Why competition for talent in the deep tech sector continues to intensify.

Content

- What's the real impact of COVID-19 on talent and recruitment in the Deep Tech sector?

- The impact on talent following Brexit including the challenges and opportunities.

- What impact could COVID and Brexit have on graduates and future talent?

- How do we win and attract new talent within and outside the UK?

- Summary

What's the real impact of COVID-19 on talent and recruitment in the Deep Tech sector?

Deep Tech is often set apart by its profound enabling power, the differentiation it can create, and its potential to catalyse change (www.techworks.org.uk). It includes those working in electronics, photonics, semiconductor, software development and IOT.

With many industries having to make redundancies and with many people forced to work from home over the Covid Lockdowns we have undoubtedly lived through unprecedented times.

What impact has this had on the Deep Tech Industry?

Of course we have seen a slowdown in hiring in the Deep Tech sector as a result of COVID-19, but not as much as many might assume. The technology design cycles are often long processes and hiring a top engineer can take a considerable amount of time.

Experienced engineers typically have 3 month notice periods, so anyone who was identified and offered a position may not start until we are further out of the lockdown situation. In addition to this, unlike other industries such as retail, tourism and aviation, the Deep Tech sector will continue to thrive as our need for and dependence on technology grows.

Scarce Talent

However, it isn't all good news for the Deep Tech sector. One of the impacts of COVID-19 that we are already experiencing is that our comparatively cautious talent pool is even more cautious and less likely to move jobs.

With the uncertainty we have all been living with many engineers will want to stick with their relatively safe jobs. Consequently, winning the talent you need on your team and project has become even harder to achieve in what is a comparatively competitive marketplace with scarce talent. Start-ups, or companies with less than bullet-proof reputations, will find talent attraction even harder than some of their competitors.

There is usually no secret to where the talent is. The trick is to entice them to move. We have seen a number of companies buck the media-reported downward trend and look to recruit through this period, partly because their funding cycles and investment has been agreed and or they have had confirmation from their clients that they are being held to agreed delivery dates.

Competing for Talent

Over recent years we have seen more companies trying to hire directly. However, this will be increasingly challenging in a marketplace where to hire directly you have to identify who and where that talent is and then entice it to join your project. The question is, why should they move if they are in a strong position in a good company with protected employment and a redundancy package?

If there is going to be a recession, why would you move as in doing so, it could be argued, you are easier to get rid of (within the first 2 years).
Therefore, one of the primary and likely consequences of COVID-19 on the Deep Tech industry is the competition for talent where, unlike almost any other industry, the power is in the candidate's hands.

And we still have to factor the impact of Brexit...
If you are considering recruiting for your team in the next 6 - 12 months, get in touch and tell me what position you might be recruiting for.

What will be the impact on talent and recruitment following Brexit? Challenges and opportunities.

We have already seen COVID 19 has had a great impact on our economy and, following Brexit, recruiting talent from our EU neighbours is going to be significantly harder. By not being a part of the EU we are less likely to be attractive to EU talent and as a result less able to attract them.

Simon Segars, the chief executive of Britain's biggest technology firm has warned that clamping down on immigration from the EU in the event of a hard Brexit would damage his business. If we leave the single market and end freedom of movement, thereby limiting the number of foreign workers, it is likely to hamper company growth.
Simon stated in the Financial Times *"If there was some law enacted that said every employee has to be from the UK, the business would fail."*

He emphasised that "access to people" was crucial for his business.
"There are a finite number of [UK] engineers with the right skills we can hire, we have to be able to play unencumbered on a global playing field, that's really important for us."
"If we have to go through some form of visa process to get the skills that we need, that will slow us down,"

If we consider the impact of this on the whole industry then it could have significant consequences in a sector in which both the UK and Scottish governments see future jobs and growth.

Another one of the impacts of Brexit is that the UK Work Visa licenses need to be adopted by hiring companies that want to attract the best talent. Whilst for some this can be seen as a negative reducing the access to talent from EU countries. However, we are also likely to see an opening of opportunities to hire talent from anywhere in the world. This will require companies to open their minds, prepare to be more diverse and welcome people from around the world. We also need to be prepared to compete on the world stage when it comes to attracting talent. If we fail to do that, there could be significant consequences for the industry as a whole with fewer candidates from the EU and elsewhere joining British-based tech companies.

While there is likely to be an initial investment cost of getting the licenses set up, it could result in us attracting great talent to the UK, contributing not only to the business but also their community. There is the opportunity that post-Brexit with the wider talent pool from around the world, we will see our industry thrive and grow.

We have to take advantage of the new level playing field for international talent and recruit the best people from around the world, we could be attracting exciting new talent. The question is, what happens to those Deep Tech companies who fail to adjust and set themselves up to welcome and absorb global talent? Will those companies fall behind?

What impact could COVID and Brexit have on graduates and future talent?

The tech industry in the UK is highly selective and tends to progress only those graduates with a 2:1 Honours Degree or higher into its design teams. There are few companies that offer training and apprenticeships and much of the recruitment through agencies is to attract people already doing the job at a competitor's business. With lower access to EU talent, and becoming arguably less attractive to EU talent, the UK has shortened its own talent pool.

Graduate recruitment, as often is the case in a recession, has been hammered with 40% of students reporting that they fear not getting jobs as a result COVID-19. Other reports suggest that nearly a 1/3rd of firms are cutting their Graduate recruitment.

What we have seen from previous slowdowns and past recessions, is that graduate recruitment drops and as a result when the market picks up and companies are looking to recruit and grow, there is a significant shortage of talent. The recession in 2008 led to a significant shortage of talent in 2012. The result was that companies in the UK had to recruit from their EU neighbours. For example, we had a client who in 2012 was trying to recruit a graduate with three years worth of experience. The fact was this type of graduate didn't exist as they had had no opportunity to have work for three years when the tech sector had stopped recruiting graduates.

This scarcity of talent can hold back a company's growth.

How do we win and attract new talent from within and from outside of the UK?

There are three opportunities I see for us in attracting new talent:

1. Develop more home grown talent

Developing more home grown talent by increasing our graduate pools. In order to do that we need to really improve how we educate and encourage young children who show talent and interest in subjects like Maths and Science in their school careers. From the interviews we have conducted with new graduates, it is a common theme that it was a teacher that encouraged them to consider a career in technology. We need more of those teachers and more of those students, and not lose that talent to other industries.

Additionally, we need to hire and develop more of our UK-based students that gain an engineering degree and actually invest in those people. Investment and development is critical to the success of the industry as a whole. We know we need to lose less of our engineering talent to other industries.

2. Attract more women

We must also work harder and do more to attract more women into the industry. With women making up 50% of the population, only 16% are working in the STEM sector - and that's across the whole sector with little or no growth in the last 10 years (Computerweekly.com). We are singularly failing to attract women and part of the reason for that is that we are not engaging them early enough in their education. We do not do enough to signpost them to a career in engineering, and Deep Tech in particular.

We need to support schools and work hard to encourage and attract more women into Maths, Science and Engineering. Part of that is a greater awareness in society in general about the great opportunities, jobs and fulfilling work engineering and the Deep Tech sector offer. We need to stop it being seen as an industry of men for men. We need to make the women working in those industries more visible so that future women can see and be them.

Finally, as an industry we need to market and promote the fulfilling and important work we do. We need to train, develop and invest more in women and attract more of them into the talent pool through university courses and by the tech industry supporting schools to develop early talent.

3. International Visas

The UK's visa system seems to favour larger companies, in that these are often the organisations that have invested the time and resource into understanding, navigating and applying for the licenses required to be able to sponsor UK work Visas.

SME's are missing out and Enigma People Solutions have worked with numerous clients that have used the visa system and therefore been able to consider international candidates and attract brilliant engineers to their companies. If you want to tap into a pool of talented, dedicated, hard working and motivated engineers, then it is worth spending the time to get the licenses to allow you to sponsor international talent.

Summary

While we see job losses happening across many industries, this is not true of the Deep Tech sector. Companies still need and want their products developed and delivered. However, what is clear is that the talent to deliver these top end products is scarce. Consequently, the competition and demand to attract the best talent on to their team is intense.

With Brexit looming and the impact COVID will have on candidates' willingness to move to a new job or take risks, the scarcity of talent will increase. That means that how you recruit is likely to change and how you manage the recruitment process will certainly change. While in the past it might have been an 'employers' marketplace, that is no longer the case. The power is very much with those candidates who are much sought after.

One of the most common complaints we hear from candidates is that they did not feel appropriately courted and pursued during the recruitment process. It often means that the appeal of working for that business and team is lost, making recruiting them much harder to do. Soft personal skills are critical to finding and attracting candidates. They've never been as important as they are now when candidates are less likely to move or change jobs which particularly for more senior positions, is how many quality candidates are recruited.

In summary, you may find that the talent you need and desire just isn't there. That competition for talent will be fierce, and you will have to work much harder to romance potential candidates in order to win them on to your project.

Get in touch

If you would like to discuss your future recruitment needs please email me at **bhanley@enigmapeople.com** or call **0131 510 8150**.