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Canadian IT industry needs image makeover, say analysts

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The information technology (IT) industry in Canada needs an image makeover to save companies here from a looming skills shortage according to analysts and labour consultants.

Over the next five years, Canadian businesses will have to fill no less than 90,000 new IT positions, said Stephen Ibaraki, vice-president, Canadian Information Processing Society (CIPS) and association of IT professionals in Toronto.

However, Canadian colleges and universities will not produce the required number of qualified candidates for these positions.

Of the 90,000 vacancies, around 60,000 will be newly created positions and an estimated 30,000 will result from retirement.

"I've spoken with numerous talent brokers and they're telling me the demand can't be filled," said Ibaraki.

The CIPS executive said companies, educational institutions, and the government should work together to send out the message that "IT is cool again."

Analysts believe the personnel shortage is a result of IT's tainted image – a legacy of the disastrous "dot com bust". The period, roughly covering 1995 to 2001, saw the rapid founding and spectacular crashes of technology companies, particularly those in the Internet sector.

"IT has lost its glamour. Computer sciences don't really seem appealing to students as it was 10 to 25 years ago," said Any Woyzbun, lead analyst for research firm Info-Tech Research Group Inc., in London Ont.

He said students are probably being advised "at home or in schools" that IT is not a stable or attractive industry to be in.

Intensifying the problem is the fact that the number of IT workers retiring each year is growing.

More and more workers are retiring even before they reach 65. When these people leave, they take with them the knowledge of running legacy systems still widely used within the company and industry.

Woyzbun said the turnover of skilled IT workers can cause serious problems. He recalled an incident, three years ago, when the Royal Bank of Canada (RBC) experienced a technical difficulty that prevented clients from transferring funds.

The incident was especially hard on companies that needed to release salary payments. It was later discovered that only a handful of older programmers understood how the malfunctioning system worked, the analyst said.

"It's a paradox," said Woyzbun. "The industry needs schools to teach leading edge technology to attract new blood. But companies also need young people who understand the older stuff to replace the retirees."

Microsoft Canada said it has been receiving complaints from its partners about the shortage of adequately trained worker.

"For the last 18 months, our partners have been telling us that they can't get enough people," said Carol Terentiak, senior manager, Microsoft Canada Partner program.

She said since last year Microsoft has invested a total of US\$2 billion world wide to help develop education facilities, material and e-learning programs for its partners.

The recent growth of IT service outsourcing and off shoring has also helped some companies deal with the shortage, said Ibaraki and Woyzbun. However, they noted that this practice is also contributing to the perception that it is not worthwhile to enrol in tech courses, as the jobs only go abroad.

"The talent pool shortage will hit us very hard by 2012," said Rhonda Singer, president of Progress Career Planning Institute (PCPI), a Toronto-based organization providing career planning aid to job seekers and immigrants who received their training abroad.

She said foreign trained professionals could be ideal candidates for most positions if they could leap over certain employment hurdles. "They have the technical training but companies are hesitant to hire immigrants because of a language and culture [barriers]."

Chaim Fachler, employment adviser, PCPI, said most employers are also looking for IT professionals who are familiar with the employer's particular industry. "It's not enough that applicants have the technical knowledge and skill, they also have to demonstrate an understanding of the business."

The PCPI helps foreign trained IT professionals upgrade English language skills, develop so-called "soft skills" and learn how to network and market themselves.

Fachler, however said, most IT professionals they have encountered are short on training in areas that most companies are looking for.

"A lot of companies are looking for people with background in security applications or game development or leading edge technology," he added.

At least one Toronto-based business college blames the government for current skills shortage.

"From 2001 to around 2004, the government cut back on funding jobseekers seeking IT training and counselors gave out advice that IT was collapsing," said Paige Chambers, director, corporate training and development, for the Canadian Business College (CBC) in Toronto.

The CBC provides business skills and IT training primarily to job seekers and foreign trained students or immigrants, most of whom are on government funded education programs.

The college had two Toronto campuses capable of handling 800 students, prior to the budget cuts according to Mazher Jaffery, president, founder, CBC. Shortly after the cuts, he had to close down one facility and another was reduced to a classroom that held only 10 students. The college, however, has since recovered and enrollment is up again.

"Absolutely government is partly to blame for the shortage," said Jaffery.

Ibaraki bundles together today's highly marketable skills under the acronym BAIT: Business and core industry knowledge; Attitude and commitment; Interpersonal and communication skills; and Technical skills.

Areas where IT professionals are most needed: business processes and analysis; infrastructure optimization; .Net development; supply chain; e-commerce and Web-based technology; and enterprise resource planning (ERP).

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