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Global IT Leaders Wrestling with Cloud Transformation Talent Shortages, According to New Rackspace Technology Research

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Organizations Exploring More Sophisticated Cloud Technologies, But are Hampered by Skill Shortages

SAN ANTONIO, May 17, 2022 (GLOBE NEWSWIRE) -- Rackspace Technology® (NASDAQ: RXT), a leading end-to-end, multicloud technology solutions company, today announced the *Multicloud Annual Research Report 2022* that finds that organizations are becoming more comfortable with more sophisticated "Cloud 2.0" technologies, even as they confront difficulties in hiring and retaining IT talent.

According to the survey of 1,420 global IT leaders across industries, though cloud development continues to be a top priority for organizations, such that 56% do not envision owning a corporate data center in five years, a resounding 77% of IT decision-makers said that a scarcity of talent is inhibiting the adoption of new cloud development methods.

The survey also finds organizations' cloud priorities evolving, from "basics" such as agility (30%) and scalability (26%) and toward more sophisticated issues such as security (46%) and compliance (36%). Moreover, an increased appetite for risk among IT professionals can be seen in their enthusiasm for exploring edge technologies (38%) and containers (53%), while over half plan to invest in hyperscale providers.

"The cloud is no longer a shiny new object– it is a nearly universally accepted technology, and there is almost no organization that is not currently in the process of transforming itself via the cloud," said Jeff DeVerter, Chief Technology Evangelist, Rackspace Technology. "At the same time, there are a number of barriers standing in the way of that transformation, most notably a dearth of IT talent. More than ever, organizations will need to rely on external expertise to achieve their cloud goals, as they continue to shed legacy infrastructure and ask the cloud to do more."

IT Talent is Hard to Find – and Keep

The survey underscores a growing talent dilemma for IT leaders, with more than half (53%) of all respondents citing talent shortages as a major business challenge, well ahead of concerns such as inflation (48%), product shortages (36%) and wage growth (25%).

Companies are employing a variety of tactics to attract new IT talent, including promoting opportunities for training and development (40%), increasing starting salaries and offering hybrid/flexible/work-from-home schedules (32%). Twenty-one percent are being even more aggressive, luring talent with large starting salaries or increases, while 18% are offering signing bonuses and 13% are using sign-on retention agreements.

The Cloud is Here to Stay – and It's Growing

"We have seen an evolution in the cloud discussion, away from some of the table stakes topics such as agility and scalability, and toward more sophisticated uses of the cloud, such as containers and edge, that is shaping the future," added DeVerter. "Not only are people excited to close their corporate data centers. They are also more apt to take on more risk than they had been in the recent past."

According to the survey, the majority of respondents are multicloud, with majorities saying they are using either AWS, Azure and/or Google Cloud. In addition, 70% are already finding new uses for single- tenant and/or private cloud infrastructure, while over half (54%) said they plan to run serverless applications. 31% say their applications currently run on serverless technology, including functions such as automating workflows, scaling IoT apps, enabling virtual assistants/chatbots, and running SaaS functions.

When asked how the cloud is aiding innovation:

- 49% say it is improving customer experience and ease of use
- 44% say is enabling faster testing and deployment of new products and services
- 37% say it is providing limitless compute and storage
- 35% say it is expanding their range of products/services
- 33% say it provides the ability to scale up and down on demand

Security Driving Need for Outside Expertise

Survey respondents cited security as the most important factor to consider when choosing a cloud environment (46%), ahead of compliance (36%), flexibility/agility (30%) and scalability (26%). Security is also the leading reason companies use external partners. In addition, more than half of respondents (52%) cite security as their biggest barrier to using serverless.

"Taken together, the data points on talent and security tell an interesting story," added DeVerter. "Nearly 85% of our survey respondents either have or will have applications running on serverless as they look to accelerate their cloud transformation efforts. At the same time, they face a severe internal skills shortage that is preventing them from being more aggressive without tapping external partners."

To download a copy of the full report, click here.

ABOUT THE RESEARCH

The survey was conducted by Coleman Parkes in April 2022 and targeted 1,420 senior IT decision-makers across multiple key sectors in the USA, LATAM, EMEA and APAC.

ABOUT COLEMAN PARKES

Coleman Parkes is a full-service B2B market research agency specializing in IT/technology studies, targeting senior decision-makers in SMB to large and enterprises across multiple sectors globally. For more information, contact research@coleman-parkes.co.uk

About Rackspace Technology

[Rackspace Technology](#) is a leading end-to-end multicloud technology services company. We can design, build and operate our customers' cloud environments across all major technology platforms, irrespective of technology stack or deployment model. We partner with our customers at every stage of their cloud journey, enabling them to modernize applications, build new products and adopt innovative technologies.

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