

The nature of the UK's digital skills gap

AND what this means for people and our economy



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Foreword

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Founder and CEO AND
Digital

When we founded AND in 2014, we framed our mission in terms of closing the digital skills gap. We did this because we saw back then that technology, and more specifically software and data was 'eating the world', and that all businesses would one day be more like tech businesses.

Since the pandemic we all sense that the pace of change has accelerated. We all have experienced how digital technology can transform sectors and value streams, improve experiences, reduce cost, streamline operations and supply chains. We believe that being great at digital technologies, and building technology solutions, is dependent on humans. On people with the right skills, on teams and on organisations that also embrace the significance of tech to their future.

The digital skills gap has been the subject of conversation for a number of years now, and it is still one of the critical challenges that we must all address. It is a challenge at many levels - individual, team, organisation and societal. The UK needs a growth and productivity engine in the face of an economic slowdown. Digital technologies can generate greater productivity across the economy provided we have the skills at sufficient scale to harness it.

With this in mind we are delighted to release this paper, to bring some insight on the nature and scale of the skills gap, what it means for organisations, and action we should be taking now to address it. I hope this provides a valuable and welcome contribution to enable the right action.

Working towards a digital future



The UK economy is in constant flux. It is now time for both public and private sector organisations to rethink strategies, not only to weather the storm, but to also see success.

Investment in a digital future is important for organisations to capitalise on opportunities for recovery and growth.

We understand this because business leaders we surveyed told us that 61% of their five year growth expectations would be at risk if their digital ambitions do not materialise.

Based on our estimates taking into account average UK growth and GDP figures – that’s equivalent to £50bn per year across the UK economy, and more than £240bn between now and 2026.*

With that in mind, it’s not surprising 83% of business leaders agree that their organisations need to be fit for our digital present and future. They also told us that they are making good progress towards their digital future. However, our research findings tell a different story.

First, let’s unpack what a digital future looks like

Undoubtedly, a ‘digital future’ is powered by technology and fuelled by continuous advancements in machine learning, the internet of things, and wireless connectivity amongst other innovations - both currently available and not yet known. However, the true champions of a digital future will be people. People who can envision and build solutions needed to solve a challenge, boost efficiency, value, and so much more.

A digital future will be nothing without people.

However, people need the **right** skills. Skills that are adaptable and interchangeable as technological innovations evolve or come into existence. When upskilling people to work alongside these innovations, tech skills such as engineering and coding are only part of the answer. We must not overlook the importance of human skills, such as communicating with empathy and developing oneself and others. Our human skills are key to creativity and ingenuity, without which great tech solutions do not materialise to delight customers and help businesses achieve their goals. After all, any organisation with the right budget can adopt technology, but it will be the people behind it that will help them stand apart from the rest.

*Calculation: Based on a Long run average UK growth rate is 2%, GDP in 2020 worth 2 Trillion Sterling. 61% of 2% growth represents more than 240Bn between now and 2026. GDP figures are ONS

What's new?

We have been talking about the digital skills gap for years, however, we are not much further forward in closing it. In fact, it is surprising to find that almost six in 10 workers (58%) say they have never received digital skills upskilling from their employer. This needs to change.

Before we ask organisations to place importance in digital skills upskilling, we believe it is important to bring a fresh perspective to the gap that continues to exist - despite the amount of work placed into closing it by businesses, governments and educators alike.

Through in-depth research surveying people in the UK in different roles, from various types of businesses and industries, and a deep dive analysis of job vacancies, we have found that the digital skills gap is in fact a multiplicity of gaps.

One of understanding within organisations of what digital skills mean, a gap in the misalignment of perception surrounding importance of certain skills, and a lack of importance placed on upskilling. In this report, we have delved into these gaps, looking at it from an individual's, team's and organisation's perspective.

The AND take



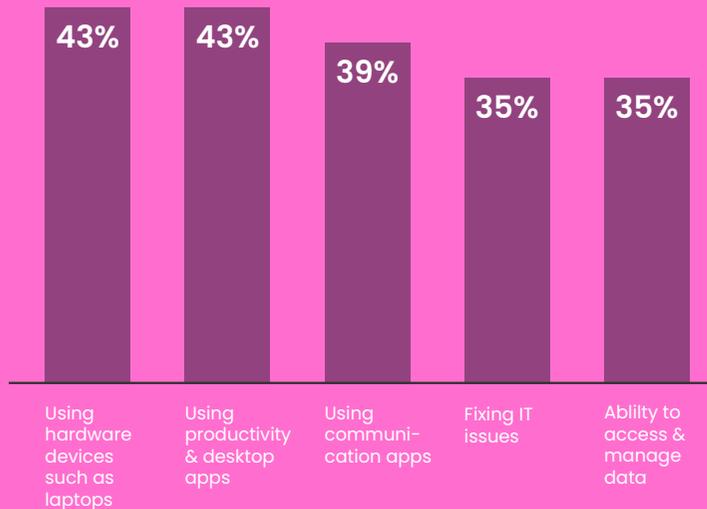
A digital future is one that puts people at the core - which is why AND Digital aims to upskill 200,000 people by 2025 in line with our mission to close the digital skills gap. With these findings it's clear to us that in order to close the digital skills gap we firstly need to recognise it is made up of a multiplicity of gaps, and then come to a shared understanding of them. Only then will we be able to take action collectively which is coherent and reinforcing - even if we are all working individually at different levels to address different aspects of the challenge.

The understanding gap



Our research suggests that a majority of people in work today associate digital skills with IT skills such as the use of laptops, phones, tablets, or software applications. In fact, we found that four of the top five associations with digital skills were basic IT skills, with some variation in regions across the UK.

Which of the following best describes 'Digital Skills'



Regional differences

Across the UK, over a third (35%) of respondents believe digital skills means the ability to fix IT issues, which rose to 41% in the **Warrington** region specifically. Overall, with over a quarter (29%) of knowledge workers naming it the digital skill they believe they could benefit most from upskilling on. Similarly, almost half of respondents (47%) said they believe digital skills means the ability to code and programme, build a website or create mobile/computer applications. This rose to 54% in **Bristol** and 50% in **Leeds**. Skills such as constantly evolving the way they work to keep up with innovation (34%) and being experimental in their role using digital tools (26%) received fewer mentions.

These data points indicate that the term 'digital skills' is primarily associated with technical skills, however basic or advanced, and less about the way that people and organisations adapt to harness the emergence of innovative technology.

There is, of course, a drive to increase the proportion of STEM graduates to encourage more people to take up coding and improve access to digital services for all. These actions all have their place. They encourage wider adoption of digital services, and will, over time, increase the number of people in the workforce who are digitally savvy. However, we need to come to the understanding that 'digital skills' means so much more than the ability to use technology or write code.

“ For businesses to be fit for a digital present and future, they need individuals and teams with the skills to envision, design, test and iterate product ideas fast. This means mastering product management and new delivery skills, building prototypes at pace while scaling products quickly.

What's more, organisations need to make greater use of data to ensure products and services succeed in their market, delighting customers at every touchpoint. In order to do this individuals and teams need to develop and acquire the skills to develop an 'engineering' and 'data' mindset to understand users and their challenges, building exceptional digital experiences throughout the customer journey.

Though none of these skills are strictly technical in nature, they are key to our digital future and necessary to win and stay ahead in an increasingly competitive digital world. ”

- Stephen Paterson, Executive for Consulting at AND Digital

The AND take

It's clear from the data that we need to come to a collective understanding that digital skills, on an individual, team and organisational level, mean so much more than using hardware and software, coding or fixing IT issues.



At AND we believe there are key behaviours (innate human skills) to nurture in **individuals**, including communicating with empathy, developing oneself, and developing others. Combined with professional skills, such as product management and delivery management, we need to ensure people have the tools they need to work well individually and as a team – whatever technology advancements are around the corner.



When it comes to **teams**, how they function together matters for performance. Without high performing teams, organisations cannot thrive in the face of uncertain and fast-paced change. To enable this, it is key for teams to develop traits such as psychological safety, diversity of thought, learning and feedback, clear and consistent disciplines and practices.



And finally we believe that **organisations** need to intentionally target and nurture culture traits to support individuals and high performance teams. These include among other things, having a clear and widely shared mission and purpose; and being good at understanding people, their motivations, their development needs and aspirations and providing an environment in which people can be themselves, explore possibilities and thrive.

Take data engineering as an example of a skill - techniques are constantly evolving therefore technical upskilling on specific tools needs to be continuous. In order for this to happen people need to be curious and active learners, never resting on their laurels or current knowledge - an example of the key behaviours.

Data engineering also requires individuals who can understand business outcomes, a multitude of data sources, and understand the challenges with data integrity and provenance - all things that cannot simply be taught in technical courses.

Taking a further step back, on an organisational level, leaders need to understand these complexities and then empower their data engineering teams with the access and freedom to operate in close collaboration with internal teams and customers.

The alignment gap



Despite decades of discussion, a shared understanding remains a barrier in order to bridge the digital skills gap in the UK. A key, overlooked area is the difference in perception that exists within organisations and across industries. We found that people of varying roles within organisations don't agree on what skills they believe are important for individuals, teams or organisations as a whole - or in fact the ones they already possess.

C-suite & senior decision makers are not aligned on the relative importance of skills

Take the C-suite and decision makers for example. Our data shows that from the C-suite to middle managers, perception on the importance of digital skills at an individual, team and organisational level is substantially different.

When asked whether they believed that solving problems was an important behaviour for their co-workers and new recruits to exhibit, just 60% of chief executives agreed compared to 74% of middle managers. In addition to this only 57% of managing directors said they believe developing themselves (seeking to continually improve skills) was important, compared to 76% of middle managers.

And when it came to important traits for teams as a whole just 56% of managing directors said psychological safety (where individuals feel safe to express their opinions and be themselves) was important to exhibit in comparison to 69% of middle managers.

Diversity of thought was seen as important to exhibit by 69% and 55% of senior managers or directors below board level and managing directors respectively, and learning and feedback by 55% and 76% for chairman and middle managers respectively.

Regarding organisational traits, we too saw a mismatch in importance placed from different levels of senior members. For example, 47% of those in chair positions said putting digital at the core of the business was important compared to 60% of middle managers. Similarly in 53% of chairs said being innovative and responsive was important, compared to 63% of middle managers.

C-suite & senior decision makers not aligned on the extent their organisations possess these skills

Focusing on the C-suite and decision makers again, we also saw the difference in perception of the traits currently possessed by individuals across teams, and the organisation as a whole. When it came to teaming (i.e., engaging positively with others to achieve team outcomes), 53% of managing directors and 56% of middle managers said they often see individuals across their organisations often showing such traits. 49% of board level managers/directors, compared to 61% of middle managers said teams often showed traits of cohesion (where individuals all understand the common traits they all value as a group). What's more, 45% of board level managers/directors said they saw the organisation placing digital at the core to a high extent, compared to 54% of middle managers.

Organisations don't agree on whether they have enough skilled people to get the job done

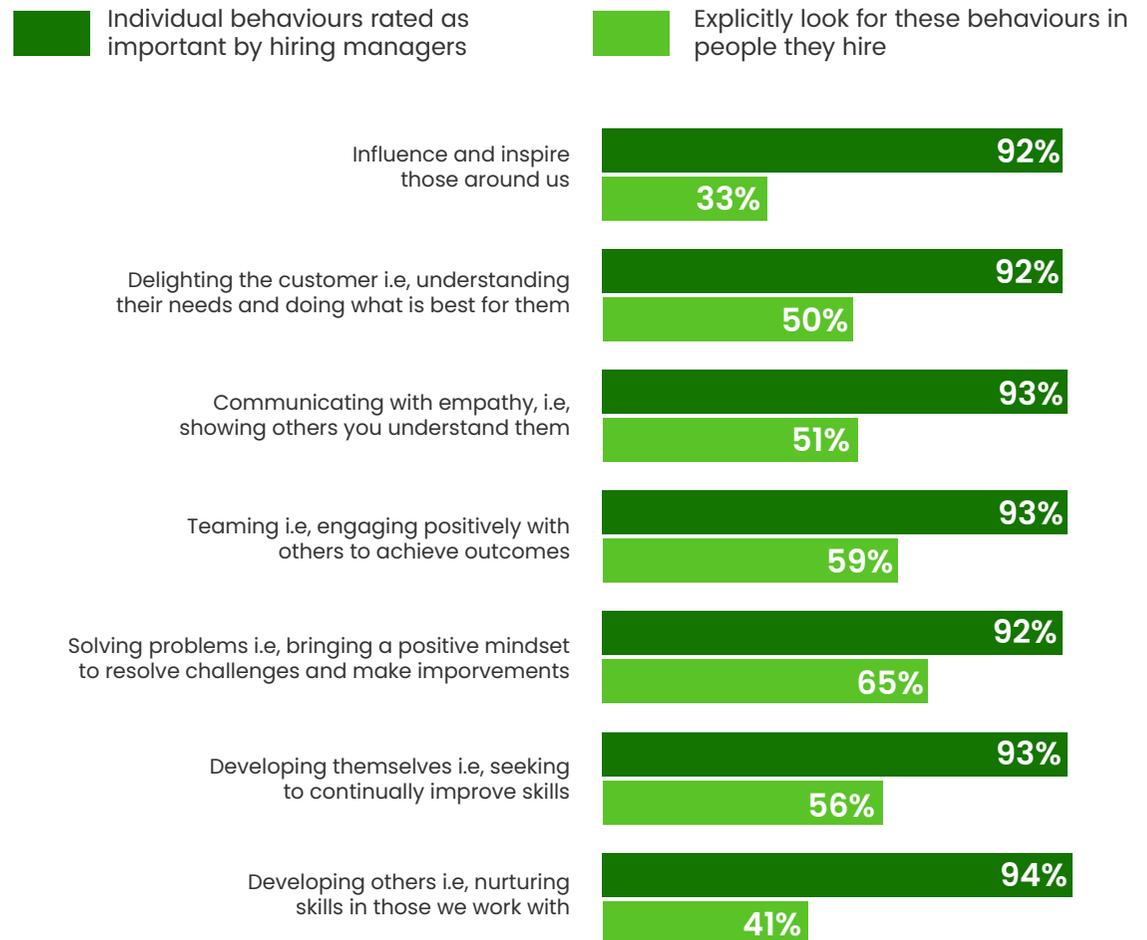
Not only does the data show the mismatched perception of decision makers, it shows the difference in views between C-suite and the rest of the organisation on whether they have enough skilled people to get the job done. For example, 51% of chief executives believe they have enough people with software engineering skills, compared to 32% of knowledge workers and the same goes for those with data analysing skills (48% and 34% respectively).

And it's the same case for the board and decision makers...

When it came to the perception of decision makers on whether they have enough skilled people to get the job done, 60% of chairpeople said they had enough people with software engineering skills, while just 42% of senior managers or directors said there were enough. The same goes for people with data analysing skills with 50% of managing directors believing they hire enough, compared to 44% middle managers... and the same pattern persists for other role types.

Hiring managers rate key individual traits as important however they do not explicitly hire for them

Our research also shows that perceptions of importance do not always result in action. Whilst hiring managers rate certain individual behaviours as being important, when prompted, they also tell us that they do not explicitly look for these behaviours in those they hire. There is therefore a gap between what hiring managers know to be right and what their organisations choose to invest in.



The AND take



There is currently not enough alignment on the importance of digital skills nor a shared diagnosis of how well equipped organisations are with the right skills. As long as this is the case, organisations will not achieve the consensus and commitment to invest effectively to close their own gaps.

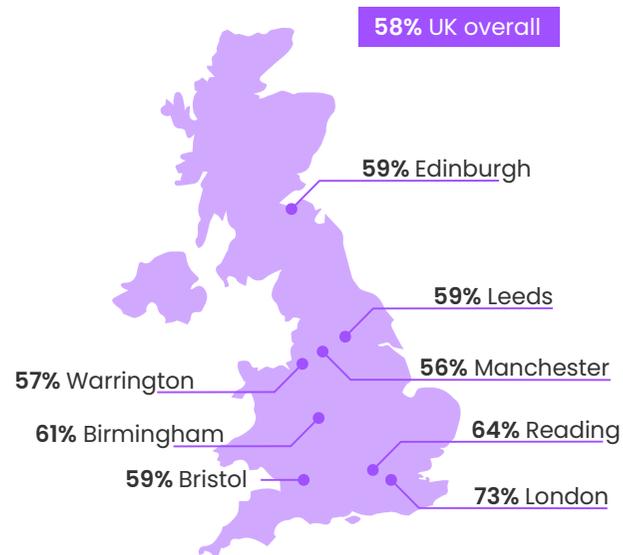
The skills gap



The actual skills gap itself has many dimensions - our research identified six:

- The digital skills gap is felt by the majority of knowledge workers in the UK.
- A gap in human and digital skills in practice.
- Team level skills and organisation digital skills are falling short.
- The top skills needed, as rated by hiring managers.
- The concentration of digital skill hiring intensity in certain industries, represents a risk to digital transformation in the wider economy.
- The emerging scale of demand for digital skills.

1 The digital skills gap is felt by a majority of knowledge workers in the UK



Negative impacts experience by knowledge workers in the UK from a lack of digital skills



20%
Stopped me from applying for a job



26%
Didn't seek or achieve promotion



13%
Made me apply for training outside my organisation



11%
Made me change career



11%
Made me think of quitting



10%
Have been turned down job opps



10%
Missed pay rises



8%
Made me quit my job

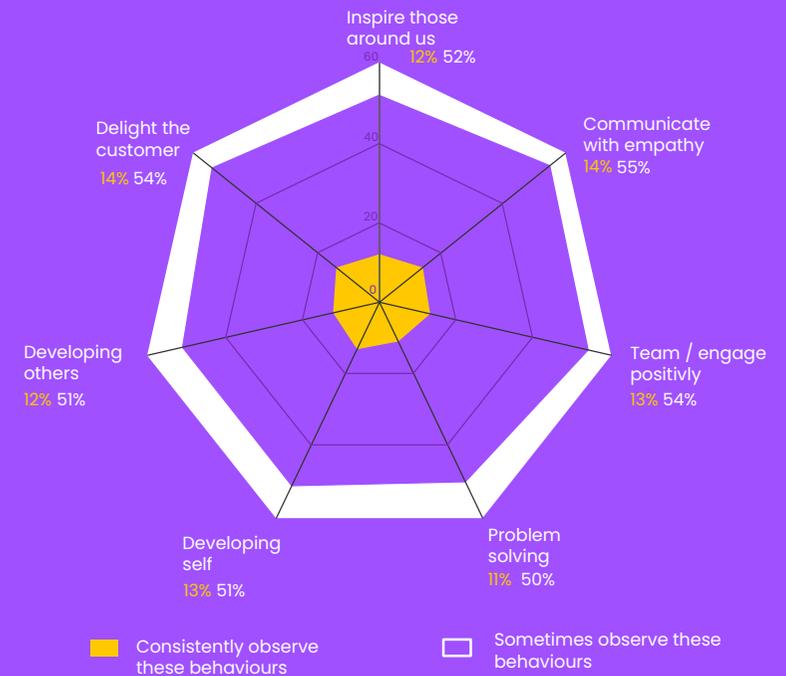
Claire Bacall, Chief for People Evolution, AND Digital said:

“ Such response from people of all levels across organisations is concerning at a macro-level. Why? Because people who feel disenfranchised or ill-equipped for the pace of change to the extent that they see their career prospects being limited is unhealthy for organisations.

Organisations need to create an environment for people to feel that they can fully participate in the digital economy, evolve their knowledge and skills to capitalise on change and continue to feel engaged and relevant. It is imperative from an individual and macro perspective that we do our best to empower individuals to envision and adapt their skills and remain engaged in the economy.

”

How frequently do you see your colleagues display these certain types of behaviours?



To what extent do you feel these traits can be taught or nurtured? (positive responses)



2 A gap in human digital skills in practice

We asked people of all job roles, across all industries and types of organisations to rate the extent to which they see their colleagues display certain key behaviours. The results show that only in a minority of cases do people observe colleagues consistently demonstrating these key behaviours. The good news is that, overall, people tell us that they believe that these traits can be learned and developed, so there is belief that this consistency gap can be addressed.

Why did we choose to focus on these skills?

Stuart Munton, Chief for Delivery at AND Digital comments:

“ To ready ourselves for the digital future, we need individuals with the behaviours that enable them to explore and embrace emerging disciplines and skills.

This means that although an individual might have a mastery of a certain professional or technical skill right now, they must always be looking for the next opportunity to learn something new and adopt a new way of working. Based on our experience and work with our clients across a huge range of industries, we have been able to highlight some key skills that individuals must possess to ensure success. ”

This includes an individual who:



Displays acts of leadership with those around them as they ‘influence and inspire’.



Brings a curious and creative mind to ‘problem solving’.



Shows accountable commitment to quality as they ‘delight the customer’.



Focuses on their growth and continuous development as part of ‘developing yourself’.



Takes an authentic and supportive approach as they ‘communicate with empathy’.



Supports others around them to learn and grow via ‘developing others’.



Helps teams work successfully together as they display ‘teaming’.

These behaviours are the ways in which we can bring more of our ‘wholeself’ to our work and be more successful.

The AND take

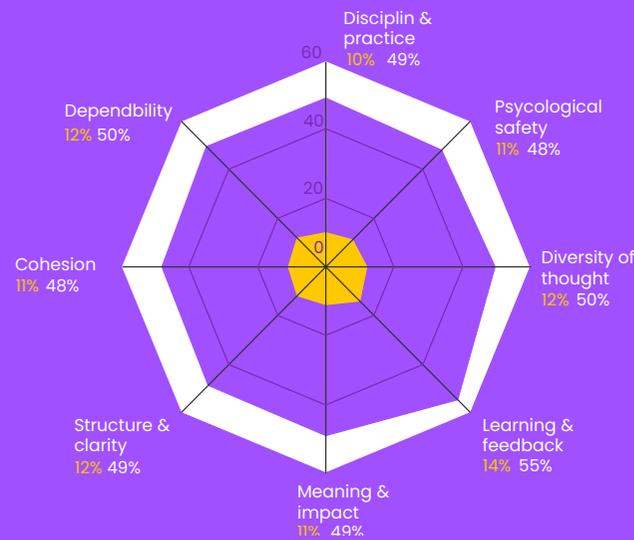


A great best place to start to prepare people for the continuously changing digital world is by encouraging and nurturing the behaviours, i.e. the human skills, that will help all knowledge workers adapt to the future of work. Yet, as we can see, there’s a long way to go.

3 Team level skills and organisation digital skills are falling short

The same patterns persisted when we asked respondents to rate how often they observe their teams displaying specific behaviours. It raises important questions for those organisations where people do not see their teams and organisations showcasing such key behaviours consistently.

Team traits of high performance



Organisational digital skills



 Behaviours are consistently observed  Behaviours are sometimes observed

The AND take

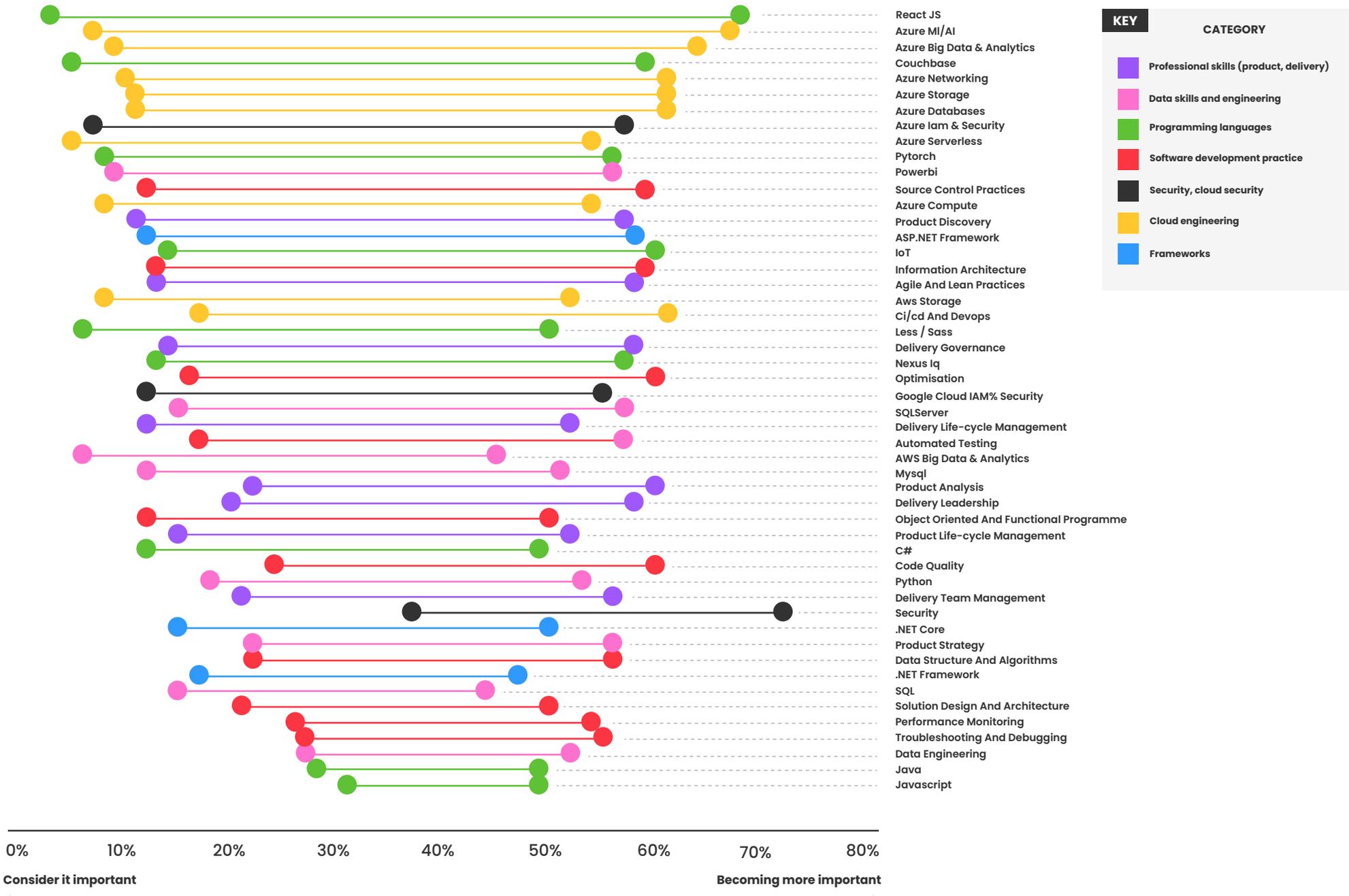


The risk for those that do not adapt and evolve is an increasing performance gap as their teams and organisation are less able to adapt effectively to the pace of digital technology change. They risk falling behind the competition. Compounded by a decline in ability to retain and attract the talent they need to fuel their growth - as knowledge workers over time seek careers with organisations that are known to perform better on these traits.



Leaders must encourage an open dialogue about the behaviours and skills individuals and teams need to develop and take the opportunity to nurture these. Only then will organisations encourage the conditions for high performance amongst teams within their organisations and actively sharpen their overall purpose and ways of working to see success - retaining and attracting talent and creating an organisation that is fit for the digital present and future.

Skills That Have Grown The Most In Terms Of Importance



5 The concentration of digital skill hiring intensity in certain industries represents a risk to digital transformation in the wider economy

We also found that hiring activity for key digital skills remains highly concentrated. The table below shows the share of hiring for key role types across industries year to date in 2022. We see that with the exception of data scientists, hiring is mostly concentrated in IT & Computing, and Financial Services.

While it may not appear surprising that the IT & Computing industry is one of the main sectors hiring digital talent, we need to consider what this level of hiring concentration will mean for those sectors which are not hiring digital skills at the same rate.

Industry	Software Engineer	Product owner / manager	Business analyst	Data Analyst	Software developer	Data engineer	Devops engineer	Data scientist	Cloud engineer	Experience designer	Service designer
Business service	4%	6%	6%	7%	6%	6%	6%	7%	3%	4%	5%
Construction & engineering	10%	7%	9%	10%	12%	11%	9%	12%	7%	7%	10%
Education	3%	4%	3%	4%	3%	35%	3%	2%	1%	2%	2%
Financial service	18%	27%	26%	181%	16%	19%	18%	18%	25%	17%	16%
Health care	6%	5%	6%	7%	7%	6%	6%	6%	7%	4%	2%
Hospitality and leisure	3%	4%	3%	4%	4%	4%	4%	4%	3%	4%	3%
IT & computing	20%	15%	14%	14%	13%	16%	18%	13%	22%	19%	25%
Manufacturing	9%	8%	7%	7%	7%	8%	8%	9%	6%	8%	3%
Wholesale / retail / franchising	7%	7%	5%	5%	7%	7%	5%	7%	5%	8%	10%
Professional services	6%	7%	7%	8%	8%	8%	9%	8%	9%	13%	12%
Others	12%	10%	12%	15%	18%	12%	13%	13%	10%	15%	10%

The AND take



If this concentration in hiring intensity persists, sector disparities in digital capabilities will continue and constrain the ability of broader sectors of the economy to pursue their strategies of digital transformation. Leaders beyond the IT & Computing and Financial Services sector will need to address such constraints if they are to deliver against their digital ambitions.

6 The emerging scale of demand for digital skills

As part of our research we analysed job vacancies and skill data for the UK shared by organisations in 2022 so far. The data set includes all known online vacancies. In the first seven months of 2022, there have been over 2M digital skill related vacancies posted out of a total of 8.5M vacancies - highlighting that demand for digital skills is present in 23.5% of all vacancies.

What's notable is this is a far higher percentage than the current share of digital-related employed roles in the UK which is currently 7-14%*.

If digital skill-related vacancy demand continues at the same rate, we estimate an **additional demand** for digital skills over the next three years will range between 3M roles at the low end up to a staggering 5.7M roles at the high end (depending on baseline), and a digitally skilled workforce of 7.7M, based on a total workforce count of 33M according to the ONS. At the low end, adding 1M jobs per year for the next three years would be an unprecedented increase. **That is the equivalent of more than every graduate entering into the workforce each year.**

*Current share of digital-related employed roles in the UK identified as: 2M (by CompTIA), 3.8M (by Tech UK), and 4.7M (by Technation) - representing a range of 7-14% of all employment in the UK.

The AND take



Demand at this level at a time when there are many constraining factors on the labour market could result in a demand and supply shock. Even the most effective recruitment teams will struggle to recruit at the scale required. Organisations need to consider other levers beyond recruiting to address their skill needs. Whilst we are heading towards a recession, it is likely that the demand for digital skills will not relent since digital transformation is likely to continue to be one of the main strategies pursued by leaders to reduce cost and secure market share.



As more and more job openings will increasingly require digital skills, we need to act fast. Leaders need to foster open dialogue with their people about the change that digital innovation will bring, and begin to prepare people for the change.

The upskilling gap



Our research also identified a marked difference between the support and training that organisations provide, and what their people expect/want.

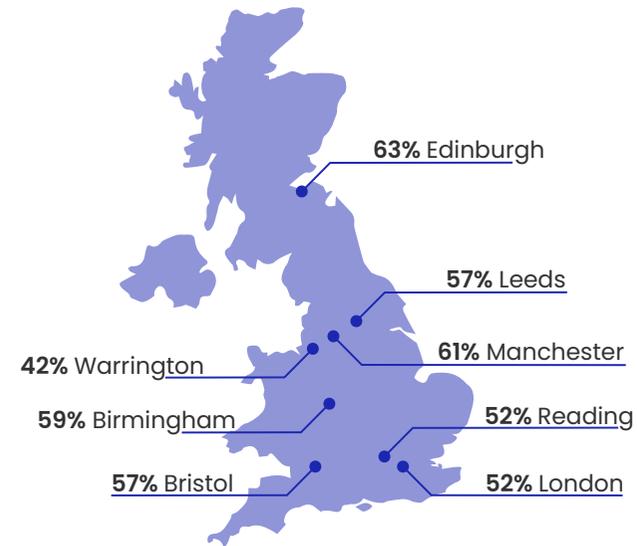
Specifically it found:

1 People in all roles have insufficient access to digital skills upskilling

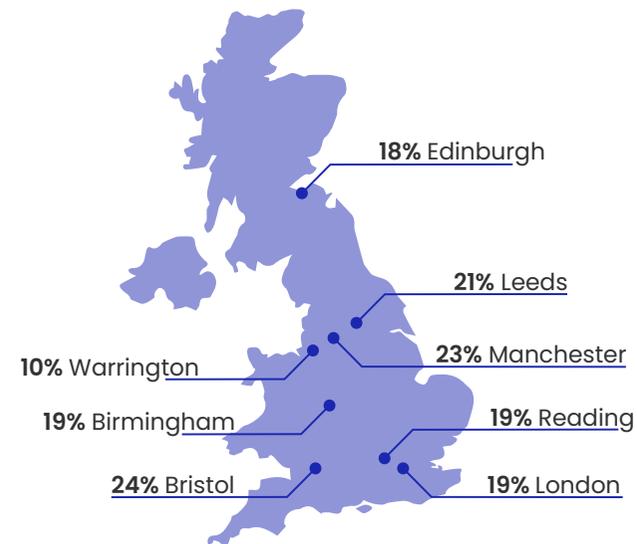
The data points to a broad lack of access to digital skills upskilling. Despite over a quarter (27%) of people believing that they lack sufficient digital skills for their job roles, almost six in 10 (58%) of respondents to our survey claim they have never received upskilling in digital skills. A quarter (22%) say that their company does not offer digital upskilling at all.

Where available, 52% believe their organisations only see digital upskilling as a worthwhile investment for obvious tech-focused roles.

Regional breakdown of people who have never received digital upskilling



Regional breakdown of company not offering any digital upskilling at all



2 Current upskilling is not seen as effective

When upskilling was offered to the 42% of respondents, just 15% believe it was tailored to varying digital expertise, the latter dipping to just 10% for knowledge workers compared to 23% for leadership/C-suite. What's more, only 21% of people said they found upskilling was helpful/necessary for their career development/job.

3 Knowledge workers prefer on the job training but organisations do not prioritise this

Four in 10 (40%) people expressed a preference to learn from others on the job alongside formal training, but just 23% of leadership say they prioritise this type of upskilling.

4 People lack confidence in their organisations' ability to upskill

The research also points to a lack of confidence in organisations' ability to deliver upskilling. Only 22% of people said they believe their organisation has the capability to deliver the right upskilling initiatives. Yet, just a fifth (19%) of leadership/C-suite say their organisation brings in external upskilling providers.

5 Organisations need to make the first move

There is evidence that people do not feel comfortable raising their lack of skills with their leadership or peers. For example, 42% of knowledge workers claim wanting to improve their digital skills, but feel daunted by the prospect and don't feel comfortable bringing it up with their employer. This statistic rises to 55% for those in more senior leadership and C-suite roles.

The AND take



There is ample evidence that experiential learning produces better learning outcomes. On the job training allows those with less experience to pick up a range of skills from more experienced colleagues, allows for learning tailored to the individual, and complements well structured formal learning.



As leaders we need to make digital skills upskilling far more widely available, covering the broader range of digital skills, at greater scale, and through more effective learning methods, tailored to individuals. Business leaders also need to make the first move by encouraging people to raise their upskilling needs and concerns, implement structured frameworks to assess and track skill levels and implement across development for all. In addition to this, business leaders need to be open to work with external partners to bring about the kind of step change in expertise that is required.

If we don't take action collectively we are heading towards a UK delivery gap



The narrative is clear. To name but a few findings, this positioning paper shows:



A widespread lack of understanding within organisations of what digital skills mean.



A misalignment between leaders on what skills are important for individuals, teams and organisations and what ones they currently possess.



A gap in professional, technical and soft human skills across organisations in different sectors.



A lack of widespread hiring across sectors of people with digital skills.



Digital upskilling is too narrowly available and may not be effective.

If these persist we believe the UK will struggle to deliver the 7.7M digitally skilled people that the economy will require within the next three years.

The resulting delivery gap...

Reflecting on these data points, it would appear that **without concrete and urgent action the digital skills gap will turn into a digital delivery gap.**

As a result, much of the growth anticipated by leaders over the next five years could be at risk. This is concerning, especially against the backdrop of the highest inflation in decades, a cost of living crisis, and an economy in recession.

A profound productivity gap

The risk of a digital delivery gap is also a risk to UK productivity. Productivity growth in the UK has slowed down since the mid-2000s. While we saw a slight recovery during the pandemic, changes need to be made to get it back to what it was before the start of the century.

Alongside many other positives, we know the benefit digital upskilling brings to organisations to boost productivity. In 2018 the Office for National Statistics (ONS) examined the adoption of information and communication technologies (ICT) - investigating the relationship between ICT use and productivity levels in organisations. It found that when organisations employed IT specialists, invested in training them and worked with external ICT partners they generated higher overall productivity.

The implications for businesses, government and education



The challenge we all need to face

The size of the digital skills gap is substantial and growing. As highlighted earlier, in the next three years, we estimate a UK workforce of eight million individuals proficient in digital skills is needed to help close the gap. This means individuals with **technical skills** (for example specialist software and data related skills), **professional skills** (such as product and delivery management and experience design) and **human skills** (such as empathy, creativity, teaming).

What's more, these individuals need to be working within teams that consistently demonstrate traits of high performance, within organisations which demonstrate the culture traits that allow these to remain relevant in the face of increasing digital innovation.

To achieve this we need to overcome the lack of shared understanding of what constitutes digital skills, the lack of consensus on their importance, the disposition of a majority of people who have been negatively impacted by a lack of skills, and for businesses to prioritise upskilling initiatives that have fallen short of needs and expectations.

These challenges are not insurmountable. If the prize is digitally fit, growing organisations that boost the UK's productivity and wavering economy, then the time to act is now.

So what do business leaders need to start doing now to address the challenges and opportunities?



Lead conversations to establish what digital skills means for their organisation. Encourage exchange of views within and bring in outside perspectives to build a shared understanding of what skills will matter most to enable the organisation to adapt to the pace of change.



Engage people across the organisation in honest and open dialogue about the relevance to all, of adapting to the pace of digital innovation and nurturing the right skills.



Build awareness of the evolving career paths and personal development opportunities that will result thanks to digital, within organisations - highlighting the wider opportunities digital brings for all, not just roles strictly in tech.



Adopt frameworks to baseline and track the level of key individual, team and organisational skills and assess performance.



Re-assess organisations' culture - coming to an understanding of how digitally 'fit' it is in terms of placing digital at the core, prioritising upskilling for all, and being magnets for talent to name but a few examples.



Overhaul and scale up our upskilling approaches to drive effective, aligned upskilling for individuals, teams and organisations at scale - whether that's working internally or with leading external partners.

Organisations can't solve the digital skills gap alone. It takes a full society to be behind the change needed to solve such a widespread challenge.

Educators and government can also support in a number of different ways. They can engage in the same dialogue to build a shared understanding of the gap itself, why it means so much more than technical skills, the importance of closing and what the benefits are to society as a whole.

Educators can explore how to adapt curriculum at secondary and tertiary levels to offer learning experiences that build technical AND creative competence, encourage development of human skills, and teaming as well as technical and delivery proficiency.

Government, support can come in a number of ways: encouraging the shift in curriculum, and also incentivising upskilling financially much in the same way as it does for R&D. By supporting upskilling from within, the government can support a healthier labour market with a broad distribution of skills across all sectors.

AND and our ANDis commitment



At AND, our mission is to close the digital skills gap.

This compels us to shed as much light as we can on the nature of the gap, and speak out to raise awareness of the support we know makes an impact.

The views we express in this position paper are based on our own experience and the approaches to skills development that we apply ourselves.

We ANDis (the AND Digital team) work with our clients across multiple sectors to build better digital products AND stronger teams while creating experiential learning experiences. We see ourselves as true partners rather than suppliers in this regard.

Through our partnering we help our clients become better at upskilling and become stronger attractors and homes for digital talent. We know that partnership with like-minded organisations that bring different skills and expertise is a proven method to improve upskilling. This can take the form of mutual secondments to share knowledge, or collaboration to build learning systems. We seek to share this knowledge to upskill the organisations and communities in which we work. Specifically our goal is to **upskill 200,000 people by 2025**.

At AND we hire and develop talent at scale. We have grown from 30 people in the first year of our existence to 1,700 eight years later. This is the result of purposeful planning and people experience design and evolution, feedback and learning - requiring considerable focus and attention across the business at all levels.

We hope this position paper makes a positive contribution to the national discourse on digital skills. We intend to work with all stakeholders in our communities to spread awareness, change perceptions, and encourage all organisations to seize the opportunities to nurture digital skills in their organisations and communities.

Over the coming months we will release a set of tools to equip organisations with the data and insight they need to raise awareness, align, and commit to closing the digital skills gap.

Specifically:



1. A digital, interactive, searchable data and insight tool which will track awareness, perceptions, skills gap hot-spots, to be released once a year.



2. A digital skills interactive assessment tool to benchmark your own teams and organisations.



3. A digital skills and culture assessment tool to baseline your organisation's needs and journey.



4. Showcases of successful examples of upskilling at scale from across the country to enable wider knowledge sharing.

Methodologies of research conducted

The data throughout this positioning paper is from a collection of research surveys, desk research and estimation calculations based on data referenced throughout the paper. Specific research commissioned or carried out by AND Digital is referenced below.

- Commissioned by AND Digital, Opinium Research surveyed the following:
 - 5000 knowledge workers – workers who use technology / knowledge in their role in companies of 10+ employees - from across the UK (survey conducted: August 2022).
 - 750 hiring managers in companies of 10+ employees - from across the UK (survey conducted: August 2022).
 - 400 senior decision makers in companies with more than 10M revenues, from across market sectors in the UK, who are involved in decisions related to digital services (survey conducted: July 2022).
- AND Digital conducted an analysis of vacancy data from across the UK for 2022 sourced from Lightcast.io (analysis conducted: August-September 2022).





About AND Digital

AND Digital is a digital services company with a mission to close the world's digital skills gap. It guides, builds and equips organisations in the development of world-class digital capabilities. Employing 1,700 strong and growing digital experts, its unique approach of equipping its clients with the digital skills and capabilities they need to excel, rather than leaving them dependent, has been the driver of the company's rapid growth.

AND Digital empowers organisations including BA, Diageo, Whitbread, Taylor & Francis and the Telegraph Group, with the ability to build digital products AND grow their internal capability along the way. To achieve this, the company blends technical craft and digital product expertise with an award-winning learning and development ethos. Ranked 10th nationally in The Sunday Times 100 Best, among The Sunday Times Growth 100 2022, AND Digital is also rated as one of The Next Web's Top 5 fastest growing UK tech companies. AND Digital operates through an innovative series of nimble, Agile 'Clubs' across the UK in cities including London, Leeds, Manchester, Maidenhead and Halifax – plus Amsterdam - offering a flexible and highly responsive service to clients.

For more information, please visit: www.and.digital