



Market Insight Report Reprint

Cloud skills gaps present a persistent barrier to IT initiatives

Highlights From **VotE: Cloud, Hosting & Managed Services**

August 4 2022

by **Melanie Posey, Michael Nocerino**

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451 Research

S&P Global

Market Intelligence

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Introduction

As organizations transform to meet the challenge of operating in an increasingly digital economy, challenges related to cloud skills and expertise (or more specifically, shortages thereof) continue to impede progress on broader business and technology initiatives. Highlights from 451 Research's Voice of the Enterprise: Cloud, Hosting & Managed Services, Cloud Skills 2022 survey reveal that organizations are expanding the ranks of cloud-skilled IT personnel but face difficulties in finding (and paying for) resources with the right talent.

THE TAKE

Obtaining the skills needed to lean into IT transformation and the more agile cloud operating model remains challenging. To keep up with demands of the accelerated shift to the digital economy, organizations need multifaceted approaches to constantly evolving skills requirements. Retraining and upskilling of existing IT personnel is often the first remedy for addressing skills gaps, particularly given the difficulty (and expense) of bringing in new talent. Given that a slim majority of organizations describe their current in-house cloud capabilities as merely adequate, third-party assistance may have a role to play in upping the game on cloud expertise.

Summary of Findings

Cloud skills gaps impede progress on business and IT initiatives. Among the 90% of organizations currently facing cloud-related skills challenges, more than two-thirds report that the expertise deficit is having a moderate (48%) or significant impact (20%) on the progress of business or technology initiatives. Organizations whose IT environments require major transformation in the next few years feel the impact most acutely, with 37% reporting a significant impact on business and technology initiatives.

Expansion of in-house cloud skills and expertise remains a priority. More than half (57%) of organizations using or adopting public cloud report an increase in the number of full-time employees with cloud-related expertise during the past year. An even larger proportion (67%) expect an increase during the coming year. Expansion of IT staff dedicated specifically to IT infrastructure is also on deck for 2023 (45% of organizations), but bringing in cloud-skilled IT reinforcements is a higher priority.

Challenges related to closing cloud skills gaps come down to availability/visibility of qualified candidates and the associated costs of bringing the right talent on board. Difficulty in finding qualified candidates emerges as the most frequently identified cloud skills recruitment challenge (44% of organizations). However, even organizations that find qualified candidates face the additional challenge of candidates' salary expectations – 31% of organizations report misalignment on this front. When in-house expertise is lacking and hiring is difficult, organizations often turn to third-party resources. However, nearly one-third of organizations identify the prohibitive cost of contractors, consultants or MSPs, as well as difficulty in finding the right third-party skill sets, as barriers to this approach.

Organizations using public cloud are not especially confident in the cloud skills of their IT staffs. Among organizations using or adopting public cloud resources, more than half (52%) express lukewarm views on the cloud chops of their IT staffs, considering them "somewhat" capable when it comes to cloud implementation, management and operations. A smaller group of respondents (39%) say their IT personnel are "very" capable. More than half of organizations in need of major IT transformations over the next three to five years believe their current IT staffs are up to the task and "very" capable, indicating that the necessary hiring and upskilling required may already be in place or in progress.

Key areas of cloud-related IT personnel investment include both basic cloud platform skills and higher-level cloud operating environment expertise. Organizations identify security (57%) as the top area of cloud hiring/training investment, followed by cloud platform expertise (51%). Rounding out the five investment priorities are data/application architecture (37%), DevOps (34%) and cloud-native engineering (33%).

Use of cloud resources is functionally distributed across IT organizations, but management is frequently siloed. A significant majority (87%) of organizations either using or adopting public cloud agree that cloud is reflected in every functional area of the IT organization (37% strongly agree). However, a majority (64%) also agree that cloud is a specialized technology managed by a separate team within the IT organization (on this point, 20% indicate complete disagreement). Organizations in need of major or moderate transformations of their IT environments are more likely to view cloud as a specialized area, while organizations that are further along in or have finished their transformations view cloud resources as mainstream IT, integrated into operational IT workflows.

CONTACTS

The Americas

+1 877 863 1306

market.intelligence@spglobal.com

Europe, Middle East & Africa

+44 20 7176 1234

market.intelligence@spglobal.com

Asia-Pacific

+852 2533 3565

market.intelligence@spglobal.com

www.spglobal.com/marketintelligence

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