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Expert Reference Series of White Papers

The Evolution of the IT Decision-Maker

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Ryan Day, Global Knowledge Content Marketing Manager

Introduction

For 10 years, Global Knowledge has surveyed IT professionals and published the findings in our annual IT Skills and Salary Report. With topics ranging from top-paying certifications to most in-demand skills, our reports have consistently provided a deep examination of the attitudes and opinions held by IT professionals around the globe.

With a decade of reporting at our fingertips, we decided it was an appropriate time to dissect the views of those making the decisions in the tech industry. What are their biggest challenges? How have their training opinions changed over time? How do their actions affect staff?

IT decision-makers are navigating an unstable landscape. They must always keep the success of the organization in mind while addressing the challenges felt by their staff. At the same time, they have their own roadblocks (security, skills gaps, budgets, etc.)

This white paper examines three major pain points for IT decision-makers and offer suggestions for alleviating some of the associated headaches. The areas we investigate are training, budgets and employee retention. Unless otherwise attributed, figures have been directly pulled from our reporting. For your reference, visit our IT Skills and Salary page to find our entire collection of reports from the past 10 years.

White paper broken down into three parts:
Part 1 – Training is an Investment, Not an Expense
Part II - How Shrinking Budgets Are Affecting IT Departments
Part III - What Drives IT Pros to Change Jobs?

Part I - Training is an Investment, Not an Expense

IT budgets have gradually dwindled over the last decade, thus making it more difficult for decision-makers to allocate the proper funds for training.

Despite this challenge, the value of training remains high according to

the 2017 IT Skills and Salary Report. More than 80 percent of managers say training is effective in developing needed skills for their staff. This belief in the success of training has remained stable over the last 10 years and has consistently hovered between 70 and 86 percent.

The confidence in certification value, however, has skyrocketed. In 2011, only 35 percent of decision-makers stated that certifications directly lead to a more effective staff. That number rose to highs of 85 percent in 2016 and 94 percent this year.

Value of Certification Training
Managers who believe their staff is more effective after completing a certification
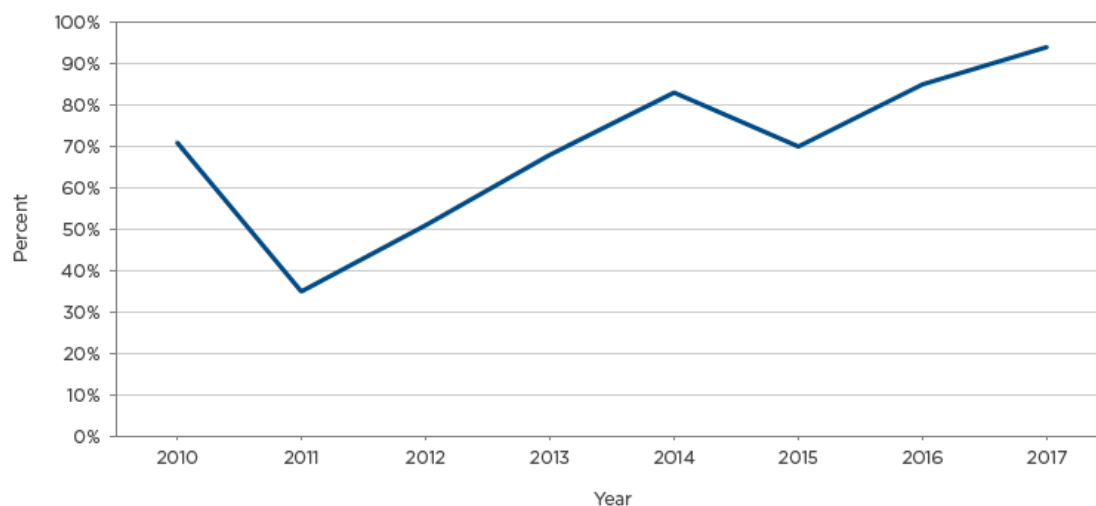
Managers were fairly skeptical about the importance of certification during the early years of our report. In 2011, 21 percent of decision-makers reported "no change" in the effectiveness of staff after certification. Even hiring managers were de-emphasizing the importance of certifications in 2011 with less than 10 percent viewing them as "very important."

This could be due to a number of reasons. Technology didn't change as quickly as it does now, so employees could adapt more quickly to tech upgrades in the workplace.

Professional development options are also now more plentiful. Classroom training used to be the only way to educate your staff, forcing managers to adapt to employees constantly being out of the office. Today, classroom options are still wildly popular and successful, but there are a number of virtual and on-demand choices that allow professionals to further their IT education where and when they choose. It's easier for managers to see value

in training when their department's productivity isn't taking a hit due to staff being off-site.

When it comes specifically to certification training, opinions have shifted significantly in the past six years. Managers quickly realized that the value a certified employee brings to their team is greater than the cost of a certification.

In our 2017 report, 57 percent of decision-makers estimated the economic benefit of a certified employee exceeds $10,000 a year.

Estimated Annual Economic Benefit Certified Employees Bring To The Organization

43% — $9,999 or Less

29% — $10,000–$19,999

28% — $20,000 or More
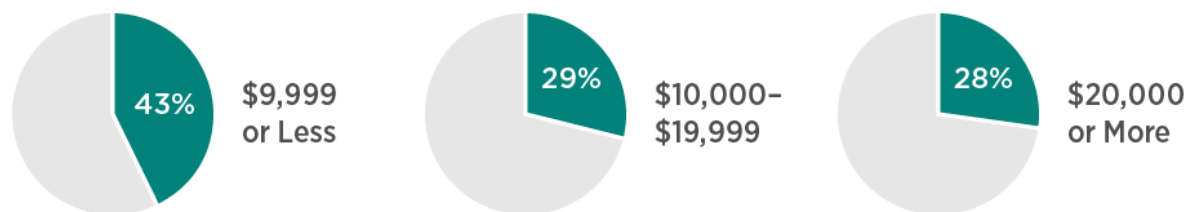
The financial payoff for certified employees is also clear as they make nearly $8,400, or 11.7 percent, more than noncertified peers. The difference between certified and noncertified decision-makers is $9,201, or 8.9 percent.

If that's not enough to entice you or your staff to pursue a certification, check out our list of the 15 top-paying certifications for 2017. It's a great place to start if you're looking to boost your skills and salary as well as scout the next up-and-coming certifications.

In general, the number of IT professionals who train each year has slowly inched upward even as decision-makers have struggled to allocate funds for it. In 2010, 66 percent of survey respondents trained in the previous year. In 2017, that number rose to 84 percent.

IT professionals who trained in the previous year
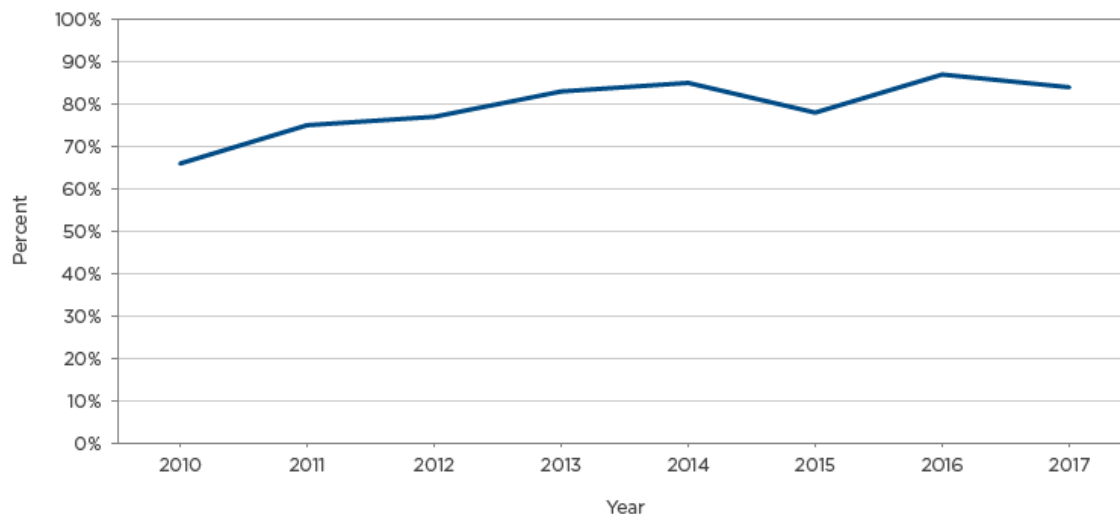
While our reports have tracked 10 years of data, for more than 20 years we've seen firsthand how training needs have evolved and where they've evolved to. We now have training formats for all learning styles. These options have diminished the stress on decision-makers who can now spend less time worrying how to track their employees' progress. When they're ready for staff to train, it's easier than ever to set plans in motion.

Managers are asked to do more with less, and it's leading to skills gaps

More than two-thirds of IT decision-makers report a shortage of skills on their team. That number has risen drastically from previous years. In fact, only 31 percent of respondents reported skills gaps in 2016.

With skills gaps rising steeply, the addition of newly-learned tools and techniques are vital to the efficiency of IT departments. Seventy-five percent of survey respondents who trained last year did so to acquire new skills, and 47 percent trained to prepare for a certification or specialist exam.

We're in a time where managers are asked to do more with less, so training choices are as important as ever. Skills gaps are already causing major headaches for decision-makers who have to deal with the resulting consequences, such as missed objectives, delayed deployments and an increase in employee stress.

The best way to optimize team performance is to establish a culture of regular training.

Stop the problem from developing

Since we started our report in 2008, salaries and business conditions have improved significantly. Much of this can be attributed to increasing numbers of IT professionals having access to IT training.

But there are problems on the horizon. Skills gaps are on the rise and will likely be a training motivator in the coming years. Even as budgets continue to shrink, professional development opportunities should continue to increase as managers seek to reduce skills shortages and alleviate worker stress.

Advocating for consistent training and certifications is the key. IT professionals must keep their skills fresh to better adapt to changing technologies and ensure project success.

A perfect blend: external and internal training

Decision-makers are advised to get creative in the ways their staff trains. Michelle Jones, Global Knowledge's Senior Manager of Application Development, encourages a mix of formal training and informal mentoring. The more resources IT professionals are exposed to, the more opportunities they'll have to grow and expand their skillset.

"The most talented IT people love to learn and are naturally drawn to many different avenues for expanding their skills," said Jones.

Spread the wealth of formal training

Managers are reminded to take advantage of as many internal training resources as possible. Arranging informal learning sessions is a great way for employees to share knowledge. When an employee completes a formal training, make sure they pass along new information and techniques to co-workers.

A wide array of learning opportunities is a great way to keep staff engaged and inspired. Another way is to constantly provide your team with challenges. Jones says IT professionals approach their work as a series of puzzles that need to be solved. Thus, the most rewarding of these puzzles are the ones that require creative application of new knowledge.

"An IT professional wants to be challenged to achieve something or solve a problem that has never been done before—or at least not done by them before," Jones said. "We love making sense of the unknown. To succeed, we

need to be learning, brainstorming and experimenting."

Company training is out there—don't miss it!

Managers must also stay diligent and schedule formal training when given the opportunity. According to the 2017 report, 60 percent of decision-makers worldwide said their organizations offered training, but only 49 percent of that group authorized training for their team members. That number drops to 45 percent for respondents in the United States and 46 percent in Europe, the Middle East and Africa (EMEA). Skipping out on available IT training is a huge wasted opportunity.

The benefits of skilled and certified team members are too great to pass up. Certifications continue to pay off in terms of employee salary and value to the organization. And decision-makers who authorized training in the prior year are significantly more likely to authorize training in the future. They witness the advantages first-hand and are hungry for more.

The value is evident—it's now up to the decision-makers to stay resourceful in how they schedule trainings. Whether it's formal or informal, internal or external, professional development is the key to eliminating workplace shortages, maximizing careers and driving business forward.
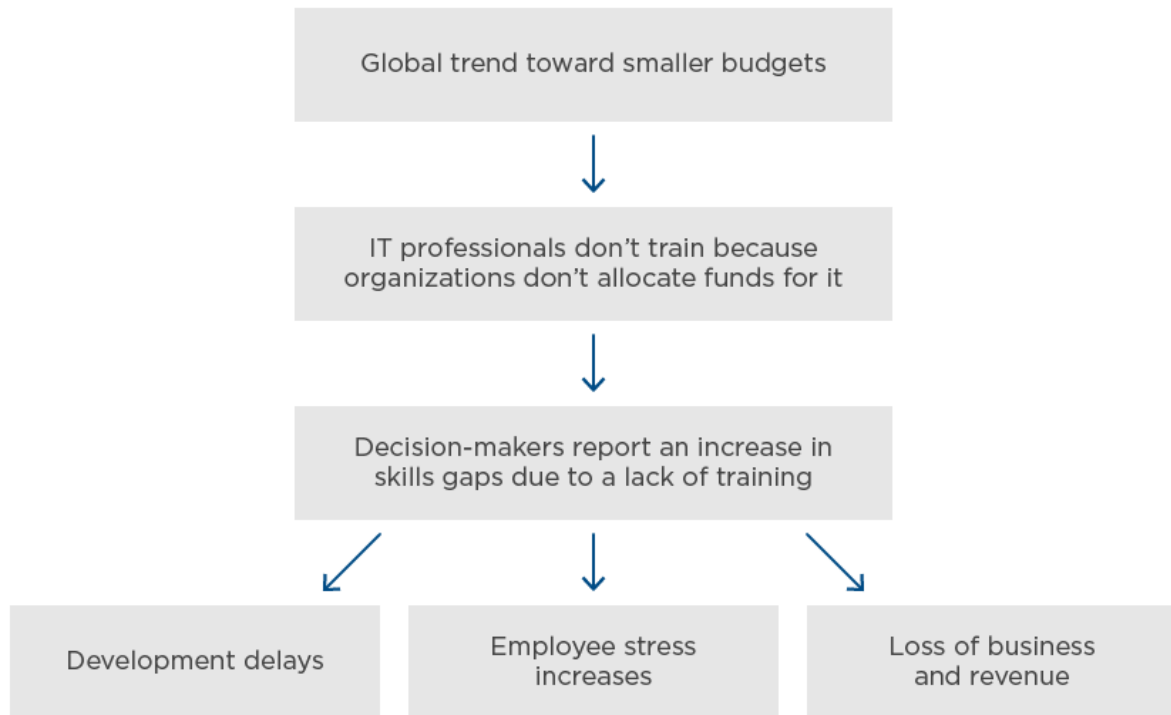
Part II - How Shrinking Budgets Are Affecting IT Departments

Do more with less.

That's the demand of IT decision-makers. Even though IT salaries are currently on the rise, department budgets are heading in the opposite direction.

Our 2017 IT Skills and Salary Report illustrates a troubling cycle. Budgets are tightening and not enough money is being set aside for professional development. The result has been a sharp increase in skills gaps, which often results in missed goals, delayed deployments and an overall drop in job satisfaction. This chain of events is disrupting IT departments around the world.

How shrinking budgets impact IT departments

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│      organizations don't allocate funds for it      │
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Budget limitations are especially frustrating for decision-makers who are looking to strengthen their team through professional development. According to our report, 80 percent of managers believe training increases staff effectiveness while a whopping 94 percent say certifications benefit their employees. And yet, 39 percent of our survey respondents say they don't train because there's not a budget for it.

The outlook is even bleaker when you analyze a decade of survey responses. We started asking IT decision-makers in 2010 whether they planned to authorize training in the ensuing year. Sixty percent said they planned to. That number grew to 80 percent in 2012, but has since fallen sharply, bottoming out at 57 percent in 2016. Decision-makers understand the direct benefits of training, but they can't authorize it if they don't have the proper funds.

Actual budgets vs. forecasted budgets

Global IT budgets are shrinking. According to our report, the percentage of decision-makers managing a budget of $3 million-plus has shrunk from 25 percent in 2015 to 21 percent in 2017. Conversely, the percentage managing a budget of $250,000 or less has risen from 31 percent to 41 percent over the

same three-year span.

Budget	2015	2016	2017
Up to $249,999	31%	38%	41%
$250,000 – $499,999	13%	16%	14%
$500,000 – $999,999	12%	10%	10%
$1 million – $2.9 million	19%	14%	14%
$3.0 million+	25%	22%	21%
Total	100%	100%	100%

As for budget predictions, 39 percent of our survey respondents in the United States and Canada expect a budget increase in 2017, down from 50 percent a year ago. That number ranges between a high of 47 percent in the Asia-Pacific region and a low of 32 percent in Europe, the Middle East and Africa (EMEA).

The number of decision-makers expecting a budget decrease is also trending in the wrong direction. In the U.S. and Canada, 22 percent of respondents foresee a budget decline compared to 18 percent of respondents in 2015 and 2016.

Bouncing back from the recession

While expectations are trending downward, when you examine an entire decade's worth of data, IT departments are in a better place today than they were 10 years ago.

During the economic recession from 2008-2010, IT budgets were slashed. According to our survey respondents in 2009, 84 percent had imposed cost-cutting measures. Budgets slowly improved in ensuing years, increasing by 10 percent from 2010 to 2011. By 2015, the training budget per employee had grown by more than 20 percent.

Another trend to note—budget optimism directly correlates to the belief that business is good. The percentage of respondents who classified "business as good" rose from 14 percent in 2013 to a high of 28 percent in 2016—the same year budget optimism was at its peak.

	2015	2016	2017
Business is good	25%	28%	22%
Expect a budget increase	47%	50%	38%

Will budgets continue to tighten?

IT budgets have increased since the recession, but the fear is that they've hit their ceiling and will continually fall off. Our data from the last couple years support that trend.

A bounceback is conceivable, however, if global IT spending increases. According to research firm Gartner, global IT spending is likely to escalate in the near future, after just a 0.4 percent growth in 2016 and a 6 percent decline in 2015.

Budget size directly affects training, which in turn can hurt productivity, increase employee stress and lead to a massive spike in skills gaps. Last year alone, the percentage of IT decision-makers reporting skills gaps increased by 38 percent. That's a concerning statistic.

Not surprisingly, these skills shortages are the number one area of concern for decision-makers. The best way to plug those gaps is by training current staff, which can be difficult if IT budgets are already stretched thin.

Stretch your budget with special offers

To maximize your budget, try taking advantage of our special offers.

We have special discounts for government, military and education personnel.

For teams and organizations, our volume pricing programs enable you to lock in reduced rates on multiple courses.

We also accept vendor-specific payment options, such as Cisco Learning Credits (CLCs) and Microsoft Software Assurance Training Vouchers (SATVs).

These are just some ways to get the most for your training money.

Take advantage of all training resources

For decision-makers, finding training opportunities for staff is crucial. It doesn't make sense to wait around and hope your budget grows—you've got to find ways to develop your employees' skills sooner rather than later. If your company funds training, make sure your staff follows through. If your company doesn't fund training, try to arrange for webinars, seminars or other informal learning sessions at work. A great place to start is in our IT resource library full of free white papers, webinars, videos and more.

Skills development is the only way to attack skills gaps. So make sure to maximize your IT budget by doing your homework and focusing on the essential skills that your department needs.

Part III - What Drives IT Pros to Change Jobs?

"My ideas are not considered and the problems remain unresolved. The people's merits are not recognized, and the wrong people have decision-making power. They always make the usual mistakes."

Now that's an opinion of an employee who isn't likely to stick around much longer.

This is just one of the many strong comments shared with us by survey respondents for our 2017 IT Skills and Salary Report.

And this unhappy respondent isn't alone. In our most recent report, we learned that 15 percent of surveyed IT professionals are not satisfied in their current position. That number may not initially seem ominous until you realize that 96 percent of that group is likely to pursue a new job.

Any loss in personnel is a serious hurdle for IT decision-makers. If you manage a department with 500 employees, roughly 75 are dissatisfied and likely

looking for employment elsewhere. If you manage 10 staff members, you may have to replace one or two employees. In either case, the loss is felt by the entire department. Supervisors are better served building team strength and driving business forward rather than spending a lot of time hiring replacements.

How many IT pros are looking for new jobs?

OK, so unhappy employees are looking to change jobs. That's not exactly breaking news. But how many IT professionals are actually exploring new employment opportunities?

Since we started our report in 2008, the percentage of respondents considering a job change has ranged from 24 to 70 percent. That low point occurred in the first year of our survey. The high was two years later, just as the economic recession was ending and IT professionals emerged from a "just happy to be employed" mindset.

Post-recession, the numbers have remained fairly consistent. Outside of a small spike in 2012 (52 percent), the percentages have hovered around one-third of survey respondents. In 2017, we broke down the numbers even further, with 31 percent of men and 23 percent of women indicating that they'd like to change employers.

IT pros seeking alternative employment

Survey respondents considering a job change
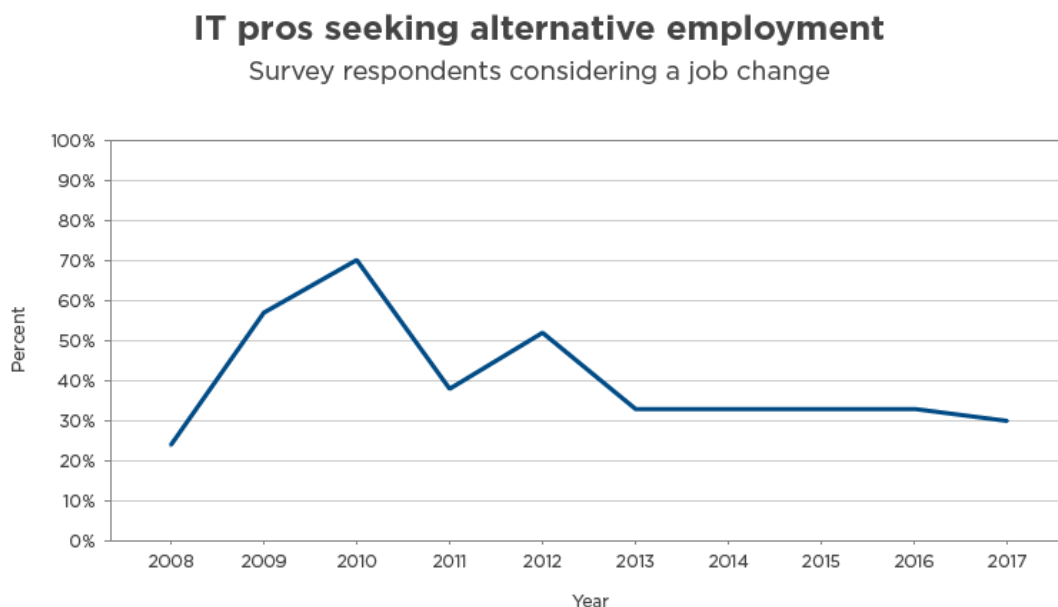
For five straight years, one out of three IT professionals we surveyed expressed an interest in changing employers. Numbers have remained flat,

but does that mean they will remain unchanged in the coming years? Before we can make that determination, let's delve into the reasons why employees may choose to stay in their current position or decide to look elsewhere.

Salary

IT salaries have grown consistently since 2008 by nearly 2 percent per year. Raises and bonuses are also on the upswing either matching or surpassing pre-recession levels.

Salaries, however, can vary wildly by functional area and by industry. In our 2017 report, cybersecurity professionals had the highest global salaries ($87,580 average) with project management as the second highest ($82,567). Help desk/support/service management ($47,441) and networking/infrastructure ($47,441) had the lowest salaries.

As for industry, the military and homeland defense segment of the public sector takes the top spot ($89,077 globally) with aerospace and defense coming in second ($87,866).

IT salaries are trending up, but the pay discrepancy between functional areas and industries can be as much as $40,000 per year. This can certainly increase the likelihood of a job change.

According to our survey, professionals in the following fields are more likely to change employers (average global salary in parentheses):

- Telecommunications ($49,999)
- Hospitality ($71,021)
- Media ($69,811)
- IT Communications Manufacturing ($56,347)

Professionals in the following fields are the least likely to change employers:

- Aerospace ($87,866)
- Legal ($81,694)
- Transportation ($73,504)
- Healthcare ($77,180)

You'll notice the discrepancy in pay. The second set of industries averages nearly $20,000 more per year than the first group. That's certainly a factor when it comes to pursuing employment elsewhere.

Job satisfaction

Another discrepancy that could influence employees is the gap in salary and job satisfaction between IT decision-makers and the staff they manage. In the U.S. and Canada, IT decision-makers' salaries are 42 percent higher than their staff. That's up from a low of 19 percent in 2010 and 21 percent in 2012. The differentials are greater in Latin America and Asia-Pacific, with decision-makers earning 72 and 83 percent more than their staffs, respectively.

The satisfaction gap also mirrors those numbers. Respondents in Latin America report the largest gap with 49 percent of decision-makers being satisfied compared to 36 percent of their staff. Other regional gaps are similar.

Job security

Survey respondents who feel less secure in their current job are more than twice as likely to pursue new employment (51 percent versus 23 percent).

The overall feeling of job security hasn't fluctuated greatly over the years with a high of 73 percent in 2011. According to our 2016 survey, 60 percent of respondents felt more secure in their position than the previous year.

One thing is clear when it comes to job security—professionals who think management values their contributions feel more secure and satisfied in their work.

Training

According to our latest report, 84 percent of IT professionals worldwide engaged in some sort of training in the last year. Of that group, 42 percent feel fully satisfied with their current position compared to 32 percent of those who didn't train. Also, 22 percent of those who trained feel more secure in their role compared to 13 percent who didn't train.

When asked about the cause of skills gaps, one IT professional commented: *"No training provided due to lack of executive support."*

It's clear that IT professionals respond positively when they believe their company is investing in their professional development.

Keys to retaining talent

Fortunately for IT departments, the number of IT professionals considering a job change hasn't risen in the past five years. But that doesn't mean it won't.

The salary gap between management and personnel is climbing and employees are taking notice. This can become particularly problematic if

managers aren't involved or aware of the department's day-to-day work or aren't authorizing training for staff.

"Current management team has not been able to articulate an operating model in over a year," commented one survey respondent.

Another wrote: *"I was thrown, without negotiation, into new position which doesn't really contest my knowledge."*

To keep employees satisfied, they must see investment and transparency from management and executives. A raise or bonus helps, too.

And while pay is often a motivator, an engaged and satisfied staff is critical. Decision-makers can't just rely on their employees to be self-motivated.

"Everyone likes to know their work is appreciated regardless of profession," said Michelle Jones, Senior Manager of Application Development at Global Knowledge. "For many IT professionals, that appreciation is often what keeps us going despite the frustrations of working through an incredible amount of ambiguity. But be careful about how you express appreciation. It has to be genuine or it's more of an insult than a motivator."

IT professionals shouldn't be discouraged by failure either. It's the manager's job to recognize setbacks as learning experiences that help build future success.

"Failure is common in the IT world," Jones said. "It's just not realistic to succeed the first time, every time, when you are trying to do something new. It's not like there's a step-by-step instruction manual for how to solve the puzzle with an unknown solution."

The good news is that a majority of IT professionals are currently satisfied in their roles and industry salaries continue to grow. But an increasing number of skills gaps and heavy workloads are threatening the balance of IT departments.

Hiring your way out of skills gaps isn't a viable solution. Decision-makers need to have a strategy to improve employee job satisfaction, including extra training, added responsibilities for staff and, when possible, promotion.

Summary

The perceived value of training is at a 10-year high — that tells you all you need to know about the current threat of skills gaps. IT decision-makers are facing a daily challenge of dwindling budgets and deteriorating employee job

satisfaction. Increased salaries across the board don't fully represent the state of the industry.

Training is the antidote to many of the problems facing decision-makers. They can't hire their way out of skills gaps. And they certainly can't boost staff morale if their employees don't see a noticeable investment from management. But how do they invest in training if there's no budget for it?

The answer isn't to do more with less. The answer is to get creative in your professional development. Take advantage of free resources, such as white papers, webinars and videos. When a team member does train, have them lead an informal learning session in the workplace to pass along their new-found knowledge. Also, familiarize yourself with Global Knowledge's special offers to better maximize your training budget.

It would be easy to throw money at the skills gap problem, yet it's likely not feasible due to current industry trends. Just remember that the resources are out there. Formal training and certification are ideal, but there are plenty of internal and informational training opportunities available if you know where to look.

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About the Author

Ryan Day is a Content Marketing Manager for Global Knowledge and has over 12 years of experience in the communications field. He is an award-winning journalist and editor, having worked for a daily newspaper in upstate New York. He also served as an editorial manager for PR Newswire in Washington, D.C. He currently lives with his wife in Durham, N.C.