Closing the workplace digital skills gap:

Analysis of 2023 Essential Digital Skills for Work data

Report Authors:

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INTRODUCTION

In November 2023, Lloyds Bank published their annual Consumer Digital Index (CDI), which delves into the financial and digital capability of the nation. It reports on the levels of Essential Digital Skills for Work across working-age adults in the UK.

This report, created by FutureDotNow, the leading authority on the workplace digital skills gap, is a deep dive into the Essential Digital Skills for Work data, within the 2023 CDI. Our analysis:

- highlights the key data points, and helps you understand the implications.
- breaks down how the gap in Essential Digital Skills for Work is playing out across industry sectors, regions and other key demographics, and what this means for employers.
- explores how you can use these insights to assess and boost your organisation's digital skills levels.

Also included are practical tips and approaches to help you support your workforce to keep up with the pace of change – including how to access FutureDotNow resources, built with our coalition of 230+ leading organisations.

Our vision:
A digitally capable and confident UK workforce with every member able to do all the digital tasks essential for work.

- UK charity, with 230+ member organisations
- Working together, across public, private and third sectors, to close the UK workforce digital skills gap

To find out more about our national change programme to close the digital skills gap and to get involved, please see our latest reports.
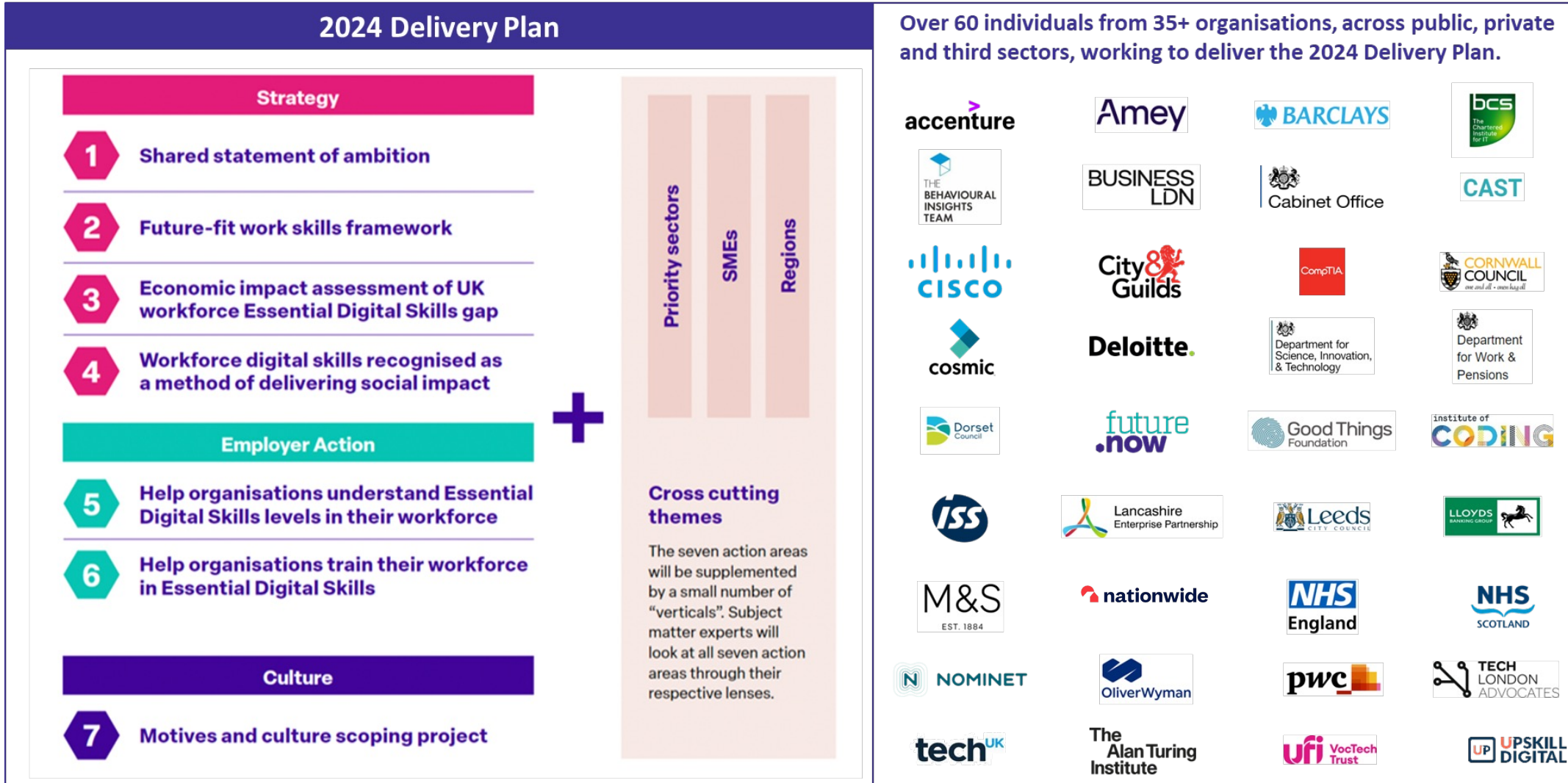

The UK workforce digital skills gap

Why closing it matters and a roadmap for action

Digital Skills Roadmap

Closing the UK workforce digital skills gap

Roadmap Update
The 2024 plan for action and progress so far

January 2024

2024 Delivery Plan

HELPING ORGANISATIONS UNDERSTAND ESSENTIAL DIGITAL SKILLS LEVELS IN THEIR WORKFORCE IS A KEY PART OF OUR WORK IN 2024

2024 Delivery Plan

Strategy

1. Shared statement of ambition
2. Future-fit work skills framework
3. Economic impact assessment of UK workforce Essential Digital Skills gap
4. Workforce digital skills recognised as a method of delivering social impact

Employer Action

5. Help organisations understand Essential Digital Skills levels in their workforce
6. Help organisations train their workforce in Essential Digital Skills

Culture

7. Motives and culture scoping project

+

Priority sectors | SMEs | Regions

Cross cutting themes

The seven action areas will be supplemented by a small number of "verticals". Subject matter experts will look at all seven action areas through their respective lenses.

Over 60 individuals from 35+ organisations, across public, private and third sectors, working to deliver the 2024 Delivery Plan.

accenture · Amey · BARCLAYS · bcs The Chartered Institute for IT

THE BEHAVIOURAL INSIGHTS TEAM · BUSINESS LDN · Cabinet Office · CAST

CISCO · City & Guilds · CompTIA · CORNWALL COUNCIL

cosmic · Deloitte · Department for Science, Innovation, & Technology · Department for Work & Pensions

Dorset Council · future.now · Good Things Foundation · institute of CODING

ISS · Lancashire Enterprise Partnership · Leeds City Council · LLOYDS BANKING GROUP

M&S EST. 1884 · nationwide · NHS England · NHS SCOTLAND

NOMINET · OliverWyman · pwc · TECH LONDON ADVOCATES

tech UK · The Alan Turing Institute · ufi VocTech Trust · UPSKILL DIGITAL

PURPOSE OF THE LLOYDS BANK CONSUMER DIGITAL INDEX 2023

- **Consumer Digital Index (CDI)** - Lloyds Bank's annual state of the nation on essential digital skills, financial capabilities and sentiment.

- **Breaks down essential digital capability** across the UK by Foundation level, and skills for Life and Work

- **Tracks progress over time** through year-on year-data from 2022-2023

- In previous years, FutureDotNow has provided the **business perspective** on the data, based on insight from >230 coalition members.

All data in this document is taken from the 2023 CDI, unless otherwise stated.

Read the Lloyds Bank 2023 Consumer Digital Index
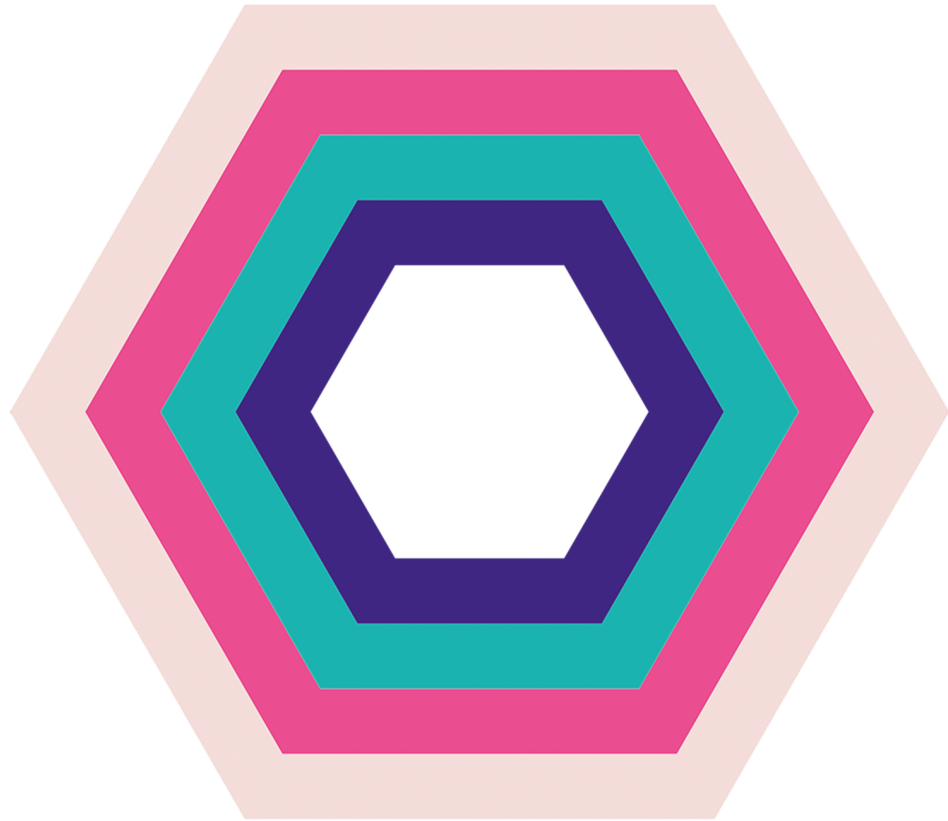
The Essential Digital Skills Framework

Skills, tasks and reporting

ESSENTIAL DIGITAL SKILLS FRAMEWORK

The Essential Digital Skills Framework reflects the range of skills people need to safely benefit from, participate in and contribute to the digital world of today and tomorrow, in life and at work.

It outlines five key skills and the digital tasks that people should be able to complete to demonstrate each skill. The framework is underpinned by the foundation skills an individual needs to access technology at the most basic level (e.g., turning a device on, using a mouse etc).

Life skills
I can independently perform at least one task within each Life Skill area

Work skills
I can independently perform at least one task within each Work Skill area

Foundation Level
I can perform all eight Foundation tasks independently

Five key digital skill areas:

1. Problem solving
2. Communicating
3. Handling information and content
4. Transacting
5. Being safe and legal online

ESSENTIAL DIGITAL SKILLS: 20 TASKS FOR WORK

Across five skills areas in the Essential Digital Skills Framework, 20 tasks are considered essential for a modern workplace.

Find more information at futuredotnow.uk/EDS-framework.

Handling content and information

1. **Follow my organisation's IT policies when sharing information internally and externally** *(e.g. classifying emails/documents, encrypting sensitive information, sharing appropriate information on social media)*

2. **Securely access, synchronise and share information at work across different devices** *(e.g. manage email, calendar or appointment system via different devices)*

Communication

3. **Communicate in the workplace digitally using messaging applications** *(e.g. Email, Microsoft Teams, Zoom, Slack, internal intranet, WhatsApp)*

4. **Use workplace digital tools to create, share and collaborate with colleagues** *(e.g. Microsoft Teams, OneDrive, G-Suite, Office 365, WeTransfer, DropBox, WebEx, Slack)*

5. **Set up and manage an account on a professional online network/community/job site** *(e.g. LinkedIn, Total Jobs, Indeed)*

Transacting

6. **Complete digital records on behalf of, or within my organisation** *(e.g. absence management, holidays, timesheets, expenses, tax returns)*

7. **Access salary and tax information digitally** *(e.g. password protected payslips, P60, P45)*

Problem solving

8. **Find information online that helps me solve work related problems** *(e.g. search engines, IT helpdesk, software providers, peer networks)*

9. **Improve my skills and ability to do new things at work using online tutorials, learning platforms and how-to guides** *(e.g. LinkedIn Learning, YouTube, iDEA, Skillsoft, internal learning platforms)*

10. **Use appropriate software that is required of my day-to-day job** *(e.g. spreadsheets, online booking systems, HR management, workflow or sales management)*

11. **Improve my own and/or the organisation's productivity using digital tools** *(e.g. Trello, Microsoft Projects and Planner, Slack)*

Being safe and legal online

12. **Act with caution online and understand that there are risks and threats involved in carrying out activities online** *(e.g. use anti-virus software, classify and share information securely or avoid certain types of websites such as piracy websites)*

13. **Follow data protection guidelines online** *(e.g. following data storage and retention guidelines, not sharing or using other people's data or media such as movies or music without their consent)*

14. **Recognise suspicious links and know that clicking on these links or downloading unfamiliar attachments is a risk** *(e.g. spam/phishing emails, texts, pop ups)*

15. **Be careful with what I share online as I know that online activity produces a permanent record that can be accessed by others** *(e.g. publicly shared photos, forums, personal information or opinions)*
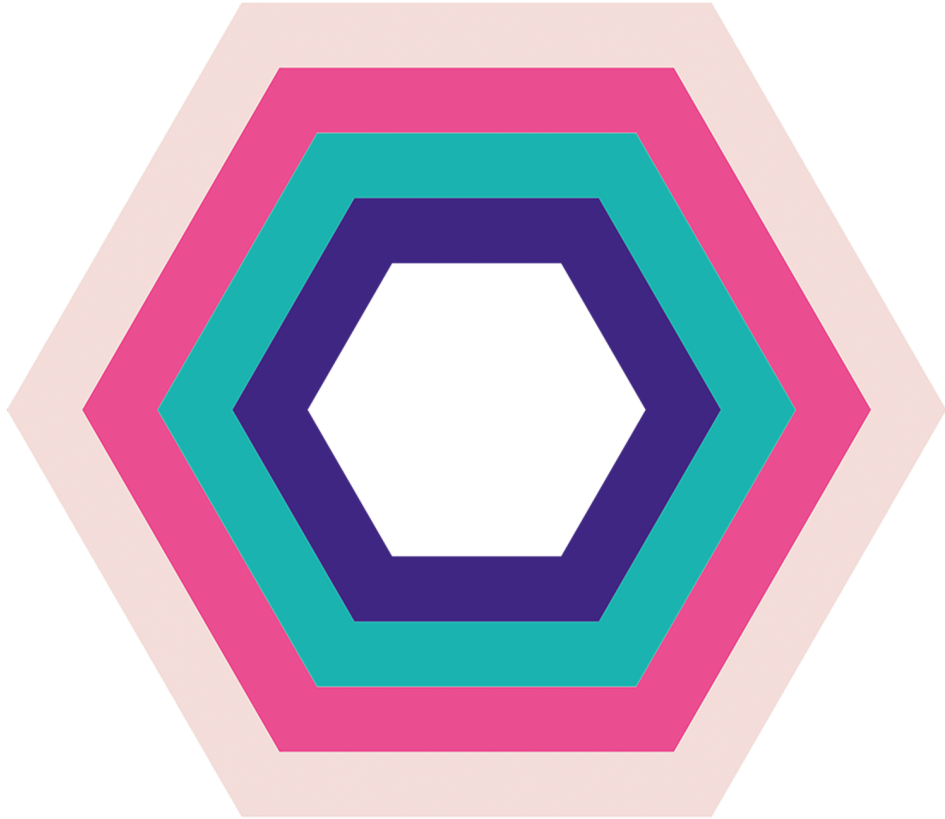
16. **Respond to requests for authentication for online accounts** *(e.g. resetting my password when I've forgotten it, two factor authentication, using a remote access key or authenticator app)*

17. **Identify secure websites** *(e.g. by looking for the padlock and https in the address bar)*

18. **Identify secure Wi-Fi networks to connect to** *(e.g. Wi-Fi networks where a unique password is required, trusted source or padlock next to Wi-Fi network)*

19. **Update my device software/operating systems when necessary to prevent viruses and other risks** *(e.g. enabling automatic updates, or installing when prompted to do so)*

20. **Set privacy and marketing settings for websites and my accounts** *(e.g. managing social media privacy settings, managing cookie settings, updating contact preferences)*

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Work skills in 2023

Headlines and impact for business

THE SKILLS GAP IN 2023

Industry and government have defined 20 digital tasks essential for work

54%
of the workforce unable to do all 20 tasks essential for work

Only 4 in 10
people considering digitally upskilling in 2024

The three tasks most people can't do:

Problem solving	Safe & legal online	Transacting
Using productivity tools	**Set privacy settings**	**Access online salary information**

31%
(c.12.5M)

24%
(c.9.6M)

22%
(c.8.8M)

WHO CAN DO ALL 20 WORK TASKS?

54% (c. 21.7M)
cannot complete
all 20 essential tasks
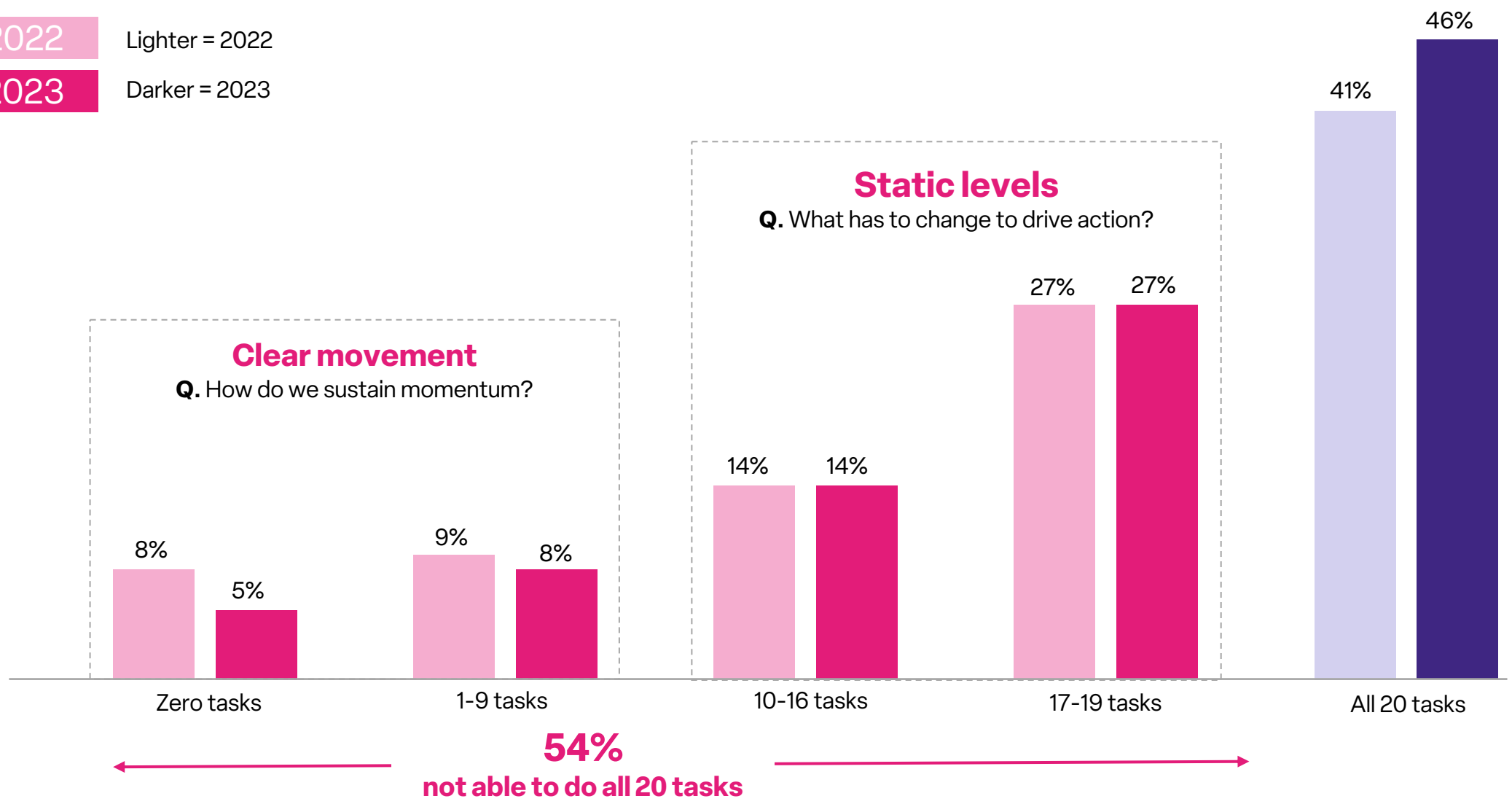
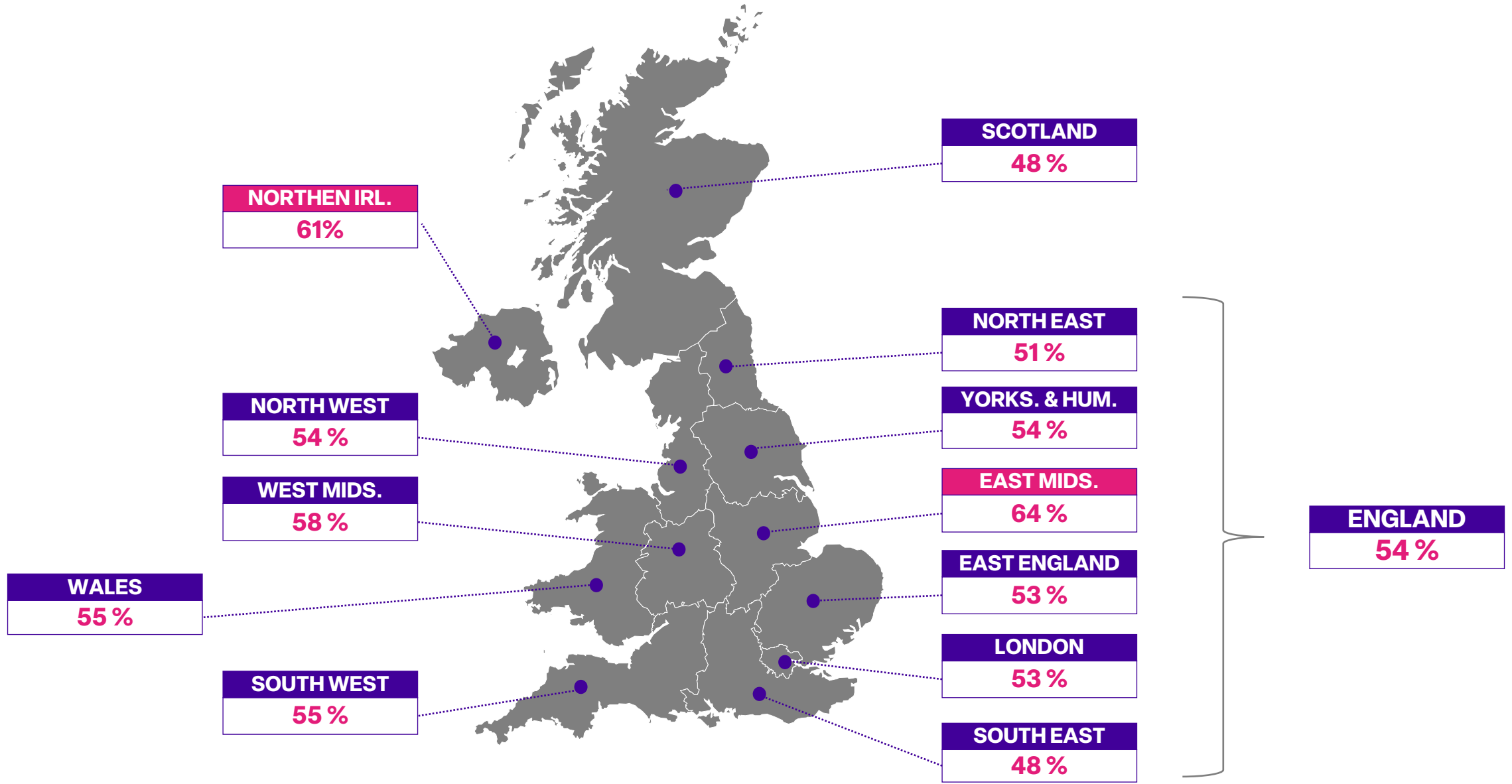**46%** (c. 18.5M)
can complete all 20
essential tasks

59% **41%**
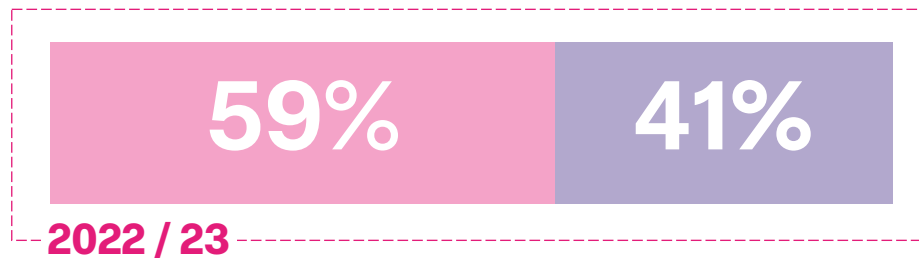
2022 / 23

5% improvement

TASK LEVEL COMPARISON 2022 - 23

2022 — Lighter = 2022
2023 — Darker = 2023

Clear movement
Q. How do we sustain momentum?

Static levels
Q. What has to change to drive action?

Zero tasks — 8% / 5%
1-9 tasks — 9% / 8%
10-16 tasks — 14% / 14%
17-19 tasks — 27% / 27%
All 20 tasks — 41% / 46%

54%
not able to do all 20 tasks

REGIONAL VIEW: CANNOT DO ALL 20 TASKS

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SCOTLAND
48 %

NORTHEN IRL.
61%

NORTH EAST
51 %

YORKS. & HUM.
54 %

NORTH WEST
54 %

EAST MIDS.
64 %

WEST MIDS.
58 %

ENGLAND
54 %

EAST ENGLAND
53 %

WALES
55 %

LONDON
53 %

SOUTH WEST
55 %

SOUTH EAST
48 %
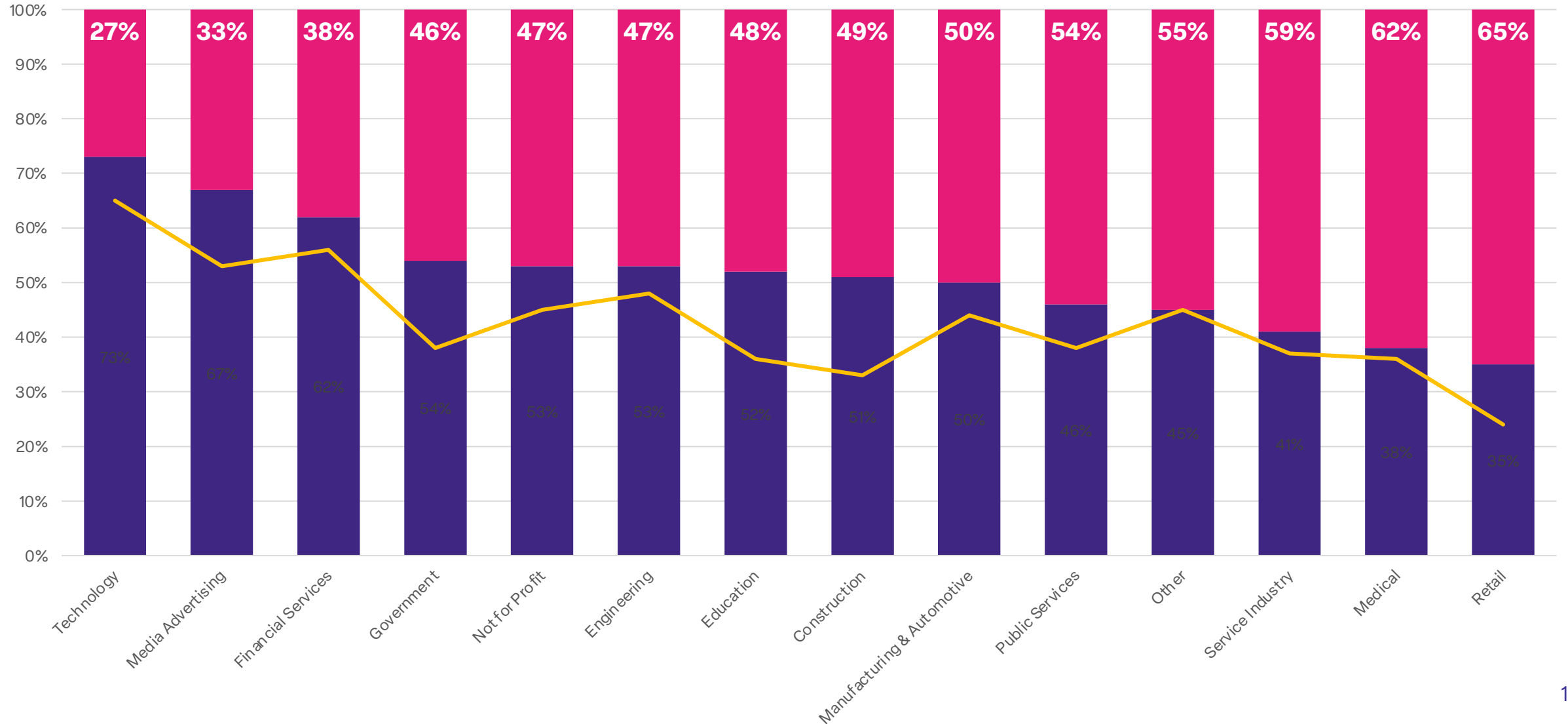
TOP 10 TASKS MOST LACKING IN THE WORKFORCE

#	Task	% who cannot do		Category	Impact
1.	**Improve my own and/or the organisation's productivity using digital tools** *(e.g. Trello, Microsoft Projects and Planner, Slack)*	**31%**	c.12.9M	**PROBLEM SOLVING**	Productivity
2.	**Set privacy and marketing settings for websites and my accounts** *(e.g. managing social media privacy settings, managing cookie settings, updating contact preferences)*	**24%**	c.9.6M	**BEING SAFE AND LEGAL ONLINE**	Cybersecurity Reputational
3.	**Access salary and tax information digitally** *(e.g. password protected payslips, P60, P45)*	**22%**	c.8.8M	**TRANSACTING**	Productivity
4.	**Set up and manage an account on a professional online network/community/job site** *(e.g. LinkedIn, Total Jobs, Indeed)*	**22%**	c.8.8M	**COMMUNICATING**	Talent overlooked
5.	**Update my device software/operating systems when necessary to prevent viruses and other risks** *(e.g. enabling automatic updates, or installing when prompted to do so)*	**20%**	c.8M	**BEING SAFE AND LEGAL ONLINE**	Cybersecurity Reputational
6.	**Complete digital records on behalf of, or within my organisation** *(e.g. absence management, holidays, timesheets, expenses, tax returns)*	**20%**	c.8M	**TRANSACTING**	Productivity Reporting
7.	**Identify secure Wi-Fi networks to connect to** *(e.g. Wi-Fi networks where a unique password is required, trusted source or padlock next to Wi-Fi network)*	**18%**	c.7.2M	**BEING SAFE AND LEGAL ONLINE**	Cybersecurity Reputational
8.	**Use workplace digital tools to create, share and collaborate with colleagues** *(e.g. Microsoft Teams, OneDrive, G-Suite, Office 365, WeTransfer, DropBox, WebEx, Slack)*	**18%**	c.7.2M	**COMMUNICATING**	Productivity Data quality Financial
9.	**Identify secure websites** *(e.g. by looking for the padlock and 'https' in the address bar)*	**17%**	c.6.8M	**BEING SAFE AND LEGAL ONLINE**	Cybersecurity
10.	**Securely access, synchronise and share information at work across different devices** *(e.g. manage email, calendar or appointment system via different devices)*	**17%**	c.6.8M	**HANDLING INFORMATION & CONTENT**	Productivity Data quality

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THOSE MOST AT RISK OF BEING LEFT BEHIND

- A clear divide is evident across demographic groups indicating we are leaving people behind.
- There are digital haves and digital have nots.
- Data underneath indicates the % of those **not able to complete all 20 work tasks,** against comparison group.
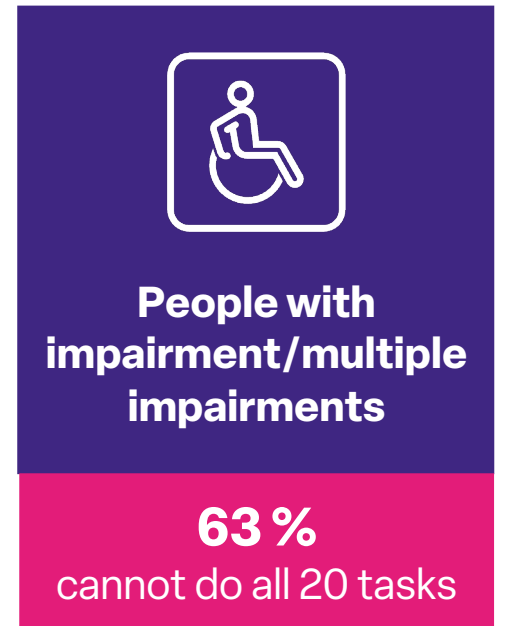
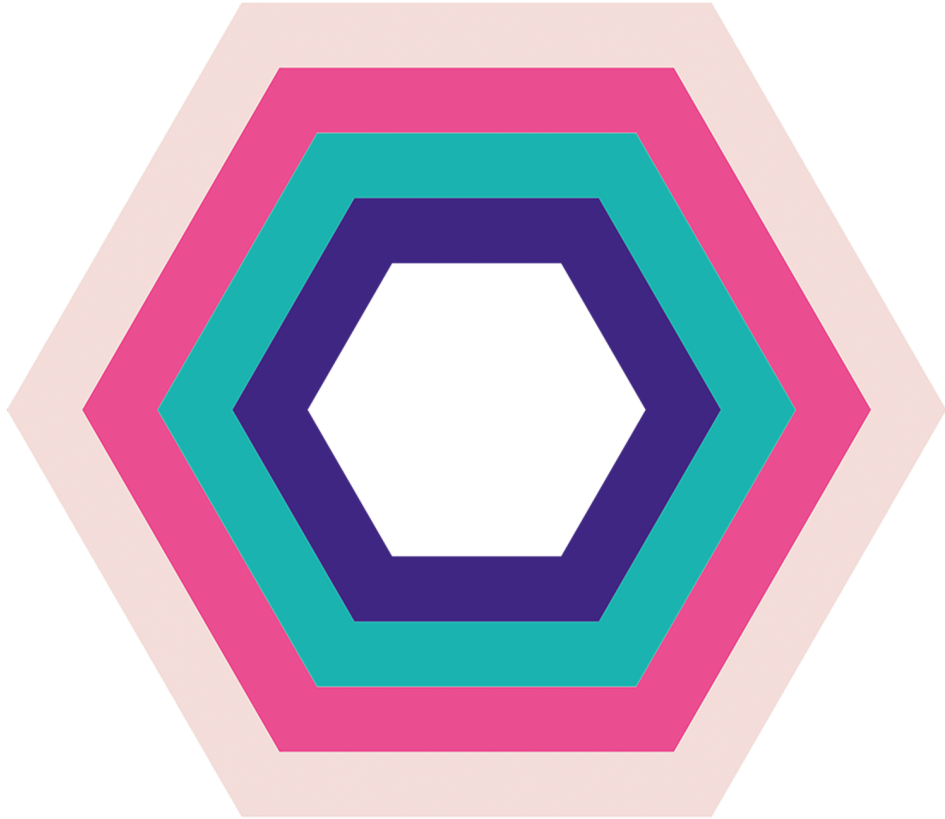| **Part-time workers**	**Without formal qualifications**	**Manual or lower skilled workers**	**People with impairment/multiple impairments**
65% cannot do all 20 tasks	**80 %** cannot do all 20 tasks	**64 %** cannot do all 20 tasks	**63 %** cannot do all 20 tasks
Compared to 47% of full-time workers	Compared to 64% those with GCSE and 45% of those with a degree	Compared to 45% managers and skilled workers (ABC vs C2DE social grade groups)	Compared to 48% of those without impairment
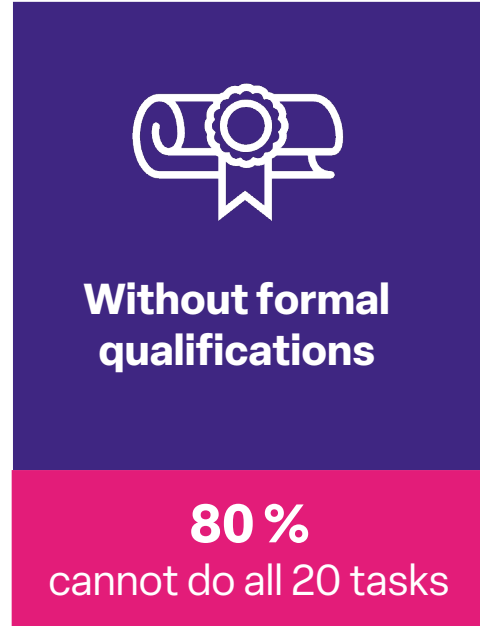
How to use the data

A deep dive and available resources

ASSETS THAT CAN HELP

Report appendix

Lloyds CDI 2023 updated appendix lays out data across various demographics, helping you to target action.

Data tables

The Essential Digital Skills data tables interrogate and display data across various demographics for year-on-year analysis.

RETAIL IS THE SECTOR WITH THE BIGGEST OPPORTUNITY

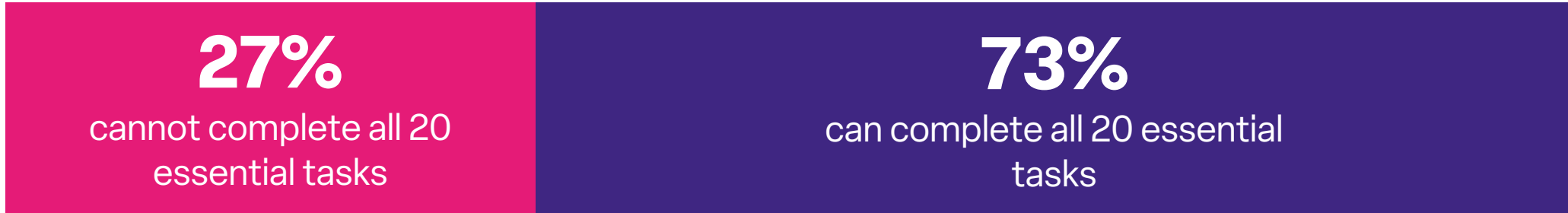| 65% cannot complete all 20 essential tasks | 35% can complete all 20 essential tasks |

But 28% can do 17-19 tasks.
Targeting just the top 4 missing tasks could close this gap significantly.

Top 4 tasks most likely to be missing in retail

Task description	% not able to complete task		Skill area
	Retail	UK	
1. **Improve my own and/or the organisation's productivity using digital tools** *(e.g. Trello, Microsoft Projects and Planner, Slack)*	33%	33%	**PROBLEM SOLVING**
2. **Set privacy and marketing settings for websites and my accounts** *(e.g. managing social media privacy settings, managing cookie settings, updating contact preferences)*	32%	32%	**BEING SAFE AND LEGAL ONLINE**
3. **Set up and manage an account on a professional online network/community/job site** *(e.g. LinkedIn, Total Jobs, Indeed)*	31%	31%	**COMMUNICATING**
4. **Update my device software/operating systems when necessary to prevent viruses and other risks** *(e.g. enabling automatic updates, or installing when prompted to do so)*	30%	30%	**BEING SAFE AND LEGAL ONLINE**

EVEN THE TECH SECTOR IS NOT IMMUNE

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| **27%** cannot complete all 20 essential tasks | **73%** can complete all 20 essential tasks |

But 20% can do 17-19 tasks.
Targeting the top 4 missing tasks could close this gap significantly.

Top 4 tasks most likely to be missing in tech sector

	Task description	% not able to complete task		Skill area
		Technology	**UK**	
1.	**Access salary and tax information digitally** *(e.g. password protected payslips, P60, P45)*	**13%**	**22%**	**TRANSACTING**
2.	**Set privacy and marketing settings for websites and my accounts** *(e.g. managing social media privacy settings, managing cookie settings, updating contact preferences)*	**8%**	**24%**	**BEING SAFE AND LEGAL ONLINE**
3.	**Follow my organisation's IT policies when sharing information internally and externally** *(e.g. classifying emails/documents, encrypting sensitive information, sharing appropriate information on social media)*	**7%**	**15%**	**HANDLING INFORMATION & CONTENT**
4.	**Set up and manage an account on a professional online network/ community/job site** *(e.g. LinkedIn, Total Jobs, Indeed)*	**7%**	**22%**	**COMMUNICATING**

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PART-TIME WORKERS HAVE A MUCH BIGGER GAP THAN FULL-TIME

65% cannot complete all 20 essential tasks	**35%** can complete all 20 essential tasks

But 35% can do 17-19 tasks.
Targeting the top 4 missing tasks could close this gap significantly.

## Top 4 tasks most likely to be missing in part-time workers

	Task Description	% not able to complete task		Skill Area
		PT workers	UK	
1.	**Improve my own and/or the organisation's productivity using digital tools** (e.g. Trello, Microsoft Projects and Planner, Slack)	39%	33%	**PROBLEM SOLVING**
2.	**Set privacy and marketing settings for websites and my accounts** (e.g. managing social media privacy settings, managing cookie settings, updating contact preferences)	35%	32%	**BEING SAFE AND LEGAL ONLINE**
4.	**Update my device software/operating systems when necessary to prevent viruses and other risks** (e.g. enabling automatic updates, or installing when prompted to do so)	31%	30%	**BEING SAFE AND LEGAL ONLINE**
3.	**Set up and manage an account on a professional online network/community/job site** (e.g. LinkedIn, Total Jobs, Indeed)	30%	31%	**COMMUNICATING**

SME SECTOR: LARGEST EMPLOYER BUT LAG BEHIND IN DIGITAL SKILLS

future.now

| **47%** cannot complete all 20 essential tasks | **53%** can complete all 20 essential tasks |

Top 4 tasks most likely to be missing in small/medium sized organisations

Task Description	% not able to complete task		Skill Area
	SMEs	**UK**	
1. **Improve my own and/or the organisation's productivity using digital tools** *(e.g. Trello, Microsoft Projects and Planner, Slack)*	30%	33%	**PROBLEM SOLVING**
2. **Set privacy and marketing settings for websites and my accounts** *(e.g. managing social media privacy settings, managing cookie settings, updating contact preferences)*	21%	32%	**BEING SAFE AND LEGAL ONLINE**
2. **Access salary and tax information digitally** *(e.g. password protected payslips, P60, P45)*	21%	22%	**TRANSACTING**
2. **Update my device software/operating systems when necessary to prevent viruses and other risks** *(e.g. enabling automatic updates, or installing when prompted to do so)*	21%	30%	**BEING SAFE AND LEGAL ONLINE**
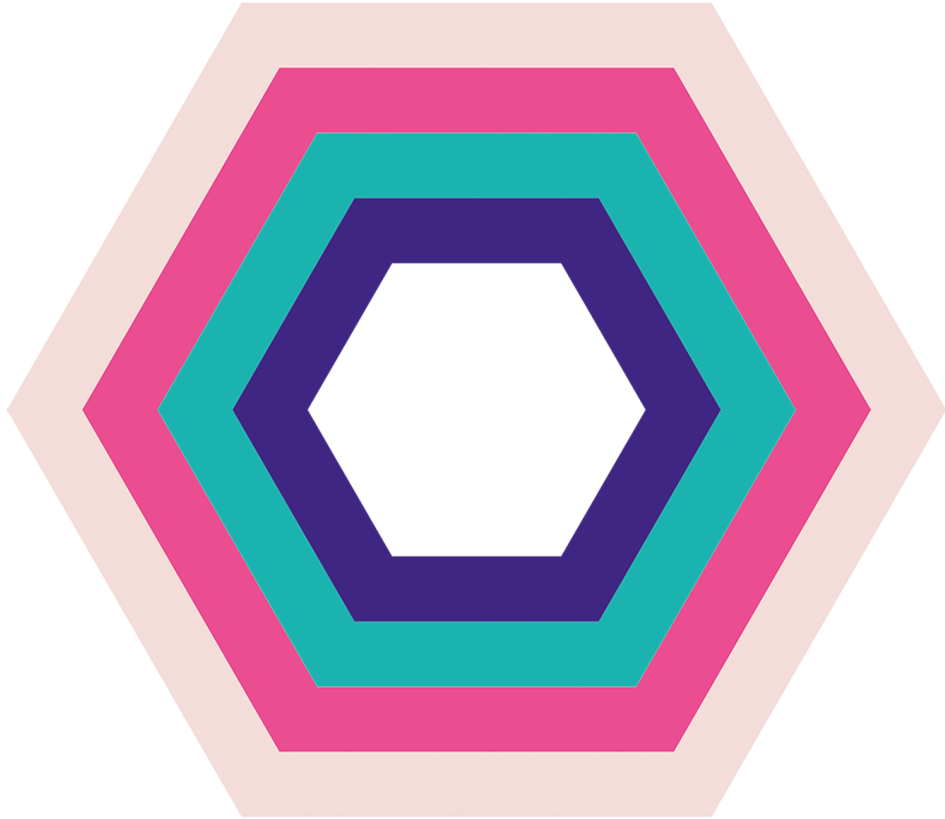
Next steps

Additional information and resources

SOME WORKFORCE GROUPS HAVE SIMILAR SKILL GAPS AND NEEDS

Using personas can help make your interventions more tailored and impactful

Digitally lacking Lou

- Typically, lower digital ability in general life and work

- Feel less secure in both job and career prospects in an increasingly digital world

Development:

- Lacks ability across a range of areas including updating computer systems, and sharing information across devices

Digitally safe Sam

- Most likely to be digitally safe, recognising and avoiding suspicious activity.

- Able to use the internet to help solve problems

Development:

- Manging digital records and financial accounts

- Using digital tools to improve productivity

Digitally vulnerable Zoom-er Zayden

- Good communication and problem-solving skills.

- Able to use digital collaboration tools and also to analyse data

Development:

- Has technical skills but less likely to be safe online

- Setting privacy settings on social media

Higher performing digital Denny

- A strong set of essential digital skills, notably in transactional and safety tasks.

Development:

- No clear digital deficits but important to not be complacent

- Develop their digital skills further

FIVE APPROACHES TO LEARNING

The most popular approaches organisations are using to equip employees with the digital basics.

Big bang culture shift
For organisations seeking rapid and far-reaching change, with employees and the organisation benefitting quickly from upskilling.

Embedded learning
For organisations looking to gradually build up the Essential Digital Skills of their employees and change its culture.

Peer support
For organisations who have a strong focus internally on people and building relationships.

Learning partner
For organisations who may not have in-house knowledge, skills or capacity to deliver a learning programme.

Trailblazer
For organisations looking to have a big and visible impact on colleagues and customers.

Read more:
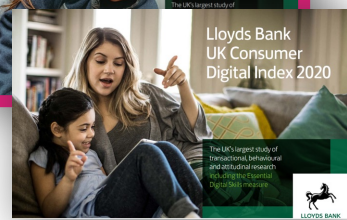futuredotnow.uk/approaches-to-essential-digital-skills-training/

TIMELINE OF AVAILABLE DATA

2016 - 2019

2021

2022

2023

2019

Essential Digital Skills levels first reported as part of the **Consumer Digital Index**
- Introducing 5 skill areas

2021
Consumer Digital Index reporting continues.
Dedicated **Essential Digital Skills report**, providing in depth analysis on the Foundation, Life and Work skills:
- 5 skill area focused
- 17 tasks level detail available

2022 (EDS segment released Mar 2023)
Consumer Digital Index reporting continues.
Essential Digital Skills for Work report.
Deep analysis on the digital skills Work Lloyds bank and FutureDotNow – new focus on task level.
- 20 tasks (updated framework)
- Focus on top 10 digital skills lacking
- Labourforce now includes not in paid work
- Foundation, Life pre-requisites removed.
- FutureDotNow perspective on business impacts

2023
Consumer Digital Index report issued.
Essential Digital Skills report now included within.
Analysis focused on skill level. Task level data in appendix.

DIGITAL SKILLS ROADMAP

The UK workforce digital skills gap: Why it matters and a roadmap for action

Published in July 2023, the roadmap is major vision for national action on digital skills in the UK workforce.

Across three action areas and 10 recommendations, it details the best next steps for government, business and civil society to ensure everyone has the Essential Digital Skills needed for work.

<u>futuredotnow.uk/roadmap</u>

THREE ACTION AREAS, 10 RECOMMENDATIONS

future.now

Strategy
Development of a national strategy to rapidly upskill millions of working age adults with Essential Digital Skills for Work

Delivery
A call to action to business to train employees so they have the Essential Digital Skills needed for work

Culture
Create a culture change that encourages people to develop Essential Digital Skills

1. Establish a national ambition
2. Own & promote a common language & framework
3. Increase awareness of the digital skills gap
4. Galvanise business
5. Equip business to act
6. Monitor, coordinate & report on progress
7. Leverage the common language & framework
8. Assess digital skills of the workforce
9. Help the workforce build digital skills
10. Gather evidence on how to motivate people

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ROADMAP UPDATE

Closing the UK workforce digital skills gap: The 2024 plan for action and progress so far

This update to the roadmap provides an update on progress against the recommendations, including the plan for action in 2024 and details on the progress made in 2023.

It takes the recommendations to the next level of detail, laying out priority activity and outcomes for the next 12 months.

futuredotnow.uk/roadmap-update

2024 DELIVERY PLAN

The 2024 plan for action to close the UK workplace digital skills gap lays out activity and outcomes for the year ahead, across seven industry-led workstreams

Strategy

1 Shared statement of ambition

2 Future-fit work skills framework

3 Economic impact assessment of UK workforce Essential Digital Skills gap

4 Workforce digital skills recognised as a method of delivering social impact

Employer Action

5 Help organisations understand Essential Digital Skills levels in their workforce

6 Help organisations train their workforce in Essential Digital Skills

Culture

7 Motives and culture scoping project
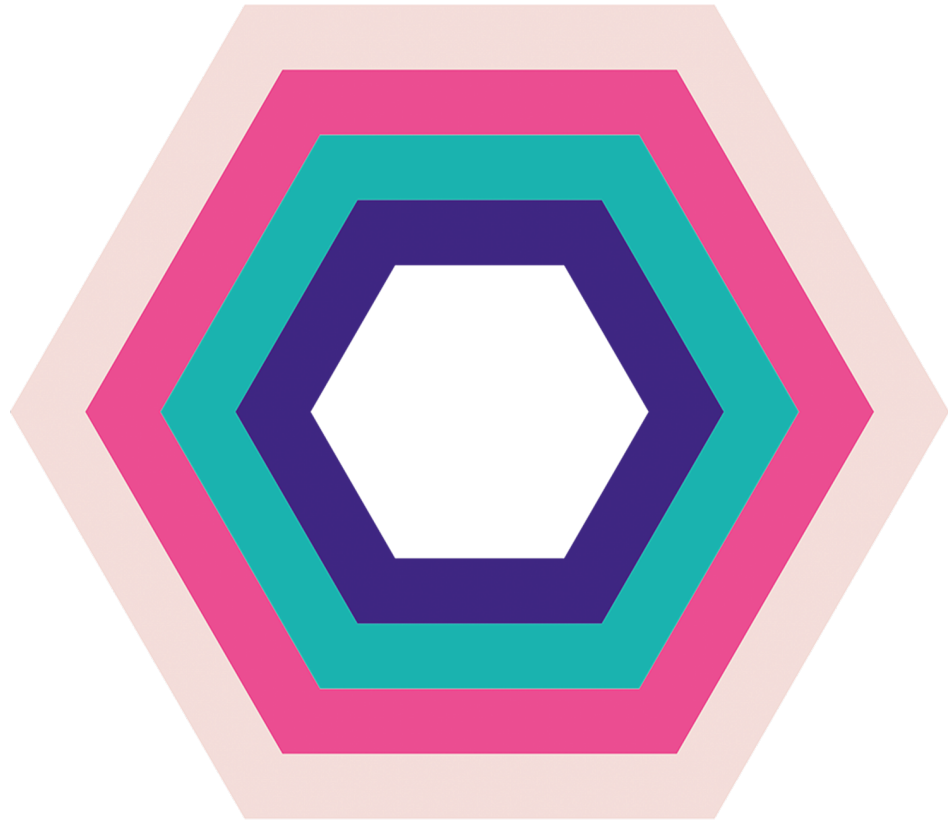
Get involved

How to join the mission to close the digital skills gap

NEXT STEPS

Two ways you and your organisation can be involved in the mission the close the UK workforce digital skills gap:

Join us

Join the FutureDotNow coalition to:

- Learn from and collaborate with others

- Access tools and advice to help build your upskilling programme

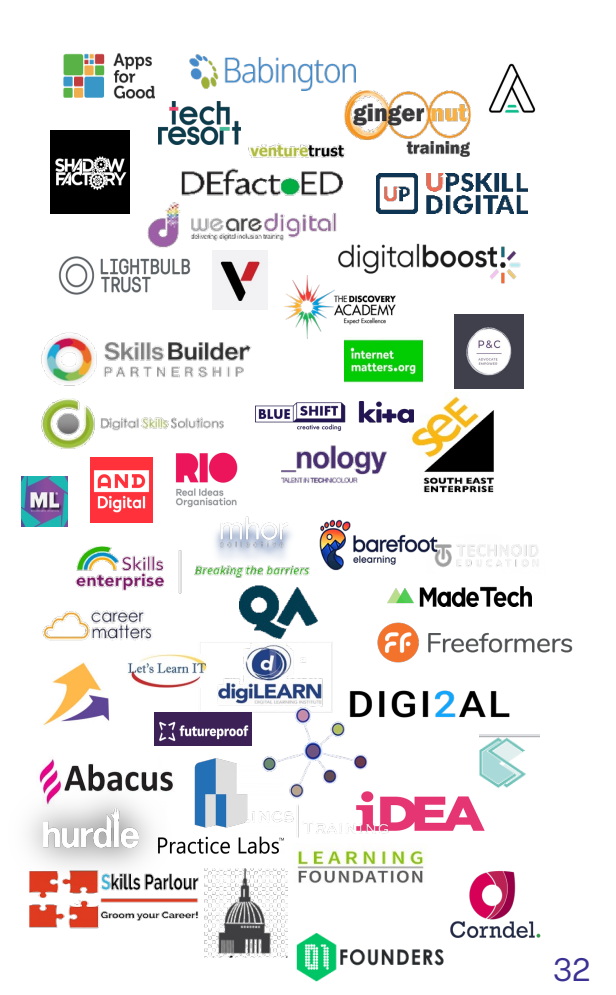- Find the data and evidence you need to make the case for action

Deliver action

Help to deliver the 2024 plan:

- Seven workstreams to join

- Participate as working group members or expert advisors

- Increased focus on regions, key sectors and small business in Sprint 2

futuredotnow.uk/get-involved

THE FUTUREDOTNOW COALITION: OVER 230 MEMBERS

ACKNOWLEDGMENTS

This FutureDotNow report has been produced by Paul Fleming (Partnerships Manager) and Holly Chate (Chief Operating Officer) with support from across the FutureDotNow team.

We'd like to thank the individuals and organisations who have generously given their time and expertise to support the production.

The report is an analysis of the Essential Digital Skills for Work data first published in the Lloyds Bank UK Consumer Digital Index 2023 (CDI).

We'd like to thank the team at Lloyds Bank and their partners at IPSOS for their vital work in publishing this crucial data and for their support in facilitating this report.