



## The Deloitte On Cloud Podcast

**David Linthicum, Managing Director, Chief Cloud Strategy Officer, Deloitte Consulting LLP**

**Title:** There's still a huge cloud talent gap. Here's how to fill it.

**Description:** Despite a cooling job market in some sectors, many companies are still experiencing a shortage of cloud talent. In this podcast, David Linthicum talks with Deloitte's Josh Haims about how companies can fill that gap. Josh's take is that education must catch up with technology, companies should build a culture that attracts employees and builds tech fluency throughout the organization, and HR and the business need to build a closer relationship with a shared set of goals and outcomes.

**Duration:** 00:28:59

**David Linthicum:**

Welcome back to the On Cloud podcast. Today on the show, I am joined by Josh Haims. Josh is principal in Deloitte Consulting, LLP, and is also the US leader for cloud enabled workforce practice. Man, that's an important job. Josh, how you doing this morning?

**Josh Haims:**

Doing well. Thanks for having me on this morning, David.

**David Linthicum:**

So, I'm a tech guy, computer science degree things like that, and I've found that the ability to manage human capital, and certainly when you're running an R&D shop and building new technology, is a lot more important than you would think it would be. So, how did you get into human capital, really, kind of as a subject matter, and how'd you get into cloud specifically?

**Josh Haims:**

My journey to cloud is certainly a non-traditional story, but keep it brief here for you and may interesting for our audience. I started off as a special needs teacher. I had a job in college that brought me into working with adults with disabilities, and it really—the question I asked was what's behind all of that. So, education became what I was passionate about, and I moved into K-12 schools. And then through the dotcom boom in New York, moved out of primary education and moved into the emerging online education market in the 2000s, and just education has always been core to my being around making people better at work. And we say, "Now how do we make work better for humans and humans better at work." That is a really compelling way, I think, to think about it.

So, I joined Deloitte about 20 years ago to build our corporate learning practice, and over that time and the diversity of experiences that I had here, technology and cloud came into the market a while back, and the real—where I found myself practicing was in the realm of let's call it the CIO, or the CTO, answering questions around, "How do we make sure that our workforce is ready for cloud, for new tech coming in? How do we build tech academies? How do we hire the right technologists or build the right technologists?" So, it's been a really interesting journey for me, David.

**David Linthicum:**

So, it's funny. It's like—and this was the case certainly 20 years ago where the skills shortage and the ability not to get the right talent in place to build companies, to build technology was kind of a minor limitation, kind of an annoyance because we had to go through jump through hoops to make sure we were recruiting the right people and getting the right people in the seats to do the work. But it's become kind of a serious limitation at this time. So, in other words, when I talk to clients, when I talk to the press, when I talk to people out there and analysts in the marketplace, it's always like what's the single most inhibitor to being successful with cloud computing, and almost everybody will say talent.

So, in other words, this has become kind of a crisis in our ability to compete for a shrinking pool of talent with a rising number of jobs and demand that make it in the marketplace. And by the way, in doing this, we're trying to make sure we retain the talent and keep people happy and do the right things and hire in an ethical way and all these sorts of things. So, what's happening with cloud adoption and the workforce capabilities, all those sorts of things? What are you seeing in the marketplace that's kind of leading to this?

**Josh Haims:**

No, it's funny. Listening to you, I think back to the late-'80s, early-'90s when I was—date myself a little bit here, David—in high school, and I remember there was a computer room. And even in fifth and sixth grade in the '80s, I was introduced to some basic programming on a very early Mac, and it was kind of a novelty. Make the square on the page, make the lines go left to right. It took another decade to really start to institutionalize that in schools and think about all the STEM education that we've been focused on. I think the business side of this is the pace at which new technologies continue to be introduced and cloud technologies or platforms as a service, the past technology market. It's pushing so fast, but we have to remember that the tech talent, the people that actually know how to do the work, they've not been in the market for as long as maybe we make that construct in our minds.

So, when you think about the data that's coming out, it's a bit of a paradox to me. We say there's really low unemployment, yet CIOs I talk to say we can't hire enough people to do the work we need. And the tech talent unemployment rate is hovering some data suggests around the 1 percent, 1.3 percent mark compared to a national rate of about 4 percent. And a large percentage of employers are struggling to find workers with the right mix of technical skills and behaviors. So, I think when we think about what's getting in the way of organizations pursuing big transformational initiatives that rely on the tech stock that we've got, we're facing a bit of a tech talent crisis right now.

And when you layer in what's happened in the last two years, there's tremendous movement in the global workforce, and there's a significant number of employees data suggests that are looking to leave their jobs, or we've talked a lot about job jumping in the last few years. People are more willing to leave their jobs faster than we've seen in the past. There's a lot of forces at play right now, so the tech talent marketplace seems to be disproportionately impacted relative to other workforce segments, David.

**David Linthicum:**

You think that's just a demand? In other words, there's a lot more demand now than we were used to, or we're not necessarily graduating people from the institutions, college, universities, even some of the training programs. So, what's—and we were trying to solve this, I think, a few podcasts ago as well. What do we think is kind of the core issue? There's always a root cause of something. We know what it's leading to—shortage of talent, you can't build things fast enough, all these sorts of things. Should we do a better job in educating? Should we do a better job in pushing people in this career path? Should we do a better job in then kind of quelling the demand so there's not necessarily the demand out there that it is right now? What are your thoughts?

**Josh Haims:**

In our global human capital trends research that's been in the market for about ten years, we've been following this very type of question, and I think our—the observation that we've had here in our human capital practice at Deloitte is that the corporate sphere moves way faster than government and academic institutions. So, I still think we're facing a situation, David, where we have lagging investment in STEM education, and I think the universities—many universities are very hip to the idea that they need to kind of build this—build more engineering talent or tech fluent graduates. The systems tend to be a little slower to be modified within academia, but they are certainly moving as fast as they can. So, I think core education around technology is certainly a big factor there. I think the other factor is that the skills themselves needed to really interact with the tech. Frankly, Dave, you asked is more needed. I think yes. More is needed. Tremendous cloud adoption and backlog of hyperscalers, the big players that are in the market. There's tremendous demand. Improved security is driving that. Data modernization. Application migration. Also, you look at kind of the macro forces of inflation. People want to drive some costs down. ESG initiatives driving to a carbon neutral footprint, and the tech kind of inputs to that. These are all playing in the mix. So, the question that I'm faced with is, how do we build technologists and kind of address our tech talent challenges at scale right now. Talking about hundreds of thousands of job openings. That's a fairly large—it presents a challenging situation for CIOs and CHROs.

**David Linthicum:**

Yeah, and just to present some of my experiences, when I first started doing cloud migrations, say back in 2008-2009, the more savvy CIOs would ask me to do skills gap analysis and put a training plan in place and all these sorts of things occurring. And it never really occurred to me on these migration projects and on these re-architecture projects where we're moving into cloud, into new technologies, that we should have a human capital team there to really deal with the skills analysis stuff. So, when we get through with much of the migration and start putting in things in operations that the talent and skills are trained there and needed and ready to go. And it always seemed kind of like, I'm not sure we should be doing that.

Maybe that's an internal HR thing, but the reality is that was sheer genius, because I'm creating demand in the particular company, changing culture, changing technology, and if you don't have the ability to create the talent, or a plan to create the talent, that's going to be there for you, you're ultimately going to fail or at least be way under-optimized in your ability to leverage new technology such as cloud computing to kind of take your enterprise to the next level. So, how do we take care of a talent strategy? What should be thinking about as folks are out there building? Because lots of people who are listening to the podcast are cloud builders and they're cloud migraters, things like that. The thing is if I'm leading a cloud migration team, how do I think about talent strategy? How do I think about what I need? How do I do the analysis to make sure that I'm not going to be surprised when the technology's deployed?

**Josh Haims:**

David, when I—oftentimes I get in the room with a technology talent leader or a—not even a tech talent leader, but a functional technology leader, and one of the things I hear often is, “We're an engineering culture. We create here. My team's going to get it. They'll just do the work. They'll figure it out.” And I actually think there's a lot of merit to that within the engineering world. I think we're talking about a group of professionals who have been self-starters, who are highly inquisitive, who are very comfortable sharing data and open source and using the tooling they've got there and really just pushing each other to continue to develop, sharing code.

But when you get into the formal process, the formality of a corporate setting, a few questions kind of come to mind very quickly once you get through this kind of initial piece on do I have the right skills. So, first off, understanding the skills that you need starts with having a really good view of your north star, of where you're trying to go, having a very clear view of a taxonomy of skills that you're going to keep fresh but be aware that these skills do change. The half-life of a skill is quite short these days, so foundational skills, keeping up with that. The question I would say is, start to zoom out a little bit. Like what can you do better once you understand the skills you need to source and identify the talent that you need? How are you going to compete for that talent as well in the hypercompetitive marketplace like compensation, rewards, career path, experience with you as an employer? Really important factors in why people choose to come and work for you.

The other areas I'd say to focus on are how to—once you attract that top talent, what does the career path option look like for the individuals that come into your organization? How are you bifurcating between a career technologist who is going to move through an engineering track to a tech fellow from others who want to move more into management track? There are some distinctions we're seeing. And then how do you grow that workforce over time and make sure it's not just the tech workforce, but you're bringing your business colleagues and impacting their tech fluency as well? So, I think we could talk a lot about skills, David, but I think we should also maybe focus on experience because that's where career progression happens. It's not just having the right skills.

**David Linthicum:**

Absolutely. So, any data to share? I know your group does a tremendous amount of research. I use it for my own thought leadership stuff, but what are you seeing out there in terms of real data points that people should be aware of?

**Josh Haims:**

One thing is, why do people choose—we've got an engineering kind of pipeline of talent, but you don't just have to look at engineers. I think there's been some really interesting progress made over the last few years of bringing adjacent skills in. You've got people who are data savvy, you've got creative types who are problem solving on the UX front. Don't just think about it as an engineer pipeline, but look at alternative sources of talent. And I think employers have to make the choice right now of, how am I going to buy the talent I need? And that is kind of turning out to be a losing proposition right now given how much money is being thrown at the market.

So, if you're going to buy the talent, that's hard. So, I've got to build the talent. And then the question is, how much do I need to invest in my development programs and why are people going to come here? The number one reason that we find that people go to an employer is the work they actually do, is the reason tech talent in particular is attracted to a job opportunity. And then the other thing to understand is why do people leave your organization? Almost half of tech workers that we've surveyed say that a lack of career progression is the reason for wanting to leave their job. And then we've got this dynamic thrown in around hybrid work, on-prem work where are people actually doing their work.

The market forces have changed a lot recently. So, having a really clear view of what your model looks like for work experience is something to think about, but at the end of the day, it comes down to how many—a lot of people kind of boil it down to simple things. Do I have quality code? What's my error rate? I mean, those are all right, but when you bring it up a level and think about the talent experience, it's not just about the technology and the code. Great code can be an indicator of a high-quality engineering culture. There's a lot more around that that you need to care and feed for from an engineering perspective that the CHRO has to have a handshake with the CIO because your HR colleagues, while they may not always be technology experts, they're certainly experts in how to build a compelling work experience through rewards, incentives, communications, well-being programs that kind of make the complete employment experience, David. To me, it's about more than the code. And I know some of my technology friends might bristle at that a little bit, but it really is about the experience people have at work as well.

**David Linthicum:**

Yeah, I can't stress that enough. I learned that years ago that it's not throwing money at people; it's the ability to provide them with the right culture and provide them with the opportunities to be innovative and really kind of do what their passions are and getting at the essence of why people are in technology in the first place, and it's certainly we want to get paid and we want to have a fair wage. But at the end of the day, they want to be valued, they want to do things that are interesting, they want to actually take their career to the next level by being more creative and moving things up. And if you can't provide a culture to make that happen, that's going to be very difficult to do, even if you're buying them into the organization; you're giving them very

generous sign-on bonuses and all these sorts of things, and sometimes I tell people who do that, I go there's a reason they're giving you a sign-on bonus and require you stay for a year, because they may have problems retaining talent, because they're not providing the experiences that human beings are looking for when they're looking—working for somebody.

And the other thing, too, is the interrelationship with technology and human relations moving forward. There used to be kind of an adversarial relationship, certainly back in my younger days, where technology viewed HR as not doing the necessary work to get the folks they needed to fill the roles, where HR viewed them as not assisting them as much and showing them where the technology's going and where they should be exploring and looking for the talent. And that seems to be changing these days. We seem to have a much better open working relationship between technology and human capital, human resources. What's your advice there in terms of bettering that?

**Josh Haims:**

Yeah, I mean, I can't stress enough—I mentioned a few minutes ago the way I like to think about it is certainly a handshake between the CIO and the CHRO. The HR organization and the importance of workforce experience has never been more important. We at Deloitte have been talking about it for over a decade, and the last two years, if anything, has shown us to keep us engaged with work, it's not just about where you work or being in the office, but it's about the work you do, it's about the complete employee experience, and HR leaders have been really—frankly, I applaud them for the work that they've done over the last few years to make sure that we keep productivity up, given the incredibly challenging circumstances that we've all experienced through the pandemic, which continues to bubble there and has created some really interesting nuances of people saying, “What is the work experience I really want. Do I want to work from home? How do I care and feed for people around me while doing the work that I love, and how does that shape in a corporate environment?”

The HR organization has been instrumental, and, frankly, they've led the way of making sure that we came out on the other end of this. The technology organization, making sure that thinking about, given the competitive what's going on with the demand for tech talent, the HR organization can absolutely play a huge role in making sure that they've got—like how do you adapt, I guess I'll say. How do you adapt ways—HR processes—to make sure that you're caring and feeding for your technology talent which has some nuances? Career pathing, job architecture, compensation, rewards, highly dynamic skills development, innovative recruiting practices. These are things that HR professionals are really good at and need to have that handshake with the technology organization. So, the better that HR leaders understand the nuances of tech talent, the more effective you'll be, and I think the ability to kind of create a very high-performing engineering culture and the outputs you're looking for will materialize.

**David Linthicum:**

Yeah, some of the tricks I used to do back in my CEO days when we had distributed development, we had one team in one city developing an aspect of a product, another team in another city developing another aspect of the product, and corporate HQ, which was in a completely other state. And that's typically where HR was sitting, and there was always a disconnection between everybody working well together to make sure that HR was aware of what they needed, and there was kind of a more open working relationship.

So, what I used to do is put a recruiter in every R&D center. And, so, they had a personal relationship, made friends there, sang happy birthday on Fridays, do all the thing you do when you're part of a culture. And I thought that worked great, because they're able to kind of get not only the formal relationship with them getting the job descriptions and putting together a hiring plan and things like that, but also the informal relationships where they've got a feeling and an essence of who they were hiring for. Are we still doing those sorts of things now? And now we have a distributed workforce, everybody's working remotely. Hiring has become kind of a virtual practice unto itself, but is it about building these interrelationships from a personal point of view between HR and technology that assists us being better at this?

**Josh Haims:**

Well, I think from a process perspective, David, yes. Still on that path. I think it's a little—the way I view that problem, it's a little—there's some nuance to it today. I think we're trying to figure out how to get a handle on something that's going on, and I'll kind of call it about the role of the manager and culture. So, the dynamic I've seen playing out over the last few years is the role of the manager—a lot of asks on the manager. I need to manage performance of my team, we're moving into agile teams, we're creating pod structures, I've got to be leading that. He or she has to be getting up to speed, not only on new tech, but product operating models, becoming part of product teams—and, oh by the way, he or she also has to be a really good coach, which I don't think it's a secret with the engineering workforce.

Some people are really good at that, some people are less adept at that to coach and mentor and develop and guide careers. there's a lot there that's got put on the manager. Plus, managers have to then review the resumes, they have to hire people. I think what we're kind of facing right now is, how do you remove barriers for managers to be successful managing, remove all this extra work they need to do, focus on leading the team, guiding the team, creating that culture you want.

And then what we're seeing is this creating connections. I was with an organization the other day, and they said, “Our new hires come in, they're working virtually, they go to an office, and the managers don't show up because they're working from home.” And I think a lot of CEOs are still grappling with the idea of, how do we shape a strong corporate culture? I'm going above the CIO and CHRO here. I mean, they're all in the mix together, but how do we create a strong corporate culture when my people don't even see each other? And I think a lot of us are still struggling with the idea that our relationships are being formed with new hires through one-inch screens on calls. We're in a very interesting phase. My crystal ball can't tell us where we're going, but I certainly yearn for something qualitatively different. I think there's some strong habits that have been built over the last few years that we're going to need to figure out how to modify.

**David Linthicum:**

Absolutely. Couldn't agree more. And speaking of the future of HR and the cloud, where's this all going? Are we looking for technology, for approaches, for new IP that's growing? In other words, what's going to be changing over the next one to five years in terms of human resources and human capital and the ability to kind of coordinate with technology, specifically cloud?

**Josh Haims:**

I think for an HR leader that might be listening to us right now, the—I think the mandate is to make sure that you're providing what's called tech fluency, improving the tech fluency of your HR organization not only around HR technologies, which by the way, not new to HR to move onto the cloud and HR tech on the cloud. But as organizations increasingly move to product operating models, and HR needs to support the CIO and the tech space, HR professionals need to be more fluent than ever in the core technologies that are building the business, that are being put in place, so having tech fluency there.

I think the other thing that HR is going to really focused on is how do we make sure that we maintain connections and really culture building as we look over the next two to three years given some of the—what I'll say is the dissatisfaction that people have with—some people have—with the work environment that we've got. I'm not saying everybody's dissatisfied, but certainly through the job movement that we've seen, some of the employee satisfaction scores that are coming back, there's a lot of stress in the marketplace. So, I think HR's got to really focus on culture building and building tech skills of their own workforce.

And then I guess third I'd say is making sure to build the tech fluency of non-technologists—marketing, sales, product development, R&D. The demands coming from customers kind of translate into how are we going to build enabling technology to get there? We've got to make sure that the business leaders who are involved in these product teams understand what they're asking for, and not everybody needs to know how to code. You certainly need to be fluent enough for the technologies that the organization's offering to know what the opportunities and limitations are. So, as you're developing your business roadmaps, you kind of see you're in step with where your tech is able to take you.

**David Linthicum:**

Absolutely. Great advice. So, where can our listeners find out more about yourself and your organization on the web?

**Josh Haims:**

You could go to—you could search for Deloitte cloud-enabled workforce, basic information there, some points of view, some new research that we're starting to line up. Some new research that we're going to be releasing into the market. We're really pushing for this idea of a tech skills index so technology leaders can look at trending information over time. We are going to be releasing a series of podcasts on our capital H podcast channel to talk about more in-depth perspectives on workforce challenges related to cloud transformations. And then you could certainly follow me or any of my colleagues in the cloud-enabled workforce practice on LinkedIn. Make sure that you get access to our latest articles and thought leadership from the practice.

**David Linthicum:**

Absolutely. I can't stress how important this is. This used to be, like I said, ten years ago kind of a minor annoyance to something that's really hindering progress. In other words, businesses aren't able to do their digital transformations, move in the cloud, really kind of take the business to the next level, and not because they're not funded to do it, because they can't go out there and find the right talent to take things to the next level and ultimately this is focused on not just pay but culture and the ability to provide environments that are going to allow technology talent to thrive. And it's very important that we get this right.

So, listen to Josh, his organization, look out there, do your own research in terms of how people are doing this well and taking their organizations to the next level. So, if you enjoyed this podcast, make sure to like us, rate us, and subscribe. You can also check out our past episodes including those hosted by my good friend, Mike Kavis. Find out more at [deloittecloudpodcast.com](http://deloittecloudpodcast.com). If you'd like to contact me directly, you can e-mail me at [dlinthicum@deloitte.com](mailto:dlinthicum@deloitte.com). So, until next time, best of luck on your cloud journey. Everybody stay safe. Bye.

**Operator:**

This podcast is produced by Deloitte. The views and opinions expressed by podcast speakers and guests are solely their own and do not reflect the opinions of Deloitte. This podcast provides general information only and is not intended to constitute advice or services of any kind. For additional information about Deloitte, go to [Deloitte.com/about](http://Deloitte.com/about).

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor.

Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

Visit the On Cloud library  
[www.deloitte.com/us/cloud-podcast](http://www.deloitte.com/us/cloud-podcast)

About Deloitte

-----  
As used in this podcast, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of our legal structure. Certain services may not be available to attest clients under the rules and regulations of public accounting.

Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms. Copyright © 2022 Deloitte Development LLC. All rights reserved.

