

The logo consists of the lowercase letters 'rh' in white, set against a dark red square background. The square is positioned in the top-left corner of the overall image.

rh

A photograph of a woman with blonde hair and a man with glasses and a beard, both smiling and looking at a laptop screen. The man is pointing at the screen. The background is a blurred office setting with a lamp. A network diagram overlay is visible in the top right and bottom left corners.

# RECRUITING FOR THE FUTURE

THE CHALLENGES FOR UK SMEs

The logo features the lowercase letters 'rh' in white on a dark red square, followed by the text 'Robert Half' in a black sans-serif font. A registered trademark symbol (®) is located at the end of the text.

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# SMEs plan for their digital future

Digitisation will be the engine of economic growth for small and medium-sized enterprises (SMEs) in the decade ahead. As well as adapting business models to suit the emerging requirements of B2C and B2B customers, SMEs need to tap into the evolving platform economy and collaborate with other organisations – large and small – to create new products and services.

So what does this mean for UK SMEs and their ongoing recruitment plans? According to our research, collaboration, communication and commercial understanding are becoming as important as technical skills when sourcing technology professionals. Today's IT specialists need to be able to work alongside non-IT colleagues in the business to turn ideas into reality, as well as understand how to apply technology to support more efficient business processes.

But how geared up are SMEs to recruit the [tech professionals](#) they will need in future – and what strategies are they already adopting to ensure they are best placed to thrive in the new digital environment?

According to [figures](#) from the Office for National Statistics, the data revolution is already under way. Website sales by smaller businesses with 10 to 49 employees rose from £7.8bn to £34bn between 2009 and 2017, an increase of 337%. There has also been a sharp increase of 16% in e-commerce sales by businesses with 10 employees or more, from £484bn in 2016 to £560bn in 2017 – the biggest rise since 2011.



# Digitisation: opportunities outweigh threats

Of all the headwinds faced by businesses, digitisation is creating the biggest opportunities and the most impact. But the adoption of technology (or lack of it) can create threats as well as opportunities.

*More than **1 in 2 CIOs** believe that digital transformation will have the biggest effect on the future of their organisations.*

The [Confederation of British Industry](#) (CBI) has stated that some SMEs are failing to adopt tried-and-tested technologies like cloud, mobile, e-purchasing and cyber security. It says firms that “fail to take up existing technologies and better management practices often struggle to embed new skills, export or allocate finance towards innovation”.

If more SMEs were to adopt technologies such as cloud and e-purchasing, the impact could be a £100bn-plus uplift in the economy, according to the CBI.

And in some ways, says Jonathan Wyatt, Global Head of Protiviti Digital, it is easier for SMEs to migrate to new cloud-based environments than it is for large businesses, simply because SMEs don’t have to worry so much about decommissioning legacy systems.

“I’m seeing a lot of SMEs migrating to the cloud and getting rid of on-premise servers,” he says. “They are adopting software as a service (SaaS) platforms that enable people to work from anywhere, enabling flexibility at the same time as modernising applications and saving on centralised costs.”

# Small business benefits of implementing new technologies



**47%**

Increased efficiencies



**41%**

Improved employee communication



**41%**

Easier to share information



**38%**

Greater employee productivity

Source: Independent research commissioned by Robert Half with 100 CIOs across the UK.

Productivity gains can be made right across a business, from finance to marketing. As Gartner's CMO Spend Survey 2018–19 reports: "technology now accounts for a whopping 29% of the total marketing expense budget, making martech the single largest area of investment when it comes to marketing resources and programmes". Through the increased data and analysis of spend, large and small businesses are able to accurately predict the revenue uplift from increased advertising spend.

"Digitisation is now the number one business priority for SMEs," explains Matt Weston, Managing Director, Robert Half UK. "It requires a change in process and in people, as leaders need to ensure they have the right skills available to support this change at the right time. Businesses that do not address the digital challenge could see their talent and competitive advantage begin to disappear."

So while the advantages that digitisation brings are not in doubt, the big challenge for SMEs is to find, attract and retain the right people, especially when they are in such high demand. A significant proportion (88%) of CIOs believe it is more challenging to find qualified tech professionals today than it was five years ago.

Part of the problem stems from the fact that digital transformation programmes are under way in every sector and within every size and type of organisation, creating huge competition for the most talented professionals. SMEs need to build a genuine narrative around work–life balance, exciting technologies and an empowering culture to compete.

**75%** of CIOs believe it is more challenging for SMEs to attract tech talent as they prefer to work for larger, tech companies.

Source: Independent research commissioned by Robert Half with 100 CIOs across the UK.



# The changing tech skills profile

The success of SMEs is inextricably interlinked with digital technologies. Their technology professionals need to get closer to both customers and the business – not just remain focused on technical issues. Increasingly, their role will be to understand customer preferences for user experiences, products and services, then to work with colleagues to deliver them.

Just by adopting the latest tools and technologies, businesses are often transitioning from on-premise servers to cloud-based subscription services. This means more processes can be set up 'out of the box', while security and availability, as well as system upgrades, are managed by the vendor – whether that's Microsoft, AWS or Salesforce.

“Technology these days is run by technology companies,” agrees Jonathan Wyatt. “SMEs don't need armies of programmers, but they do need people who are excited by the prospect of technology and its capabilities to solve business problems.”

As well as being skilled in how to make technology work for the specific needs of the business, professionals need to understand its potential to create value and how to collaborate with third parties, such as cloud service providers. This requires a different set of skills, including communication and collaboration.

# Top skills needed to successfully lead an IT department



**72%**  
Effective  
communication



**52%**  
Technology  
know-how



**48%**  
Delegating decision-  
making processes



**43%**  
Change management  
experience



**42%**  
Involvement of specialists  
in decision-making

Source: Independent research commissioned by Robert Half with 100 CIOs across the UK.

The sheer power of technology is also fuelling a trend for 'low code' development environments, in which everyone can point and click at components and data to create processes and apps, not just tech experts.

In future, this will extend further into disciplines such as data analytics. Business people will be empowered to look for patterns or what-if scenarios in data and will no longer need to wait for standard reports to be completed by a specialist team.

Meanwhile, agile development methods enable a test-and-learn approach where new projects can be tried out, adopted when successful and ended if not.

But while rapidly developing technology is breaking down barriers between functions and teams, strong governance is still needed to ensure that innovation always takes the business further towards its end goals.

"It's true that SMEs can act faster and be nimbler," observes Paul Clavering, Founder of Just Enough Change. "And anyone can build an app using a platform such as Bubble. But the danger is that SMEs run the risk of trying to conquer the world or forget about the North Star they agreed to follow. It's about setting a direction and empowering teams to find the best ways to get there, but not making the mistake of kicking off hundreds of projects operating in silos."



# Delivering a talent strategy that delivers results

Finding the right people is just the beginning: while a third (33%) of CIOs say attraction is their biggest talent management challenge, improving productivity and talent retention come a close second and third.

“The UK talent market is already experiencing a lack of the digital skills needed to help businesses adapt to digitisation, artificial intelligence (AI) and automation,” agrees Matt Weston. “All the indicators show that demand for skilled professionals in finance, technology, marketing and digital will continue to grow in line with the sharpening focus on productivity, digitisation and automation. It’s vital to understand what technology professionals are looking for from new roles.”

“Organisations need to create an environment where people embrace the possibilities that new technology brings,” says Jonathan Wyatt. “When traditional firms with old-fashioned command-and-control cultures recruit people or teams from tech-led businesses, they don’t tend to stay around for very long.”

## What motivates tech talent to move jobs?



**27%**  
Desire for a high salary




**21%**  
Desire for greater work-life balance



**14%**  
Lack of desired training and development options

Source: Independent research commissioned by Robert Half with 100 CIOs across the UK.



SMEs also need to play to the desires of tech professionals to work on projects that make an immediate difference to a business or its customers, he adds: "It can sometimes be harder for big organisations to attract the tech talent they need because they can't always demonstrate a collaborative, innovative, flat culture."

Another approach is to offer tech professionals more responsibility along with a share in the equity of a business, says Tatjana Slykova, COO/CFO of Abintus Consulting, a media strategy consultancy. "The good thing about working for an SME as a technology professional is that the position is going to be so diverse. You're probably going to be given permission to introduce change and to play a real role in growing the business. SMEs are also more likely to be in a position to offer equity to new employees."





# Build a culture that embraces digital

While good pay is a factor in attracting tech professionals, SMEs also need to demonstrate flexibility in work styles, development potential and a motivational, technology-led environment.

[SMEs' digital leaders](#) have a responsibility to be aware of technology trends that will open up possibilities for the organisation, whether that's via cloud services, data analytics, robotics or machine learning.

Tatjana Slykova says: "We are a small team – but the service we deliver is suitable for companies of all shapes and sizes. The finance and project planning systems we use must be spot on, because there aren't enough hours in the day to do things manually. It's our responsibility to be aware of the software and systems out there and to make sure we keep educating ourselves and our clients."

Not all senior teams take the same view. Over three-quarters of CIOs who believe they don't have the right leadership in place

to achieve the benefits of digitisation blame resistance to change, while half ascribe it to lack of technology know-how.

To keep up with born digital competitors, SME leaders need to stay up to speed with the possibilities that technology brings and communicate that to the tech professionals they want to attract, as well as current employees.

To ensure teams possess the requisite skills needed to use technologies, less than half (47%) said they would train existing staff, while 37% would bring in contractors or interims to transfer knowledge.

Yet any new hire provides an additional opportunity to increase the collective digital knowledge of an organisation, says Jonathan Wyatt. "When organisations recruit their next CFO, they should be spending a lot of their time asking how he or she will apply technology like robotics to the finance function, not just how they will manage the numbers."



# Implement flexible hiring

As well as improving the digital understanding of the leadership team, SMEs can consider more [flexible recruitment strategies](#), taking advantage of the growing trend for experienced professionals to work as freelance or interim contractors.

Matt Weston explains: “What we’re calling the professional gig economy is well under way, with [over 15% of the UK workforce](#) now classed as self-employed. Organisations are beginning to rely more heavily on flexible recruitment models as a means of enhancing agility, balancing economic uncertainty and the lack of available talent.”

If a digital initiative requires specialised, technical knowledge that an SME doesn’t have in-house, they can find project or

interim professionals with extensive skills in relevant areas, many of whom have chosen this career option because of the flexibility and variety of assignments it offers.

“SMEs cannot always afford a full-time IT director,” adds Paul Clavering. “I’m seeing a lot of demand for a ‘fractional’ approach by SMEs, which bring a consultant in for a couple of days to establish a digital strategy, cut back on projects and set realistic targets with board ownership. They can then invite the consultant back in further down the line to assess progress.”



# Rocket-fuelled transformation

The speed of change fuelled by digital technologies is only going to accelerate in the years ahead. Artificial intelligence, data analytics, the internet of things, blockchain, robotics and 5G mobile communications are just some of the technologies that will deliver even faster rates of transformation than we have seen so far.

Business models will change radically, job descriptions will become much more fluid and collaboration, whether between humans via unified communication or between technologies via application programming interfaces, will require completely different skill sets.

*“If SMEs fail to recognise this fast changing business environment and the need to change their strategies for attracting rapidly evolving tech skills, they will miss out on the ability to compete and thrive through collaboration and innovation.”*

– Matt Weston, Managing Director, Robert Half UK

# Building a digital-ready business: six steps to future-proofing your organisation



## Adopt new technologies

Implement digital tools that improve productivity, reduce costs and delight customers.



## Recruit the right talent

Use each new hire as an opportunity to improve your digital know-how.



## Spot skills gaps

Understand changing technology professionals' skill sets by completing a [skills audit](#) before you hire for the future.



## Invest in training

Ensure your existing team get the digital training and development they need.



## Lead from the top

Take responsibility for keeping up to speed with the potential of digital technologies.



## Embrace flexibility

Adopt a flexible recruitment strategy that includes talented project and interim professionals.



GET IN TOUCH WITH US TO DISCUSS  
YOUR FUTURE HIRING NEEDS

## RESEARCH METHODOLOGY

This report is based on an annual study commissioned by Robert Half UK and conducted by an independent research firm. The study is based on more than 100 interviews with CIOs and IT directors in companies across the UK. The results have been segmented by size, sector and geographic location.

## CONTRIBUTORS

**Matt Weston**, Managing Director, Robert Half UK

**Paul Clavering**, Founder, Just Enough Change

**Tatjana Slykova**, COO/CFO, Abintus Consulting

**Jonathan Wyatt**, Global Head of Protiviti Digital

## ABOUT ROBERT HALF

Robert Half is the world's first and largest specialised recruitment consultancy and a member of the S&P 500. Founded in 1948, the company has over 300 offices worldwide providing temporary, interim and permanent recruitment solutions for accounting and finance, financial services, technology, marketing and creative, and corporate and business support professionals.

Robert Half is also the parent company of Protiviti, a global business-consulting firm that helps companies solve problems in finance, technology, operations, governance, risk and internal audit.

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