

How will the UK digital skills shortage impact sectors and the HR function?

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In June 2019, the Confederation of British Industry (CBI) in conjunction with Tata Consulting Services, published an interesting report titled 'Delivering Skills for the New Economy'. A weblink and summary can be found at the following web address:

<https://www.cbi.org.uk/media-centre/articles/two-thirds-of-firms-cannot-fill-digital-roles/>

The report was based on surveys sent out to 250 UK businesses. The report highlighted a rapidly growing mismatch between employer needs and the supply of staff with the required basic and advanced digital skills. If a large digital skills shortage is developing in UK companies, public sector entities and not for profit organisations, what solutions are there and what are the implications for business flexibility?

In my view, there are 6 options for medium to large companies, 4 options for SME's/start-ups and 4 options for public sector/not for profit entities.

What are the 6 options for medium to large companies to source the digital skills they need?

1. Grow your own by training or retraining current staff. For companies sitting on a pile of cash, this is affordable. It boosts inclusion & diversity. And shows stakeholders a commitment to learning and development for staff.
2. Sponsor apprenticeships/cadetships/bonded university training via a company run scheme. The lag before suitably trained (and bonded) staff can join the firm is likely to be 1-4 years. Some companies may decide to be proactive in offering such a scheme. Others might wait for training institutions to approach them first, to design suitable digital skills courses. Again, this option shows stakeholders a commitment to learning & development by the firm. **This option will likely need business flexibility to run outreach & scheme administration alongside other core HR activities.**
3. Offshore the work requiring digital skills. If the business model relies on creating intellectual property (IP), this option is problematic. However, it does buy time in the short term.
4. Outsource the work requiring digital skills. However, if the business model relies on creating intellectual property (IP), this option is problematic. However, it does buy time in the short term.
5. Recruit from the UK marketplace. Where the skills are in scarce supply and hot demand, a bidding war in the war for talent is likely. There may also be a staff retention problem, as staff with sought after digital skills are lured away by other companies, offering greater benefits and opportunities to the staff member concerned.
6. Foreign visa sponsorship. Firms can lobby the Home Office and politicians to enable foreign nationals to be brought to the UK and visa-sponsored by the firm requiring those digital skills. If the EU itself has a significant shortage of digital skills, the recruitment may need to be worldwide. As more firms internationally recruit such candidates, the same effect as option 5 will likely result.

What are the 4 options for start-ups and SME's to source the digital skills they need?

1. Recruit from the UK marketplace. Where the skills are in scarce supply and hot demand, a bidding war in the war for talent is likely. There may also be a staff retention problem, as

staff with sought after digital skills are lured away by other companies, offering greater benefits and opportunities to the staff member concerned.

2. Outsource the work requiring the digital skills. However, if the business model relies on creating intellectual property (IP), this option is problematic. However, it does buy time in the short term.
3. Foreign visa sponsorship. Firms can lobby the Home Office and politicians to enable foreign nationals to be brought to the UK and visa-sponsored by the firm requiring those digital skills. If the EU itself has a significant shortage of digital skills, the recruitment may need to be worldwide. As more firms internationally recruit such candidates, the same effect as option 1 will likely result.
4. For a start-up, another option is for the founder/founders to upskill their digital skills out of necessity, to realise the vision and make the business model viable. **This option will likely need business flexibility to run outreach & scheme administration alongside other core activities.**

What are the 4 options for public sector and not for profit organisations to source the digital skills they need?

1. Grow your own by training or retraining current staff. It boosts inclusion and diversity and shows stakeholders a commitment to learning and development for staff. The public sector could conceivably offer a training scheme allowing transfer within the public sector, without penalty.
2. Sponsor apprenticeships/cadetships/bonded university training via a scheme. The lag before suitably trained (and bonded) staff can join the organisation is likely to be 1-4 years. Some organisations may decide to be proactive in offering such a scheme. Others might wait for training institutions to approach them first, to design suitable digital skills courses. The public sector could conceivably offer a training scheme allowing transfer within the public sector, without penalty. Again, this option shows stakeholders a commitment to learning & development by the organisation. **This option will likely need business flexibility to run outreach & scheme administration alongside other core HR activities.**
3. Recruit from the UK marketplace. Where the skills are in scarce supply and hot demand, a bidding war in the war for talent is likely. There may also be a staff retention problem, as staff with sought after digital skills are lured away by other organisations, offering greater benefits & opportunities to the staff member concerned.
4. Foreign visa sponsorship. If the EU itself has a significant shortage of digital skills, the recruitment may need to be worldwide. As more organisations internationally recruit such candidates, the same effect as option 3 will likely result.

Finally, it's fair to say that *all* the above options will create work for the HR function. And that someone internally will need to cost those various options and identify the business risks concerned.

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