



Your Cloud Experts 

# IT and Tech Skills Gap Report

UK Research

# 2024



Conducted: Hyve Managed Hosting & Censuswide

# Introduction

Digital transformation has become a key driver of economic growth for many countries, making the role of the IT professional essential. Despite the rapid adoption and advancement of new technologies, the UK has been experiencing a significant shortage of IT and technology professionals. [Coursera's 2024 Global Skills Report](#) highlights this issue, ranking the UK 25th in Europe for tech skills, placing the country significantly behind regional leaders such as Germany, France and Spain, and predicting challenges to the UK's economic competitiveness.

Despite the UK government's efforts and financial investment in the technology sector, with the aim of becoming a ['science and technology superpower'](#) by 2030, **the shortage of IT professionals continues to impact technology growth in the UK.** According to industry experts, several factors contribute to this problem, with the most commonly cited root causes including the disparity between **rapid technological progress and the ability of educational programmes to adapt to these advancements, a lack of emphasis on IT and technology subjects in schools and universities, and the shortage of accessible, effective upskilling programmes supported by key industry stakeholders - government and business.** To address the IT and tech skills shortage and mitigate its potential negative impacts on



the UK economy—such as hampered business growth, increased cybersecurity risks, and reduced innovation—the industry needs a clearer, more up-to-date perspective on the current situation.

**Hyve Managed Hosting, a global managed hosting provider** with decades of experience as a key player in the technology sector, has, among other services, been helping businesses to address the impact of the IT skills shortage across the UK and beyond. **To better understand the issue and examine the most discussed causes of the IT and tech skills gap,** as well as to identify the key challenges organisations face as a result of this issue, **Hyve surveyed over 500 UK business leaders and IT decision-makers.**

The presented findings highlight **the growing demand for tech expertise in the UK**, which is currently unmet due to rapid technological advances, high competition for tech talent and limited training and upskilling programmes, rooted in a lack of consistent collaboration between government,

academia and the private sector. The findings displayed in this report also emphasise **the growing role of Managed Service Providers (MSPs)** as a source of knowledge and expertise to deliver IT and technology skills.

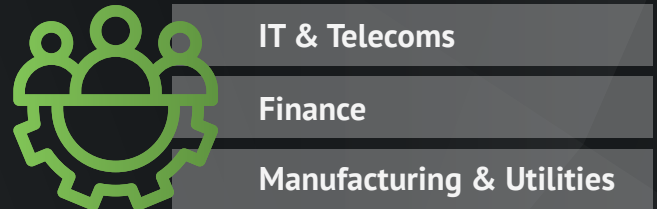
## Methodology

The findings in this report are based on responses from online interviews and an email survey of **505 UK business and IT leaders of mid-size enterprises as well as larger-size companies**. The research, commissioned by Hyve Managed Hosting, was conducted by Censuswide, a market research company. Censuswide adheres to the Market Research Society (MRS) code of conduct and ESOMAR principles, and is a member of the British Polling Council.

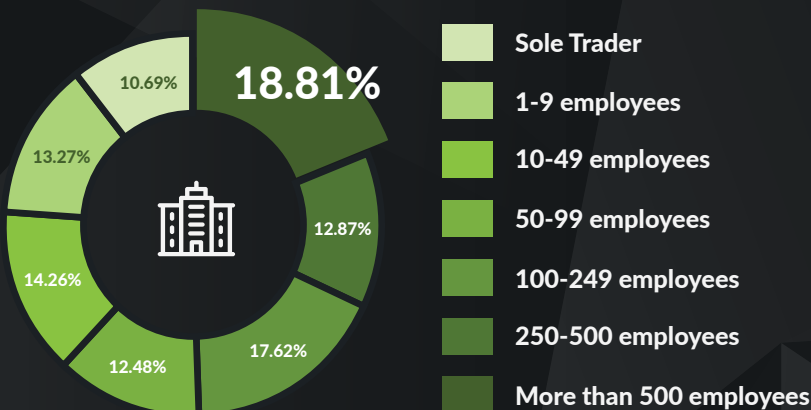
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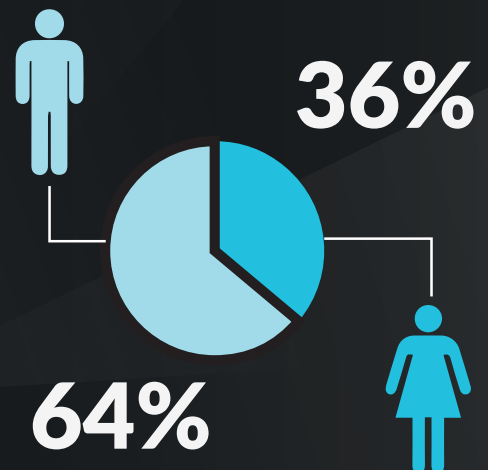
### Top 3 business sectors



### Company size



### Gender split



# Key findings

The most common problems that are associated with the skills shortage in IT and tech are **technology performance** (30%), **lack of innovation** (28%), **falling behind competitors** (26%), **employee frustration and turnover** (26%), and **difficulty keeping up with clients** (24%).

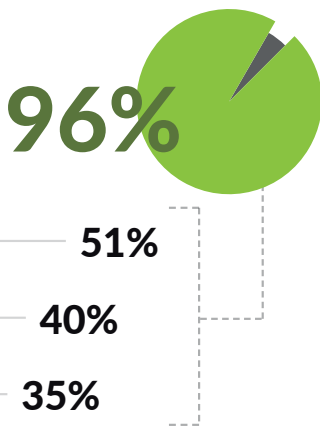
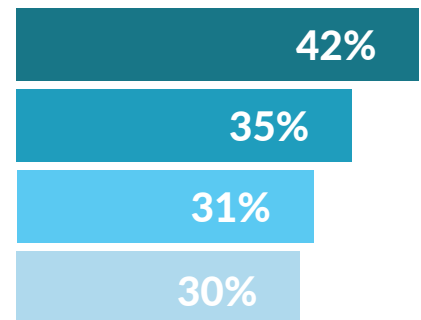
# 84%

## of UK business leaders

are facing the issue of an IT and tech skills shortage.

### Top 3 reasons for the shortage

The main causes of the lack of skilled IT and tech professionals identified by the survey include **rapidly evolving IT/tech sectors** (42%), **high competition for talent** (35%), and **inadequate training or applicant availability from educational institutions** (31% and 30%, respectively).

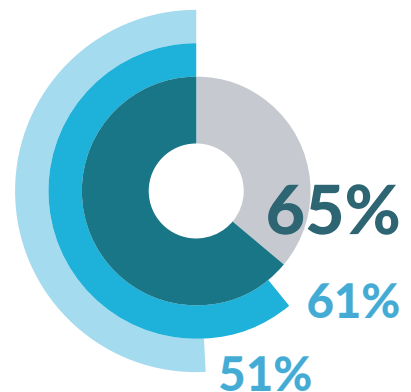


### Methods of addressing the skills shortage

A significant number of respondents (96%) stated that they are already taking action to address the skills shortage. Over half of the researched businesses (51%) are **investing in the training and development of their staff**, and 40% are **improving recruitment processes**. 35% of the respondents stated that they are currently **working with suppliers or managed service providers** to plug the IT/ tech skills gap.

### MSPs as a solution

According to the research, around **65% of business leaders in the UK use managed service providers (MSPs)**. MSPs are most frequently used for **security** (61%) and **infrastructure management** (51%). **46% of the companies reported experiencing a severe skills gap** and confirmed that they **rely heavily on MSPs to address the shortage**.



# Impact of IT skills shortage on UK businesses

The IT and Tech Skills Gap Report 2024, commissioned by Hyve Managed Hosting, uncovered that **many UK companies are experiencing the negative effects of the IT and tech skills shortage**, naming this issue one of the biggest challenges for their business, together with **ongoing economic uncertainty, catching up with technological advances and keeping up with competitors.**

**Just over 4 in 5 (84%) of UK business leaders** and decision-makers report that their organisations **are facing the issue of an IT and tech skills shortage**, and **81% of respondents have experienced negative impacts from this shortage.**

## The most common problems associated with skills gap shortage

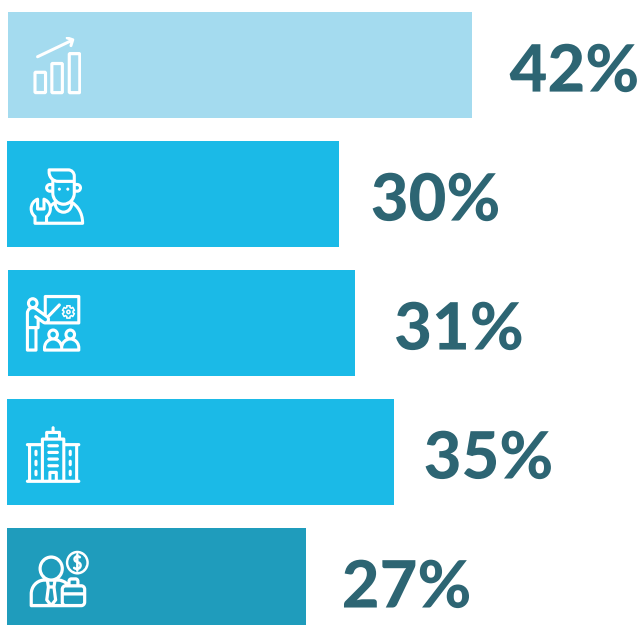


The report also states **that 20% of UK businesses have recently experienced outages, data breaches, or ransomware attacks (17%) as a result of the IT/tech skills shortage.** These issues are more common in larger-sized companies, with 29% of firms with 250-500 employees reporting such outages.

# Causes of the IT skills gap

The IT and Tech Skills Gap Report confirms the complex nature of the current IT and tech skills shortage, identifying several key factors that contribute to this problem.

According to the survey, **42% of business and IT leaders attribute the IT and technology skills shortage to the rapid pace of technological advancement**, which outpaces the current speed of training and development of new talent. Many of the surveyed business and IT leaders feel that academic institutions fail to keep up with industry progress; approximately **30% of respondents believe that the IT and tech skills gap is driven by a shortage of skilled applicants emerging from schools or universities**. Similarly, **31% attribute the problem to insufficient training provided by educational institutions for entry-level positions**.



**The competition created by large companies with immense resources** is also exacerbating the IT and tech skills shortage, as tech giants draw many skilled professionals from the market.

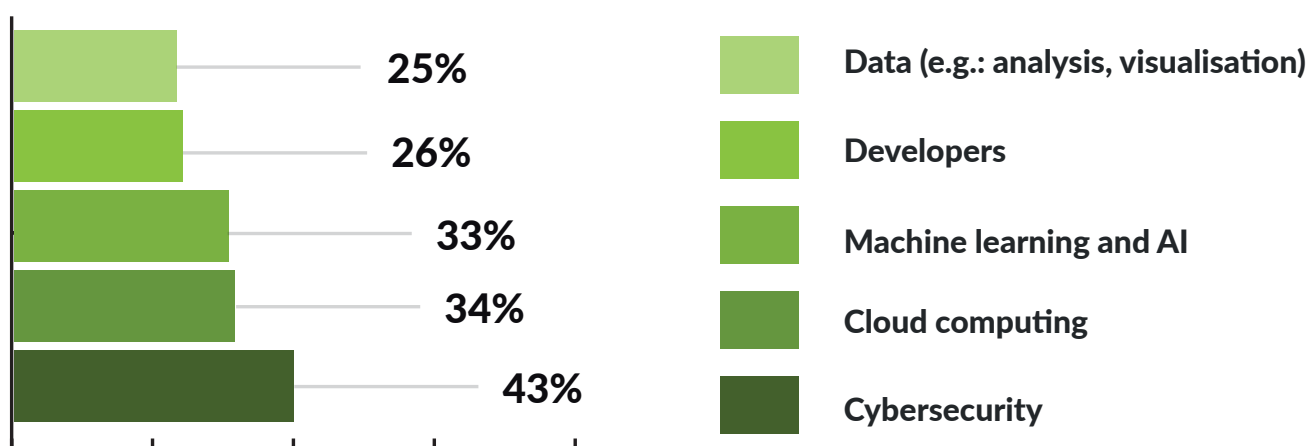
Finally, **27% of respondents think the high cost of hiring IT/tech professionals** is a significant factor contributing to the skills gap.

# Cybersecurity and cloud computing are the most in-demand IT skills

From the data presented in this report, it is clear that the UK tech and IT industry is suffering from a stark discrepancy between the skills it needs and the skills available. Another issue is that business leaders often struggle with understanding the specific skills they should seek when hiring tech talent. **Nearly half (49%) of respondents admitted that they find it difficult to pinpoint the right tech skills to prioritise, while 58% find it challenging to decide what constitutes a 'good' tech hire.** Moreover, **52% of respondents also said they often settle for less qualified IT professionals due to a lack of suitable candidates.**

The research identifies five technical skills that business and technology leaders highlighted as most in demand:

## The most in demand IT and tech skills



Further findings in the report, outlining the most common IT and tech skills already covered by organisations, also put cybersecurity and cloud computing at the top of the list, again emphasising the critical nature of these technology areas to modern businesses and business leaders' insistence on ensuring that these areas are prioritised.

According to the data, **45% of organisations have cybersecurity skills covered**, and **43% have addressed their need for cloud computing skills.** In addition, **43% of respondents confirmed that they have IT infrastructure management skills covered**, highlighting the critical role of these skills in supporting business processes.<sup>1</sup>

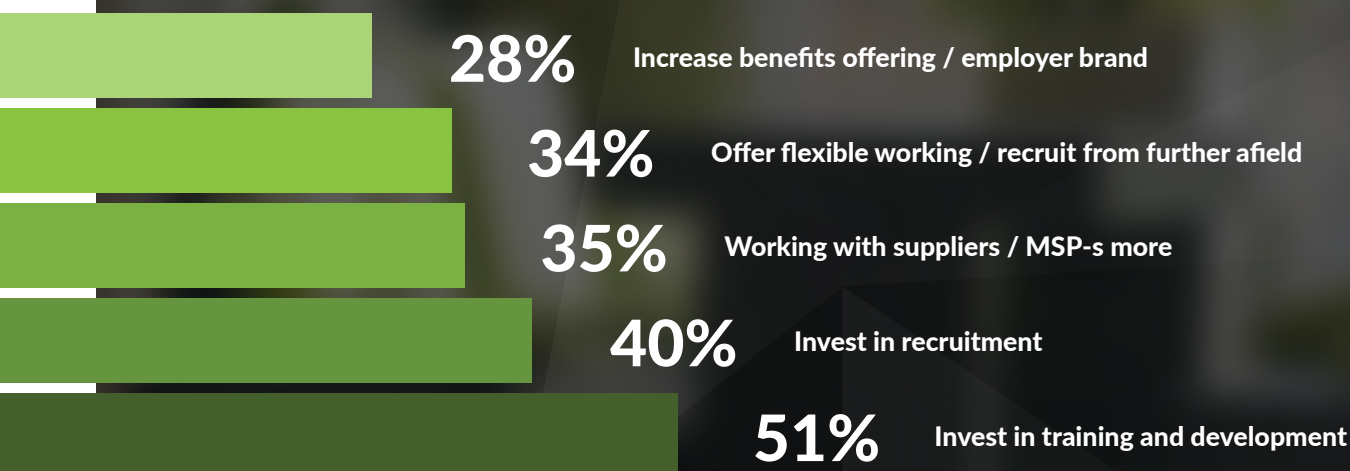
<sup>1</sup> Those who find it challenging/ not challenging managing/filling IT/tech skills gaps/skills shortages

# Bridging the IT and tech skills gap

As this research demonstrates, business leaders in the UK recognise the profound impact that the IT and technology skills shortage has on their organisations. In fact, **almost all respondents (96%) are currently addressing or planning to address issues associated with the IT and tech skills gap.** These issues include **falling behind competitors, reduced innovation, and increased risks of system outages and data breaches.**

According to the data, the most common approach to addressing these issues, **adopted by 51% of UK companies, is to invest in the training and development of in-house talent,** including reskilling. **2 in 5 (40%) of respondents said they are currently focused on improving recruitment processes.** Over a third (35%) of UK businesses surveyed confirmed that they are **partnering with suppliers or managed service providers** to mitigate the impact of the shortage of qualified professionals.

## Most common approaches used to address IT skills shortage



**Almost half (46%) of respondents who stated that their company is facing a severe or significant IT and technology skills gap** are already actively working with external suppliers or **managed service providers (MSPs) to help bridge the gap,** compared to just under a third (32%) of those facing a moderate skills gap. This data highlights the growing importance of external expertise in mitigating the impact of skills shortages, particularly for organisations facing more pronounced shortages.

<sup>2</sup> Applies to those who have faced negative impacts as a result of an IT/tech skills gap/shortage





## Managed service providers as a solution to the IT and tech skills gap

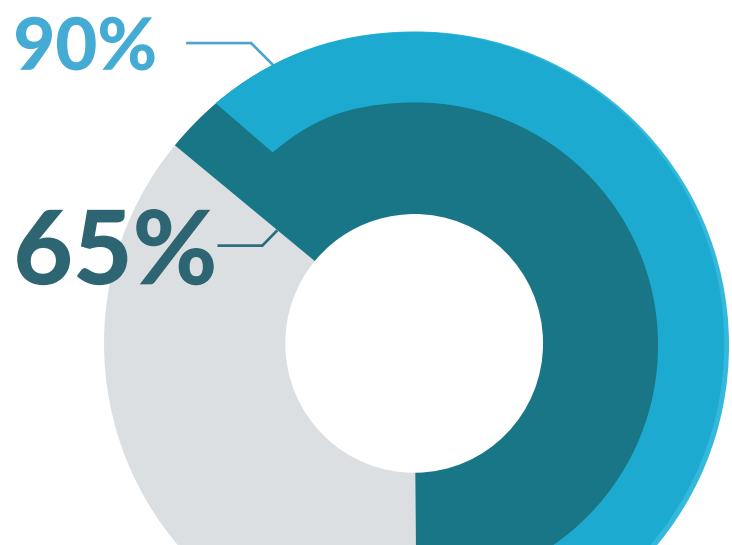
As demonstrated by the findings of this report, UK businesses struggle to find and recruit IT professionals with the right skills to effectively manage their IT systems. As a result, many are turning to outsourcing IT services and/or working closely with managed service providers (MSPs).

The data shows that **almost two-thirds (65%) of business leaders surveyed said they work with an MSP.**

Of the 65% of the companies that work with an MSP, **90% said that they partner with managed service providers to address the issues created by IT and tech skills shortages.**

A third (33%) of respondents in the same sample also stated that they rely heavily on the expertise of their MSP to manage their IT and tech processes.

In terms of the areas in which organisations are supported by managed service providers, the survey found that 61% of respondents use MSPs for security, 51% for infrastructure management and 42% for helpdesk services.



# Conclusion

The IT and Tech Skills Gap Report 2024, conducted by Hyve Managed Hosting and Censuswide, highlights the significant problem of a **shortage of skilled IT and tech professionals in the country**. According to the study, this skills gap is having a profound impact on many businesses across various key sectors, slowing down the growth of these businesses to the detriment of the UK economy. The most common problems faced by respondents of the survey include **underperforming technology, lack of innovation, increased staff turnover** and an **inability to keep up with competitors and customer demands**. Many respondents reported a correlation between the **shortage of skilled IT and tech professionals** in the

UK job market and the **frequency of cyber incidents** (outages and security breaches) suffered by their businesses, the mitigation of which is **critical to business stability**.

Based on respondents' answers, the main reasons for the UK's IT and tech skills shortage in 2024 are **the rapid pace of technological development** and **increased competition for talent**. These factors are exacerbated by a **lack of support for the technology industry from the academic sector** and a **deficiency of training and upskilling programmes provided by educational institutions**.



The research also revealed which **IT and tech skills are most in demand in the UK**. According to the survey, IT and technology professionals with **cybersecurity and cloud computing** skills are in high demand in the UK employment market.

In response to the challenges brought about by the IT and tech skills gap, **UK businesses are actively investing in staff training and upskilling, optimising recruitment processes, and increasingly tapping into the expertise of managed service providers (MSPs)**. According to the research, MSPs, particularly in the areas of cybersecurity and infrastructure management, have proven to be an effective solution to the skills shortage for many organisations.

Looking ahead, the **collective initiative of government, education and the private sector** to work more closely together to create **more accessible and up-to-date learning and skills development programmes** will be key to addressing the UK's IT and tech skills gap. As the demand for technical talent continues to grow, **the role of MSPs is likely to become even more important in closing the existing skills gap** and ensuring technological growth and stability for businesses across all sectors.



## Contact information

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