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IT Apprenticeships

HOW TO SOLVE THE TECH SKILLS SHORTAGE

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HOW TO SOLVE THE TECH SKILLS SHORTAGE

Presented by Just IT

Welcome to the third in our series of roundtable reports from *Tech City News*.

Our monthly roundtables cover topical issues that affect London's growing technology sector. Taking place at the Eight Club in Moorgate, they bring together thought leaders, startup founders, investors and service providers for an informal discussion.

According to figures published by The Data Service, 21,480 young people passed an apprenticeship scheme in London during 2011/12.

ROUNDTABLE ATTENDEES

Mike Orchard - Skills Hive

David Gildeh - Alfresco

Benjamin Southworth - former Deputy CEO of Tech City

Sara Kelly - former Exec Director of Coadeo

Ruth Lomax, Assistant Director for Hackney CC

Penny Handscomb, Chief People Office at Mind Candy

Cristiana Camisotti - Co-founder of Silicon Milkroundabout

Robin Booth & Richard Lambert at Just IT

Anthony Impey, Director at Optimity

Pete Smith, Co-founder at Songkick

A Government report published last year found that 72% of employers that had taken on apprentices reported an increase in productivity, and 69% saw an increase in staff morale. So why aren't more Tech City based companies taking on board younger talent?

In partnership with Just IT, this roundtable aimed to investigate the different ways startups plan to overcome forecasted skills shortages, with a focus on alternative recruitment methods including apprenticeships and techniques for attracting senior talent.

In this report we outline the current situation of finding talent, analyse what's gone wrong and reveal what the attendees would like to see changed.

THE SKILLS SHORTAGE

According to the European Commission, the number of "digital jobs" – jobs based around IT – is growing by about 100,000 every year.

But the number of skilled IT graduates is failing to keep pace, it says, as there will be 900,000 vacancies for IT-related roles by 2015.

EU Digital agenda commissioner Neelie Kroes said in March that the EU's competitiveness is "under threat" if it cannot fill the expertise gap.

FINDING TALENT IN THE EARLY DAYS OF TECH CITY

Pete Smith, Co-Founder of Songkick explained when he set up his company in 2010 there was no Google Campus and very few startups in the area; he knew only of 20-30 founders in total.

It was rare for his company to find talent they were actually looking for. Often potential employees were only found via word of mouth. Because of this, they established Milkroundabout, a regular recruitment event that allows startups to find talented individuals.

2 years on, and finding suitable talent is still a major problem for startups.

Mr Smith feels the problem with finding suitable employees is not due to a lack of talent. More than 20-30% of people who would consider joining a startup are unreachable.

When they look for a career change every 5 years or so, they're not looking for a startup job. The challenge is persuading these people to consider working for small tech startups.

IS THE PROBLEM THE STARTUPS OR THE APPLICANTS?

It was felt by some panellists that the problem lies with the behaviour of the startups. Refusing to take on graduates and newcomers to the industry will inevitably lead to a shortage of workers.

To counter this, as part of his business strategy, Benjamin Southworth took on individuals with less than one year's experience and steered them in the direction they wanted to work.

“If we could make them happy, we found these people stayed with our business a lot longer as they felt they were working towards their career”.

Unfortunately for some, taking on new, inexperienced staff is considered a burden and requires experience.

Concerns were made that businesses should question whether they can afford to bring in new people, how valuable it will be for the individual and who is going to support them in their time at the organisation.

The strongest apprehension was the perception that graduates aren't prepared enough to enter work when they graduate from University.

Some of these concerns included that graduates expected job security and have a sense of entitlement.

ARE THE APPRENTICESHIPS THE ANSWER?

Some members of the panel felt that apprentices lack this sense of entitlement.

“An apprentice will come in and won't have that attitude of I'm fantastic, they know they want to learn and get into the industry. They will take the low level jobs. Graduates just assume they can just walk into a great job. They still need hand holding but they don't realise that.”



To combat this, Mike Orchard from Skills Hive has been collaborating with universities to create short term projects which involve students liaising with a project manager. Both sides develop experience in business practice or mentoring.

After students and mentors have completed a set number of sessions, graduates are better prepared for entering into business and subsequently more employable.

It was also felt that students should be utilising the support available at university to identify their talents. Often, individuals do not understand what skills they have or how they are transferable across industries and sectors.

Mr Orchard has been trying to influence this key period in an individuals life using personal professional development cycles (PPDs) to help them understand what experience they have and what they are capable of.



Benjamin Southworth explained that he did not attend university, and learnt to code himself.

He believed it was a problem within Britain's perceptions of society.

“This quest for grad degrees, pieces of paper, is hampering us because many of the greatest developers either dropped out or they learnt their stuff themselves.”

He believes there has been a fundamental shift in the way to identify talent. In Tech City, owning a degree from Oxford in Maths is only beneficial if you intend on working in fintech or super fast financial trading.



Richard Lambeth commented that: “At Just IT we have tried and placed over 3000 graduates into entry level IT roles and we find that many IT graduates find it hard to get a job with an IT degree and our courses give them the tech certs as well as the work experience which then makes them very employable.

“The problem can lay within the degree content as it tends to be outdated and not practical. We offer these candidates to companies in tech city for 4 – 6 weeks for free and many of these companies like that fact they can trial a candidate for a length of time before deciding whether to employment permanently”

For most businesses, they can find an individual with no qualifications but a decent portfolio. This saves companies not only time but money.

The panel also recognised the importance of apprenticeships for those that do not want to go to university or are financially unable to.

Ruth Lomax from Hackney Community College acknowledged the talent available from those that do not have university degrees. “They have raw talent and enthusiasm, and if the companies would take a punt on them, take them in, train them, give them that work readiness, they would be more than capable of doing the skills that the employers need.”

Using these schemes, apprentices are spending one day at college, four days at work but come out with a Level 4 Apprenticeship which is the equivalent to university level.

However, Ms Lomax reflects some in the sector does not take these forms of qualifications seriously.

EXISTING RECRUITMENT STRATEGIES

It was felt by some panelists that Tech City should adopt an approach similar to law and accountancy firms. Individuals are brought in at apprenticeship or graduate level and given the 'bread and butter' tasks that allow the business to run.

This leaves the more senior individuals to be client facing and creating more business. It means both sides are benefitting financially and in development.

David Gildeh explained the strategy at Alfresco is to use services such as oDesk for smaller projects.



The agency provides startups the ability to outsource menial tasks to non-contract workers with no obligations.

In turn, this allows employees to focus on more senior tasks and avoids overhead of training a newcomer.

Penny Handscomb from Mind Candy particularly felt there was a strong onus on the startups to change their approach in how we connect with and source certain talent pipelines. "The University/Schools are great talent pools so we need to articulate the company's Employee Value Proposition and potential in order to attract those who normally would not consider a job with a start up. We need to showcase success stories and how it's facilitated people's careers."

She felt that their employee proposition is X and theirs is Y, and the startups need to find new ways to make them consider a career with them.

In addition, a number of attendees made it known that they don't always consider qualifications a barrier. They believe transferable skills are more important; some even suggested they would find a way to take people with raw talent and a desire to learn even if it wasn't right for the company.

Mind Candy recently took on a junior lawyer and, did not take the traditional approach to hiring a person who had completed their legal training. "She was right for us in many ways so we will train her up in house and support her a different way to reach the same end result of being a qualified lawyer".

By taking people through schemes such as Skillmaster, Ms Handscomb told us, it allows them to think about people differently and tap into a different labour market.



Richard Lambeth added: "Through Just IT's work with organisations with Tech City and the wider digital industry we have seen that tech businesses will always have requirements for hiring mid to senior talent through existing recruitment strategies and its important organisations are quick to act when talent comes into the market as they are quickly snapped up.

"It's important that companies within the recruitment industry help to educate its clients on the current market so businesses aren't being held back by a lack of talent."

WHAT ARE THE BARRIERS IN FINDING AND TAKING ON APPRENTICES?

The greatest issue the attendees found of apprenticeships is the lack of awareness of them.

They discussed that startups will often be presented with a problem that is immediate and urgent where there isn't the time to surf around for potential candidates.

Some felt it would be easier if apprenticeship schemes could tell them what their students are good for - whether their skills lie in it's Q&A or customer support.

Through a system of openness and talking the same language, it would make it easier for startups to find a solution using apprentices.

Ruth Lomax believes part of the problem lies with the lack of transparency within the job market. She indicated that most jobs are either found through word of mouth or graduate internships, saying most people don't realise the fantastic opportunities available to them right on their doorstep.

She also suggested that although systems such as oDesk provide a simple solution and are cost effective, the larger startups have a social responsibility to take on young talent. If time is not invested in training apprentices, then the talent pool will run dry.

Other attendees felt the problem lies in traditional values within society. Like other sectors, startups will often look at university degree, what institution they attended, their experience etc. Technology is a new, evolving sector that can be based on talent rather than these traditional values. But it requires the startups to follow this new measure.

WHAT ARE THE CHALLENGES OF WORKING WITH APPRENTICES?

A number of the attendees believe the cultural support behind apprenticeships is wrong. One member expressed their distaste at the school system for gearing students up to go to university, saying it leaves the 'unsuccessful' kids being syphoned off into this alternative channel.

Anthony Impey, Director at Optimity, said: "The system doesn't place any importance on apprenticeships. If it could be changed at policy level, schools should be rewarded for the number of apprentices they put through so its not seen as a secondary option."

Tim Casey explained Just IT have a dedicated team which goes into schools and explains what an apprenticeship entails. His experience is that schools don't have the proper career service to explain and teach the options available.

He suggested the startups could go into schools and spend time at a career fair to educate the next generation of talent.

"Sometimes we criticise the education sector saying the kids aren't ready, so isn't it up to us to go talk to these guys and tell them what it really looks like?"

Penny Handscomb from Mind Candy believes that it's important to install the talent mindset in all employees, at all levels, and encourage companies to conduct "exploratory interviews" on a regular basis and be on the lookout for great talent regardless of whether there are open positions or not.

“A great hire this year was a person we met through exploratory channels, who happened to drop out of school at 19; ran her own business and today is running an important part of our business. While her resume was interesting it was not until we met her that we saw the potential that existed in such a young person.”

Richard Lambeth added that “again through our experience we have seen that businesses need to up skill or cross train their staff and by doing this they are able to add new skills to a business whilst keeping staff happy and motivated.”



HOW DO WE PROTECT APPRENTICES?

There were conflicting opinions as to how to best protect and promote apprenticeship schemes.

Some felt the problem specifically lies on the demand side from startups. They need to be convinced there won't be large overheads by bringing in new apprenticeship talent.

Tim Casey from Just IT believes that there isn't a problem with supply as there are a large number of 'hungry people out there'.

However Pete Smith disagreed. He suggested that if there was a large amount of people coming out of these schemes and with an extremely high success rate, then startups would take on this talent.

Mike Orchard suggested startups should be approaching more forward-thinking recruitment companies. Both sides have the work, or need the work completed. If a candidate isn't successful in applying for a particular job, it doesn't mean they are completely incompatible. By offering them some sideline work in the meantime, it allows both worker and startup to build a relationship and potentially lead to full time work.



ACTION POINTS

It was felt overwhelmingly by the table that for changes to occur, there needs to be an attitude shift within organisations and startups about talent.

Some felt that companies need to take more risks in finding skilled workers, and others highlighted the need to be made more aware what they can offer to the local community in terms of apprenticeships. In some cases, startups most likely aren't aware they could provide a valuable opportunity.

Others altered the focus to the relationship between employer and employees.

“Its a procedural change which employees aren’t slaves, they’re not workers, or things you own. They’re things to tend for, care and encourage to grow.”

It also involves finding middle ground to reduce risk on either side of the table. This can include offering short-term, low level tasks. It means the apprenticeships get work, and the startups get their work complete.

There was a strong feeling that there needs to be a change in the education sector about the value of apprenticeships. Schools need to teach students that working for a startup is just as good as working for a bank or going to university.

“Had I been born in San Francisco, working for a startup would have been a no brainer.”

Finally it was questioned whether Tech City needs a core of apprenticeship ambassadors. A group of individuals that have been successful in their careers through apprentices who can promote to students and startups the value in apprenticeships.

“The more we can spread our ethos into the community the more competitive this area becomes in the global markets.”

FIND OUT MORE ABOUT TALENT

Tech City News regularly covers the latest developments in talent and recruitment. [Click here to access a dedicated section.](#)

INTERESTED IN ATTENDING OR HOSTING A FUTURE ROUNDTABLE?

We hold roundtables every month on topics including immigration law, cloud computing, recruitment and connectivity.

We’re always interested in hosting new debates, to find out more contact Becky Golland: becky@techcitynews.com or call 0208 133 5391.

JUST IT IN TECH CITY

[Since 2001, Just IT has offered a unique blend of recruitment and training solutions designed to add value to any IT or Tech team.](#)

Based in East London, Just IT is set up to help combat the global demand for IT & Technical professionals, through tech apprenticeship schemes, specialist IT recruitment services for roles from £18k to £120k and corporate training programmes.

Just IT possesses the creativity and innovation necessary for responding to the ongoing challenge, as it continues to affect businesses around the world.