Deloitte.

Face IT!

Talent shortage and skill scarcity is here to stay, organizations must find their own way to deal with it.



Three D's heating-up the tech talent market

The growing demand for tech talents due to digitalization and decarbonation collides with a shrinking tech talent in most global markets due to an unstoppable demographic shift!



How to realize digital transformation plans if you don't have the talents to do so?

The rapid pace of technological advancements and the increasing reliance on digital solutions have led to a growing demand for IT professionals across all industries and functions. Companies need individuals with expertise in areas such as cloud computing, cybersecurity, artificial intelligence, data analytics, and software development.



Demographic shift

Where to find new talents if the tech talent supply side in your market is shrinking?

The aging population and changing workforce dynamics increase the pressure in recruiting IT talents. Experienced IT professionals retire and fewer tech talents enter the labor market. Expanding the talent pool by going global means reaching out far, as nations such as US, France, Italy, Spain, etc. face the same demographic shift.



Decarbonization

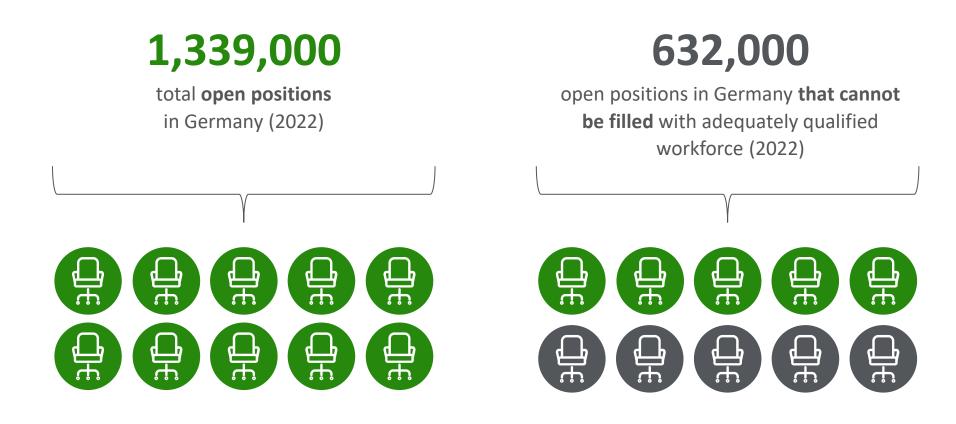
Who will make the world a better place for the generations to come?

The shift towards a low-carbon economy requires IT professionals who can enable the turn to e-Mobility, develop and implement energy-efficient systems, smart grids and sustainable software solutions. The sustainability goals from global governments and global corporations collide with a small pool of experts holding the right technical skills.



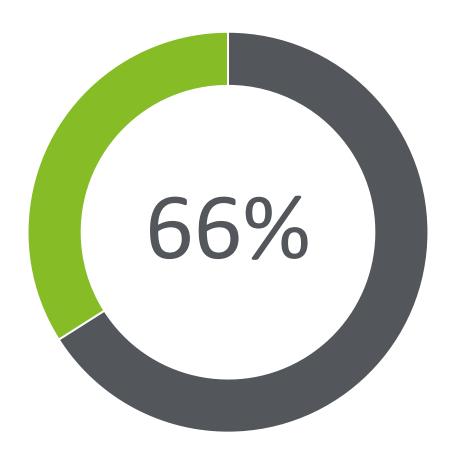
GERMANY

Facts & figures* prove what companies experience with the talent gap



^{*}Source: Kompetenzzentrum Fachkräftesicherung (2023); bitkom (2023); Statistisches Bundesamt (2023)

GERMANYFacts & figures*



of organizations report significant challenges filling open IT positions

^{*}Source: Kompetenzzentrum Fachkräftesicherung (2023); bitkom (2023); Statistisches Bundesamt (2023)

Talent shortage and skill scarcity is here to stay, organizations must find their own way to deal with it.

01

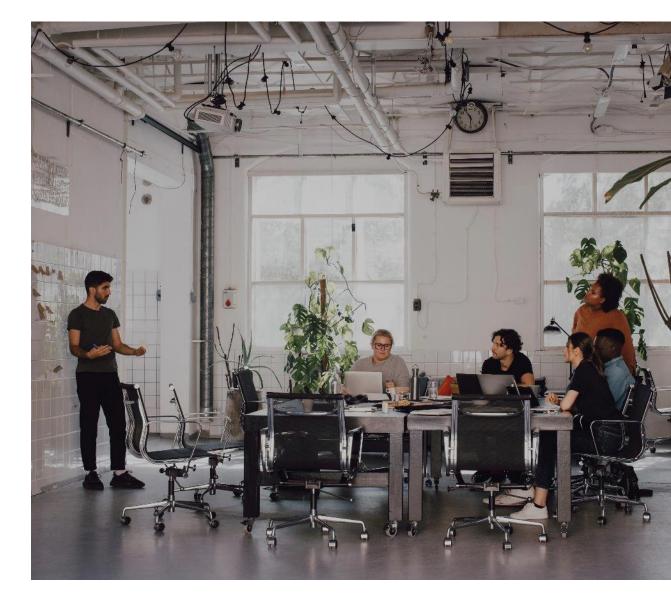
As it is very **unlikely that the skill shortage challenge will go away** within the next years,
companies explore and find their own way to make
sure technology jobs get done.

02

We as Deloitte very often get the questions what can we do and what are other's doing to solve the problem. There is no short and simple answer and just trying harder when walking the old road will not work.

03

Hence, organizations need to step away from conventional ways of finding and winning tech talents. We share examples of companies succeeding when trying unconventional ways to hire tech talents.



SIX IMPERATIVES to start now as things don't get better tomorrow!



01

Seize Opportunities

Monitor your tech talent market to seize unexpected opportunities!



02

Find your own Way

Find your own formula and secret sauce for recruiting success! Don't be a copy cat!



03

Trial, Fail and Learn

Focus on approaches for different talent groups, continuously learn and improve!



04

Bold

Be courageous enough to explore uncharted paths, leave conventional ways and stand out!



05

Challenge your Thinking

Look outside of the usual candidate pools and challenge your view on the ideal candidate profile!



06

Change the Lens

Try to walk in the shoes of the candidates, know what really matters to them!



1: Seize Opportunities

Explore the immediate skill opportunities on the current talent market. Solid talent strategies give guidance for making the right ad-hoc decisions for long term impact.

HONESTLY:

- How quickly can you react and decide on short term opportunities on the skill market?
- Do you know where your required tech talents are right now and what holds them there?

WHAT IF

- ...you had a team and tool that continuously monitors the tech talent market for opportunities to act on it before it's in the news?
- ... you source the needed skills across multiple markets and industries rather than focusing on standard qualifications and job descriptions?



What others are doing to think out of the box!

Österreichische Post AG - Insourcing IT

The increasing digitalization of business processes and the tight IT job market led to a rise in the cost of used external personnel. Retaining knowledge holders and staying cost efficient was the challenge at hand. ÖPAG's quick and well-timed action allowed them to assimilate external talents internally while simultaneously forming new, robust teams. Furthermore, they developed a masterplan for team development, guidance for leaders, remote work guidelines, and a communication strategy covering both inward and outward channels.

Mayr-Melnhof Group - Unleash the power of AI

MM seized the chance and got tech-savvy to boost hiring processes and talent management. Picking the right tech at the right time is key to success, but so is the right mindset. MM decided on Eightfold because they believe in the future of Al. An example of a new Eightfold product implemented is a talent acquisition model that helps candidates finding the right positions while assisting recruiters and talent advisers in identifying suitable candidates. Additionally, there are generative Al-powered solutions to enhance employee and recruiter productivity.

Source: MM Group approach

2: Find your own Way

Find your own way to be more visible, attractive, and unique in the talent market based on your employer strengths. Attract and win your tech talents based on assets that make you distinct.

HONESTLY:

- Do you know if your company's specific benefits and values really attract the right talents and why so?
- With which tailor-made concepts do you pick up your future tech talents exactly where they are and what they need to get excited about you as an employer?

WHAT IF

- ... you knew what part of your offer resonates most with which tech talents?
- ... you could strengthen and multiply your options based on effectively tracked and evaluated data at your finger tips?



What others are doing to find their own way!

Manufacturing Company

Like many others the company struggled to attract the right talent and to stand out as employer of choice. Taking down all barriers to attract potential candidates the company introduced "Walkin" days for local talents to get to know and see what's like to work for the company. No preregression, let alone pre-application is required, just leave your name if you want to hear back. With this simple but impactful measure they increased their awareness as employer of choice in the region and receives more and better applications for their apprenticeship programs

Global Software Company

If you sit in an empty talent pool, follow your wanted talents. When a global software company realized that despite their strong global employer brand they couldn't win interested international talents for their rather rural HQ location, SAP opened up a tech hub in Berlin, explicitly addressing international tech talents. With the on-shore tech hub in Berlin SAP was able offer the location flexibility that the international tech talents required and was able remove to one but make or break obstacle that prevented candidate from joining.

3: Trial, Fail and Learn

Embrace a culture of experimentation. Learn what works well for which talent group and continuously improve and adapt talent acquisition practices.

HONESTLY:

- Are you willing to trust in real life experience instead of formal qualifications and go for an unconventional candidate?
- How often do you try new technology channels or innovative ideas to attract tech talents?

WHAT IF

- ...the person doesn't tick all the boxes while you think that he or she could excel in the field?
- ...you knew what media your tech talents are consuming and what is influencing their decisions to contact them outside of the standard channels?



What others are doing to find the sweet spot!

Telecommunication

To enlarge the limited tech talent pool the company tried to go beyond the traditional employment methods to fill the IT skill gaps. They successfully uses a flexible deployment model for critical IT skills, to either hire new IT talents or borrow external talents to assure project progress and business goals. Especially tech talents with skills of high demand often don't fit into the salary bands and prefer a freelancer contract, to use these talents employers need to try alternative ways to the hiring them into the organization.

Deloitte Austria's Instagram Takeover

Deloitte embarked on an exciting journey in Human Capital Consulting with a one-day Instagram Takeover. Two engaging ambassadors guided users through their daily work routines, offering an authentic behind-the-scenes look at their tasks and workspaces. This unique opportunity provided direct insights into the workday, including answering questions about benefits and working hours. The overwhelming positive response ensures the return of this captivating format in the near future.

4: BE Bold

Have the courage to try new approaches and channels, explore uncharted paths in talent acquisition to stand out of the competitors for tech talents, but stay authentic!

HONESTLY:

- Do you know what your competitors are doing to win the talents you are competing for?
- Do talents on the market know your brand, what it stands for and what you stand out for?

WHAT IF

- ...you had the chance to present your company in a very unexpected but emotional way to create an "aha-moment" on the candidate side?
- ...there were no boundaries, what would you do to attract and win the tech talents you are looking for?



What others are doing to find the sweet spot!

Triumph on TikTok of a leading e-commerce company

Using the hashtag #machdichzumotto, the company encouraged TikTok users to create a fun video about themselves. This initiative catapulted the hashtag to a remarkable reach of 224.8 million views. Consequently, the employer brand developed a positive reputation among the younger generation. You too can enhance your standing with young employees by devising an entertaining challenge idea.

Source: <u>TikTok Challenge</u>

Wiener Linien's innovative and authentic recruitment approach

A distinctive recruiting event aboard a tram has been organized to not only attract new talents, but also to underscore Wiener Linien's identity as a modern and innovative company, consistently embracing novel avenues. This event provided a singular opportunity for prospective candidates to intimately experience the work environment at Wiener Linien and receive personalized guidance from the on-site team.

Source: Wiener Linien's approach

5: Challenge your Thinking

Leave the perception of the ideal job profile behind and reevaluate what the candidate can really bring to the job. Challenge the definition of recruiting success.

HONESTLY:

- Do you already extend your workforce of tech talents to get work done for your organization?
- Have you challenged your approach on looking for the ideal candidate instead of searching for the minimal match with some outdated job profile?

WHAT IF

- ...you could leverage the full spectrum of workforce sources: buy, build, borrow talents, cooperate to gain flexibility in filling urgent and shortterm skill requests.
- ...the recruiting team would not be measured on finding the ideal candidate but rather finding the required skill-set regardless of position title.



What others are doing to think out of the box!

Deloitte Germany's unconventional hire pays off

In a bold move, Deloitte made the decision to bring on board a candidate for their ServiceNow team who didn't meet the typical qualifications of the job profile. Trusting in real-life experience instead of insisting on formal qualifications, she was hired, and her performance speaks for itself. Excelling in her role, she is a testament to the validity of trusting gut instincts in hiring decisions and to sometimes just take the risk and give it a try.

Global Semiconductor company

As many IT positions could not be filled with suitable candidates the company reconsidered the profiles they were looking for. They used AI to understand the skill sets of the jobs they needed and then searched for the required skills and not to jobs, which surfaced positions that had similar skill-sets but would never appear when only searching for the job title.

The search by required skills rather than wanted job titles tripled the potential number of candidates holding the required skill-sets, additionally it indicated the potential for upskilling

6: Change the Lens

Take the candidate's perspective and try to walk in their shoes, shape your talent acquisition process around the moments that matter to the candidates. Face it, it's a supplier market!

HONESTLY:

- Do you know what matters most to different tech talents you want to hire and what drives their motivation?
- Do you treat and manage your candidates like you treat your clients?

WHAT IF

- ...you were a tech talent, why would you want to work for your organization and not for others?
- ...the recruiting team learns from your best salespeople to attract and convince tech talents?



What others are doing to think out of the box

A manufacturing conglomerate asks "What's the matter with Owen"?

Already in 2015, a leading manufacturing conglomerate in the US faced a challenge in attracting highly skilled, tech-savvy talents. In response, they launched the "What's the Matter with Owen?" campaign, rebranding the company as innovative and tech-oriented while acknowledging what people think about them as a traditional manufacturing company. The campaign resulted in an high increase in job applications, a significant uptick in website traffic, and a successful repositioning of their image among the younger generation of software developers.

Red Bull's Wingfinder: Tailoring Success for Job Seekers

Red Bull has developed a scientifically designed program called Wingfinder, available to the public. Drawing from 30 years of psychological research, the test focuses on factors determining a candidate's employability and prospects for success. Users receive two types of feedback: a detailed nine-page report analyzing their strengths, along with personalized coaching from a professional athlete. They also receive a concise "Talent Passport" that can be attached to their resume when applying for new positions. *Source: Red Bull Wingfinder*

THERE ARE FOUR FUNDAMENTS!

High impact moves come with risks of disruption. Considering and managing these risks will be key to hiring success.

Mind the culture clash

The seemingly perfect tech talent might not fit with the company culture and will cause irritation and disruption in the team. Supporting both sides will mitigate the risk of loosing tech talents on both sides.

Manage internal acceptance

To win tech talent, employers may need to go beyond their pay and benefit policies, which creates inequality in the teams. This inequality needs to be proactively managed and justified.

Focus on tech stack

Skilled tech talents thrive on their tech stack to stay at the forefront of technology. If they don't find a state of the art tech stack, they will leave.

Don't oversell

Organizations competing for tech talent risk promising more than they can deliver. Getting the message right and being authentic is critical to not losing candidates in the onboarding.

13



Whatever imperatives fit for you: two prerequisites have to be in place...

01

Ensure organization-wide English fluency.

To act successfully in a global talent market, you must ensure that your entire organization can work in English across all business functions, from the C-level to each team lead.

02

Establish a leadership capable to lead across distance.

Transform how you lead on all levels to integrate talents across all distances, no matter where they work.

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