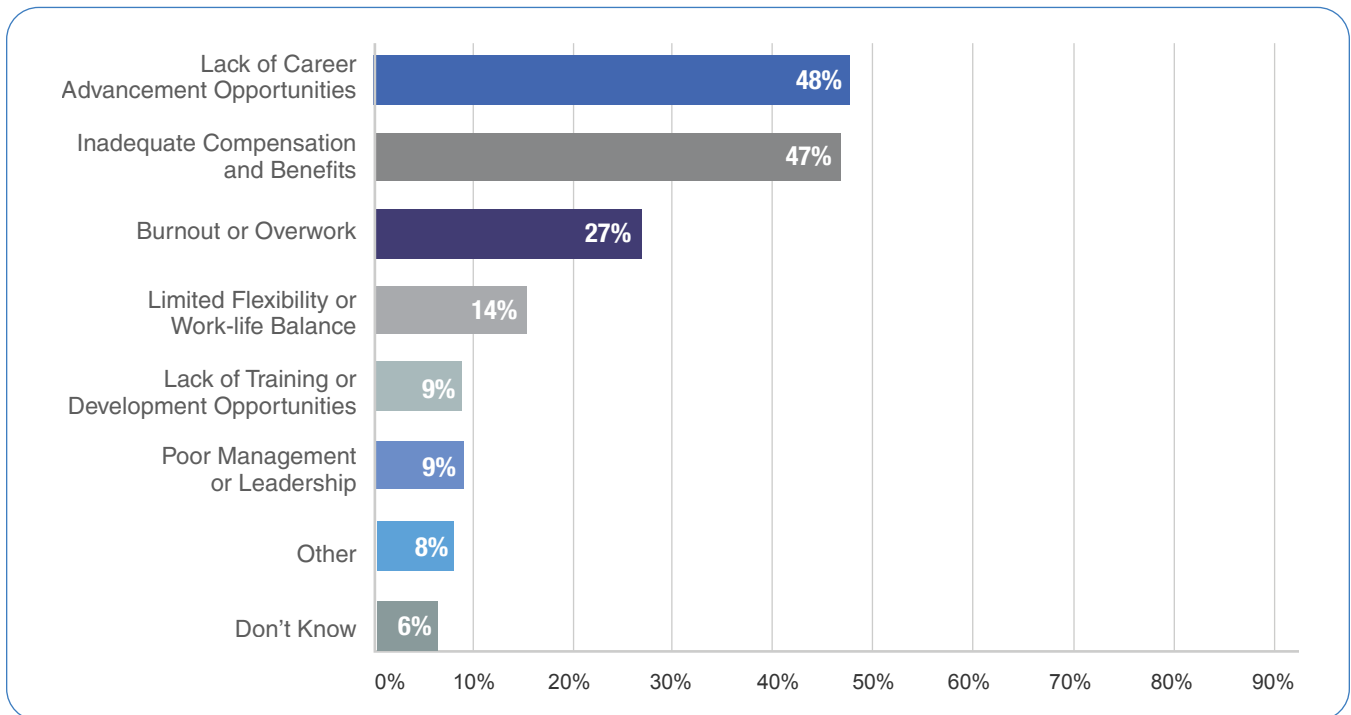
Cybersecurity professionals are considered to be the most difficult skill to recruit for, which speaks to the ongoing data privacy and security challenges facing modern businesses. Cybercrimes have risen to unprecedented levels over the last five years alone, and they are an ever-present threat to businesses, their reputations, and their customers.

The demand for network engineers and software developers is also quite high, as these professionals play critical roles in the configuration and implementation of new technologies, and there is no question that organizations of all types need data scientists to power their analytics workflows, which lends credence to the big data revolution and its impact on everyday decision-making processes.

# What Are the Most Common Reasons for IT Employees Leaving Your Organization?

(Choose All that Apply)

We later asked respondents to provide insights as to why IT employees quit, once again allowing for the selection of multiple answers. Nearly half of our respondents cited both a lack of career advancement opportunities (47.79%) and inadequate compensation (46.90%) as key drivers in IT professional attrition, and roughly 26% of respondents also considered burnout or overwork to be a causal factor.



## TAKEAWAYS

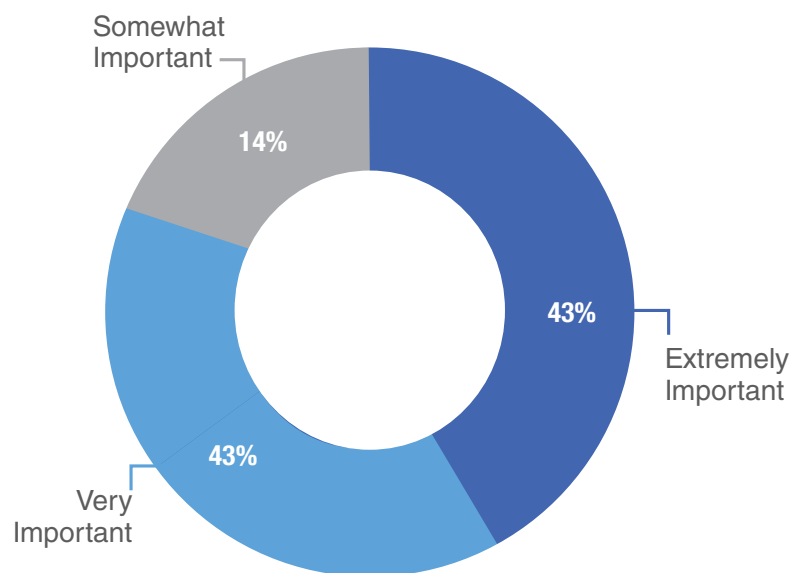
Based on the insights provided by our participants, it appears as though organizations can address some of their retention woes by offering enhanced benefits and compensation packages while also providing employees with ample advancement opportunities. Business leaders should be wary of burnout and encourage team members to achieve a better work/life balance.

While only a small percentage of respondents cited a lack of training opportunities and poor management as the driving factors of their IT attrition, these issues should not be ignored. Creating a strong workplace culture that includes good leaders and plenty of development opportunities can go a long way in elevating employee morale.



# How Important Is Employee Retention in Your Organization?

When asked how important employee retention was in their organization, 43.36% of respondents classified retention as “extremely important,” and an identical number of participants identified it as “very important”. The remaining 13.27% of participants classified IT employee retention as at least “somewhat important.”



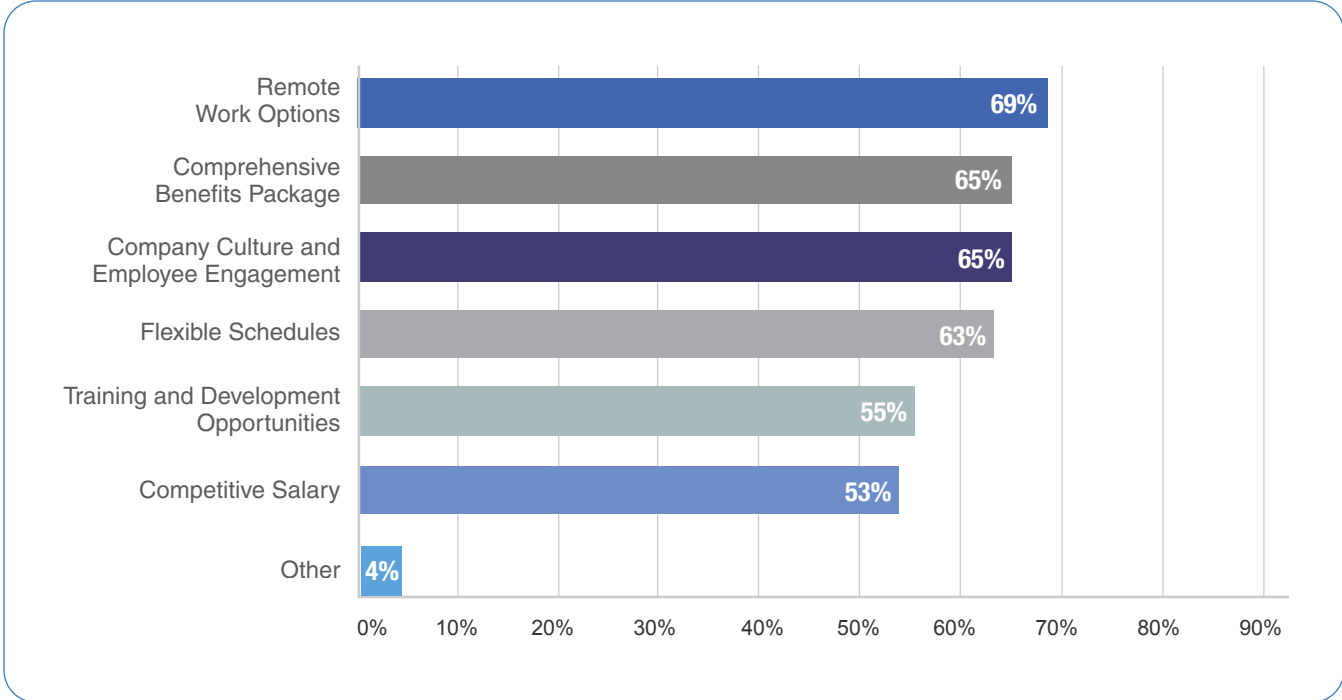
## TAKEAWAYS

Based on these results, it appears that all of our participants understand the value of optimizing employee retention and the challenges of hiring, especially in the midst of an IT talent shortage.

Even in the best of conditions, however, hiring IT professionals can be a costly and tedious endeavor. When IT talent is scarce, finding quality employees can feel nearly impossible. Therefore, businesses must strive to maximize retention by prioritizing their employees and offering benefits that differentiate the organization from its competitors.

# Which of the Following Benefits or Perks Does Your Organization Currently Offer to Attract and Retain IT Talent? (Choose All that Apply)

Seeking to determine exactly what it is that our respondents are doing to improve IT professional retention rates and discourage attrition, we discovered that all of our participating organizations are using a multifaceted approach to attract and retain IT talent. All six answer choices, which included flexible schedules, remote work options, competitive salary, training and development, comprehensive benefits, and company culture and employee engagement, tallied over 50% of possible responses.



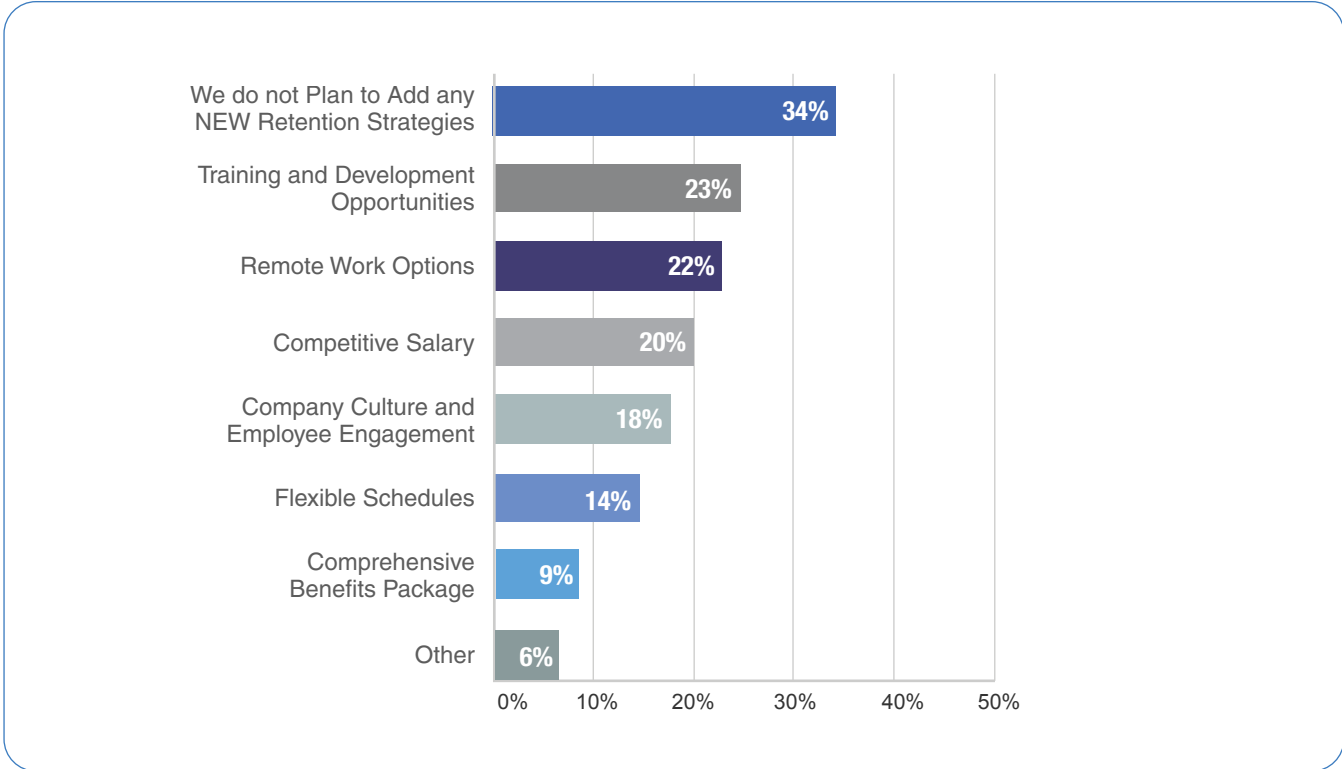
## TAKEAWAYS

In the current talent landscape, offering a single perk to job seekers and current IT employees is not enough. Businesses must take several steps to improve the IT employee work experience, boost morale, and drive better engagement.

In our survey, over 69% of respondents stated that they are offering remote work options to attract and retain IT staff. Businesses can offer these and similar bonuses at minimal costs, making them an appealing choice for those that want to keep their payroll expenses at sustainable levels. That said, salaries must be at least somewhat competitive to attract top IT talent.

# What New Retention Strategies Does Your Organization Plan to Implement in the Next Year? (Choose All that Apply)

Whereas the previous question assessed what retention strategies participants are currently using, this question aimed to reveal what new tactics they plan to implement (if any) in the coming year. Approximately one-third of respondents reported not planning to add any new retention strategies in 2024. However, many participants plan to implement strategies such as remote work, better pay, and more training opportunities next year.



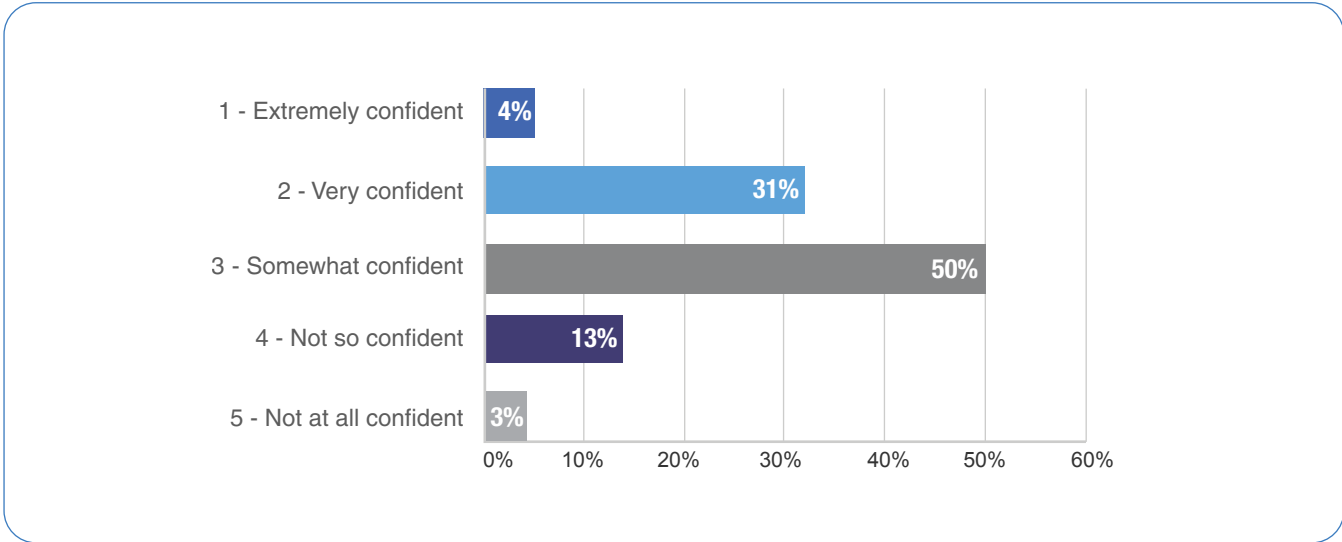
## TAKEAWAYS

The majority of business leaders are exploring other strategies to increase the retention of IT personnel, and though most intend to leverage mainstream techniques like enhanced training, salaries, and remote work options, a few respondents plan to implement alternative incentives, a few examples of which include additional PTO or vacation hours, housing assistance, retention bonuses, and referral programs that incentivize IT staff to recruit other professionals within their network.

While it is unclear which strategies will make the most measurable impact on IT talent retention, the shortage will likely take years to resolve, so every organization must be doing something to attract and retain their IT professionals.

# How Confident Are You in Your Organization's Ability to Attract and Retain IT Talent?

We next asked respondents to gauge their confidence in their company's ability to attract and retain IT talent. Nearly half of our respondents (49.56%) categorized themselves as "somewhat confident," and 30.97% stated that they are "very confident". Only 3.54% of respondents saw themselves as "extremely confident" in their organization's talent retention and acquisition abilities, while approximately 16% of survey participants were "not so confident" or "not at all confident" in their organization's abilities.

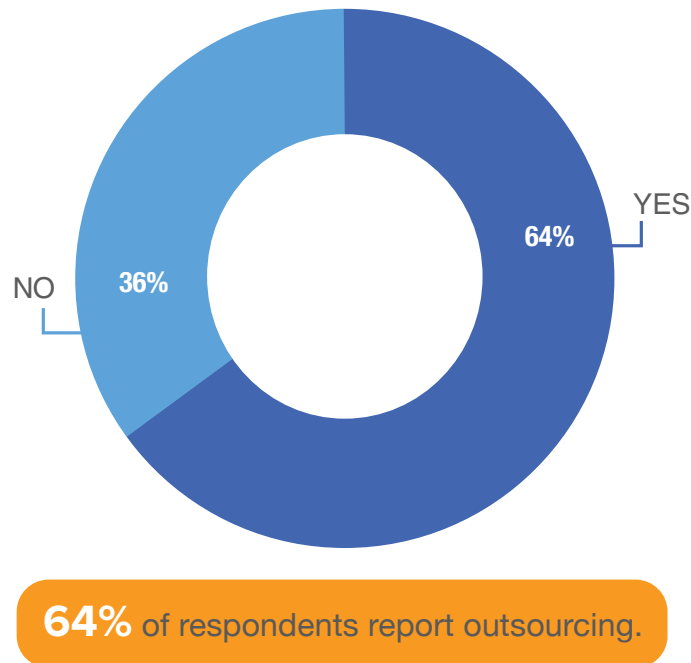


## TAKEAWAYS

Based on these responses, it appears that most business leaders feel as though they are doing enough to attract and retain IT talent, but as the current IT ecosystem is volatile and unpredictable, it is clear why so few respondents classified themselves as "extremely confident".

# Does Your Organization Outsource Any IT Functions?

When businesses don't have the in-house IT talent to support the technology needs of the organization, they often turn to third-party service providers to bridge the gap. To that end, our next question assessed how many of our survey participants were leveraging this long-standing practice. Of 112 responses (one organization skipped the question), 72 businesses (64.29%) reported that they are outsourcing, while the remaining 40 (35.71%) respondents stated that they were not currently outsourcing any of their IT functions.

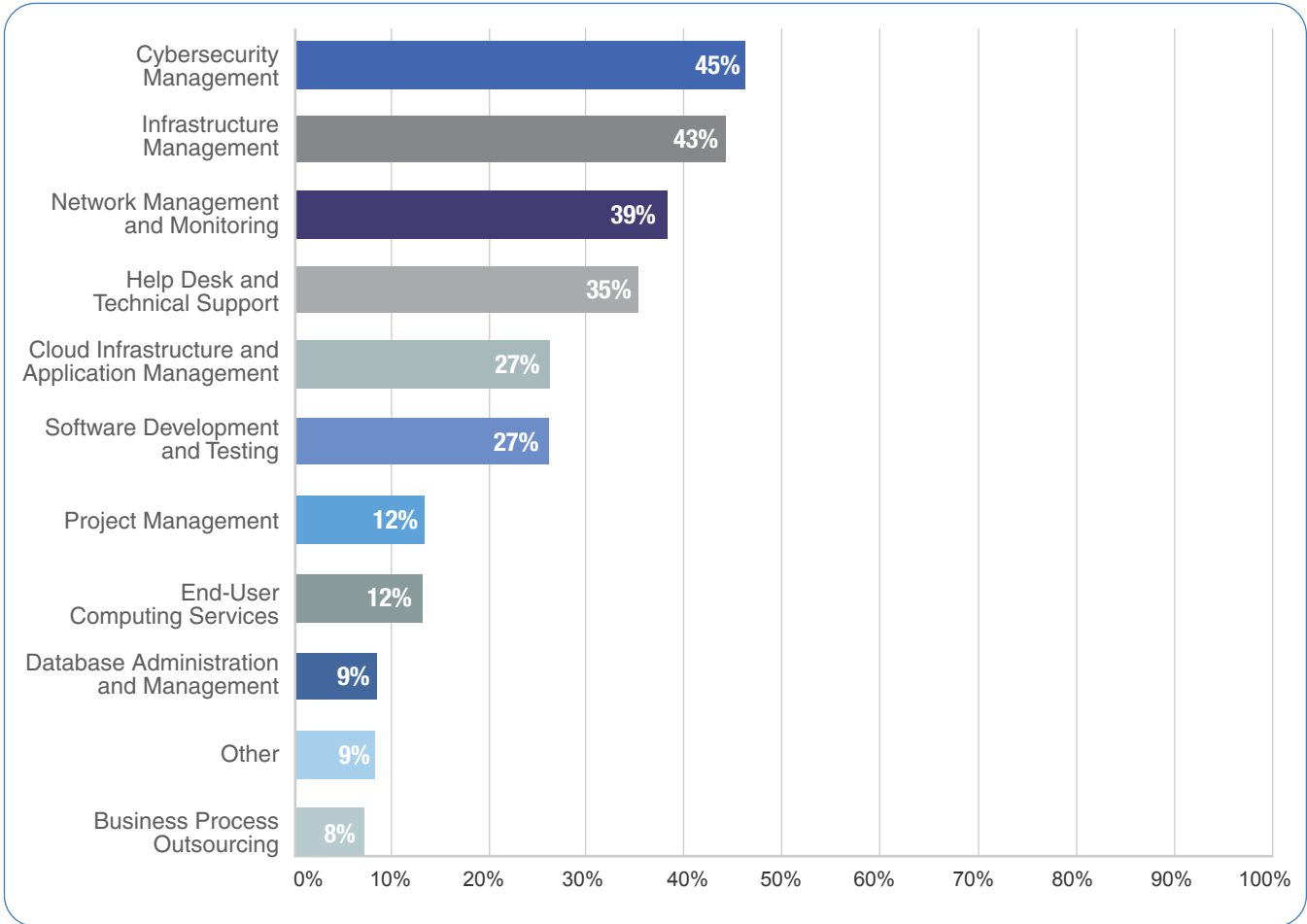


## TAKEAWAYS

As expected, the majority of respondents are outsourcing at least some of their IT functions, which speaks truth to both the severity of the talent shortage and the benefits of retaining a trusted IT services provider. Working with a multifaceted provider can help businesses augment their IT capabilities while they seek out long-term solutions.

# If Yes, What Functions Does Your Organization Outsource? (Choose All that Apply)

Following up on the previous question allowed us to discover the exact functions that respondents were outsourcing. Nearly half (44.59%) of respondents were outsourcing their cybersecurity management, and 43.24% of participants were outsourcing their infrastructure management responsibilities.



### TAKEAWAYS

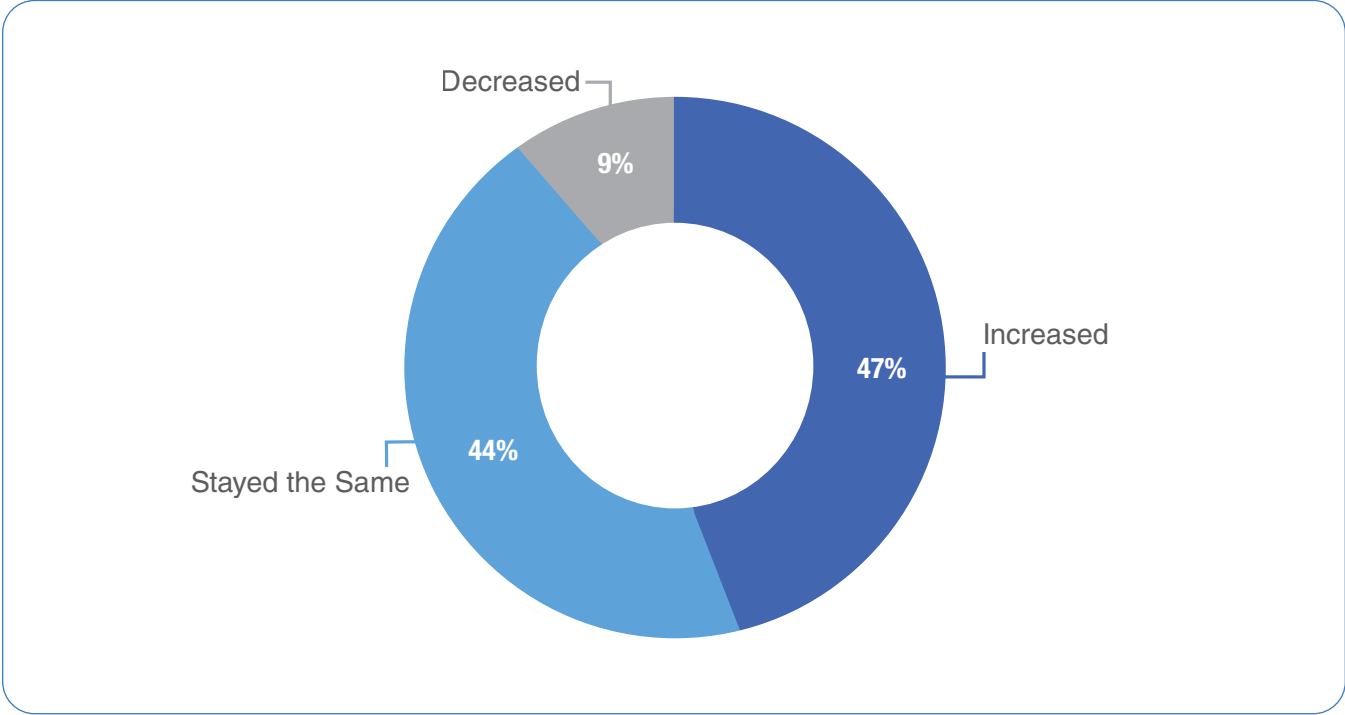
These results should come as no surprise, as our participants also reported that cybersecurity professionals, software developers, and engineers were some of the hardest skills to recruit for.

Generally speaking, outsourcing IT functions is an effective way of supporting an internal information technology team in the midst of a talent shortage, and seeing as how the majority of businesses are using outsourced services, it is clear that the shortage is severe and far-reaching. The prevalence of outsourcing also speaks to the potential cost-saving benefits of working with third-party IT service providers.

Additionally, we discovered that most of the businesses that outsource are using their services provider to support multiple IT functions, so organizations interested in following suit should seek out a multifaceted outsourced services provider.

# If Yes, Has the Number of Outsourced Functions Increased in the Past Three Years?

Finally, we wanted to ascertain if participants were outsourcing more or fewer functions over the past three years to determine whether outsourcing was becoming more or less prevalent. Approximately 46% of respondents stated that the number of functions they are outsourcing had increased, whereas 44% reported that they are outsourcing the same number of IT processes. Only 8.64% of respondents claimed to be outsourcing fewer IT functions.



## TAKEAWAYS

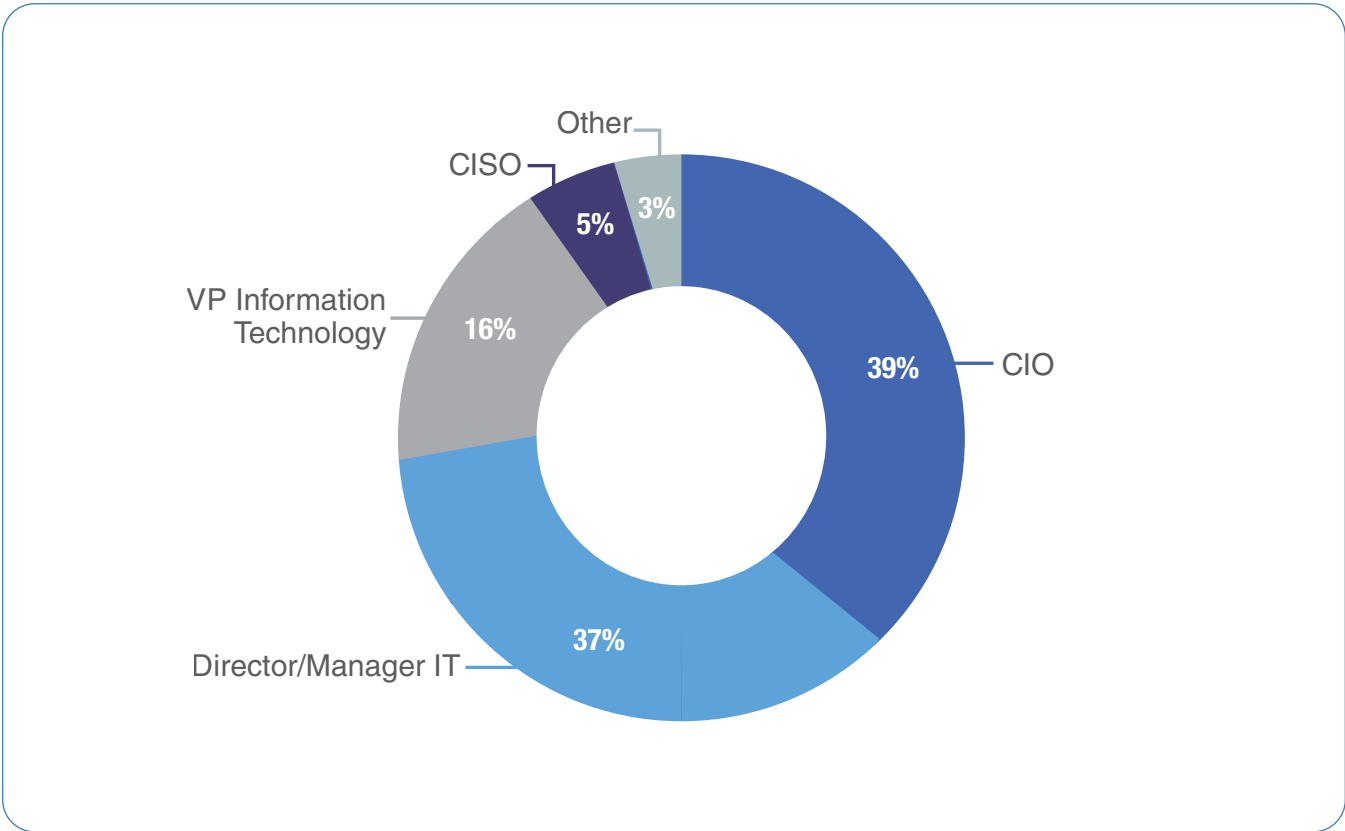
IT outsourcing is becoming more prevalent among nearly half of our survey respondents, but it is unclear whether they are outsourcing more functions to contend with the IT talent shortage, reduce costs, or a combination thereof. If the IT shortage worsens or is protracted, it is likely that more businesses will turn to outsourcing.

# Classification Demographics:

The survey featured three questions designed to support the classification of respondents, which also allowed us to verify that our respondent pool represented a broad representation of various demographics, industry verticals, and organizational sizes (by the number of employees). We are pleased to share a balanced representation of these demographics.

## What Is Your Title or Role?

The survey included responses from a variety of mid to high-level information technology professionals. The majority of responses (39.29%) were from CIOs and IT directors/managers (37.50%). Of the remaining respondents, 16.07% were VPs of Information Technology, 4.46% were CISOs, one participant was a Vice President, one was an IT analyst, and the final respondent served both as their organization's CIO and CFO.

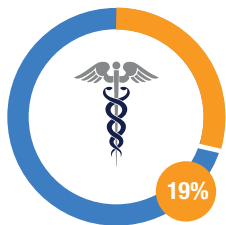




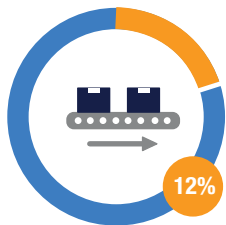
# Classification Demographics

## Industry

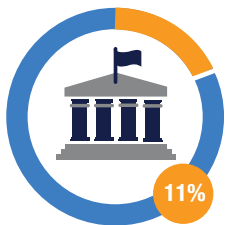
A total of 30 different industries were represented in the survey, displaying the depth and breadth of our sample size. Over half of the 113-member respondent pool was composed of five core industries, including healthcare (18.58%), manufacturing (11.50%), government (10.62%), financial services (9.73%), and educational services (8.85%). The other industries represented are as follows:



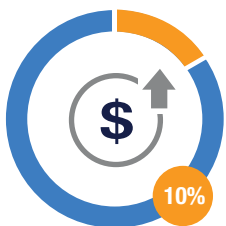
Healthcare



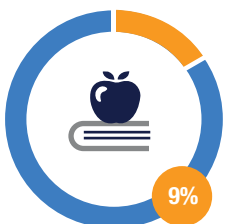
Manufacturing/  
Distribution



Government



Financial Services



Education

- Accounting and Legal
- Agriculture and Mining
- Business and Industrial Services
- Construction
- Consumer Goods
- Consumer Services
- Energy and Utilities
- Engineering for Oil and Gas
- Environmental Products
- Hospitality, Food, and Recreation
- Insurance
- Life Sciences, Biotech, and Pharmaceuticals
- Non-Profit and Faith-Based
- Professionals Services and Consulting
- Public Education
- Public Utilities
- Publishing, Media, Advertising, and Marketing
- Real Estate
- Retail
- Several Constructions
- Software and Technology
- Telecommunications
- Transportation
- Website Development and Services
- Wholesale Trade

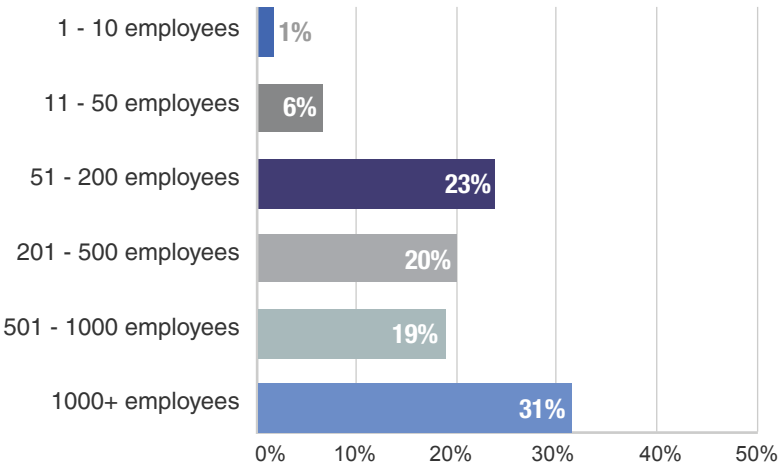
By engaging with such a broad spectrum of participants, we were able to gain a greater understanding of the IT talent shortage.

# Classification Demographics

## Organization Size (by Employees)

A variety of company sizes were represented in the survey. Nearly one-third (30.97%) of our respondents work at organizations with over 1,000 employees, and 23.01% of them work at organizations with between 51-200 employees. IT professionals working for businesses between 201-500 employees composed 20.35% of our participants, and 18.58% work at organizations with 501-1000 employees.

Small businesses were represented as well, with seven participants (6.19%) working for a company with 11-50 employees. Only one respondent works for an organization with ten or fewer employees.



# The IT Talent Shortage Is Real — But a Multifaceted Strategy Can Help Businesses Press Forward

There is no denying that we are in the midst of a protracted IT talent shortage. The ongoing scarcity of IT talent, particularly cybersecurity, engineering, and software development professionals, is having a very real impact on organizations' digital transformation initiatives and overall growth.

However, as evidenced by the CIO State of IT Talent Survey, many business leaders are leveraging a variety of strategies to effectively mitigate the impacts of this shortage. Specifically, organizations are offering remote work, better compensation and benefits, and upskilling opportunities to improve retention and attract new staff. Simultaneously, many organizations are outsourcing critical IT functions to protect business continuity and promote growth.

To learn more about the state of the IT talent landscape, consider reviewing other IT Executives Council resources and incorporate the findings of our 2023 survey into your business strategy.

## About the IT Executives Council™



The mission of **IT Executives Council™** is to advance and further the role and training of IT executives from *technology-focused* to change agents, transformation leaders, and C-suite advisors. To accomplish this important mission, the IT Executives Council provides a variety of professional resources and ongoing programs developed specifically for IT executives including a National Career Center, Roundtable Panels with subject matter experts on trending topics, Meet the CIO interviews, proprietary Research Studies, articles, white papers, newsletters, along with a screened and approved vendor Resource Directory. For more information, visit [www.itexecutivescouncil.org](http://www.itexecutivescouncil.org).

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