



# Technology Talent Playbook for IT Service Providers – Key Game Changers to Drive Next-generation IT Talent Readiness

March 2024: Complimentary Abstract / Table of Contents

Market Report  
IT Talent Excellence, Technology Skills and Talent, Contingent Staffing



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- ▶ Retail and CPG Information Technology
- ▶ Retirement Technologies
- ▶ Revenue Cycle Management
- ▶ Rewards and Recognition
- ▶ SAP Services
- ▶ Service Optimization Technologies
- ▶ Software Product Engineering Services
- ▶ Supply Chain Management (SCM) Services
- ▶ Sustainability Technology and Services
- ▶ Talent Genius™
- ▶ Technology Skills and Talent
- ▶ Trust and Safety
- ▶ Value and Quality Assurance (VQA)

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# Introduction

The technology talent landscape is constantly evolving, shaped by many factors such as rapid technological innovation, economic disruptions, and geopolitical issues. The talent market has become increasingly volatile and unpredictable in recent years, as employers struggle to navigate a rapidly changing landscape.

With the persistent demand-supply gap for niche and specialized talent resulting in elevated attrition rates for key next-generation skills, the accelerated obsolescence of critical skills, and rapid technology advancements including the adoption of generative AI for workforce management, service providers have realized the need to focus on transforming their workforce strategies to effectively build sustainable talent supply chains. They are finding it challenging to balance business needs with managing employee expectations. Macroeconomic headwinds along with elevated employee costs due to wage inflation have adversely affected the margins. These challenges are further compounded by the need to manage an increasingly diverse and multi-generational workforce and the evolving employee expectations from the workplace.

Service providers have responded to talent market challenges by investing in in-house talent development programs, adopting the gig work model, offering flexible work environments, and curating their offerings to manage a diverse workforce. They are prioritizing the skilling journey of their employees, placing significant importance on creating career development, offering mentoring programs, and providing opportunities for employees to work on diverse projects to enhance their skills and expand their knowledge base.

In this study, we focus on:

- Skill-based workforce management and development
- AI adoption across the talent value chain
- Managing a gig workforce and Gen Z at the workplace
- Shift from hire train and deploy to train hire and deploy
- Building a sustainable L&D model
- Essential elements to drive employee fulfillment
- Technology adoption to optimize the talent supply chain
- Workforce productivity and cost optimization strategies

## Scope of this report

**Geography:** Global

**Industry:** Information Technology Services

# Overview and abbreviated summary of key messages

This report examines the key trends and challenges in the technology talent market and presents key action items for IT services providers across the talent management value chain to build and sustain pipelines of next-generation ready IT workforce

## **Some of the findings in this report, among others, are:**

### **Industry wide attrition rates are under control, but they don't convey the entire story**

- There is a high demand for talent with niche and emerging skills from clients, which makes it challenging for providers to find the best-fit talent to fulfill these demand requirements
- Hence, even after controlling the overall attrition rates, the attrition rate for next-generation skilled talent continues to remain on the higher side

### **Service providers are focusing on transforming their workforce strategies to drive next-generation IT talent readiness**

- Service providers are shifting toward integrating skills in their workforce management strategies to build an agile and adaptable workforce with optimized talent alignment
- There has been a significant evolution in the capabilities and applications of AI-based talent development and management solutions in recent years; however, the degree of adoption varies across the industry
- Leading providers are focusing extensively on future of work themes and are making proactive efforts amalgamate Gen Z in the workforce and unlock the potential of the gig model

### **Strategic pivot in talent sourcing, development, and engagement frameworks**

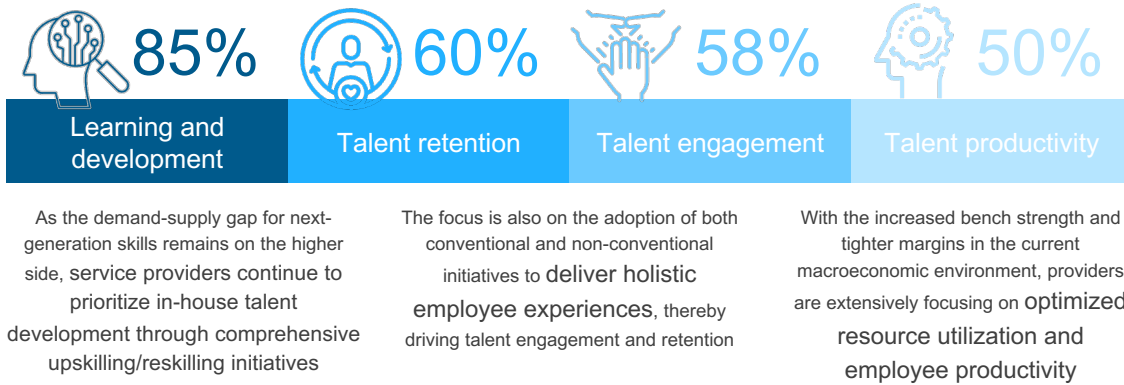
- Leading service providers are pivoting toward optimized models of talent acquisition focused on developing talent at early stages to build a pipeline of project-ready resources
- With the ever-evolving technology landscape and the dearth of skilled IT professionals, non-linear career paths are becoming critical to fostering sustainable IT talent

### **Leading providers are focusing on multiple facets on workforce optimization to drive efficiencies**

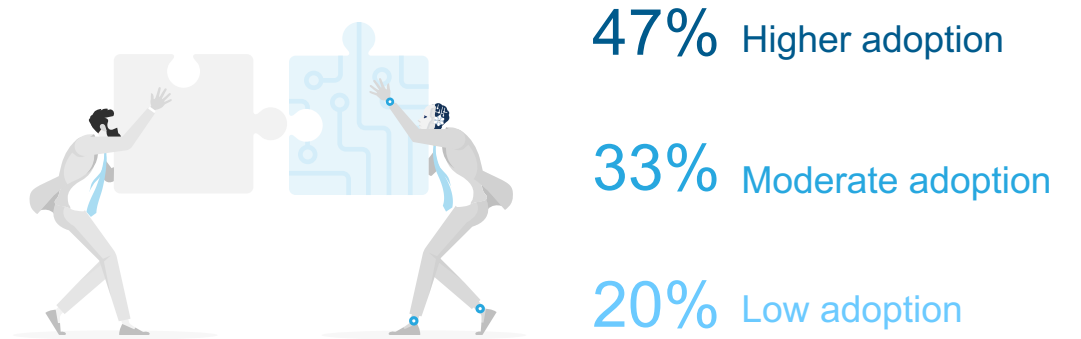
- With the rapid innovations in technologies that augment the existing workforce, service providers need to prioritize productivity measurement and optimization to gain a competitive edge

# This study offers five distinct chapters providing a deep dive into key aspects of technology talent market; below are four charts to illustrate the depth of the report

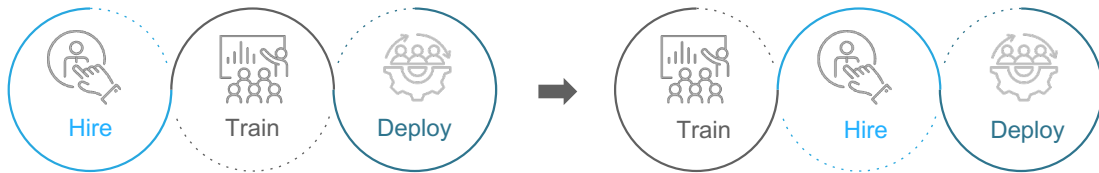
## Strategic priorities for IT providers from a talent management perspective



## Adoption of AI in workforce management

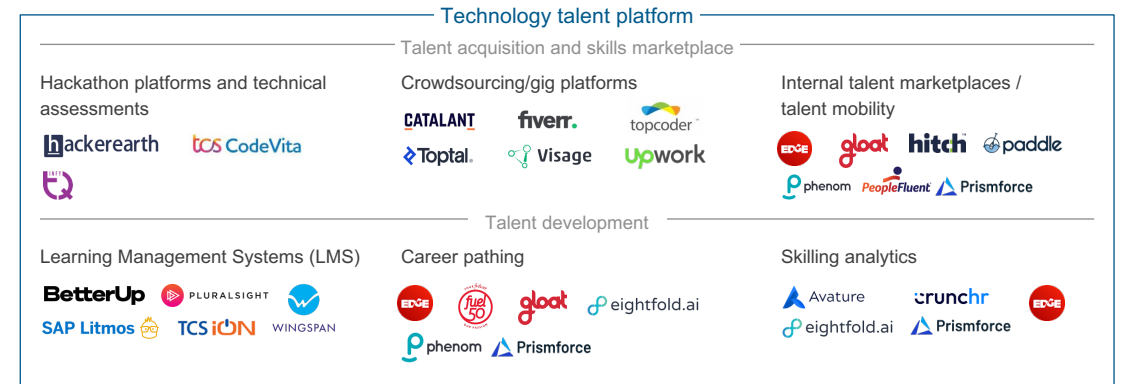


## Strategic pivot in sourcing technology talent



- Service providers are taking steps to build talent from the ground up through partnerships with educational institutes to train students on emerging, in-demand, and industry-relevant themes that are aligned with their future aspirations
- These students are provided with comprehensive upskilling resources, including hands-on virtual labs, live project experience, and mentoring sessions from SMEs to build well-rounded fundamental competencies for their future careers in technology
- This mutual ecosystem results in optimized alignment of associate's aspirations and a project-ready talent pool for service providers

## Partnership ecosystem driving holistic talent development and management



# Research calendar

## IT Talent Excellence

	Published	Current release	Planned
Reports title	Release date		
Talent Demand Trends   India IT Services – H2 2022			May 2023
Top Employers for Tech Talent™ in India, the US, and the UK – 2023			July 2023
Generative AI: The Disruption the GBS Model Needs, or Just Another Over-hyped Technology?			August 2023
Talent Demand Trends   India IT Services – H1 2023			August 2023
Trends Shaping the Talent Market in 2024: How Enterprises Can Create a Competitive Edge			November 2023
Talent Readiness for Next-generation IT Services – Provider Compendium 2024			January 2024
<a href="#">Technology Talent Playbook for IT Service Providers – Key Game Changers to Drive Next-generation IT Talent Readiness</a>			March 2024
IT Skills Taxonomy – 2024			Q1 2024
Innovative Practices in Talent Acquisition			Q1 2024
How GBS and Tech Organizations Build Differentiated Employer Brand Perception			Q1 2024
Top Employers for Tech Talent in India, the US, and the UK – 2024			Q2 2024
Top GBS Employers in India, the Philippines, and Poland – 2024			Q2 2024
Generative AI in GBS/talent 2024			Q3 2024

Note: [Click](#) to see a list of all of our published IT Talent Excellence reports

# Research calendar

## Contingent Staffing

	Published	Current release	Planned
Reports title	Release date		
US Contingent Staffing Services PEAK Matrix® Assessment 2022			July 2022
UK Contingent Staffing Services PEAK Matrix® Assessment 2023			November 2022
Contingent Staffing Services State of the Market 2023			December 2022
Digital-led Staffing – An Overview Of Digital Platforms and Tools to Source and Retain Contingent Talent			March 2023
Decoding Managed Services for Staffing Providers: Navigating the Business Process Services (BPS) Landscape			March 2023
Decoding Managed Services for Staffing Providers: Navigating the IT Services Landscape			April 2023
US Contingent Talent and Strategic Solutions PEAK Matrix® Assessment 2023			July 2023
UK Contingent Talent and Strategic Solutions PEAK Matrix® Assessment 2023			September 2023
Contingent Talent and Strategic Solutions State of the Market 2023			December 2023
<a href="#">Technology Talent Playbook for IT Service Providers – Key Game Changers to Drive Next-generation IT Talent Readiness</a>			March 2024
Workforce as a Service: Emergence of Online Staffing Platforms			Q1 2024
Navigating the Future Workforce Landscape: the Transformative Impact of Artificial Intelligence on Contingent Staffing			Q1 2024
US Contingent Talent and Strategic Solutions PEAK Matrix® Assessment 2024			Q2 2024
UK Contingent Talent and Strategic Solutions PEAK Matrix® Assessment 2024			Q3 2024
Talent Providers to Strategic Partners: Redefining the Role of Contingent Staffing Providers			Q4 2024

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## Technology Skills and Talent

	Published	Current release	Planned
Reports title	Release date		
The War for Talent in Data, Analytics, and AI (DAAI) : Finding the Ideal Operating Model for Organization			November 2022
Impact Sourcing Specialist Profiles 2022			June 2022
The Growing Need for Inclusive Talent Models: Learning from Impact Sourcing Specialists			May 2022
Technology Skills and Talent: Reimagining Talent Acquisition and Management with Technology Platforms			March 2022
Decoding Managed Services for Staffing Providers: Navigating the IT Services (ITS) Landscape			March 2023
A Provider's Playbook to Bridging the Sustainability Skills Gap			November 2023
Digital Enablement in an Era of Value Realization			November 2023
Talent Readiness for Next-generation IT Services PEAK Matrix® Assessment 2023			November 2023
Talent Readiness for Next-generation IT Services – Provider Compendium 2024			January 2024
<a href="#">Technology Talent Playbook for IT Service Providers – Key Game Changers to Drive Next-generation IT Talent Readiness</a>			March 2024
From Learning to Driving Performance: Decoding the L&D Transformation Curve for your Technology Workforce			Q1 2024
AI for Talent: Revolutionizing IT Workforce Management in the Age of AI			Q1 2024
Navigating the Integrated Realm of AI, Machines, and Humans to Build Hyper-productive Workforce			Q2 2024
Talent Source Code (TASC): Market Intelligence Report on Emerging Skill and Roles Across Key Service Area			Q3 2024
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