



The Fundamentals of Building a Sustainable Pipeline

Key economic indicators are pointing to the possibility of a recession in 2023, [prompting layoffs](#) at some large tech companies, such as Salesforce, Facebook, and Amazon. Despite the potential economic slowdown ahead, the tech sector is still projected to have an [extremely tight labor market in 2023](#). In the United States, 4-year colleges turn out approximately [75,000](#) computer science graduates each year, far below the number of applicants needed to fill an [estimated 1.3 million tech job openings](#).

Several factors impact the current state of the industry and act to produce such a drastic talent shortage. Building a long-term solution to fit your needs while increasing loyalty and retention rates, so that your tech talent stays longer, can help you develop a more sustainable and profitable talent pool. This creates a consistent stream of talent that is able to be successful and profitable in both times of economic boom and recession.



Understanding the talent shortage

*In December 2022, U.S. employers added an estimated **14,400 net new workers** to their technology teams, with an overall employment increase of **207,200** for the month. While this is great news for those workers, it did not come close to satisfying the demand for technical skills. During the same month, employers posted 302,400 technology jobs, with more than 200,000 jobs yet to be filled. A recent study by Gartner also reported that IT executives cited the talent shortage as the most significant barrier to adoption for **64% of emerging technologies**, showing that the tech talent shortage is a persistent problem for employers with overarching impact on overall business growth.*

*When it comes to building a strong technology team, hiring top talent is just the first step. Once you have highly skilled employees, you need to retain them for as long as possible. According to **Gartner survey results** released in March 2022, retention is a major challenge for employers in the IT industry. Out of 1,755 technology professionals surveyed, only 29.1% expressed a high intent to stay with their current employers, while most others cited the desire for more flexible and human-centric work policies as their primary focus.*

With a thoughtfully designed sustainable talent pipeline, it is possible to overcome hiring and retention challenges, reducing the risk of burnout in current employees and creating a more diverse workforce. The result is an inclusive work environment that has the power to increase diversity of thought, promote innovation, and strengthen a company's culture. Employers with diverse workforces are also more adept at responding to changes in the marketplace, allowing for much faster digital transformations.



Contributing factors and challenges

Community college enrollment is down 13% since Fall 2019



Source: National Student Clearinghouse Research Center

The current shortage of tech talent is not due to a single factor but to a "perfect storm" of economic and social changes. It is important to note that **1 million fewer students** enrolled in college in 2021 than in 2019, which will leave fewer graduates available to fill tech openings. There is also a mismatch between the skills employers need and the skills students are learning in college. Success in the tech industry requires a well-balanced combination of technical skills and soft skills, but many graduates are entering the workforce with a deficit in at least one of these areas.

The COVID-19 pandemic expedited a digital transformation within the technology industry, leading to an increased emphasis on **innovation and automation**. Simultaneously, many companies began allowing their employees to work remotely, increasing the demand for technical professionals with experience managing cloud infrastructure and layered cybersecurity. Due to these changes, professionals need a broader set of skills than they did before the pandemic.

Some technology professionals are now expected to work across multiple domains instead of concentrating on a single function. One example is the data analytics domain, which often intersects with cybersecurity and artificial intelligence. Professionals with extensive experience in analytics may not have the skills they need to handle cybersecurity and AI tasks, leaving their companies struggling to find new talent to fill the gap.

For a company to remain competitive, it is essential to tackle these challenges head-on. Organizations that do not address the talent shortage now are likely to experience significant operational challenges in the near future. Without the right expertise, it is difficult to develop innovative products and services, leading to slower revenue growth or declining profit margins. Technology professionals who have to take on extra duties due to the talent shortage are also increasingly at risk of burning out, reducing their productivity. Burnout also **takes a toll on employee engagement**, hurts morale, and makes it difficult to build or maintain a strong corporate culture.

It is clear that a shortage of tech talent has a significant impact on a firm's ability to serve its current customer base, improve its financial performance, and maintain a positive brand image in the marketplace. That is why it is so important to partner with an organization that can help build a sustainable recruitment pipeline.

Building a new and sustainable solution

Although the shortage of tech talent is certainly concerning, it is not an insurmountable challenge. Organizations should take the following steps to ease some of the immediate strain caused by the current labor shortage in the industry:

- **Remove the 4-year requirement for all open tech positions.** Smart employers are rethinking their process of hiring and retaining tech talent. Rather than focusing on degrees, **they are focusing on skills** and targeted certifications. The skills-based approach can increase diversity, help employers identify sources of untapped talent, improve retention rates, and create a workforce capable of adapting quickly to industry changes.*
- **Increase the potential candidate pool.** To attract as many qualified applicants as possible, HR professionals should eliminate cumbersome application requirements that do not add value to the hiring process. Recruiters or hiring managers should also have or put in place an applicant CRM database that allows them to manage their applicant pool and maintain relationships with them, even if they're not right for a current job posting. This will ensure applicants can be considered for future job postings while building stronger relationships and engagement with their applicant pool.*
- **Focus on improving the company's culture and employee experience to retain existing talent.** Competitive pay and flexible working environments that cater to a wider variety of employee needs are just a few of many factors that influence an employee's level of job satisfaction. To improve the employee experience, treat all employees with respect, give IT professionals opportunities to use a broad range of skills and abilities, and **promote a high level of trust** between employees and senior management.*
- **Put more of an emphasis on diversity and its related benefits.** Diversity is more than a buzzword. It is an effective way to increase innovation and produce better business results by challenging the established status quo and encouraging employees to invest in the overall growth of your company. Consider starting a diversity, equity, inclusion, and accessibility program to encourage rising talent to join your organization and increase engagement.*

The Per Scholas difference

*According to recent estimates, the skilled labor shortage is only expected to worsen in the coming years, swelling to **85 million fewer workers** than needed by 2030. As a result, U.S. employers stand to lose as much as \$8.5 trillion in revenue annually, highlighting the need to create a partnership that can protect employers from experiencing the long-term challenges associated with a lack of talent.*

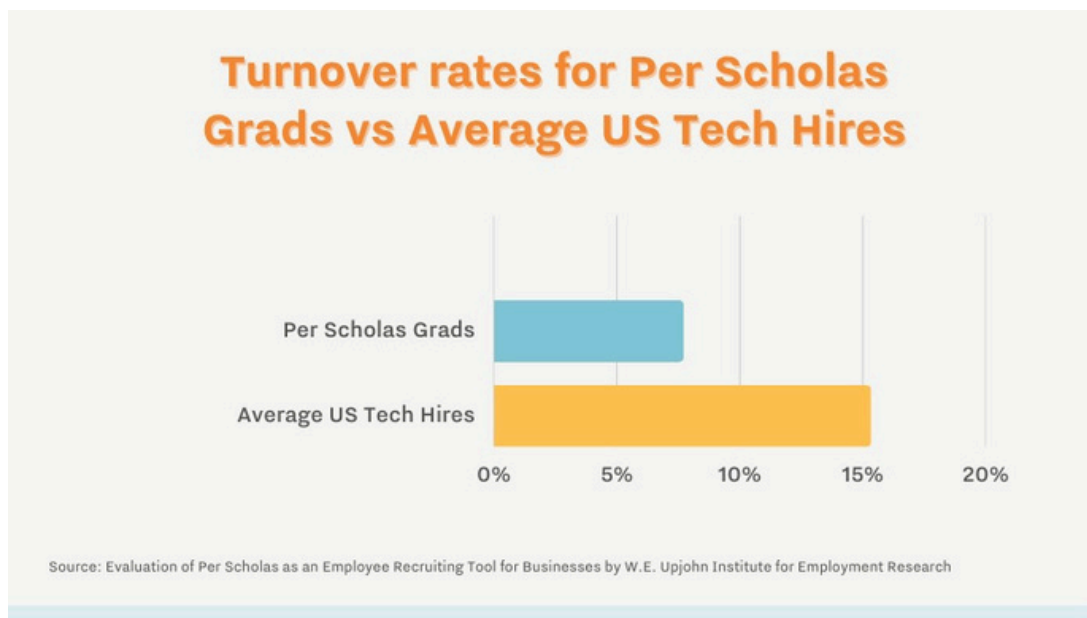
Many employers respond to labor shortages by trying to "buy" the talent they need to grow their businesses. The buy approach may work in the short-term, but it does not create a sustainable talent pipeline designed to support business growth and aid in succession planning. Rather than buying tech talent, aim to build a dependable recruitment pipeline with Per Scholas Tech Talent Solutions.

Per Scholas trains individuals interested in technology careers to meet the industry's ever-changing needs. Learners gain the skills they need to excel in cloud computing, data engineering, cybersecurity, systems support, and software engineering, creating job-ready IT professionals who are capable of filling open tech positions in organizations throughout the country.



With Per Scholas, it is possible to build a talent pool filled with highly skilled employees, easing the strain on company recruiters and hiring managers. Per Scholas also includes professional skills training in all of their courses, which prepares learners to succeed in a wide array of work environments, eliminating the need for employers to provide basic skills training that takes time and money away from other initiatives.

Each training track is responsive to market demands with curriculum updated approximately every 6 months to ensure that Per Scholas alumni have the real-world skills needed to succeed in an ever-changing IT environment. Every alumnus graduates with a balanced combination of technical skills and soft skills, enabling them to step into their new roles and make a positive impact right away. Companies that hire Per Scholas graduates report over a [30% reduction in turnover](#) due to improved fit and preparedness for the workplace.

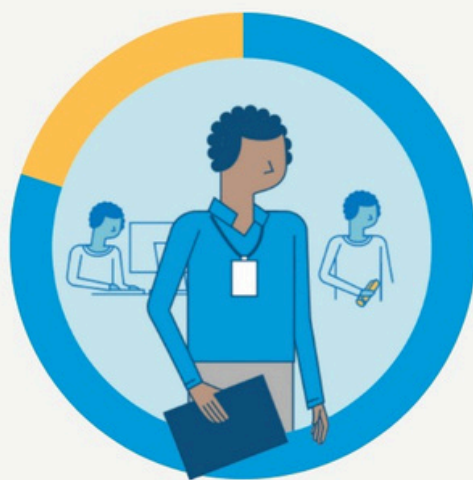


Employers who decide to build their own talent pipelines also have the opportunity to request customized training through Per Scholas that identifies the skill gaps of today and helps plan the right course of action for tomorrow, proving a clear path to hire and retain employees who have exactly the skills needed at exactly the right time. Per Scholas offers bespoke solutions that are significantly less expensive than in-house training and are developed to match your workplace culture and diversity goals, further improving the fit between the IT professionals in your talent pipeline and your organization's mission, vision, and values.

When you partner with Per Scholas, you will experience all the benefits of building a sustainable recruitment pipeline, such as increased diversity, reduced burnout, and lower recruitment, training, and development costs. Our commitment to success includes providing ongoing on-site or virtual training to ensure long-term retention rates and prevent burnout among existing employees.

Creating a more sustainable talent pipeline for your business

All Per Scholas Alumni Graduate with a Combination of Technical Skills and Soft Skills



Technical Skills

Immersive skills training, technical skills, hands-on experience, real world application, and industry recognized certifications

Soft Skills

Communication, collaboration, career navigation skills, networking and interviewing skills

Per Scholas has a proven approach for enterprises interested in building customizable long-term solutions instead of trying to “buy” talent, which can result in endless bidding wars. We have partnered with 650 employers and top companies in the Fortune 1,000 to broaden access to tech careers and ensure they have the diverse talent they need to solve complex business challenges.

No other organization provides the same combination of recruitment, training, upskilling, and reskilling as Per Scholas. Our unique approach to tech training can increase diversity and improve retention rates for partner organizations. In fact, employees trained by Per Scholas have a 35% to 50% lower turnover rate.

To find out how to create a more sustainable talent pipeline and overcome the current tech industry labor shortage, [reach out to a Per Scholas representative](#) today. Per Scholas Tech Talent Solutions is excited to partner with you to solve your tech talent needs.