



Tech and the battle for talent

A Connected Thinking report



Contents

Page
3

Employees have spoken

Page
5

Key findings

Page
10

The new era of employee expectation

Page
13

No going back – why maintaining momentum is essential

Page
21

Winning the battle for talent for your organisation



Connected
Thinking

Connected Thinking from Virgin Media O₂ Business encourages and promotes discussion, debate and consideration of the latest tech trends impacting ways of working and the changing needs and expectations of employees, employers, customers and communities.

Employees have spoken

We're in a new era of work. One in which employee expectations have changed, customers expect more from organisations, and society is collectively challenging organisations to share resources and create positive impact in their communities.

And it's because of this new era, and these new expectations, that UK organisations now find themselves in a battle for talent. Employees have been voting with their feet, gravitating towards those employers who are willing to invest in flexible working, technology, training and position on social values.

Our **connected working survey** earlier this year found that half of UK office workers were considering leaving their jobs in the coming weeks. It also found that 1 in 10 respondents were leaving because they felt they didn't have the technology or tools they need to do their job effectively.

We now look to be past the peak of the 'Great Resignation', with hiring in the UK **slowing** according to KMPG, amidst uncertainty over the economy. But there is still intense competition for talent, a need for the right skills, and lessons to be learnt from what employees want and need from their roles and workplaces – and what employers can do to keep hold of the teams they've built.

But why is good talent in such high demand?

- The creation of new, highly skilled roles following the UK's rapid digital acceleration.
- Older, skilled employees taking early retirement, meaning fewer skilled workers available.
- Employees taking time to reflect on their values during the lockdowns, changing careers, organisations, or leaving the workforce altogether.
- Record layoffs during the pandemic for roles which are now needing to be refilled at speed in some sectors such as health, hospitality, travel and leisure.



“As we see the nature of work evolving (the what and the where), organisations continue to increase their focus on becoming more future ready in terms of timely access to the right skills. Not only are they looking at upskilling existing members of staff, they are also now looking to new talent pools where the focus is on aptitude, potential, and the ability and capacity to develop new digital skills through training rather than just looking at traditional, existing sources of talent.”

Iain Kirkwood, Head of People & Organisation
(Transformation) Consulting, Capita Consulting

The largest decline in available talent has been in the over 50s category, where ONS statistics report a fifth of people cited stress and mental health, the desire to change their lifestyle, and a need to feel valued as reasons for dropping out of work.

There's also a crucial new factor at play. The cost of living crisis, driven by inflation moving into double digits and mounting energy prices, is starting to see many within this age group reconsidering a return to the workforce. And technology can be of particular help to them, enabling hybrid or remote working.

But what about the other end of the workforce? Those just starting their careers. A generation that expects its employers take a position on subjects they find important – including environmental issues and diversity and inclusion. This adds additional complexity when many of those who would have provided mentoring, and transfer of skills, insights and knowledge may have already left the workforce.

To understand more on the opportunity to meet new expectations and the skills

challenge, we partnered with Censuswide to survey 1,500 public and private sector employees and identify the role of technology in the employee experience.

We found that technology helps employees stay engaged and happy, and more investment and training is a high priority to them. And yet many organisations are considering reverting to pre-Covid technologies.

The risks to these organisations of being left behind were very clear. Unhappy and ill-equipped employees will look to work elsewhere. The loss of skills within teams could be huge.

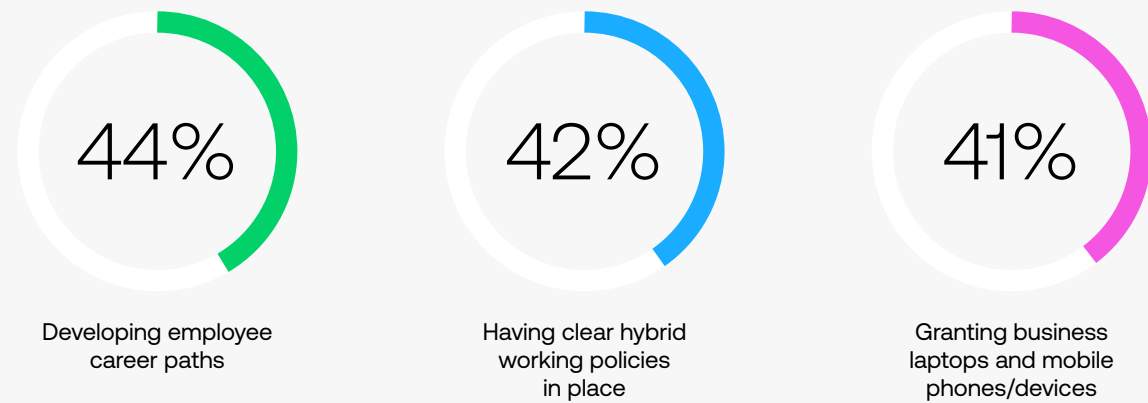
Organisations need to be proactively listening to their employees and putting digital strategies in place to connect, protect and empower them.

The opportunity is clear. The right strategy – that brings together the right people and the right technologies – can help you attract and retain the talent you need for your organisation to challenge and achieve more.

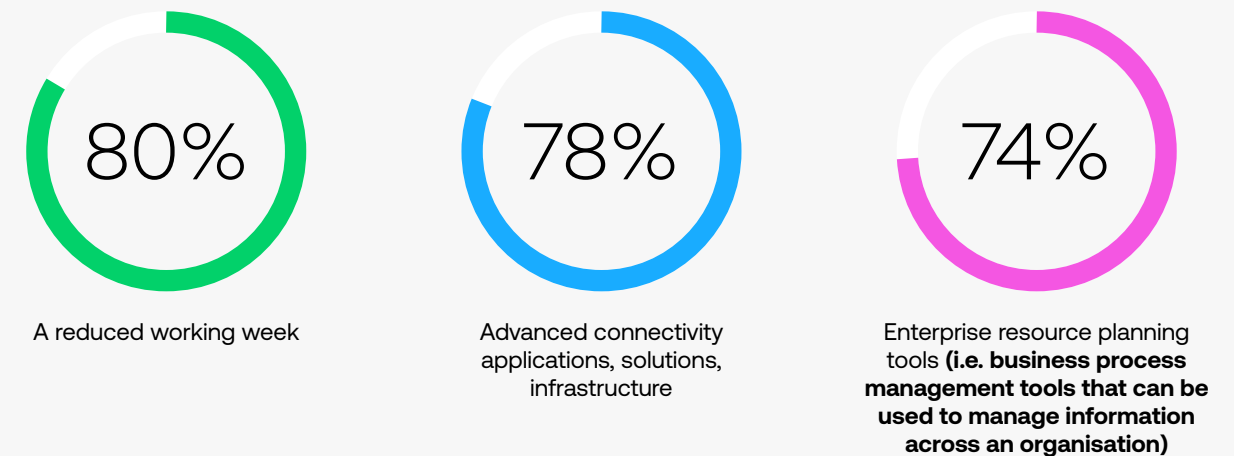
Key findings

Employees are looking for something different from future employment

Respondents' high priorities when searching for a new role in terms of **current** employer commitments



Respondents' high and medium priorities when searching for a new role in terms of **future** employer commitments



Organisations are facing a shortage of skills,
leading to even greater competition for talent

55%

agree that their organisation is
having a **shortage of skills** in
relation to digital technology

83%

are **concerned about the
impact** this could have
on their organisation

The top 3 reasons they think are behind this shortage

35%

People have left and **no
one else has the expertise**
to replace them

32%

A lack of **training
opportunities**

32%

Not being able to find and
recruit **staff with the
desired skills**

Technology helps employees stay engaged and happy, and employees want more training and more investment

81%

agree that **technology plays an important** role in helping them stay engaged and happy in their job

42%

of employees would be **more likely to stay** in their current job if their employers provided more regular, intensive training on the use of digital technology

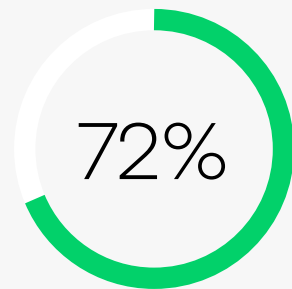
55%

would be happier at work if their employer **invested in new digital technology**

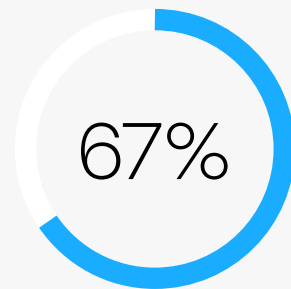


While in contrast, poor technology and lack of training are currently having a negative impact on employees

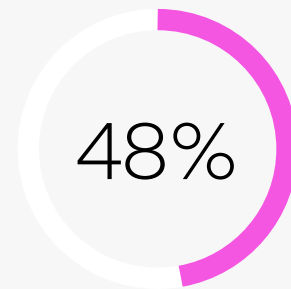
Going backwards is not the future



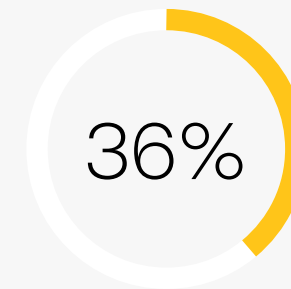
of respondents **are frustrated at least once a week** by the quality of or lack of business technology available to them when working



feel their performance is **negatively affected by the technology** provided by their employer at least once a week



say that **poor quality business technology** makes them more likely to resign from their jobs within the next six months



report that their organisation **rarely (if ever) provide training** on the use of digital technology

On average,
50%


of employees say their organisation **plans to revert to technologies** used before the onset of Covid-19

On average,
50%

of employees say this planned reversion makes them **more likely to resign** from their job within the next 6 months

Methodology

In July 2022, Virgin Media O₂ Business and Censuswide surveyed 1,500 individuals who are in work or active in the UK labour market. The sample was designed to reflect a range of industries, public and private sectors, and demographic characteristics.

A man with red hair and glasses, wearing a light blue shirt, and a woman with dark curly hair and glasses, wearing a red shirt, are sitting at a wooden desk. They are both looking at a laptop screen. The woman is typing on the keyboard. The background shows a modern office with large windows and shelves.

“It’s crucial that employees feel empowered and equipped to do their best work, wherever they are working – and we know that tech is a great enabler.”

Jo Bertram, Managing Director at Virgin Media O₂ Business

The new era of employee expectation

Today's employees are clear on what they want. They want certainty that their career paths are clearly defined, but they also want more control over where, how, and when they work. It's no longer work/life balance, but life balanced with many other things, one of which includes work. And this means supporting them with the right connectivity and technology to make this new world of work happen.

These priorities align with the outcomes of our **research with the Centre for Economics and Business Research (Cebr)** in 2021, which found that many public sector and enterprise organisations planned to continue flexible working practices post-Covid, for an average of 2.3 days remotely per week.

Tech and training will help you meet 'expectations 2.0'

The challenge with expectations is they need to be met to avoid losing talent to a highly active job market.

Yet our findings show that employees are concerned that their organisations are not prepared to combat the shortage of digital skills that they are facing.

The reasons people perceive this shortage vary, but there are some emerging themes that tie it together:

- People are leaving organisations and there aren't others internally who have the expertise to replace them.
- The training opportunities don't exist to upskill existing employees.
- The staff with the right skills don't currently exist in the recruitment pool.

Inadequate training on digital technology, or a lack of any training at all, is a contributing factor to employees becoming frustrated with where they work. Many employees state that their organisation rarely, if ever, provide education on the use of digital technology such as collaboration tools, basic office tools, Augmented Reality (AR)/Virtual Reality (VR), or data management software.

“This tumultuous period, which we're referring to as the 'Employee Transfer Window', is forcing some businesses to reconsider how technology fits into their retention policy – and shining a spotlight on the importance of digital investment in improving the employee experience.”

Ant Morse, Head of Innovation at Virgin Media O2 Business

So why does this matter to them?

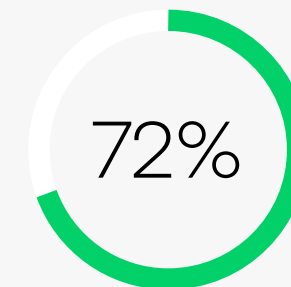
The majority of our respondents agreed how important a role technology plays in how they can better do their job, stay connected with their colleagues, and improve their own abilities.

Meanwhile, employee frustration at bad experiences with technology can negatively impact employee engagement, productivity and end customer outcomes.

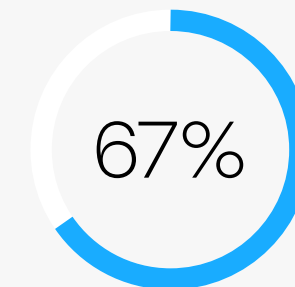
Engaged and empowered employees, who are determined to do their best at work, will achieve more and drive success for the customers and citizens they serve – a connection we explore in greater depth in our **Human Connection report**.



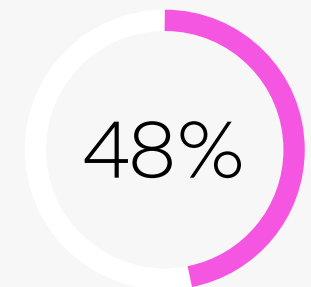
Poor technology and lack of training are taking their toll on employees



of respondents are frustrated at least once a week by the quality of or **lack of business technology** available to them when working



feel their **performance is negatively affected** by the technology provided by their employer at least once a week



say that **poor quality business technology** makes them more likely to resign from their jobs within the next six months

How your employees' expectations are evolving

'Balance' is a term often used when talking about the future of work. It's appropriate, as it's a direct reflection of employees' expectations when looking for jobs. According to our research, the highest priority commitments amongst candidates looking to move job were:

- Developing their career paths (**49% in the private sector, 39% in the public sector**)
- Having clear hybrid working policies (**44% in the private sector, 42% in the public sector**)
- Organisations granting them the tech they need, such as business laptops and mobile phones and devices (**41% in the private sector, 40% in the public sector**)

These factors go hand in hand. Ensuring employees have the right technology and training available to them is fundamental for developing career paths, the top priority for respondents. This means upskilling their capabilities to open new doors and futureproof their careers.

But it also means supporting collaboration and allowing hybrid and remote workers to truly contribute to team culture and progression. In the past, remote workers may have been less likely to get the recognition they deserve within a team because of location bias and not being in the room.

In a new hybrid working world of online collaboration, this bias should be actively challenged and overcome.

Part of developing career paths has to be doing so for everyone, no matter where, how, or when they work. A hybrid workforce needs a new approach to management, mentoring and support – and that management will need to be taught how to deliver that. It starts with a focus on employee output and quality of work.

Key considerations for decision-makers

- Be crystal clear on the personas and roles within your business. How are you enabling these unique attributes from a technology point of view?
- Consider your legacy processes or staff frustrations. How can technology help to alleviate these strains on your people?

No going back – why maintaining momentum is essential

UK organisations have made great strides in digital acceleration over the last two years. Our research with [Cebr](#) found that on average over three years of progress was made during the pandemic.

And the benefits were seen across public and private sector with an average 4.9% increase in customer satisfaction, 3.6% increase in employee satisfaction, and a 3.4% increase in productivity.

Now is not the time to slow progress. Yet according to our survey responses, some employers are considering just this, with 50% saying their organisations plan to revert to technologies used before the onset of Covid-19.

To slow down or reverse just because we've arrived on the other side of Covid-19 would be to ignore the reality of what employees now expect and need from their workplace environment. It would threaten to roll

back the benefits we've seen from more empowered and engaged employees.

Instead, forward thinking organisations now need to build on the progress already seen and use technology to continue to help reduce costs and inefficiencies while increasing productivity. Investment in empowering people cannot stop.

For medium organisations, investment in tech and skills can help them adapt and scale, remaining resilient in uncertain times. It also provides opportunity for technology to help compete in the job market. Higher salaries from larger organisations could be offset by recruiting from a wider talent pool when enabling remote working opportunities – from workplace returners, to the geographically distributed, to opportunities for those skilled over-50s to return part time.

But this only works when technology is further integrated to make it simpler for all.

Among larger organisations, 67% of those which have between 250-500 employees are planning to revert, whereas only 19% of 500+ employee organisations are planning the same. There are a few potential reasons for

this significant difference. The largest organisations (500+) are:

- Often more committed to long term technology decisions and large-scale digital transformation programmes, and less likely to need to scale up and down in the same way as a smaller organisation.
- Dealing with the largest workplace footprints, meaning multi-site operations that require more complex IT infrastructure across fixed and mobile communications.
- The hardest to turn – any organisational change could require significantly more investment, time and disruption than smaller organisations, which benefit from smaller scale digital transformation projects.

60%

of medium sized organisations are planning to revert to pre-Covid technologies

“One of the key issues I think we have as a public sector organisation, is retaining good people with the relevant technical skills to get on with this kind of work and actually innovate for us.”

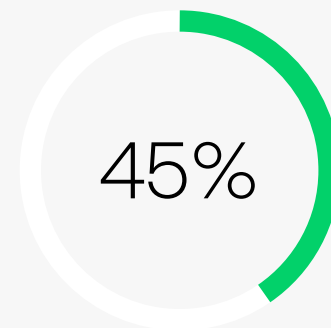
Phil Davies, Chief Superintendent,
Director of Information, Greater Manchester Police

The battle for talent demands a forward-thinking employee strategy

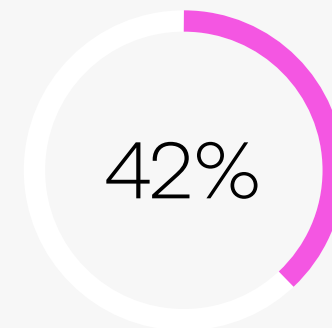
Going backwards in this field is likely to only deepen employee frustration. And it's not something the UK can well afford. **Gallup's global workplace report for 2022** showed that only 9% of workers in the UK were engaged or enthusiastic about their work, ranking 33rd out of 38 European countries.

So, what can we do today to engage the UK's workforce? When the power to stay or leave is seen now to be in the hands of the employee, there has never been a more vital time for organisations to act and create the experience employees are seeking.

This is an ever-moving playing field, however. The cost of living crisis, for example, has seen some employees look at returning to work, but the ways to attract and retain staff still require a clear strategy and a focus on employee enablement.



of respondents would be more likely to stay in their current job if their employer **invested in new digital technology** and 55% would be happier at work



of respondents would be more likely to stay in their current job if their employer **invested in regular, intensive training on the use of digital technology** and 47% would be happier at work

Where tech tips the scales

In the battle for talent, good quality business technology works directly for employers who are willing to invest.

81% of respondents agreed that technology plays an important role in helping them stay engaged and happy in their job and 42% of employees would be more likely to stay in their current job if their employers provided more regular, intensive training on the use of digital technology.

Investment in technology and skills is investment in people. And showing commitment to your employees. It should be looked at in terms of maximising performance, efficiency and productivity, along with health and safety improvements.

The other side of the coin is that 48% of employees say that poor quality business technology makes them more likely to resign from their jobs within the next six months. 43% are regularly frustrated by either the quality of or lack of business technology available to them when working.

81%

of respondents agreed that technology plays an important role in helping them stay engaged and happy in their job

Top 3 ways employees have been negatively affected by the tech provided by their employers

33%

New technology doesn't integrate with older systems, **meaning files are lost** or rendered unviewable

28%

Deadlines are difficult to meet due to **delays caused by technology**

24%

Feelings of stress and anxiety due to issues with business technology

How does the battle compare between the public and private sectors?

The battle for talent is being felt particularly strongly in the public sector – where organisations face competition for talent from private sector companies with more money to invest in technology and salaries.

And many areas of the public sector also face deep-rooted challenges on delivering public services, whether it be court backlogs in the justice industry or to care accessibility in the health service. If we are to create lasting change in the public sector that is able to help attract and retain talent, the workloads and stress of workers must be reduced.

It's vital to invest in public sector employees to empower and equip them to overcome these challenges, make their work more rewarding and to sustain a sense of contribution towards bettering our society.

However, our research did find public sector respondents were marginally less frustrated with their technology than private sector respondents (42% vs. 44%). This could be due to the significant investment in technology during the pandemic leaving public sector respondents feeling more positively about their new digital capabilities than the private sector. Or it could be due to the higher levels of training available to public sector respondents (62% vs. 60%).

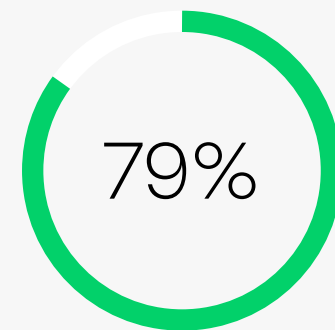
Despite a more positive outlook, almost half of employees in the public sector are still often frustrated by their tech. This figure is too high.

Reasons are varied, but include legacy system incompatibilities, a need for further training, and integrating end-users into the selection criteria for new solutions. All are manageable, but these findings highlight the need for continued focus.

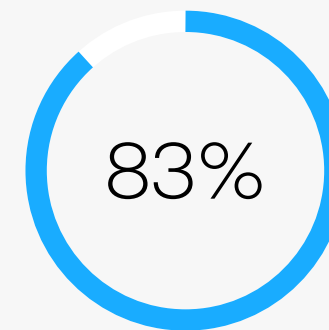
Meanwhile, private sector organisations face their own challenges. They are struggling to find and recruit staff with the right skills. And while the private sector has previously been known for its superior technology and higher budgets than the public sector, our research found that private sector respondents are more frustrated than their public sector counterparts with the quality or lack of business tech available to them when working.

Investment in technology is a step toward happier employees. Of all the technological changes available to employers, investment was the change that would make employees happiest, and it was also the second strongest driver of employee retention. 54% of private sector respondents said they would be happier at work if their employer invested in digital technology – and 43% said it would make them more likely to stay in their current job.

82% of private sector respondents say tech plays an important role in helping them stay engaged and happy in their jobs



In medium-sized organisations (250-500) this figure is **79%**



In large organisations (500+) this rises to **83%**





81%

of respondents have tried to give feedback to their manager about the technology needed to fulfil their role sufficiently

Most of the challenges can be solved by simply listening

Creating environments in which employees can be happy, productive, and empowered is one important factor. And digital technology is a key enabler in this.

Some technologies have a particularly strong impact on productivity. Over the past two years, collaboration tools had the most positive effect (40% of respondents), followed by document management tools (35%) and connectivity applications, solutions and infrastructure (35%).

Strong hybrid working practices are also enabled by collaboration tools and connectivity infrastructure – which we found to be a key reason that employees moved jobs in the first place.

But it's not just investment in technology and hard skills that employers need to pay attention to. Employees want to feel heard. They're giving feedback to their managers and pushing for their own digital empowerment. But the question is, are they being listened to?

81% of respondents have tried to give feedback to their manager about the technology needed to fulfil their role sufficiently. Of those respondents, 50% said their feedback was acted upon, while 31% said their feedback was not acted upon.

With the scales weighing so strongly in favour of employees, there's an opportunity for attentive employers to attract top talent by demonstrating their ability to listen to those who feel unheard by ensuring this feedback is acted on.

Key considerations for decision-makers

- Make sure you are profiling different types of workers (e.g. remote teams, in office, field workers) against best practice for technology deployment within their specific role.
- Open clear channels of communication so that employees can easily share their feedback in order to improve both employee and customer experience.

Tackling the UK skills shortage benefits everyone

However, it's not just about new technology. It's about ensuring your people have the confidence and understanding of how to get the most out of that technology to benefit not only the organisation where they work, but to deliver customer success. Digital transformation must be centred around people transformation.

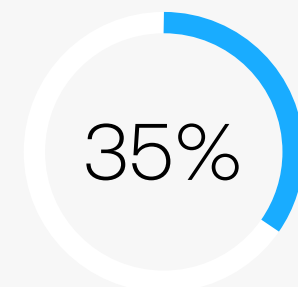
The return on investment for digital technologies will only be fully realised when it is being used to its full advantage by employees – any organisation investing in tech without investing in skills is missing a crucial piece of the puzzle.

Training often leads to job retention and employee happiness. Employees stated that if their employer provided more regular, intensive training on the use of digital technology, 47% would be happier at work and 42% would be more likely to stay in their current job.

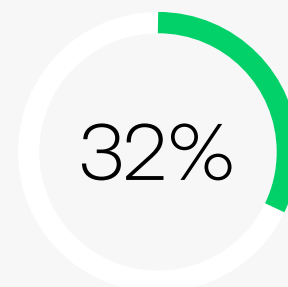
What we know from our research is that the UK (which has a knock on effect within the workplace) is suffering from a digital skills gap. Employees are aware of where their own organisations are falling short on skills and can see where investment can make a difference.



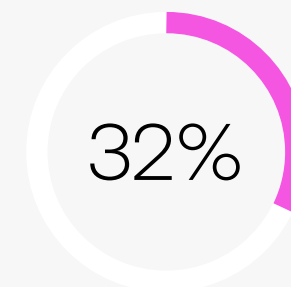
Top 3 reasons employees think are behind the skills shortage



People have left and **no one else has the expertise** to replace them



A lack of **training opportunities**



Not being able to find and recruit **staff with the desired skills**

“A new financial year, coupled with a new hybrid normal after two years of flux, has created an ‘Employee Transfer Window’ that will see more than half of the UK’s office workers look to change roles in the coming weeks. We know that tech can help make many of the changes employees want from connecting them to training, upskilling and mentor programmes, to giving them more choice about when, how and where they work”

Jo Bertram, Managing Director at Virgin Media O₂ Business,
speaking about the 2022 ‘Employee Transfer Window’



There are already some initiatives in place to support teams. O₂'s administrator training on business tools like Microsoft 365 for **small and medium businesses** is one way in which employers can help prepare staff for the hybrid working world. And by combining this with a flexible business plan, these organisations can remain agile and efficient in the face of change.

As it stands, employers need to act. 55% of respondents agree that their organisation is having a shortage of skills in relation to digital technology. Of these, 83% are concerned about the impact this could have on their organisation.

Employees recognise their need to be upskilled. Indeed, only 25% of respondents to Salesforce's **Global Digital Skills Index** rated themselves as advanced in those collaboration technology skills needed specifically for the workplace. While ONS **experts** suggest that the UK's skills shortage has no 'quick fix', they also point to a need for a focus on internal mobility, upskilling or reskilling programmes for existing employees.

The benefits of investing in people's skills go way beyond retaining and attracting talent. They even go beyond improving the productivity and happiness of an organisation's employees. It's about creating greater access and equity of opportunity across organisations and society for employees from different backgrounds, locations or generations.

Key considerations for decision-makers

- Understand how confident your staff currently feel with technology.
- Appoint 'super users' throughout your business to support other staff members in training and confidence.
- Run regular drop in and update sessions for new starters and established members.
- Allow for sharing of best practice across your organisation between experienced and less experienced team members.

“From a leadership and visionary perspective, putting digital skills at the heart of our clusters will help drive our regions – and our communities – forward. And we need to make sure that nobody is left behind. This means building a clear connection between businesses and education for the future of employment, and making sure that all organisations (small, medium and large) are set up to take advantage of the digital opportunity in front of them.”

Martin McFadyen, Head of Public Sector, Virgin Media O₂ Business, speaking to CBI

Winning the battle for talent for your organisation

Employees have spoken. They expect more from their employers – more investment in tech, more support for remote and flexible working, and more assistance in how to get the best out of the technology made available to them.

And while there are challenges when it comes to recruiting and retaining talent – increased salary competition, more open roles than ever before, and a shortage of skills in certain industries – this research shows a way forward for organisations looking to create the best employee experience possible.

But it's not just these tangible areas that organisations can compete on. There are plenty of smaller things employers can do to make their employees feel valued. Whether that's investing in training, allowing new ways of working, or even having clear social values that provide a sense of purpose to an employee, these things all need to be aspects of your employee retention and attraction strategy.

A better equipped and more skilled workforce stands to benefit our entire society. Empowering employees not only helps you attract and retain talent, but also helps to reduce the digital divide and drive the UK's economy and society further forward along its digital journey.

What steps can you take?

- Invest in digital technology (55% of employees would be happier at work and 45% more likely to stay in their current job).
- Listen to employee feedback on technology and processes (50% of employees would be happier at work and 45% more likely to stay in their current job).
- Create a level playing field for employees by ensuring their technology supports remote and truly hybrid working preferences (49% of employees would be happier at work and 45% more likely to stay in their current job).
- Provide regular, accessible training on the use of digital technology (47% of employees would be happier at work and 42% more likely to stay in their current job).

“Now is not the time to go backwards, but to push forward so that we can create better and more inclusive experiences for all employees. While these results might come as a slight caution to those who are on the fence about investment, they are also equally encouraging for organisations who are already investing in supporting people with the right tech.”

Robin Spinks, Principal Manager, Digital Accessibility, RNIB

Final key considerations for decision-makers

- Be crystal clear on the personas and roles within your business. How are you enabling these unique attributes from a technology point of view?
- Consider your legacy processes or staff frustrations. How can technology help to alleviate these strains on your people?
- Understand the competence and utilisation of the technology that is provided today. How can this be accelerated or improved through training?
- How can you create open forums and process for employee feedback to continually improve their experience of tech?



Now is the time to listen to employees and elevate the role of tech in your organisation.

Interested in finding out more?

Visit our **landing page here** or **contact us** and let's start a conversation about what digital solutions you need for the future of work in your organisation.