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The hidden middle

Unlocking the essential
digital skills opportunity

FutureDotNow.uk

Navigating this report

To learn more about the essential digital skills issue and the hidden middle, read on from **page 6**

To see how the hidden middle may be impacting business productivity, and hear first-hand from business leaders, read on from **page 10**

To see how the level of essential digital skills across the UK differs by sector, region and organisation size, take a look at **pages 22-23**

To learn more about how to step out of the middle and take action, including how to join the movement, read on from **page 24**

“Last year the Industrial Strategy Council, which I chaired, forecast that the most widespread source of under-skilling in the UK by 2030 would be digital skills, with millions of people falling short of the needs of their job. Unless, that is, action is taken to redress this skills deficit.

This report points the way forward in closing that deficit and confounding those forecasts, in ways which would boost the pay and prospects of large swathes of the workforce.”

Andy Haldane

Chief Economist, Bank of England

Executive summary

FutureDotNow was established by industry 18 months ago to work with business to understand the UK's essential digital skills gap and take coordinated action to close it. An estimated 17.1 million adults (52% of the workforce) lack essential digital skills for work.

Our work has revealed limited recognition and understanding of the role essential digital skills play in business productivity, as well as the scale of the 'hidden middle', between digital exclusion and advanced digital skills, that is without basic, essential digital skills.

The essential digital skills gap is largely viewed as a social issue. But there is a vital business angle; addressing this is fundamental to business recovery, productivity and prosperity.

This report explores a number of factors that could be enhanced through increased essential digital skills, including the ability to:

- adopt and benefit from digital transformation
- help people grow and adapt while fostering a positive workplace culture

- help organisations adapt to disruption and build resilience
- demonstrate a strong purpose and brand.

In 2017 HM Government collaborated with industry to update the Essential Digital Skills Framework. FutureDotNow's work suggests the framework has not yet achieved industry cut-through, yet where organisations have used it, they have found it vital.

This report defines a set of actions that businesses can take to get started:

- identify a senior sponsor
- become a member of FutureDotNow
- identify your starting point
- build your business case and develop senior support
- design your programme.

Getting everyone up to the digital start line, equipped with the essential digital skills for work, and addressing the hidden middle is not an impossible problem to crack.

FutureDotNow, its coalition members, this report and the newly launched Playbook will enable organisations to identify their missing skills and how to power ahead in upskilling. Step out of the middle and join us!





Sir Peter Estlin

Chair, FutureDotNow

The time is now to take action – There remains a digital skills crisis in the UK, and at the heart of it is a ‘hidden middle’ between digital exclusion and advanced digital skills. That hidden middle, c.17 million people without the essential digital skills for work, comprises around half the UK’s workforce. Upskilling this “hidden middle” must be a critical part of the UK’s skills strategy.

The UK ranks 41st in the world digital competitiveness rankings for employee training, so there is significant room for improvement. The FutureDotNow business coalition is working to tackle this. By coordinating action across industry, we aim to have a multiplier effect to tackle this at scale. But we need more organisations to recognise the issue and join us, learning and sharing experience and knowledge.

There are competitive and productivity opportunities if we act now; digital is the most powerful tool to revolutionise our businesses and benefit our workforce.

So many advances in digital skills have been made during lockdown; it has been the biggest proof of concept of what digital delivers. People and businesses have found new motives and advantages, which many will continue to use. Let’s create something positive from that crisis. The time is now to take action.



Caroline Dinenage MP
Minister for Digital & Culture, DCMS

As set out in the DCMS Secretary of State's ten technology priorities, we want to build a tech-savvy nation. We want every adult to have a base level of digital and cyber skills so that no-one is left behind by the digital revolution.

This report reinforces the importance of this, and sets out an urgent call to action. It makes it clear that essential digital skills not only help individuals thrive in an increasingly digital world, but that digitally confident workers are vital in enabling companies to adopt productivity driving technology and practices.

I am delighted to lend my support to this research which provides detailed insight into the importance of essential digital skills. Government is playing its part by introducing a legal entitlement for adults with no or low digital skills to study new Essential Digital Skills Qualifications for free.

I urge companies to play their part and join others who have started the journey to unleash the full potential of their talent by working with FutureDotNow to bridge the essential digital skills gap.



Rt Hon Gordon Brown
Former Prime Minister of the UK

During the pandemic we managed the most technologically sophisticated task of all – to discover and then inject vaccines into the arms of millions, but we are still far behind in the far simpler task of spreading access to the internet and essential digital skills to everyone.

The recent Alliance For Full Employment report – supported by Worldwide web inventor Tim Berners Lee and digital champion Lady Martha Lane Fox – suggested we need a comprehensive national strategy to tackle this challenge.*

Much of this strategy needs to be delivered by governments, city-regions, schools and civil society but the role of businesses is also vital. This report sets out the case for businesses to play their role.

It is about future-proofing jobs and raising the bar on skills training. The jobs of the future will be digital linked jobs demanding a digitally fluent workforce. We have made progress but there is much still to do. And only by working together will we build the future global workforce our nation needs.

*Reboot Britain, AfFE, 2021 <https://affe.co.uk/affe-reboot-britain-press-release-report/>

Introduction

Over the past 18 months, FutureDotNow has been working with business to understand and address the essential digital skills gap in the UK.

At a macro level, the relationship between skills and productivity is well recognised. There is understanding of the issue and impacts of digital exclusion at the base level, and significant action designed to address the advanced digital skill pipeline gap across many business functions.

However, our work with business suggests there is a hidden middle.

There is less recognition and understanding of the role essential digital skills for work can play in driving productivity, and even less concrete evidence. Today, the essential digital skills gap is largely viewed as a social issue. However, it is our belief that there is a vital business angle and addressing it is fundamental to business recovery, productivity and economic prosperity.

In this report, we explore the essential digital skills for life and work, what they are and the relationship to business performance.

It brings together data, where it exists, with anecdotal evidence and perspectives from business leaders and is designed to advance business understanding of the risk and opportunity presented by the hidden middle.

Crucially, it includes guidance on the steps business can take to address this hidden middle.

We cover the topics in the following way:

The increasing role of digital in business

The UK's biggest skills gap is the essential digital skills

The hidden middle and why it might have occurred

How the hidden middle could be impacting business productivity and the opportunity it presents

Understanding the essential digital skills gap in your organisation

How FutureDotNow can help you take action

The increasing role of digital in business

Digital skills were initially recognised in the technology sector. A sector that in 2020 represented 7.7% of the UK economy and grew six times faster than the rest.¹

In recent years it has become more obvious that the digital economy is *the* economy, and that digital skills are needed in every sector.

The UK risks missing out on £141.5bn in GDP over the next ten years because of the failure to develop the required skills.²

Microsoft reports that 69% of UK leaders believe that their company has a digital skills gap, with 44% worried this would have a negative impact on their success in the next 12 months.³

During lockdown, we learnt that more could be done online than was previously thought possible. Some businesses struggled while their competitors thrived. The skills of their workforce is likely to have been a differentiating factor.

The UK Industrial Strategy Council predicts that, unless action is taken, in 2030 the most widespread under-skilling will be in basic digital skills.⁴

The Lloyds Bank UK Consumer Digital Index 2020 reports an estimated 17.1 million adults (52% of the workforce) lack the essential digital skills for work.⁵ Furthermore, only 23% of the population report receiving digital skills training and support from their employer, and only 10%

of employees who have improved their skills have been motivated to do so by their careers and workplaces.

17.1 million adults lack the essential digital skills for work.

The UK ranks 41st in the world digital competitiveness rankings for employee training.⁶

The impact of this skills gap across the workforce could be significant. Digital skills are now essential entry requirements for two-thirds of UK occupations, and these occupations account for 82% of online job vacancies. In the manufacturing sector for example, 87% of employers say that basic digital skills are important for their workers.⁷

We believe there is a significant opportunity for business in addressing this underpowered segment of the workforce.

1 UK tech for a changing world, Tech Nation 2020, <https://technation.io/news/tech-nation-report-2020>

2 Outdated education and workplace training put at risk £141.5 billion in UK growth promised by intelligent technologies, Accenture 2018, <https://www.accenture.com/gb-en/company-news-release-g20-report-uk>

3 Unlocking the UK's potential with digital skills, Microsoft, 2020 <https://www.microsoft.com/en-gb/home/digital-skills/unlocking-potential>

4 UK Skills Mismatch 2030 – research paper, Industrial Strategy Council, 2019 <https://industrialstrategyCouncil.org/uk-skills-mismatch-2030-research-paper>

5 Lloyds Bank UK CDI 2020, https://www.lloydsbank.com/assets/media/pdfs/banking_with_us/whats-happening/210519-lloyds-cdi-2020-updated-report.pdf

6 IMD World Digital Competitiveness Ranking 2020, IMD, 2020 <https://www.imd.org/wcc/world-competitiveness-center-rankings/world-digital-competitiveness-rankings-2020>

7 Enginuity, 2021, Disconnected – The Impending Digital Skills Disaster <https://enginuity.org/news/disconnected-impending-digital-skills-disaster>

The UK's biggest skills gap is the essential digital skills

In 2017, Department for Education, The Tech Partnership and Lloyds Bank led a steering group of 30 cross-industry partners to reimagine a new digital skills benchmark.

Three tiers were created – Foundation, Life and Work – recognising that digital access and skills were likely to look different in day-to-day-life and at work. The Foundation section was included to recognise the challenges and barriers faced to getting online and to ensure recognition across policymakers and industry for continuing access barriers. The framework went through a public consultation, hosted by HM Government.

Over 400 cross-sector organisations fed back on the measure and deemed it representative of all jobs and lives in the UK.

Despite the breadth of input to the framework, FutureDotNow's work suggests it has not yet achieved full cut through with industry. However, where organisations have used it, many have found it brings helpful structure to what can be an ambiguous topic.

It is also useful as a measure of progress over time. The Lloyds Bank UK Consumer Digital Index uses the framework to benchmark the UK's essential digital skills.

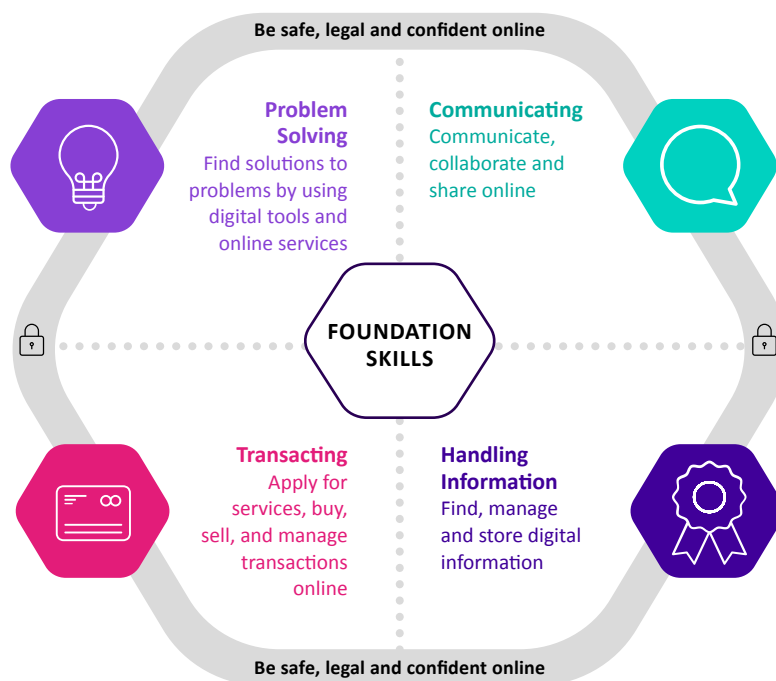
Currently, progress is slow; between 2019 and 2020 the Consumer Digital Index shows the percentage of the workforce with the "essential digital skills for work" increased by just one percentage point. Arguably too slow given the pace of digitisation.

In more detail, the Lloyds Bank UK Consumer Digital Index 2020 reported:

- 9m people in the UK without foundation skills, such as the ability to turn on a device, connect to wi-fi and use an app
- 11.7m people without digital skills needed for life, such as the ability to manage finances online, buy goods or services and set up an email account
- 17.1m people are without the digital skills for life and work, such as the ability to join virtual meetings, or check pay information and book annual leave online.

Getting everyone up to the digital start line, equipped with the essential digital skills, and addressing the hidden middle is not an impossible problem to crack.

FutureDotNow has been established, by industry, to help businesses understand the digital skills gap and take coordinated action to close it.



Essential Digital Skills Framework, Department for Education, 2019

<https://www.gov.uk/government/publications/essential-digital-skills-framework>

The Essential Digital Skills Framework



Department
for Education

Foundation skills



- Turn on a device
- Use controls on my device
- Use accessibility tools to make it easier to use my device
- Interact with the home screen on my device
- Understand that the internet allows me to access information
- Connect my device safely to Wi-Fi
- Open a browser and use websites
- Understand that passwords need to be kept safely
- Update and change my password when prompted to do so

Skills for life – I can...



- Set up and use email
- Communicate with others online
- Create and share an electronic document
- Post messages and photos on social media
- ...plus 3 more



- Understand that not all information online is true
- Use search engines
- Understand the cloud is a way to store content
- ...plus 5 more



- Make payments online
- Fill in forms online
- Buy goods and services online
- ...plus 3 more



- Use the internet to find helpful information
- Use chat facilities to help me solve problems
- Use online tutorials to build my skills



- Understand the risks and threats online and the importance of working securely
- Understand the need for security software to protect from viruses
- Understand I must protect my own data, and not share the data of others without consent

Skills for work – At work I can...

- Comply with policies and security protocols
- Communicate appropriately using online tools
- Use digital collaboration tools with colleagues
- Use professional online networks
- ...plus 2 more

- Understand not all online sources are reliable
- Search for news using an internet browser
- Store photos and music in the cloud
- Access content from different devices

- Set up accounts with retailers online
- Use travel websites to make reservations
- Apply for a job online
- ...plus 5 more

- Use the internet to find specific information
- Use FAQs online to help fix something
- Use videos e.g. YouTube to learn new skills

- Use privacy settings on social media
- Recognise suspicious links and know not to click on them
- ...plus 8 more

The hidden middle and why it might exist

Do you know how many of your employees can check their pay online?

The hidden middle is the circa 17.1m people in the workforce that the Lloyds Bank Consumer Digital Index 2020 report as not having the 'essential digital skills for work'.

17.1m represents 52% of the UK workforce, such a large number it is hard to believe it is true. With technology reaching into so much of how we live and work, it is easy to assume that everyone is keeping up with technology and able to pick up the digital basics. But the numbers indicate this is not the case.

Our work with business has started to highlight some potential reasons why this issue may have remained hidden. For example:

- assumptions that everyone can pick up the digital basics without any training
- equating having a smartphone with having digital ability
- human nature: we don't like to talk about what we can't do, and assume others know more
- belief that lack of digital skills correlates with older age, yet 44% of those offline are under 60
- thinking of young people as digital natives; whilst many are adept at online gaming and social media, many lack the skills to be productive and safe online in the workplace.

Does your digital skills strategy have a gap where essential digital skills should be?

Assumptions like these could be holding us back and creating crucial gaps in digital skills strategy, leaving the needs of large parts of the workforce under-recognised and, therefore, under-addressed.

It is possible to close this gap. Some examples and ways to get started are in this report.

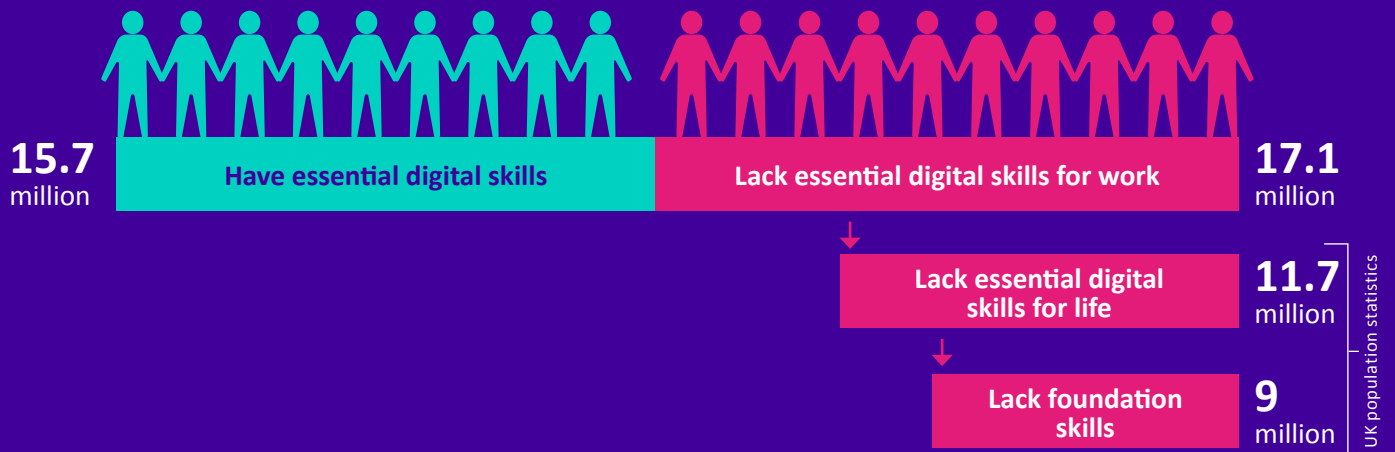
Addressing the essential digital skills gap could create a significant opportunity for business. The CBI has called for a target and action plan for 100% of the workforce to have basic digital skills by 2025.⁸

FutureDotNow is working to ensure businesses understand the impact of the essential digital skills gap and how to take action. Our target is at least 75% of adults getting training from their employer and having the essential digital skills for work by 2024.

⁸ Delivering Skills for the New Economy, CBI, 2019 https://www.cbi.org.uk/media/2836/final_digital-skills_june.pdf

32.8 million total workforce

Source: Lloyds Bank UK Consumer Digital Index 2020



The UK digital skills: the scale of the problem



LEADER PERSPECTIVE

CBI

Digital transformation is set to bring seismic changes to all parts of the UK economy.

Automation and technology will create millions of new jobs, increasing employer demand for digital, STEM and interpersonal skills. And not just in the tech industry – a recent CBI member survey found 75% of firms across multiple sectors expect to invest more in digital skills than they did in previous years.

The pandemic has only accelerated businesses uptake of technology over the past year. Responding to the CBI's 2020 tech tracker survey, 83% of firms

told us they are investing in innovation to increase productivity. Unsurprisingly, most of this was focused on video conferencing and cloud computing. What differed from previous years is that this kind of investment has become business critical.

With new technology comes the need for new skills. The CBI's latest report on reskilling makes the case for a huge increase in reskilling investment between now and 2030 – around £130bn.

Employers will need to step-up by introducing plans to reskill their workforces and encouraging continual learning.

Key policy changes should also be delivered by Government to unlock greater business investment, such as a more flexible 'skills and training levy' that allows firms to fund broader forms of training, and a training tax credit for SMEs. Investment in support for individuals with the most acute training needs is also crucial. Without intervention, we are likely to see a further widening of skills gaps and growing inequality, and risk losing the opportunities and increased competitiveness that digital transformation can bring.

Felicity Burch

Director of Innovation and Digital

How the hidden middle may be impacting business productivity, and the opportunity it presents

Based on our work with industry over the last 18 months, we believe there is a link between a business' ability to accelerate its business performance and the level of essential digital skills in its workforce.

There is currently insufficient evidence to fully prove this theory, however, in the following section we set out the evidence that does exist together with some thought-leader perspectives that strengthen the case.

We hope this is useful in both building business cases today and in providing a framework for research and learning in the future. As more businesses tackle this issue, there is an opportunity to gather further evidence on the true impact, and our belief is this will strengthen the rationale for investing in essential digital skills.

Considering the levers that drive business performance and productivity, our hypothesis is there are a number of factors that will be enhanced through increased levels of essential digital skills.

These are the ability to:

- adopt and benefit from digital transformation
- help people grow and adapt while fostering a positive workplace culture

- help the organisation adapt and respond to disruption, and build resilience
- demonstrate a strong purpose and brand.

At a holistic level, the HM Government's Business Productivity Review 2020 highlights the potential of digital processes to improve productivity and the needs for skills across the workforce to embed the change and realise the benefits.⁹

The UK's new Productivity Institute's initial working paper notes the UK's relatively slow diffusion of new technologies into businesses.¹⁰ And the OECD found that the UK could improve its productivity by 5% if it reduced the skills mismatch compared with other nations.¹¹

"In Greater Manchester the most resilient businesses have been those that are furthest on their digital journey, who have invested in digital capabilities and skills in all levels of their business.

Greater Manchester Combined Authority are proud to be part of the FutureDotNow coalition, we have committed to not only champion the importance of essential digital skills within the Greater Manchester business community but are also putting in place plans to make this a strategic priority internally, to give colleagues the opportunity to build their digital skills."

Phil Swan
Digital Director, Greater Manchester
Combined Authority

⁹ UK Government Business Productivity Review, 2020 <https://www.gov.uk/government/consultations/business-productivity-review-call-for-evidence>

¹⁰ A concerted effort to tackle the UK productivity puzzle, Bart van Ark Anthony J. Venables, The Productivity Institute 2020 <https://www.productivity.ac.uk/wp-content/uploads/2020/12/TPI-working-paper-1-A-concerted-effort-van-Ark-Venables.pdf>

¹¹ OECD, 2015, Labour Market Mismatch and Labour Productivity: Evidence from PIAAC Data <http://dx.doi.org/10.1787/5js1pzx1r2kb-en>

Upskilling workforce with essential digital skills



Digital transformation



People



Adaptability & resilience



Purpose & brand

Productivity

Business performance

Moving the levers of productivity through essential digital skills

FutureDotNow.uk

LEADER PERSPECTIVE

PwC UK

It's only relatively recently that businesses have started to recognise the benefits of adopting a digital mindset. And, arguably even more recently that they've realised just how much a digitally enabled workforce has a direct link to productivity.

The pandemic has widened this gap with a lot of evidence clearly demonstrating the success of those businesses who have embraced the use of technology, quickly pivoting their business to adapt to a new way of working. While many of us have been working from home and navigating the disruption that the pandemic has brought into our lives, the question of productivity, across the board, has become far more apparent.

Over the past two years PwC has focused on investing in developing our people to improve our collective digital mindset. Encouraging individuals from administrators to partners to take part in opportunities to learn new digital skills, with the majority of them doing this virtually.

We know from previous experience that developing digital skills across our teams, helps our people to collaborate more effectively.

Some years ago we fully embraced cloud technology across our global Network, and with the help of Digital Accelerators, virtual Digital Academies and the Digital Lab, our online digital asset sharing platform, we have made it easier for our people to learn, work and share with an intelligent digital mindset.

This has helped to bring more diverse teams together with differentiated skills to help solve our clients most important problems.

We recognise that we came into the pandemic with a strong digital base to start from, COVID allowed us to accelerate that baseline and forced us to explore what we were able to do. As we continued to encourage our people to improve their digital mindset, they have told us that they're feeling more engaged and invested in. As a business, we have experienced a noticeable uptick in efficiencies, reduced costs and continued improvements in the quality and consistency of the work we do for our clients.

Sunil Patel
Chief Data Officer

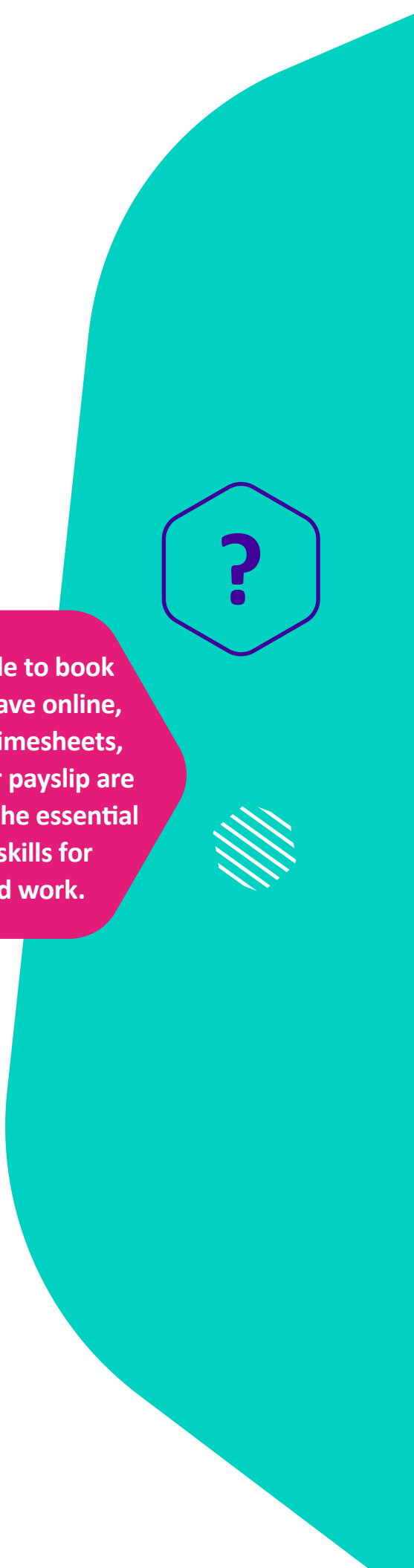
Ability to adopt and benefit from digital transformation

The impact of digital transformation on productivity is well reported but less documented is the relationship between the level of workforce digital capability and the ability of an organisation to drive digital transformation.

In 2020 BeTheBusiness and Mckinsey found that “employee openness to technology is the biggest predictor of implementation success [of technology adoption projects].”¹²

Our hypothesis is that a lack of essential digital skills in the workforce, and in the customer base and supply chain, risks hampering digital adoption and slowing the pace of transformation. Both in terms of internal business transformation programmes, such as the replacement of legacy systems, and external programmes, such as the use of online customer engagement channels.

Encouraging adoption by customers requires employees that are confident with using and explaining digital services. FutureDotNow members report that as employees improve their digital skills and confidence, they are better able to understand and anticipate customer needs.



Being able to book annual leave online, manage timesheets, check your payslip are all part of the essential digital skills for life and work.

¹² The UK's technology moment – why 2020 can be the year that changed our trajectory on tech, bethebusiness and Mckinsey, 2020 <https://www.bethebusiness.com/media/the-uks-technology-moment-why-2020-can-be-the-year-that-changed-our-trajectory-on-tech>

CASE STUDY

Marks and Spencer

Building the digital and data capabilities of our colleagues is something we've been working hard on over the last few years and is a central part of the M&S transformation.

As an international business with 80,000 colleagues who work in stores and support centres in over 60 countries, this is a huge undertaking – but we're very much aware of the importance of developing a data driven and digitally enabled culture. It's crucial to the future of our business, and while there is still more for us to achieve, we're pleased with the progress we've made so far.

In 2018 we created the world's first ever Data Academy in retail, launching an 18-month level four apprenticeship

to upskill colleagues through data. Since then, over 200 colleagues have graduated from the scheme with a fully accredited qualification in Data Analytics, and we've boosted our data academy further by adding a Data Technician programme to help us reach and upskill even more colleagues.

Alongside formal qualifications, we've also made sure training is available to anyone that wants or requires it.

From giving each and every store colleague access to online learning modules, to hosting a virtual 'Power BI' training event for 3000 of our store managers last quarter.

Our increased collective understanding and proficiency in cutting-edge visualisation tool 'Power BI' has revolutionised the way we review performance across our business, both at a store level and at a leadership level

(as sponsored and modelled every day by our retail directors).

While we have already made great strides on our data journey, it is far from over yet. We have huge aspirations to see a further step-change in our colleagues' capability, maturity, and confidence in using the digital tools available to them via our leading BEAM Academy.

When it comes to driving positive and meaningful change, we're big believers that we must all work together – which is why we're a proud member of the FutureDotNow coalition. Only by pooling together our collective insights and might will we overcome the growing skills gap and empower the UK to thrive in a digital future.

Suzanne Howse
Head of Enterprise Data

CASE STUDY

Cabinet Office

Our current and future workforce are the enablers to capability building, sustainability, a more equal and fair world for all and economic growth.

For the civil service, the challenge and opportunity we face is no different to any other organisation. We all recognise that enabling the development of skills in others creates a more informed, creative, innovative workforce able to use the tools to do their jobs. We also recognise that developing skills and in particular digital skills, enables our workforce to seek out new opportunities to improve themselves, their processes and the

world around us. The starting point is the essential digital skills that everyone in our workforce needs to have and that open up a world of other possibilities.

Our role as a large employer surrounded by the communities we serve is to ensure our workforce not only have the skills to do their jobs, and do their jobs as best they can for all users around us but also to recognise and appreciate the effect that the onwads impact those possibilities have on improvements that can be enabled in the communities.

Upskilling the wider workforce and our communities in digital skills enables a new way of approaching problems

This enables more and more people to think with a systems lens, to think about the wider view of a situation and in the world we operate. This enables our colleagues to best deliver policies, capabilities and services which best meet our users needs.

Roxane Heaton
Director, Digital Data and Technology

Ability to help people grow and adapt while fostering a positive workplace culture

There is wide recognition of the increasing need for digital skills across many business functions, and as businesses evolve, new talent gaps emerge.

Upskilling staff with essential digital skills has benefits for business, with FutureDotNow members like Heathrow demonstrating that upskilled employees are using new skills to improve their job performance, advance their careers and take on new responsibilities. This creates opportunities for business to address talent gaps through existing talent pools by unlocking hidden potential, not just by recruiting new people.

Improved digital capability also helps individuals improve personal resilience, from health and wellbeing through to future employability.

The 2020 Lloyds Consumer Digital Index found that people with high digital engagement report significant lifestyle and well-being benefits. For example, 87% say it helps them to connect better with friends and family and 44% say it helps them to manage physical and mental well-being.

The 2019 DCMS report *No Longer Optional: Employer demand for Digital Skills* describes digital skills as “essential entry requirements for two-thirds of UK occupations”.¹³

The good news is improving digital skills is also rising up the priority list for employees. Recent research from Microsoft reports 59% of employees say developing their digital skills will be important to their employability after COVID-19.¹⁴ This is supported by findings from Good Things Foundation, with dramatic increases in the number of employed people accessing their online digital skills courses during the pandemic, overtaking their traditional learners (unemployed and retired) for the first time. These findings suggest that helping people improve their digital capability could be part of the employer value proposition (EVP).



Could someone without essential digital skills apply for a job in your business?

¹³ No Longer Optional: Employer demand for Digital Skills, 2019 <https://www.gov.uk/government/publications/current-and-future-demand-for-digital-skills-in-the-workplace>

¹⁴ Unlocking the UK's potential with digital skills, Microsoft, 2020 <https://www.microsoft.com/en-gb/home/digital-skills/unlocking-potential/>

CASE STUDY

Heathrow

At Heathrow we have always looked at ways we can use technology to support efficiency and productivity and digitalisation is a key enabler. As part of the journey we are on, we rolled out a digital workplace initiative, with Microsoft Office 365 at its core, to all Heathrow employees.

This provides colleagues with the ability to connect online, anywhere across the airport at any time, it allows colleagues to work from any location and collaborate with colleagues in different locations.

As part of the roll out we wanted to encourage people to learn about all the tools and understand how they, as individuals, could use them to add value to their day to day work as well as grow their own skills.

An area we are hugely proud of is the response to Power Apps, which provides a no/low code capability for developing solutions by the individuals and teams who will be using them. This tool was picked up by one colleague who used it to develop a translation app to help colleagues communicate with travellers and what followed was a ground swell of interest that became a community of citizen developers across many departments at Heathrow.

The community developed apps that organisationally provided efficiency and improved productivity by removing 75,000 pages of paperwork from processes and reducing data entry by nearly 1,000 hours.

For the individuals it grew their confidence in digital tools and how they can be used to enhance their day to day working life. This confidence and the initiatives they took led to promotions, as well as career changes into more technical roles, where they could deepen their understanding of the technology and take on more responsibility of supporting colleagues in building more tools

and digitally transforming legacy processes.

This has helped build a more creative and empowering culture amongst the workforce. We continue to offer comprehensive learning and development opportunities for Power App developers as well as a Digital Academy offering content from our different platform providers for all colleagues. We have an area for training, a thriving Yammer community and a busy Teams group all sharing ideas and knowledge. We have events running almost weekly, showcasing different skills as well as show and tells to inspire others at Heathrow. We are continuously learning.

Leanne Lynch
Director of Technology and
Cyber Defence

LEADER PERSPECTIVE

Accenture

Tomorrow's businesses will need digital skills at every level. Their ability to meet changing customer expectations, improve business performance, increase productivity, drive innovation and create 360degree value for multiple stakeholders will rely more and more on their ability to embrace digital technology.

To deliver on this promise, the workforce of the future must be supported with continuous learning around essential digital skills.

Organisations must come together to offer relevant training and coaching; driving the reskilling and upskilling of their people, as well as the broader labour market.

It is through a strong foundation of essential digital skills that organisations will be able to unleash the full potential of their talent, shape responsible, resilient businesses and drive sustainable growth.

Simon Eaves
CEO, UK & Ireland

Ability to help the organisation adapt to disruption and build resilience

During the pandemic business had to react rapidly to changing events, including altering locations staff worked from, their service delivery models and creating new products and routes to market.

For many, digital capability was at the heart of that response. From ensuring team members were able to stay informed, safe and secure, through to retaining the capability to enable the business adapt and respond.

The pandemic has resulted in exceptional circumstances, but business environments constantly evolve and change, along with consumer needs and expectations. As PwC reports, the rate of digital change, and hence the demand for digital skills, is predicted to increase after the pandemic.¹⁵ And the digital skills that are essential will grow. Today the ability to securely send a message to a colleague or use a spreadsheet are essential skills. These skills will not have been essential 10 years ago. What new skills will be essential 10 years into the future?

Whether the next opportunities lie in no/low-code platforms, artificial intelligence, data science, robotics or something else.

Today's essential digital skills will form the foundations that build digital confidence and facilitate continued personal growth and lifelong learning in a world when the only thing that is constant is the pace of change.¹⁶

¹⁵ 5 New World New Skills, PwC, 2021 <https://www.pwc.com/gx/en/issues/upskilling.html>

¹⁶ Lifelong learning for opportunity and growth", HM Government, 2021 <https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth>

CASE STUDY

Nationwide Building Society

Having to respond to the pandemic accelerated Nationwide's existing need for specific workforce capabilities – in particular adaptability and digital skills.

We very quickly had to redeploy colleagues to support teams that were experiencing increased levels of demand, where the digital learning curve was steep and ways of working were very different.

In our member facing, retail community, traditional face-to-face skills had to be enhanced by telephony, video and digital capability as frontline workers adapted to a multi-skilled

approach based on changing member needs. This need to adapt was true of all functions and role types with learning being continually shared to deliver the best possible outcomes for our members.

Working in this way was possible thanks to our digital platforms (such as Microsoft Teams and Yammer) and a growing number of employee networks where a sense of community could thrive by using the technology available.

Communities were also created externally, outside of Nationwide, with colleagues using social media to help find new opportunities and give advice to those who had found themselves out of work during the pandemic.

Taking proactive steps to understand the digital confidence of our colleagues was key.

This helped us to give us a sense of the capability gap and the level of digital skills transformation we'd need to deliver across the organisation.

A 'Reimagining Work' survey helped us to understand how people would like to work in the future and how technology could enable that future – with a focus on 'how' and 'where' people work.

There was also the opportunity for more digitally native 'Emerging Talent' to share their digital skills in support of other colleagues, whilst in return gaining from the deep member-facing insight and experience we have across our diverse workforce.

Chris Bleakley
Director of Resourcing

LEADER PERSPECTIVE

techUK

Throughout the pandemic, we have seen an increase in people recognising the importance of essential digital skills and signalling their interest in acquiring these skills through short online courses.

We need to use this momentum coming out of the pandemic to drive the UK's digital skills base and build a culture of lifelong learning as there is a growing mismatch in the demand and supply of digital skills in the UK. The aim of FutureDotNow to inspire behavioural change is central to this.

We must not lose sight of the bigger structural shifts that are taking place in the global labour market and in particular the impact of automation. People in education today will enter a labour market that is likely to have been significantly re-shaped by emerging technologies. Concerted action to drive digital skills will future-proof businesses against this and skills shortages that are becoming increasingly prevalent. This presents a large challenge as we do not yet have the infrastructure and resources we need to inspire, direct, retrain and reskill people.

As we work with Government to develop its skills strategies, industry is not standing by. As well as upskilling and retraining their own staff, companies are looking at how they can open these tools and provide skills to the wider public.

The UK tech sector understands our increasing dependence on digital and that the talent pool needs to be widened. Perhaps most importantly that nobody should be left behind. Everyone, who wants to, should have the ability and confidence to take advantage of our digital future.

Jacqueline de Rojas CBE
President

Ability to demonstrate a strong purpose and brand

Lockdown highlighted the importance of digital for individuals and their communities.

It brought new dependencies, including children needing to be online to access education at home, adults needing to work digitally, and people who were shielding needing digital to access essential supplies.

As a result, understanding of the digital divide and its implications has become part of the public consciousness.¹⁷

Many companies are now publicly helping people engage with the digital world, through the provision of devices, access to data and through initiatives to help them rapidly build skills.

This type of socially responsible activity is likely to positively influence perception of brands by employees, consumers and socially responsible investors.¹⁸

42% of millennials said they have begun or deepened a business relationship because they perceive a company's products or services to have a positive impact on society and/or the environment.

¹⁷ Demos' People's Commission on life after the pandemic drew on the contributions of 50,000 citizens and found that people were aware of the risks and harms of the digital divide and supported action to close it, Build Back Stronger, Renew Normal: the People's Commission on Life After Covid-19, Demos 2021 <https://demos.co.uk/project/build-back-stronger>

¹⁸ Deloitte's 2019 Global Millennial Survey found that 42 percent of millennials said they have begun or deepened a business relationship because they perceive a company's products or services to have a positive impact on society and/or the environment, <https://www2.deloitte.com/cn/en/pages/about-deloitte/articles/2019-millennial-survey.html>

CASE STUDY

BT

So much of life is about the connections between us, and so many connections happen because of tech. At BT, we connect for good.

We help people do what they need to do – in their home life and in their work life. And because connectivity powers ideas, coalitions, progress and the planet, we are continually innovating and doing our best to enrich lives across the UK and beyond.

To help people make the most of life, we recognise it's not just having access to tech. It's having the confidence to use it.

This fundamental insight lies behind the BT Skills for Tomorrow¹⁹ programme, and underpins our commitment to FutureDotNow. It also makes good business sense – not just for BT but for the prosperity of the nation.

One of our collaborations is the Tech Tips²⁰ campaign we created with ITV during the first phase of lockdown. We broadcast digital skills lessons to the nation, bringing mini video lessons fronted by celebrities to living rooms everywhere. The idea was to help people do the things they wanted to be able to do in bite-size, easily learnable ways – and make it feel fun and achievable. 5.7 million people learned something or felt more confident as a consequence.

We understand there is no silver bullet to fix what many describe as an invisible problem – a pervasive digital skills gap that is beginning to widen across society.

It's not just people who find themselves left behind in their twilight years – it can be people who work with you and me who struggle with ever-changing software and hardware, and worry about not being able to help their children or succeed at work.

We believe the connections between us light small sparks of confidence that lead to something special: a brighter, more sustainable future – for everyone.

Kerensa Jennings
Group Director of Digital Impact

¹⁹ <https://www.bt.com/skillsfortomorrow/>

²⁰ <https://www.bt.com/tech-tips>

CASE STUDY

Lloyds Banking Group

It is no secret that technology can power positive change. It enables great customer experiences, connects people to essential services and facilitates rapid innovation.

At the heart of it, shaping and consuming it, are people. As a UK-centred organisation with the purpose of Helping Britain Prosper, we have long recognised digital as a lever for an inclusive society and thriving economy. Six years ago, setting sail on a multi-brand digital transformation, early steps prioritised our colleagues' confidence and capability.

Whether building tech solutions in Manchester or providing financial advice in Margate, our Digital Champions programme inspired colleagues to help themselves, to help others.

Since 2018 we have taken the inside-out, providing support and inspiration to small businesses, jobseekers and people across the UK. Whether providing local friendly faces, on-demand learning or interactive webinars, the Lloyds Bank Academy (and now Bank of Scotland too!) is free anytime, anywhere to anyone. Underpinned by the Essential Digital Skills framework, we help people get to where they want to go.

We are always listening, learning and evolving. We open-source our data and work with partners to measure the UK's Essential Digital Skills, sharing for the benefit of all. The 2021 Consumer Digital Index* shows that now, more than ever, work is a key motivating

force. 28% of UK consumers have upskilled through working from home, and now 64% acknowledge they would improve their digital skills if it would progress their role or securing a better job.

There has never been a better time for employers to listen to this – learn from what people are feeling, and evolve the way they engage the UK public on lifelong learning. Large employers like us, must work together to truly invest time and energy in making sure everyone has the opportunity to meet their potential in an increasingly tech-powered world.

Jemma Waters
Head of Responsible Transformation

*The 2021 UK Consumer Digital Index is being published in two parts, with the next essential digital skills benchmark due in September.

Understanding the essential digital skills in your organisation

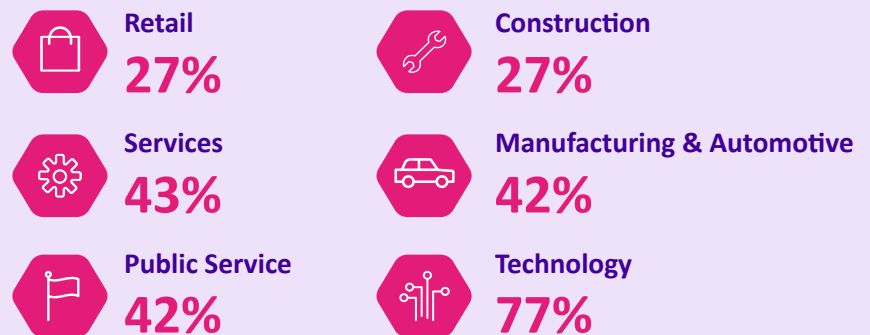
Every business is different. This infographic is intended to help you understand the likely essential digital skills gap among your employees, supply chain and customers.

It shows data from the 2020 UK Consumer Digital Index (CDI) by geographic region, size of business, and business sector.

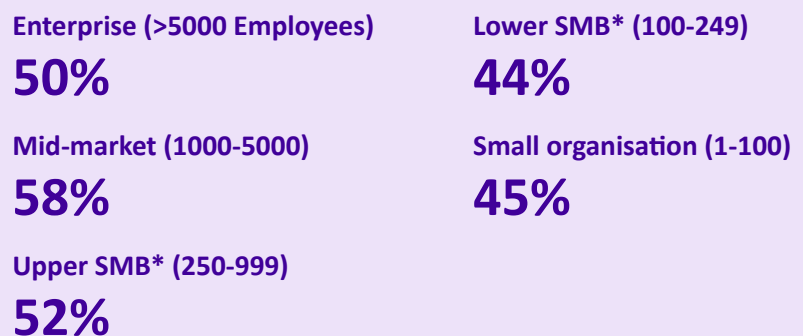
The CDI contains further information that you may find helpful, including on motivation, breakdown by age and on people who are not in employment.

The 2021 UK Consumer Digital Index will be published in two parts, with the next essential digital skills benchmark due in September.

Percentage of employees with essential digital skills for work in key sectors:



Percentage of employees with essential digital skills for work by size of business:



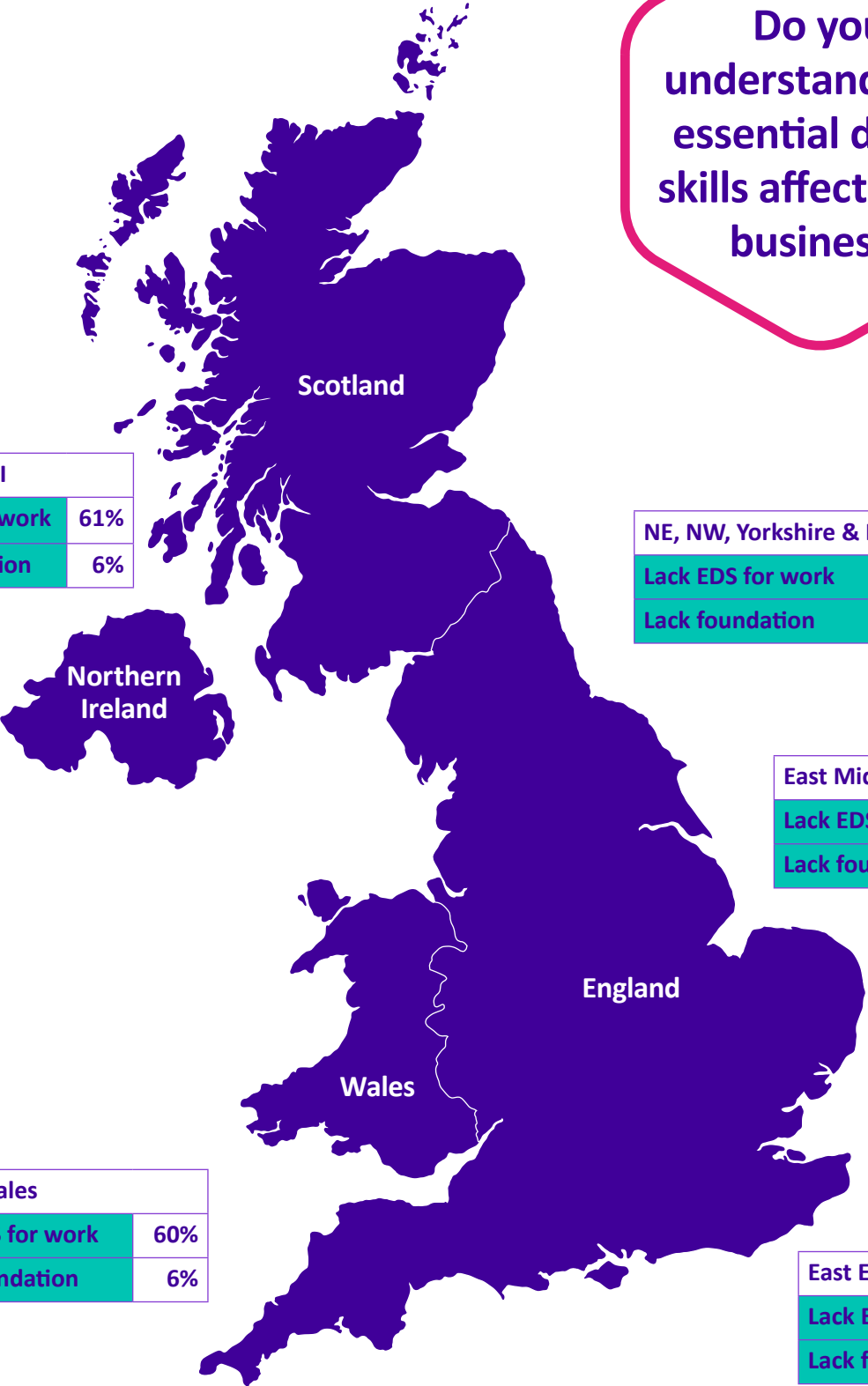
If you want to take action there are services in the FutureDotNow Playbook that will help you do this.

<https://FutureDotNow.uk/digital-skills-playbook>

*SMB = Small Medium Business



Do you understand how essential digital skills affects your business?



Scotland & NI	
Lack EDS for work	61%
Lack foundation	6%

NE, NW, Yorkshire & Humber	
Lack EDS for work	58%
Lack foundation	6%

East Mids & West Mids	
Lack EDS for work	56%
Lack foundation	6%

SW & Wales	
Lack EDS for work	60%
Lack foundation	6%

East Eng, London, SE	
Lack EDS for work	43%
Lack foundation	5%

Data has been aggregated to a level that ensure statistical significant populations in the underlying data. More information on the Lloyds CDI methodology can be found at: <https://www.lloydsbank.com/banking-with-us/whats-happening/consumer-digital-index/essential-digital-skills.html>

The FutureDotNow approach



How FutureDotNow can help you get started

If your organisation suspects a “hidden middle” and wants to take action...what now?
We've set out some initial steps below to get you started.

Identify a senior sponsor



Become a member of FutureDotNow

- Someone who can see the issue and the opportunity, and has the influence to champion taking action
- It is free and it means you can access useful resources, connect with others and avoid tackling this issue alone



Once you are a member we can support you to:

01. Identify your starting point

the digital skills in your organisation

Be bold in your ambition, but start small

- Pick small pilot teams in your business and run a short assessment to gather evidence on the level of essential digital skills in your organisation today
- There are services you can access through the FutureDotNow Playbook to help you to do this

02. Build your business case and develop senior support

Build the case for your organisation

- Why this is a priority
- High level view of benefits, costs, timelines
- How you will evaluate your impact
- You do not need to start from scratch, there are people you can talk to within the coalition

03. Design your programme

There are many learning programmes in the market already, through the FutureDotNow Directory (<https://futuresdotnow.uk/directory>) you can see which offerings might suit your organisation best

- Help people to learn in the line of work by embedding learning into existing processes and infrastructure,
- We can connect you with:
 - members who can share learnings
 - digital skills providers who can upskill your teams

Next comes pilot implementation, before testing and scaling your programme.
Find out more at: <https://FutureDotNow.uk/digital-skills-playbook>

Become a member of FutureDotNow

As a member you can draw on the experience of **over 140 organisations** committed to tackling this issue, including these and many more.

FutureDotNow members make four commitments:

1. To empower their workforce
2. To build the capability of others
3. To collaborate and share
4. To play an active part in the movement



About this publication



What is FutureDotNow

FutureDotNow is a coalition of leading organisations focused on accelerating the UK's digital skills.

We're building an action-centred community to get working-age adults across the UK up to the digital starting line. We're working to ensure business understands the issue and opportunity it offers.

Helping them develop, share and implement best practice. Ultimately, we're here to change the numbers, with a target of at least 75% of adults getting training from their employer and having the essential digital skills for work by 2024. Delivering positive impacts on personal prosperity, business effectiveness and UK productivity.

Established in 2019, we're already more than 140 members strong and have a reach of millions.



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