

Capgemini and LinkedIn release new report on the digital talent gap: Employees are investing their own resources to remain competitive

Employees show a willingness to move to another organization if their digital skills stagnate

Paris, October 26, 2017 – <u>Capgemini</u>, in conjunction with LinkedIn, the world's largest professional network, today released a new global report on the digital talent gap, which analyzes the demand and supply of talent with specific digital skills and the availability of digital roles across multiple industries and countries. The report, "<u>The Digital Talent Gap—Are Companies Doing Enough?</u>" reveals the concerns felt by employees when assessing their own digital skills¹ and the lack of training resources currently available to them within their workplace. Highlights include the fact that nearly 50% of employees (close to 60% for digitally talented employees²) are investing their own money and additional time beyond office hours to develop digital skills on their own.

The digital talent gap is widening

Every other organization surveyed acknowledged that the digital gap is widening. Over half (54%) of the organizations agreed that the digital talent gap is hampering their digital transformation programs and that their organization has lost competitive advantage because of a shortage of digital talent.

Even though the talent gap has widened, budgets for training digital talent have remained flat or decreased in more than half (52%) of the organizations, and 50% said they keep talking about the digital talent gap but not doing much to bridge it.

Skill redundancy concerns could drive attrition

Many of today's employees are concerned that their skills are either already redundant or soon to become so. Overall, 29% of employees believe their skill set is redundant now or will be in the next one to two years, while more than a third (38%) consider their skill set will be redundant in

¹ For purposes of this research, LinkedIn defined "digital" broadly to include a long list of digital hard and soft skills and digital job titles that LinkedIn and Capgemini believe represent [nearly] all technology innovation-related activities.

² A Digitally Talented employee is someone who is proficient in at least one of the 24 hard digital skills and in at least four of the eight soft digital skills included in the survey.



the next four to five years. Specifically, almost half (47%) of Generation Y and Z employees³ believe that their current skill set will be redundant in the next four to five years.

From an industry perspective, 48% of employees in the automotive sector think that their skill set will be redundant in the next four to five years, followed by the banking sector (44%), utilities (42%), telecom and insurance (both 39%), according to the report.

Employees also feel organizations' training programs are not hugely effective. More than half of today's digital talent say that training programs are not helpful or that they are not given time to attend. Close to half (45%) describe their organization's training programs as "useless and boring."

Skill redundancy concerns and lack of faith in an organization's upskilling efforts have the potential to trigger attrition. More than half of digitally talented employees (55%) say they are willing to move to another organization if they feel their digital skills are stagnating at their current employer, while close to half of employees (47%) are likely to gravitate towards organizations that offer better digital skill development. However, employers noted they are also worried about attrition of upskilled staff. Just over half of employers (51%) believe their employees will leave their organization after they receive training and half (50%) say their digital skills training sessions are not well attended.

Claudia Crummenerl, Head of Executive Leadership and Change at Capgemini said, "Organizations face a mammoth task in terms of digital upskilling. Given that skill redundancy is a key concern among our employee respondents, ensuring a clear development path is essential to address this. In the future, the digital talent gap will continue to widen and no company can sit back and be comfortable. Organizations need to be consistently innovating and planning their workforce evolution."

The talent gap in soft digital skills is more pronounced than in hard digital skills

The report identified that people with experience in hard digital skills, in areas such as advanced analytics, automation, artificial intelligence and cybersecurity, are in high demand. However, soft digital skills, such as customer-centricity and passion for learning are most in demand by organizations, and are an increasingly important characteristic of a well-rounded digital professional. The greatest gap in soft digital skills exists for comfort with ambiguity and collaboration.

Further findings show that:

- Although 51% of employers identified an absence of hard digital skills in their organization, 59% recognized a lack of soft digital skills amongst employees
- Seven out of ten digitally talented employees (72%) prefer to join organizations that have an entrepreneurial, start-up like culture that promotes agility and flexibility
- Digital talent is unlikely to thrive in an environment that lacks freedom to experiment and fail. Innovation will also suffer if a culture of experimentation does not exist

 $^{^{\}rm 3}$ Generation Y and Z refer to those between the ages of 18 - 36



The must-have digital roles

Based on the analysis from LinkedIn's data within the report, on average Data Scientist and Full Stack Developers have had the highest demand over the past year. Below shows a list of the top 10 digital roles that are set to gain the most prominence in the next two to three years, in order of position:

- Information Security/Privacy Consultant
- Chief Digital Officer/Chief Digital Information Officer
- Data Architect
- Digital Project Manager
- Data Engineer
- Chief Customer Officer
- Personal Web Manager
- Chief Internet of Things Officer
- Data Scientist
- Chief Analytics Officer/Chief Data Officer

Tuck Rickards, Managing Director at Russell Reynolds, an executive search firm advised, "Businesses need to recognize that digital talent is a small pool of people who have a lot of good offers competing for their attention. Companies may not be able to engage these people in the same manner as a typical employee base; they need to be clever in their approach."

Research methodology

Capgemini collaborated with LinkedIn, to analyze demand and supply of specific digital skills and digital roles globally and within a number of countries and sectors.

Capgemini surveyed 753 employees and 501 executives at the director level or above, at large companies with reported revenue of more than \$500 million for FY 2016 and more than 1,000 employees. The survey took place from June to July 2017, and covered nine countries – France, Germany, India, Italy, the Netherlands, Spain, Sweden, the United Kingdom and the United States and seven industry sectors – Automotive, Banking, Consumer Products, Insurance, Retail, Telecom, and Utilities.

Based on data from LinkedIn, Capgemini analyzed the demand and supply of specific digital skills and digital roles globally and within the nine priority countries and seven sectors. LinkedIn measures demand as the number of times a member with a particular digital skill set or title is sought after by recruiters. LinkedIn developed a "demand index" to identify the most in-demand digital talent. This index represents the ratio of the number of InMails (i.e. recruiter outreach via LinkedIn's network) sent on average over the last 12 months (demand) to unique members with the specific digital title or digital skill (supply).

Further information

A full copy of the report can be downloaded <u>here</u>.



About Capgemini

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