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OVER-SKILLED
AND UNDERUSED

Investigating the untapped potential of UK skills

Report
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The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Report

Over-skilled and underused: investigating the untapped potential of UK skills

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A large proportion of jobs in the UK require only low or no qualifications...
Seventeen per cent of survey respondents stated that no qualifications were required for entry to their role and over a quarter (27%) said that only school-level qualifications were required.

While over half (54%) of respondents said that advanced literacy skills were required for their roles, only a third (33%) stated advanced numeracy was needed and just 15% reported that advanced ICT skills were required. When asked about broader skill sets, survey respondents rated communication, problem-solving, teamworking, customer handling, and planning and organisational skills as the most important for their jobs.

The recently published Skills and Employment Survey points to a concerning fall in the generic high-level skills requirements of roles, as well as a fall in the learning and training times to become proficient in a jobs.[1]

Over-qualification is highest amongst those with degree-level qualifications, with many graduates ending up in non-graduate roles...
The rapid expansion of the higher education system has led to many employers filtering applications by qualification level, seeing a degree as a signal of capability. This 'credentialism' means that many graduates now find themselves in 'non-graduate jobs'.[2] The survey results confirm this, with almost a third (30%) of those who say that while a higher-level degree would be required to get their job, lower qualifications are actually required to do their job effectively.

Over-qualification affects more than a quarter of the workforce, with the highest rates amongst those with degree-level qualifications, and in particular those that have studied less vocational subjects. Being over-qualified has a large impact on how much an individual earns, with previous research suggesting that a poor initial match can have a long-lasting impact on earnings as well as increasing the likelihood of future spells of unemployment.[3]

While over-qualification affects over a quarter of the workforce, over-skilling is a much bigger challenge, suggesting that a large proportion of the workforce's skills are under-utilised...
Just half of workers report that their skills levels are well matched to their roles, with over a third (37%) reporting that they could cope with more demanding duties and 12% reporting that they lack some of the skills needed to carry out their roles effectively.

Young people are more likely to report being both under-skilled (15%) and over-skilled (42%), as well as those on part-time contracts and workers in low-wage industries (such as retail and hospitality). Rates of over-skilling appear to decrease with age and job tenure, suggesting that for many, skill-matching becomes better over time.

Being unable to use your skills effectively at work is associated with poorer job satisfaction, lower earnings and worse career progression prospects...
Just over half (53%) of individuals with skills to cope with more demanding duties are satisfied or very satisfied with their jobs; this compares with three-quarters of those whose skills are well matched with their jobs. Over-skilled workers are also much more likely to earn considerably less than their well-matched counterparts, with previous research finding

that there are large wage penalties associated with being over-skilled.[4] In addition, over-skilled workers are more likely to want to quit their jobs (22% compared with just 12% of those who are well matched).

Under-utilised employees are much more likely to report that their job offers poor prospects for career advancement, training and skills development than individuals who are able to use their skills fully. They are also much less likely to report that they have been promoted within their current organisation.

Individuals need both the motivation and the opportunity to deploy their skills effectively...
Effective skills utilisation requires a combination of management and organisational practices and processes. Employee motivation can be harnessed through effective reward and performance management systems, as well as through a workplace culture that fosters commitment and engagement. Well-designed work, which provides individuals the chance to problem-solve and be autonomous, provides individuals with the opportunities to fully use their skills at work.

The research supports these assertions, with well-matched workers, compared with mismatched employees, much more likely to report that there is a climate of trust between management and employees. They are also more likely to report that mechanisms to seek the views of employees, to respond to their suggestions, and for employees to influence decisions are effective or very effective. Matched workers are also more likely than over-skilled workers to report that their job offers them the opportunity to learn new things, solve unforeseen problems and carry out complex tasks.

Lower-paid individuals, and those in lower socio-economic groups, are much less likely to have been promoted, highlighting problems with social mobility, as well as those associated with escaping low pay...
Our findings support previous research that suggests that those in low-paid work experience less mobility in the labour market. Just 12% of those earning less than £20,000 per year report that they had been promoted in the current organisation, compared with 45% of those earning £40,000 and above. Educational attainment and social class also play important roles, with those with degree-level qualifications much more likely to have been promoted than those without (32% and 15% respectively), and those from higher social grades also much more likely to have experienced progression (32% in ABC1 compared with just 15% in C2DE).

A lack of opportunities was the most commonly reported barrier to progression; however, the survey uncovered that well over a quarter of respondents were not seeking to progress...
Over a quarter (26%) of those surveyed reported that a lack of opportunities was the biggest barrier to career progression, followed by a lack of confidence (14%). Younger workers and more educated individuals were more likely to be seeking career progression than older employees and those with below degree-level qualifications. However, both of these groups were also more likely to report that they lacked some of the appropriate attributes (such as expertise and confidence) to enable career progression. Positively, relatively few (12%) respondents cited personal discrimination as a barrier to their careers, although it should be noted that the proportion was more than twice as high for non-white workers (26% versus 11%), suggesting that there is still a lot more work to be done to address issues of BAME career progression.

Executive summary – overview of survey findings

A quarter of the workforce had undertaken no training in the last 12 months, with older employees, low-wage workers, those on part-time contracts and the self-employed particularly badly affected...

While the majority of respondents had experienced some form of training over the last 12 months, almost a quarter (24%) had not. Individuals working in the private sector were less likely to have received training compared with the public sector and voluntary sector, with manufacturing, retail, hospitality, and construction recording the highest rates. Those working in SMEs and those on part-time contracts were also more likely to receive no training.

Older workers were more than twice as likely to have received no training compared with their younger counterparts, affecting 27% of those aged 45 years and over compared with just 13% of 18–24-year-olds. Lower wage earners, compared with those in higher pay brackets, were also more likely to not have undertaken any training.

The qualitative data emphasises the key role that workplace culture supported by high-quality line management plays in enabling workers to use and develop their skills and progress at work...

While a lack of opportunities and lack of confidence was highlighted as a key barrier to progression amongst focus group participants, a supportive management/peer culture was seen as essential to fostering a positive workplace environment that enabled people to have the confidence to seek promotion. There was a general consensus that management was reluctant to invest in their employees for fear that they may move on to other roles, and a sense that management was not always open to embracing new ideas or utilising skills gained from previous experience.

Line managers were viewed as a key gatekeeper to progression and development opportunities. Yet, many cited that their manager either did not have the time or experience to fulfil this role effectively. However, though this role was seen as crucial, most line managers themselves, while enjoying this aspect of their work, had received no training on how to carry this function out effectively.

② Introduction

It is increasingly recognised that improved productivity, alongside continued economic growth, offers the best opportunity to lift people out of poverty, raise overall living standards and improve individual well-being.[5] Yet in the UK there has been a marked slowdown in productivity growth in recent years, and the long-standing gap between the UK and some other major OECD nations, such as Germany and the USA, has widened.[6]

> *Work is strongly related to the quality of individuals' lives and their well-being. Quality jobs increase participation rates, productivity and economic performance, whereas, low quality work can push people out of the labour market or in to work which does not fully utilise their skills and experience, reducing well-being and productivity. (Taylor Review of Modern Working Practices)* [7]

While the reasons behind this are not entirely well understood, a number of commentators[8] have pointed to the long tail of poorly managed firms in the UK, relative to other countries, as well as poor skills development and skills use in the workplace, as key contributory factors. For example, OECD research finds that the UK could benefit from a 5% productivity gain if the level of skills mismatch – where employees either lack the skills needed for their roles or have the skills to cope with more demanding duties – were reduced to OECD best practice levels.[9] To achieve this, improved leadership and management capabilities are needed; evidence suggests that higher managerial quality is associated with lower skill mismatch and that difference in managerial quality can account for the negative association between under-skilling and within-firm productivity.[10]

While measuring the extent of skills mismatch is difficult, with a wide variation in estimates depending on the methodology used, on balance the evidence suggests that the UK has a relatively high level by international comparisons. According to OECD data, in 2015, the UK ranked fourth from the top of developed nations in terms of the proportion of workers who are either over- or under-qualified for their jobs. Alongside this challenge, the UK also stands out, in international comparisons, on the high proportion of jobs that require no qualifications, reflecting a higher proportion of jobs in the UK with a low demand for skills.[11]

Skills policy in the UK has been focused almost exclusively on increasing the supply of skills, with the assumption that the availability of a more highly qualified workforce would in turn lead to employers to shift to higher-value business models, which would then lead to a further upward shift in demand for skills and associated increases productivity.[12] Yet, this productivity miracle has clearly failed to materialise. The UK now boasts one of the most highly skilled economies in the world, with graduates making up 42% of the workforce, but has failed to narrow the productivity gap. On the other hand, relatively little policy attention has focused on skills use in the workforce and the alignment between the competencies of workers with the needs of the business, despite a growing evidence base that suggests that this is a much more pervasive and problematic issue.

This research report aims to provide an up-to-date picture of the state of the UK's skills base and how well individuals' skills are being used and developed at work. It provides a snapshot of the extent of skills/qualification mismatch in the UK workforce, the provision of training and development opportunities, and the extent to which employees feel they have opportunity to develop skills and progress in their career. The research is based on the results from a representative YouGov survey of 3,700 employees, carried out between April and May 2018, as well as three online focus groups with a subset of survey respondents.

The rest of the report is structured as follows:

- Part 1 discusses our findings on the extent of skills mismatches, the demand for skills, and extent of under- and over-qualification from the viewpoint of employees.
- Part 2 provides an overview of the types of training opportunities employees receive, how useful they find different forms of training, alongside discussing how training, skills development and career advancement opportunities are perceived by employees.
- Part 3 summarises the qualitative research, which aims to explore some of the themes identified in the previous two parts in more depth.
- Part 4 provides an overview of the research findings and concludes by offering some thoughts on the implications for policy and practice.

Part 1: Skills and qualifications at work

③ Part 1: Skills and qualifications at work

Over the last three decades we have seen a rapid expansion in the number of people in the UK with graduate-level qualifications. However, the growth in highly skilled jobs has not kept pace, leaving many individuals in jobs for which they are over-qualified.[13] Alongside this, while there are now few people in the UK who lack any educational qualifications, the UK has a high proportion of jobs that require low or no qualifications by international standards, creating further mismatch at the other end of the labour market.

Ensuring that people are able to use their skills and qualifications effectively while in work is critical not just for individuals themselves but for businesses and the wider economy. Evidence shows that those who are able to utilise their skills fully perform better, and have much higher rates of job satisfaction, which in turn benefits business through higher retention rates and better workforce productivity.[14]
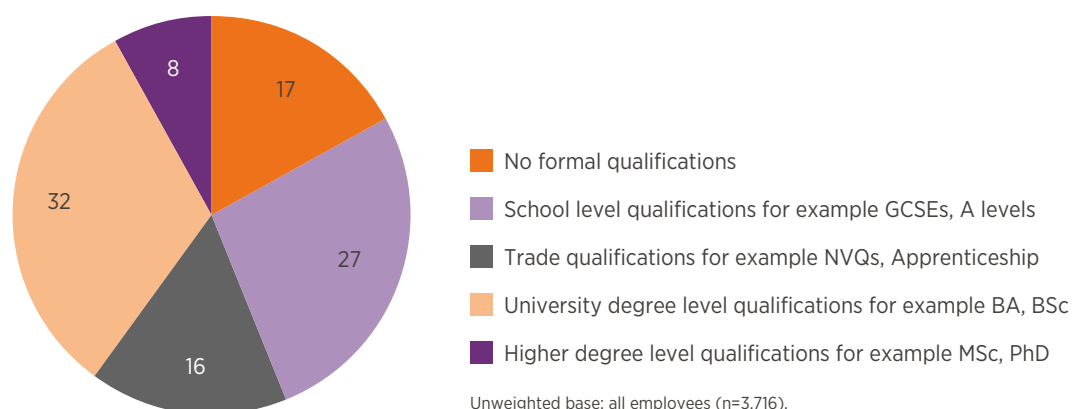
This part investigates the following:

• the qualification and skill requirements of jobs
• the extent of skills mismatch in the workplace, which workers it affects the most, and the types of jobs they work in
• what mismatched workers earn compared with those whose skills are matched to the role, how satisfied they are with their jobs, and what career progression opportunities are like
• differences in the way work is organised for those who can use their skills fully compared with those who can't and differences in workplace culture.

Qualification requirements of roles

In terms of the qualifications required to access work, 17% of survey respondents stated that no qualifications were required to be considered and appointed for their role, and over a quarter (27%) reported that their jobs only required school-level qualifications to access (GSCE/A Levels). On the other hand, 41% of jobs either required a university degree (32%) or a higher degree-level qualification (8%).[15]

The recently published 2017 Skills and Employment Survey has highlighted a stagnation in the long-run trend for growth in the qualification requirement of roles.[16] From 1986 until 2012, there was steady growth in the proportion of roles that required degree-level qualifications and a fall in the proportion that required no qualifications; however, since 2012 the proportions have not changed significantly.

Figure 1 Qualification requirements for entry to role (%)

- No formal qualifications
- School level qualifications for example GCSEs, A levels
- Trade qualifications for example NVQs, Apprenticeship
- University degree level qualifications for example BA, BSc
- Higher degree level qualifications for example MSc, PhD

Unweighted base: all employees (n=3,716).

Skill requirements of jobs: literacy, numeracy and digital skills at work

Over half of survey respondents report being in jobs that require advanced literacy skills (for example, writing long documents such as long reports, handbooks, articles or books), 42% in roles that require only basic literacy skills, and just 3% stated that literacy skills were not required for their jobs.

However, just a third of respondents reported needing advanced numeracy skills (for example calculations using advanced mathematical or statistical procedures) to do their jobs, with the majority of respondents reporting that basic numeracy skills (for example, calculations using decimals, percentages or fractions, understanding tables and graphs) were required.

Survey respondents on the other hand were more likely to report that only basic or moderate digital skills were required for their role: 17% report needing basic ICT (for example using a PC, tablet or mobile device for email, internet browsing) and 60% moderate ICT skills (for example word processing, using or creating documents and/or spreadsheets). And just 15% of respondents reported that they were in roles that required advanced ICT skills (developing software, applications or programming; use computer syntax or statistical analysis package) and almost one in ten report being in jobs where ICT skills are not required.

These findings were again reinforced when we asked about how important, or not, these skills were for being able to do the job. Literacy skills were reported to be very important (56%) or fairly important (34%) by the vast majority of respondents. A slightly smaller proportion, but still an overwhelming majority, of survey respondents reported that numeracy and digital skills were very important (43% and 41% respectively) or fairly important (41% and 43% respectively) for their jobs.

We also asked survey respondents how important a range of other skills were to their current roles. Table 2 presents the results. The most highly rated skill in terms of importance for work was communication skills, which were rated as either very important (56%) or fairly important (34%) by the majority of respondents. This was followed by problem-solving skills, teamworking skills, customer-handling skills, and planning and organisational skills.

Table 1: Level of literacy, numeracy and digital skills required at work (%)

Which of the following skills are required to do your job?		%
Literacy	Basic literacy	42
	Advanced literacy	54
	Don't know	1
	Literacy skills are not required	3
Numeracy	Basic numeracy	61
	Advanced numeracy	33
	Numeracy skills are not required	5
	Don't know	1
ICT	Basic ICT	17
	Moderate ICT	60
	Advanced ICT	15
	ICT skills are not required	8
	Don't know	1

Unweighted base: all employees (n=3,716).

Part 1: Skills and qualifications at work

Foreign language skills were rated as the least important for people's jobs, with just over one in ten reporting that they were either very or fairly important for their role. Interestingly, over a quarter (27%) reported that technical skills (that is, the specialist knowledge needed to perform job duties, and/or knowledge of particular products or services) were either not very, or not important at all, to do their job.

Table 2: Importance of other skill sets at work (%)[17]

	Very important	Fairly important	Not very important	Not at all important	Don't know
Technical skills	37	34	19	8	1
Communication skills	56	32	8	4	1
Teamworking skills	48	37	9	5	1
Foreign language skills	3	8	24	62	2
Customer-handling skills	44	28	16	11	1
Problem-solving skills	52	34	10	3	1
Learning skills	31	48	16	4	1
Planning and organisation skills	43	36	13	7	1

Unweighted base: all employees (n=3,716).

The SES (1986 to 2017) provides an indication of how the generic skills requirements of roles have changed over time and point to a worrying fall in the use of high-level literacy and numeracy at work and a stagnation in social skills and self-planning skills, which *'indicate a slowdown in the demand for high level generic since 2012'*.[18] On the other hand, the growth of computer use skills has continued unabated and jobs which required complex problem-solving skills has also risen. Worryingly, the downward trend in qualification requirements and many high-level generic skills is mirrored by a downward movement, since 2006, in the learning and training times requirement of roles (that is, the length of time and the training required to become proficient), with the learning time to become proficient now below that observed in the mid-1980s.

Skills utilisation and qualification (mis)match

> *The focus of skills policy is often on the supply side – on increasing the stock of available skills through education and training, migration and activation. However, more skills are not necessarily better skills, and the mere existence of skills does not automatically lead to improved economic performance. Making optimal use of existing skills, preventing waste and attrition of skills due to mismatch or lack of use, and encouraging employers to demand higher levels of skill in stagnating regions or sectors are equally important elements of skills policies. (OECD 2011)*

Skills utilisation is most easily understood as the way in which individuals deploy their skills at work. This is shaped not just by their existing attributes and abilities, but also by the way in which work is organised, how jobs are designed, and by other human resource practices deployed by businesses.[19] Skills mismatches occur when an individual

either has the skills to cope with more demanding duties, referred to as being over-skilled or under-utilised, or lacks some of the key skills that their role requires, when an individual is under-skilled.

Reducing skills mismatch is incredibly important for a number of reasons. Ensuring that people's skills are utilised effectively in their jobs is not only beneficial for individuals themselves, but also for the organisations they work for, and for society and the wider economy. Research has shown that when individuals are able to use their skills fully, organisations benefit from improved retention of workers, increased productivity, greater employee engagement and enhanced relations between management and employees.[20] For individuals, benefits accrue in terms of increased earnings potential, greater levels of job satisfaction and reduced levels of workplace stress.[21] In terms of the wider economy, evidence from the OECD suggests that if the UK could reduce skill mismatch to best practice levels, it could lead to a 5% productivity gain.[22] And, for the Government, better skills match equates to a better return on investments in education, with increased tax revenue from businesses and individuals.[23]

Definition of skills utilisation

Effective skills utilisation is about: Confident, motivated and relevantly skilled individuals who are aware of the skills they possess and know how to best use them in the workplace.

Working in: Workplaces that provide meaningful and appropriate encouragement, opportunity and support for employees to use their skills effectively.

In order to: Increase performance and productivity, improve job satisfaction and employee well-being, and stimulate investment, enterprise and innovation.

Source: Scottish Funding Council (SFC) definition

The extent of skills and qualification mismatch in the UK

Measuring skills utilisation is often challenging, partly because the concept of what 'skills' are often is loosely defined – in some cases being taken to mean job-specific requirements, vocational competencies, 'what employers want' or broadly all of the technical, behavioural, and cognitive capabilities required in the workplace. But it is also difficult because different measures produce sometimes conflicting results.[24]

The survey data highlights the extent of both over-skilling – that is, the proportion of individuals who perceive that they have skills to cope with more demanding duties – and over-qualification in UK workplaces. Overall, 37% of survey respondents report that they are over-skilled and 27% report that they are over-qualified for their roles.

The extent of under-skilling – when individuals lack some of the skills they need to do their jobs – and under-qualification is considerably less prevalent. However, it still represents a considerable problem; over one in ten respondents feel that they lack some of the skills needed to do their job, with just 4% reporting that they lack the qualifications necessary for their role.

Two-thirds report that their qualifications are at the right level for the requirements of their role; however, just half of respondents report that their skills are well matched to the level required by their jobs.

Table 3 looks at over- and under-skilling/qualification by individual characteristics; the following can be observed:

- Women are slightly more likely to report that they had the skills to cope with more demanding duties than men (38% compared with 36% respectively) and they were also more likely to report that they were over-qualified for their roles (30% compared with 24%).
- Young people (18–24-year-olds) were more likely to report being over-skilled and over-qualified for their current jobs. They were also more likely to report that they lacked some of the skills required for their roles (15%).
- Individuals from lower socio-economic backgrounds (social grade C2DE) were much more likely to report that they were over-skilled than those in social grade ABC1 (44% compared with 35%) and also that they had a higher level of qualifications than their job required (34% to 25%).
- Interestingly, those with degree-level qualifications and above were slightly more likely to report that they lacked some of the skills required for their roles (14% of undergraduates and 13% of postgraduates compared with 10% of those with below-degree-level qualifications). Those with just an undergraduate degree were also more likely to report a higher incidence of over-qualification than other groups.

Table 3: Individual characteristics of over-/under-skilled and over-/under-qualified (%)

Individual characteristics		Skill mismatch			Qualification mismatch		
		Over-skilled	Under-skilled	Matched	Over-qualified	Under-qualified	Matched
Gender	Male	36	13	50	24	4	69
	Female	38	11	50	30	3	64
Age group	18–24	42	15	43	38	4	57
	25–44	34	14	49	25	4	67
	45+	38	11	51	27	3	66
Social grade	ABC1	35	13	51	25	4	69
	C2DE	44	8	47	34	3	57
Qualification level	Below degree	38	10	52	23	5	67
	Undergrad	37	14	48	32	2	64
	Postgrad	37	13	49	28	2	68
Total		**37**	**12**	**50**	**27**	**4**	**66**

Unweighted base: male (n=2,088); female (n=1,628); 18–24 (n=155); 25–44 (n=1,133); 45+ (n=2,428); ABC1 (n=2,816); C2DE (n=900); below-degree-level qualification (n=1,590); undergraduate (n=1,051); postgraduate (n=1,028); all employees (n=3,716).

Table 4 sets out the job and organisational characteristics by over-/under-qualification and over-/under-skilled individuals.

Part-time workers are much more likely to report that they are both over-qualified and over-skilled for their roles, and considerably less likely to report that they are under-skilled (6% of part-time workers, compared with 13% of full-time employees). Levels of over-skilling are lowest amongst the self-employed, with just under a third (32%) reporting that they have the skills to cope with more demanding duties.

Unsurprisingly, the proportion of workers who report that they have the skills to cope with more demanding duties decreases with job tenure, suggesting that over time workers become better matched to their roles. Almost 70% of workers who have been post for five

years or more report that their skill levels are well matched to their roles, compared with just 55% who have been in post for under a year.

Individuals with no managerial responsibilities show a much higher incidence of over-skilling compared with those at senior or board level (40% compared with 34% and 27% respectively). It's likely that this is a reflection of length of tenure, age and time in the labour market, as over time, as workers progress to more senior roles, their skills become more well matched.

Table 4: Job and organisational characteristics of over-/under-skilled and qualified (%)

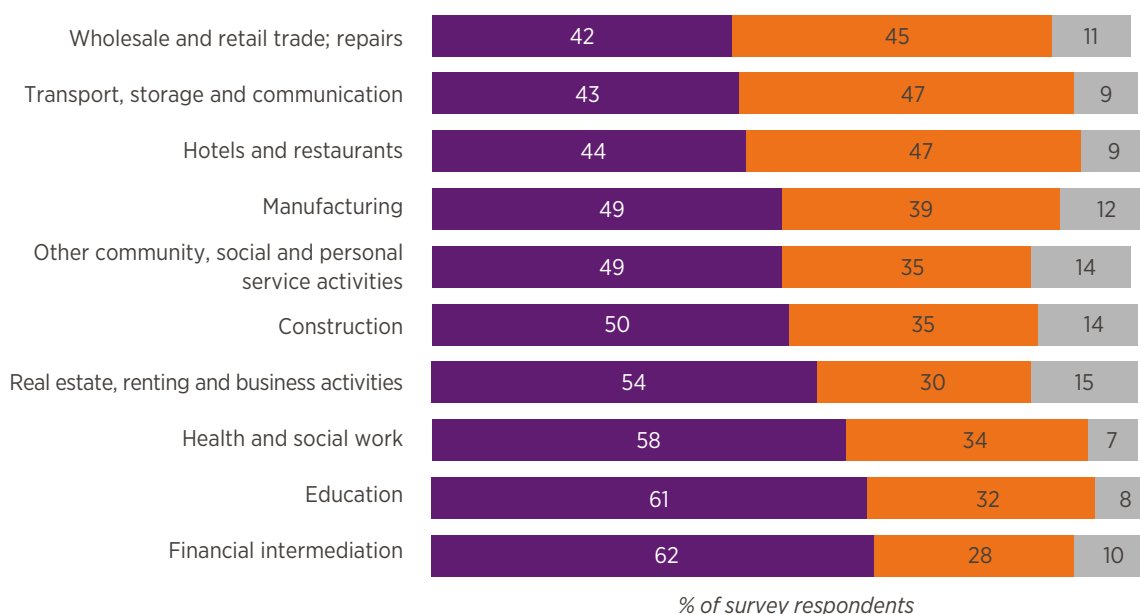| Individual characteristics		Skills			Qualification		
Job/organisational characteristics		Over-skilled	Under-skilled	Matched	Over-qualified	Under-qualified	Matched
Job status	Full-time	36	13	50	24	4	69
	Part-time	49	6	43	44	3	50
	Self-employed	32	11	56	26	3	66
Sector	Private	37	12	50	27	4	66
	Public	38	12	49	27	4	67
	Voluntary	35	13	52	25	2	70
Size	2–249	36	12	50	26	4	66
	250+	40	11	48	29	3	66
Management level	Board level	27	14	57	20	3	73
	Senior or other	34	13	52	22	4	72
	None	40	11	48	31	4	62
Tenure	Up to 1 year	37	4	55	38	19	42
	1 to 2 years	32	3	61	41	17	41
	2 to 5 years	30	2	66	40	11	48
	5+ years	24	4	69	36	10	53
Total	All employees	37	12	50	27	4	66

Unweighted base: full-time (n=2,713); part time (n=529); self-employed(n=475); private (n=2,979); public (n=472); voluntary (n=265); 2–249 employees (n=1,589); 250+ employees (n= 1,616); board-level management (n=683); senior or other management (n=1,286); no management responsibility (n=904); tenure up to 1 year (n=424); 1 to 2 years (n=262); 2 to 5 years (n=643); 5+ years (n=2,382); all employees (n=3,716).

The size of the organisation individuals work for, as well as the sector, doesn't appear to have a particularly large impact, at an aggregate level, on over- or under-skilling, with similar proportions reported by individuals across large and small organisations, public and private. However, when looking at a more detailed sector breakdown, shown in Figure 2, there are some sectors where the proportion of employees reporting that they are either over- or under-skilled is considerably higher than average – in particular in sectors that have a high proportion of low-wage/low-skilled work. Figure 2 shows that in wholesale and retail, transport and communications, and hotel and restaurants the proportion of workers who report that they have the skills to cope with more demanding duties is significantly higher than average (at 45%, 47% and 47% respectively).

Survey respondents were asked to consider whether, for certain skill areas, their skills levels were higher than required, lower than required, or well matched to what is required for their jobs. The figures are presented in Table 5. The following conclusions can be drawn:

- Well over half of respondents rated their literacy skills as higher than the level required for their roles, while a large proportion (42%) also considered that their numeracy skills were above those needed for their current job. For all other skill areas, over a quarter of all individuals reported that their skills were higher than those required for their current jobs.
- Under-skilling in key skill areas was considerably less prevalent. However, over one in ten respondents (13%) reported that their foreign language skills were lower than that required for their jobs. And while just 7% reported that their technical/job-specific skills were lower than required, this type of skill mismatch could have a significant impact on how productive an individual is.

Figure 2. Skills mismatch by industrial sector: proportion of workforce over/under skilled and matched (%)

Sector	My present skills correspond well with my duties	I have the skills to cope with more demanding duties	I lack some skills required in my current duties
Wholesale and retail trade; repairs	42	45	11
Transport, storage and communication	43	47	9
Hotels and restaurants	44	47	9
Manufacturing	49	39	12
Other community, social and personal service activities	49	35	14
Construction	50	35	14
Real estate, renting and business activities	54	30	15
Health and social work	58	34	7
Education	61	32	8
Financial intermediation	62	28	10

% of survey respondents

■ My present skills correspond well with my duties   ■ I have the skills to cope with more demanding duties
■ I lack some skills required in my current duties

Unweighted Base: Wholesale and retail trade and repair: 394; Transport, storage and communication: 287; Hotels and restaurants: 95; Manufacturing: 457; Other community, social and personal services: 308; Construction: 150; Real estate, renting and business activities: 694; Health and social work: 113; Education: 92; financial intermediation: 275.

Table 5: Skills mismatch: literacy, numeracy and digital skills and work skills (%)

	My level of skill is higher than required	My level of skill is matched to what is required	My level of skill is lower than what is required	Don't know
Literacy	56	44	0	0
Numeracy	42	55	2	0
Digital	29	65	6	1
Technical/job-specific skills	23	68	7	2
Communication skills	29	67	3	1
Teamworking skills	25	71	3	1
Foreign language skills	24	57	13	6
Customer-handling skills	27	68	4	1
Problem-solving skills	33	64	2	1
Learning skills	25	70	4	1
Planning and organisation skills	29	66	4	1

Unweighted base: literacy (n=3,562); numeracy (n=3,492); digital (n=3,383); technical/job-specific, foreign language skills, customer-handling, problem-solving, learning skills, and planning and organisation skills (n=3,716).

Part 1: Skills and qualifications at work

Type 1 and Type 2 demand and over qualification

Warhurst and Findlay[25] have argued that there are two types of employer demand for skills. The first relates to the skills that are needed at the point of hire to get a job (type 1 demand) and the second relates to the skills that are actually needed to do the job (type 2 demand).

Supply-side policies – such as the rapid expansion of the higher education system – have increased the pool of well-qualified candidates, leading many employers to filter and select candidates by qualification level, seeing higher-level qualifications as a signal of capability. It has been argued that this had led to an inflation of type 1 skills demand, whereas type 2 demand has in many cases remained unchanged.[26] Previous CIPD research, which involved detailed analysis of 29 occupations, supports this assertion, and found that while graduate employment had increased sharply in many of these 29 occupations, the skills required to carry out the jobs had not appreciably changed. For instance, 41% of new recruits in property, housing and estate management are graduates, compared with 3.6% in 1979, and 35% of new bank and post office clerks are now graduates, compared with 1979, when just 3.5% of bank and post office clerks held degrees.[27]

To explore the interaction between type 1 and type 2 demand, we asked survey respondents to state the educational qualifications that would be required to be considered and appointed to their current role as well as the level of qualification that would be required to carry out their role effectively. The results are presented in Figure 3.

It's clear from Figure 3 that while the majority of people feel that the qualifications needed to get and to do the job are well matched, there are a significant proportion who state that while their job requires higher-level or degree-level qualifications on application/selection, lower-level qualifications are required to do the job effectively. Almost a third of respondents whose job required higher degree-level qualifications (for example MSc, PhD), and 17% of those which need a degree (for example BA, BSc) to get their job role stated that lower-level qualifications were required to actually do the job.

At the other end of the spectrum, of those who reported that no formal qualifications were needed to be considered and recruited to their current job, almost a quarter (24%) believed that qualifications were needed to be able to do their job effectively. This suggests that at the bottom end of the labour market there may be considerable hidden under-qualification.

Figure 3. The qualifications needed to get the job versus do the job: Type 1 versus Type 2 demand (%)
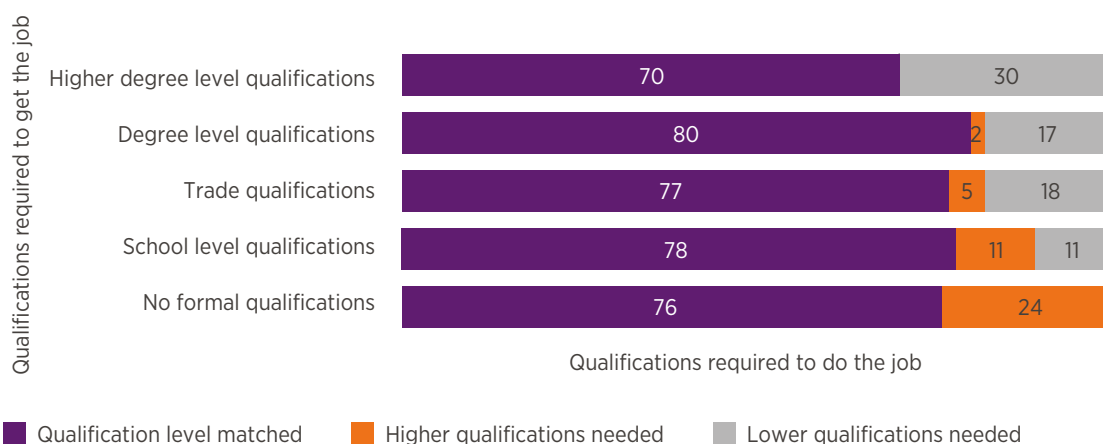
Unweighted base: No formal qualifications: 670; School level qualifications for example GCSEs, A Levels: 1,051; Trade qualifications for example NVQs Apprenticeship: 615; University degree level qualification for example BA, BSc: 1,139; Higher degree level qualifications for example MSc, PhD: 242; All employees: 3,716.
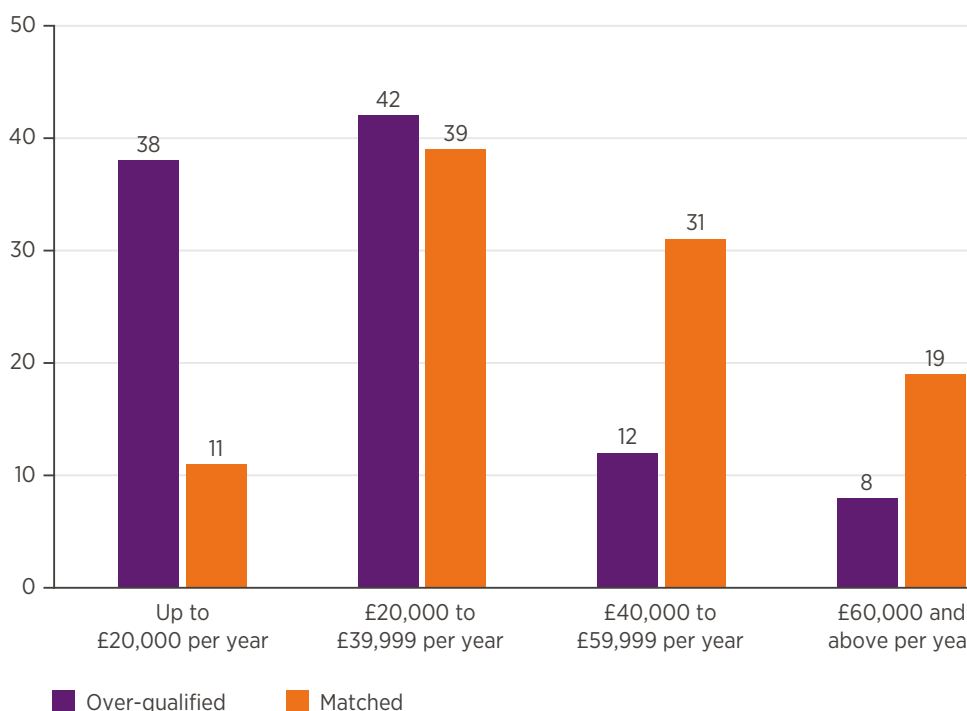
Graduate over-qualification

As highlighted in the preceding analysis, rates of perceived over-qualification are highest amongst those with degree-level qualifications: 32% of employees with an undergraduate degree (28% of those with a postgraduate degree) considered themselves to be over-qualified for their current role compared with just 23% of non-graduate employees.

Higher levels of over-qualification are reported amongst graduates whose undergraduate degree subject was in the social sciences/humanities (39% report that their qualifications are higher than those needed for their roles), and creative and cultural graduates (34%), compared with much lower rates of over-qualification amongst those whose undergraduate degree was in a STEM subject (29%) or business and management degree (26%).

Being an over-qualified graduate has a negative impact on an individual's earnings, with previous research suggesting that a poor initial match when entering the labour market can have a long-run persistent impact on income, as well as increasing the likelihood of future spells of unemployment.[28] Figure 4 shows the earnings differences amongst graduates who report that they are over-qualified for their role compared with workers who feel that their qualifications are well matched, and clearly shows a concentration, relative to well-matched graduates, of over-qualified graduates in lower-paid roles.

Figure 4 Gross Annual Salaries for graduates, over-qualified versus well-matched employees with graduate level qualifications (%)

Unweighted base: over-qualified graduates (n=536); right level of qualification (n=1,162); up to £20,000 (n=334); £20,000 to £39,999 (n=683); £40,000 to £59,999 (n=421); £60,000 and above (n=260).

The impact of skills mismatch on individuals

Skills mismatch can have a negative impact not just on individuals themselves but also on the organisations they work for. The survey results find that individuals who perceive that their skills are not well matched to their jobs are more likely to report lower levels of job satisfaction, are likely to report that they intend to quit their jobs, are more likely to earn considerably less and report reduced access to progression opportunities.

This section looks at differences between over- and under-skilled and well-matched employees on job satisfaction levels, earnings, intentions to quit, access to career progression, and training and development opportunities.

Job and life satisfaction

Individuals who report being over-skilled have lower levels of satisfaction with their lives at the moment and much lower levels of job satisfaction, confirming the findings of previous literature.[29]

Figure 5 shows the level of jobs satisfaction amongst survey respondents. Three-quarters (74%) of well-matched workers report that they are either very satisfied or satisfied with their current jobs. This compares with just over half of workers who report that they have the skills to cope with more demanding duties, and three-fifths of workers who say that they lack some of the skills required for their roles.

Figure 5: Job satisfaction by skill mismatch (%)
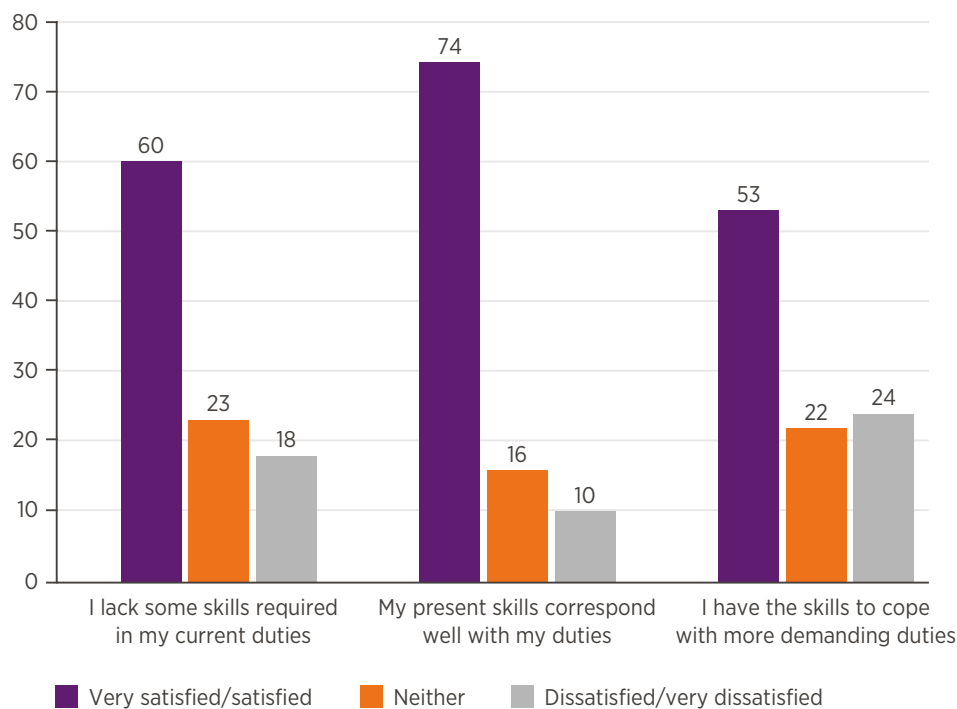
Unweighted base: lack some skills (n=424); skills matched with duties (n=1,878); skills to cope with more demanding duties (n=1,378); all employees (n=3,716).

Pay

Previous research has demonstrated that being over-skilled has an impact on an individual's earnings and also on their future income potential.[30] Research by the OECD[31] found that workers who use their skills more frequently earn higher wages (after controlling for education and skills proficiency), and a review of the international literature found that there is a wage penalty associated with over-skilling, an average of 7.5%;[32] the review also found that being over-skilled increased an individual's probability of future unemployment.[33]

The survey supports this, and shows that individuals who feel like they have the skills to cope with more demanding duties are much more likely to be concentrated in less well paid roles. Over a quarter earn less than £20,000 per annum compared with just 15% of those who state that their skill levels are well matched to their jobs.

Figure 6: Annual gross wages of over-skilled workers compared with well-matched workers (%)
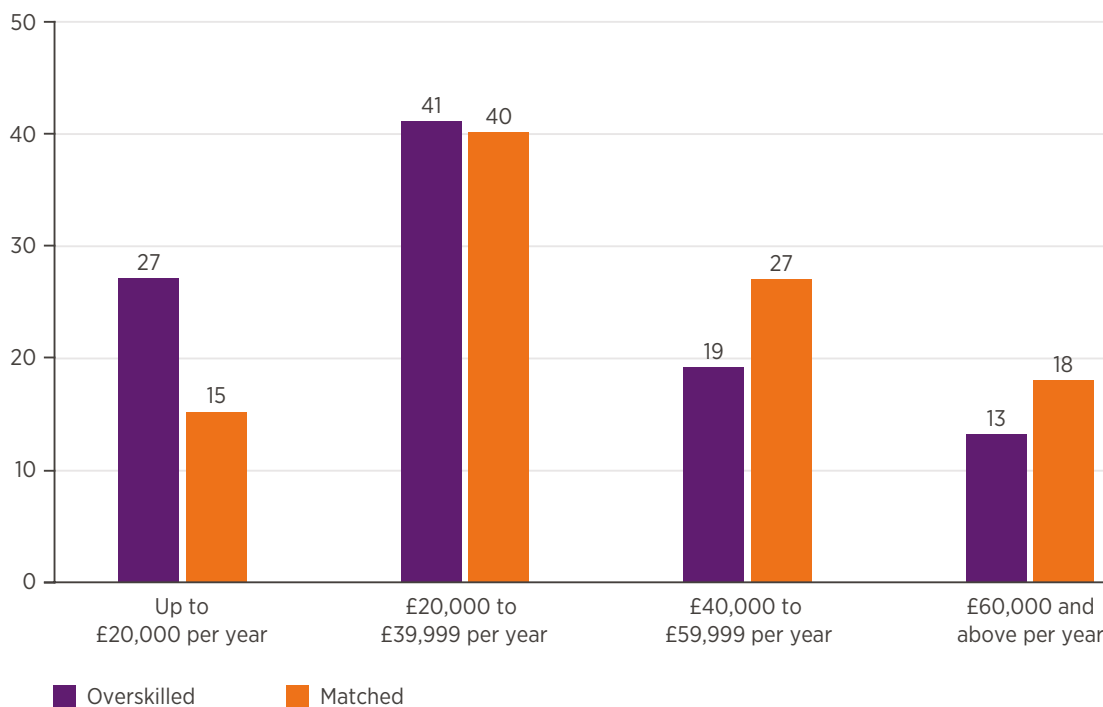
Unweighted base: up to £20,000 per year (n=885); £20,000 to £39,999 per year (n=1,290); £40,000 to £59,999 per year (n=590); £60,000 and above per year (n=354).

Intentions to quit

Individuals who report having the skills to cope with more demanding duties are much more likely to report that they are very likely or likely to quit their job voluntarily in the next 12 months: 22% of those who say that they are over-skilled report that they are likely, or very likely, to quit their jobs compared with just 12% whose skills are well matched to their roles.

Career advancement, progression and development opportunities

Individuals who report being over-skilled are much more likely to strongly disagree/disagree that their job offers good prospects to develop their skills (40% compared with 18% of well-matched workers). While over half (54%) of those who report being over-skilled for their roles strongly disagreed/disagreed that their job offered good prospects for career advancement compared with just a third of well-matched workers.

Employee perception of lack of opportunities for progression is supported by the findings in Table 6. This highlights the fact that over-skilled workers are much more likely to say that they have not been promoted in their current organisation – just 22% of over-skilled workers have been promoted to a higher position compared with almost a third (31%) of well-matched workers. This highlights the importance of accessing work that matches well with an individual's skill level. Evidence from elsewhere suggests that being poorly matched in your job can have long-term impacts on future earnings progression.[34]

Individuals who are poorly matched with their role are also less likely to receive skills development opportunities.[35] Individuals who say that they are able to cope with more demanding duties are more likely to report that they have had no training in the last 12 months, with over a quarter of those who think they are over-skilled (26%) receiving no training compared with a fifth (20%) of those who are well matched.

Table 6: Career progression of over-skilled, under-skilled and well-matched workers (%)

Since you started working for your current employer, have any of the following changes in your role taken place?	I have been promoted to a higher-level position	I have not been promoted but the nature of my tasks and responsibilities has changed	I now have a lower-level position than when I started	No changes, my role has remained the same
I lack some skills required in my current duties	31	30	1	37
My present skills correspond well with my duties	31	26	1	42
I have the skills to cope with more demanding duties	22	30	2	45
Total (all employees)	**28**	**28**	**2**	**43**

Unweighted base: promoted to higher position (n=1,024); not promoted but tasks and responsibilities have changed (n=1,042); have a lower-level position (n=65); role has remained the same (n=1,585).

Skills utilisation and the relationship with workforce practices

Warhurst and Findlay (2012) have argued that effective skills utilisation involves harnessing workers' ability, motivation and opportunity (AMO, see Table 7) – and that while skill supply can ensure employees' ability – that is, enough individuals with the skills to deploy – employees need 'sufficient motivation to deploy that ability' and 'employers must provide them with the opportunity to do so'.[36]

Effective skills utilisation, therefore, requires a combination of management and organisational practices and processes. Employee motivation can be harnessed, for instance, through reward and performance management structures, as well as through an organisational culture that fosters commitment and engagement. In terms of opportunity, how work is designed is important, such as roles that allow staff greater responsibility and autonomy to problem-solve and work on complex tasks, as well as management and leadership styles that encourage employees to communicate ideas about work organisation as well as product and process improvements.

> *'Training and skills are the growth and stock of individual capability, their deployment is through engagement and motivation. But individuals acting alone will not create business success. The organisation also creates the environment within which individuals act and develop capability.'*[37]

This section examines whether people management practices can support more-effective skills utilisation at work. The assumption is that reported rates of skills mismatch will be lower amongst individuals who report that their organisations provide them with the motivation and opportunities to deploy their skills effectively. To explore whether this is the case, we looked at whether there were any differences in the incidence of reported supportive workforce practices, and levels of satisfaction in their effectiveness, between well-matched and mismatched workers.

While the following analysis is unable to establish any causal linkages, it does suggest a strong association between some of these practices and whether an individual feels that they are able to use their skills effectively in their role. However, it should be noted that while these types of practices can enable and/or motivate employers to use their skills better, employers may apply these types of practices to jobs that require higher levels of skills use (that is, reverse causality).

Part 1: Skills and qualifications at work

Table 7: AMO model for understanding effective skills utilisation

Component	Definition
Ability	Having an appropriately skilled workforce, through recruitment, selection and training. These skills include general as well as occupation- and firm-specific skills and being multi-skilled.
Motivation/ incentives	Three types: • extrinsic/financial, meaning 'gainsharing' reward systems, distilled down to 'pay-for-performance' earnings • intrinsic, meaning workers being challenged in work, thereby inducing greater satisfaction and commitment • induced through an organisational 'climate of trust' and workers having long-term stake in the organisation.
Opportunity	Workers having substantive participation in work, which requires them having: • responsibility and authority to problem-solve • greater autonomy and control over decisions • capacity to co-ordinate and communicate their decisions to the wider organisation.

Source: Appelbaum et al (2000)[38] cited in Warhurst, C and Luchinskaya, D (2018) [Forthcoming]The European Company Survey and Skill Utilisation: Definition, Theories, Approaches and Measures, Institute for Employment Research, University of Warwick

Climate of trust

Over half of individuals who feel that their skills are well matched to their roles report that there is a climate of trust between management and employees. However, this drops to 43% of under-skilled workers and just 41% of workers who report that their skills are under-utilised. On the other hand, almost a third (32%) of under-utilised workers strongly disagree/disagree that there is a climate of trust between management and employees.

Employee voice and representation

Well-matched and mismatched workers report a similar pattern in terms of presence of mechanisms to support employee voice and provide employee representation (Table 8), although a slightly higher proportion of over-skilled workers report 'none of the above' than other groups (18% compared with 14% of well-matched employees).

However, there are clear differences between the views of well-matched and mismatched workers on the effectiveness of mechanisms to represent employee voice and influence decision-making (see Figure 7). This supports the views of some commentators which suggest that just having these types of mechanisms in place is not enough in itself; it is essential that they are implemented effectively and actually impact on decision-making processes.[39]

Compared with over-skilled employees, individuals who feel that their skills correspond well with their current duties are much less likely to report a negative view of the effectiveness of managers seeking the views of employees (24% reporting that they were poor or very poor compared with 38% of over-skilled workers), responding to staff suggestions (25% versus 37%) and allowing employees to influence final decisions (29% versus 44%).

Table 8: Employee voice and representation (%)

	I lack some skills required in my current duties	My present skills correspond well with my duties	I have the skills to cope with more demanding duties	Total all employees (% yes)
Trade union	18	16	20	18
Staff association/consultation committee	8	4	5	5
Employee survey	38	39	39	39
Online forum or chat room for employees	8	9	10	9
Employee focus groups	8	11	8	10
One-to-one meetings with your line manager	59	56	54	55
Team meetings	49	48	42	45
All-department or all-organisation meetings	25	25	20	23
None of the above	13	14	18	15

Unweighted base: all employees (n=3,230).

Figure 7: Employees' views of effectiveness of managers in representing the views of employees (%)
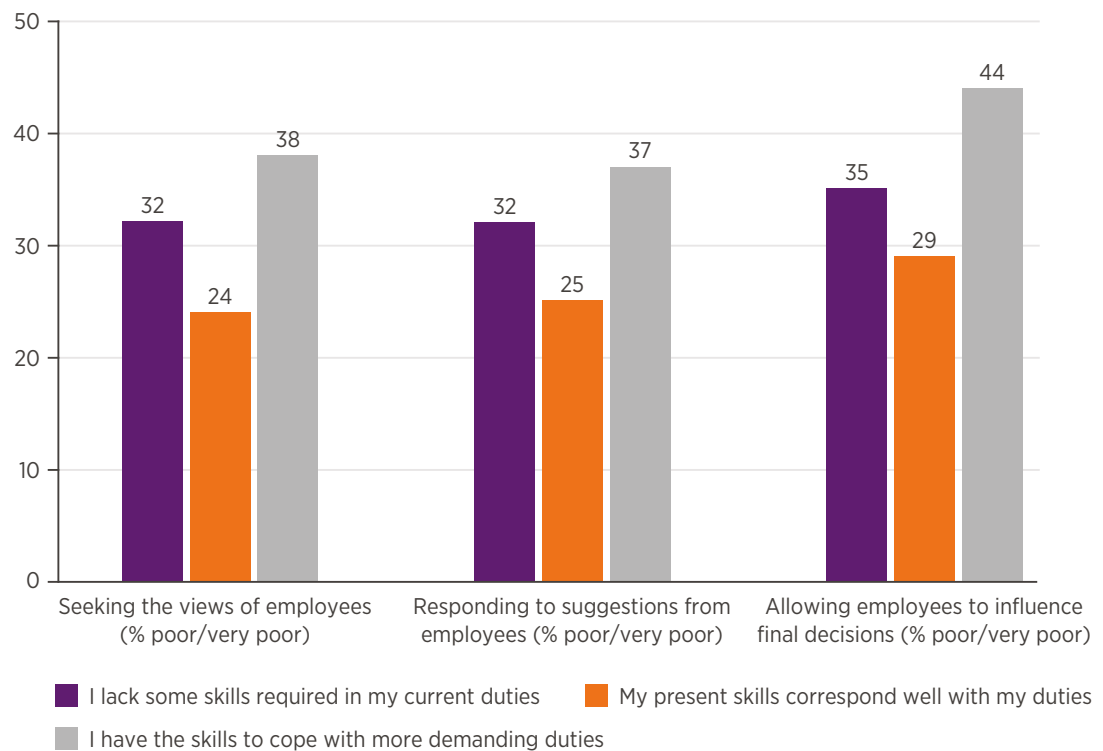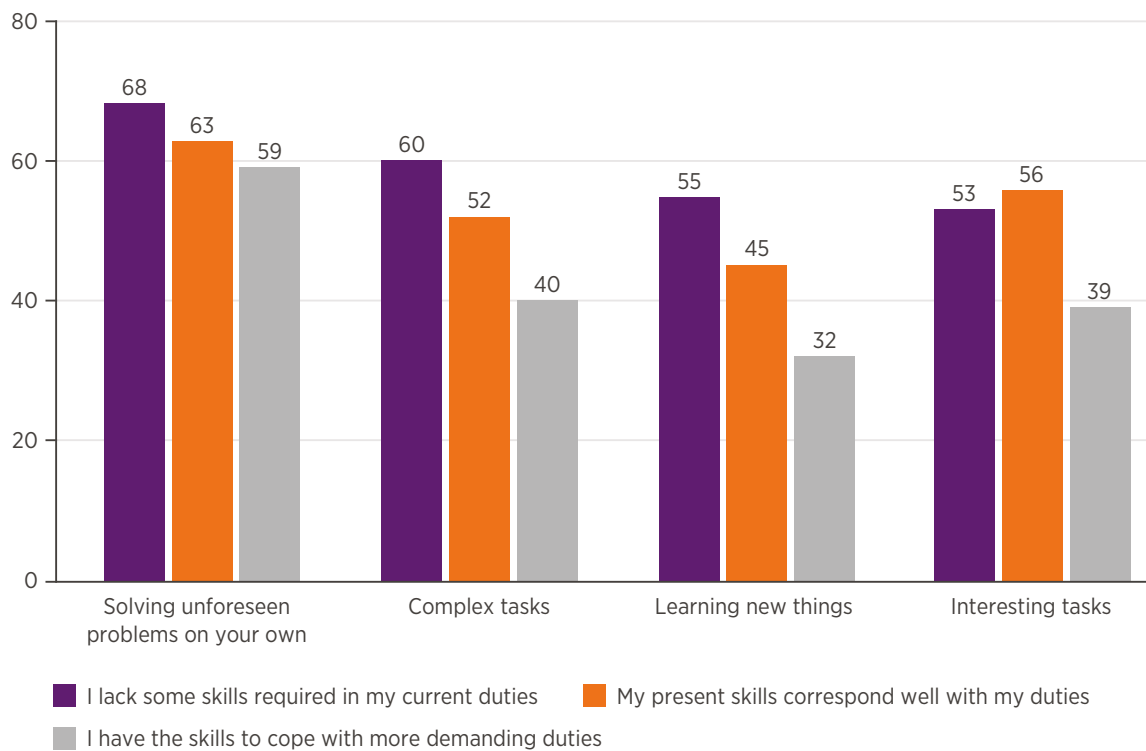

Unweighted base: all employees who identified a 'voice'/representative channel (n=2,982).

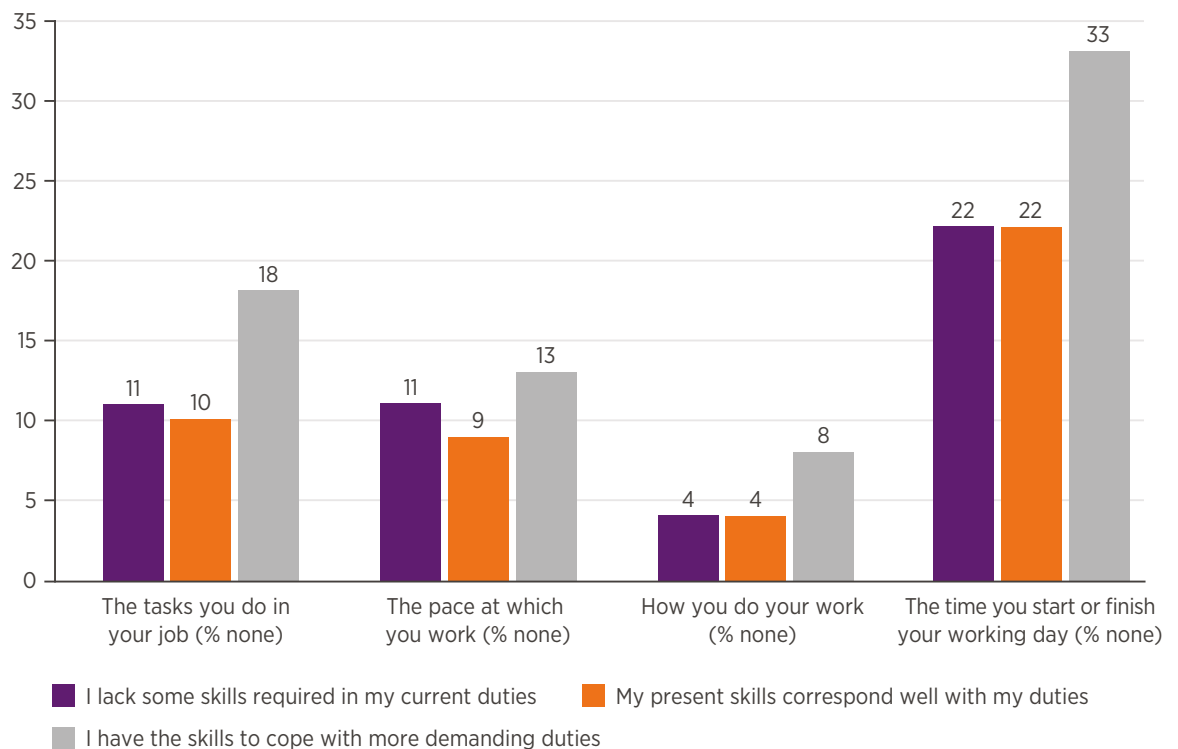**Job design, autonomy and skill mismatch**

As highlighted earlier how work is organised plays an important role in how effectively employees' skills are used at work. Figures 8 and 9 explore some of the differences in work organisation between well-matched and mismatched workers. Interestingly the results are very similar for under-skilled and well-matched employees on most aspects of job design and autonomy. Over-skilled workers, on the other hand, reported much poorer levels of job design and authority across all metrics. For example, under a third (32%) of workers who felt they had the skills to cope with more demanding duties reported that their job involved them learning new things either always or often, compared with 45% of well-matched employees. Similarly, over-skilled workers' jobs appear to be much less autonomous, with a third reporting they had no influence over the time they started or finished work (compared with 22% of well-matched workers) and 18% reporting that they had no influence in the tasks they do (versus 10% of well-matched workers).

Figure 8: Job design differences between well-matched and mismatched workers (% of employees stating always or often)

- I lack some skills required in my current duties
- My present skills correspond well with my duties
- I have the skills to cope with more demanding duties

Unweighted base: lack some skills (n=424); skills matched with duties (n=1,878); skills to cope with more demanding duties (n=1,378); all employees (n=3,716).

Figure 9: Differences in level of autonomy of well-matched and mismatched workers (% reporting that they had no influence)

I lack some skills required in my current duties ■ My present skills correspond well with my duties

I have the skills to cope with more demanding duties

Unweighted base: lack some skills (n=424); skills matched with duties (n=1,878); skills to cope with more demanding duties (n=1,378); all employees (n=3,716).

④ Part 2: Training and career development opportunities

Training is an important way to fill skill gaps and address skill shortages within organisations. However, despite its importance, evidence suggests that employers in the UK are training less and investing less in their workforce than they were 20 years ago.[40]

There has been a collapse in off-the-job training, which tends to be of a longer duration and of a higher quality than training on the job; off-the-job training has fallen by almost 20% over the last two decades. And when looking at data on training volume – the number of hours of training per week per employee – the picture's even worse, revealing a startling decline of over 40%. And this is backed up when we look at how much employers in the UK are investing, with a real terms cut of either 15% or 30% over the last decade depending on the data source you use.[41]

Providing employees with access to training, as well as opportunities to progress in their role (either through promotion or through changes in duties and/or tasks), helps individuals develop and deploy their skills more effectively. Yet, training and progression opportunities are not equally distributed across the workforce. Previous research has highlighted that older workers, low-wage workers, and to some extent women, are less likely to receive training and also less likely to achieve upward occupational progression.[42]

This section summarises the survey findings on:

- employee perception of career and skills development opportunities in their organisation
- the characteristics of those who have experienced career progression in their current organisations
- the main perceived barriers to career progression for different groups
- the types of training and development opportunities individuals receive at work.

Employee perception of career and skills development opportunities

Respondents were asked to indicate whether they think their role offers them good opportunity to develop their skills as well as good prospects for career advancement. Just under half of survey respondents agreed their job offers good opportunities to develop skills. When it comes to career advancement, a smaller proportion feel their job offers good prospects for career advancement (28%), suggesting that opportunities for skills development do not always lead to enhanced perception of potential career advancement.

Table 9: Perceptions of skill development and career advancement (%)

	Agree (%)	Disagree (%)	Neither agree/ disagree (%)
My job offers good opportunities to develop my skills	47	27	26
My job offers good prospects for career advancement	28	41	30

Unweighted base: all employees (n=3,716).

Perceptions on skills development and career progression opportunities vary between individuals. For example, younger survey respondents (aged 18–24) were more likely to agree they had opportunity to develop skills than those aged 45 or older (53% versus 44%). Younger respondents were also much more likely to agree they have good prospects for career development (see Table 10).

Those with higher levels of educational attainment were also more likely to perceive that their job offered them good prospects to develop skills and advance in their career. Those holding postgraduate or undergraduate qualifications were more likely to agree they have such opportunity than those with below-degree-level qualifications.

Income and social grade are also important, with half of those in social grade ABC1 feeling they have the opportunity to develop skills, in comparison with just over a third of those in social grades C2DE. Those in lower-paid work (under £20,000 per year) were much less likely to say that the job offered them good prospects for career advancement than higher-paid employees – just 19% compared with 37% of those earning over £60,000 per year. There was no difference between men and women in the perception of career or skills development opportunities.

Table 10: Opportunity to develop skills and advance careers, by age, social grade, gender, salary and qualification level (% agree)

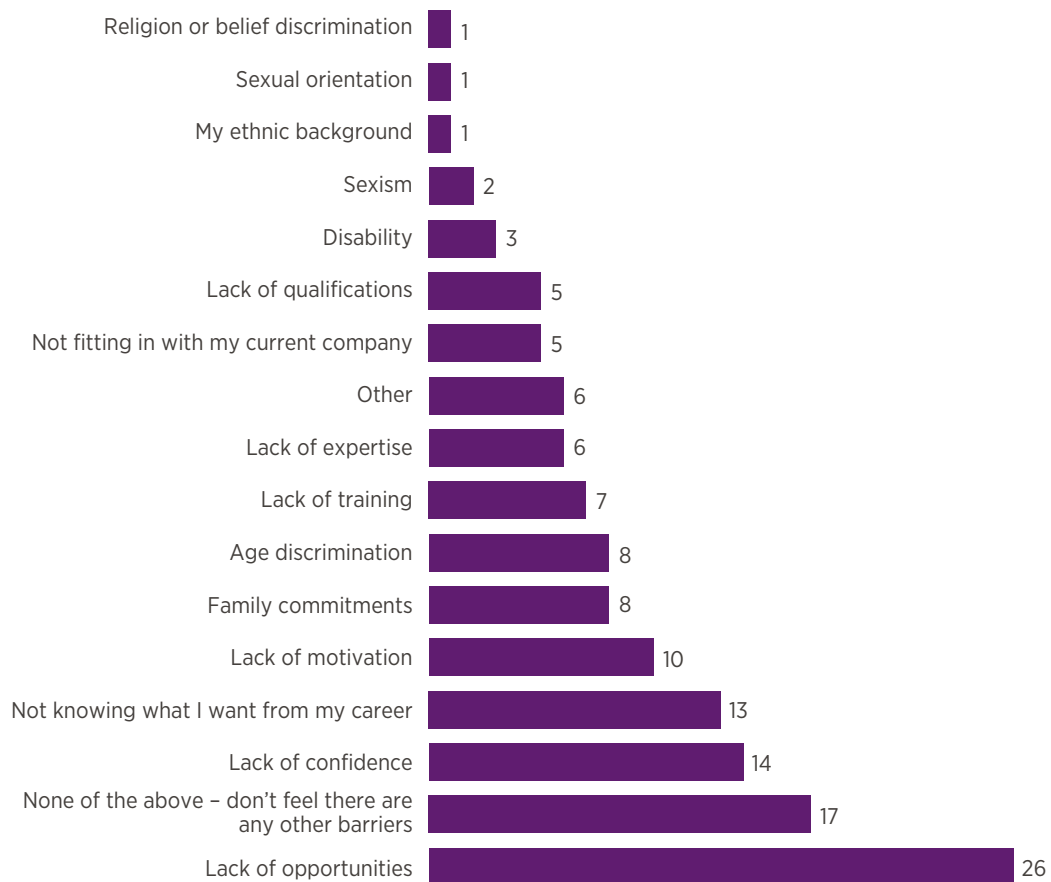| Individual factors		Opportunity to develop skills (% agree)	Prospects for career advancement (% agree)
Age group	18–24	53	43
	25–44	52	37
	45+	44	23
Social grade	ABC1	51	30
	C2DE	34	22
Salary (personal gross income)	Up to £20,000 per year	38	19
	£20,000 to £39,999 per year	47	30
	£40,000 to £59,999 per year	57	36
	£60,000 and above per year	56	37
Gender	Male	47	28
	Female	47	28
Qualification level	Below degree	39	25
	Undergrad	50	29
	Postgrad	56	31
Total	**All employees**	**47**	**28**

Unweighted base: 18–24 (n=155); 25–44 (n=1,133); 45+ (n=2,428); ABC1 (n=2,816); C2DE (n=900); up to £20,000 per year (n=885); £20,000 to £39,999 per year (n=1,290); £40,000 to £59,999 per year (n=590); £60,000 and above per year (n=354); male (n=2,088); female (n=1,628); below degree level (n=1,590); undergraduate degree (n=1,051); postgraduate degree (n=1,028); all employees (n=3,716).

Employee career progression

Survey respondents were also asked whether they have been promoted since starting work for their current employer. Of the total, just 28% of employees reported that they had been promoted; the same proportion hadn't been promoted but the nature of their tasks and responsibilities had changed. And 43% of respondents' jobs had remained the same and 2% reported that they had a lower-level position than when they started.[43]

Employees aged 25–44 were more likely to have been promoted to a higher-level position than those in younger (18–24) and older (45+) age groups. However, younger respondents were more likely to have had a change in responsibility but not been promoted compared with older workers, with 45% of respondents in this age group indicating this. Men were slightly more likely to have been promoted than women (30% and 25% respectively).

Previous research suggests that most upward occupational mobility occurs early on in individuals' careers and that by around the mid-thirties most achieve a state of 'occupational maturity'.[44] The survey results (although it should be noted that they only observe within-firm occupational mobility) support this, with the proportion of respondents reporting that they had been promoted dropping from 38% of 25–34-year-olds and to 36% of 35–44-year-olds, to just 19% of those aged 55 and over.

Our findings also support previous research that suggests that those in low-wage work experience less mobility in the job market.[45] Just 12% of those earning less that £20,000 per year report that they had been promoted to a higher-level position compared with 45% of those earning £40,000 and above. Educational attainment also plays a role

in shaping occupational mobility, with those with undergraduate and postgraduate qualifications more likely to say they had been promoted than those without (32% and 29% in comparison with 25%).

Table 11: Promotion availability and individual characteristics (%)

Individual characteristics		I have been promoted to a higher-level position	I have not been promoted but the nature of my tasks and responsibilities has changed	No changes, my role has remained the same
Age group	18–24	24	45	30
	25–44	36	28	34
	45+	24	26	48
Gender	Male	30	26	42
	Female	25	30	44
Social grade	ABC1	32	27	39
	C2DE	15	29	55
Qualification level	Below degree	25	29	45
	Undergrad	32	26	40
	Postgrad	29	27	42
Salary (personal gross income)	Up to £20,000 per year	12	29	57
	£20,000 to £39,999 per year	29	32	37
	£40,000 to £59,999 per year	45	24	31
	£60,000 and above per year	45	22	33
Total	**All employees**	**28**	**28**	**43**

Unweighted base: 18–24 (n=155); 25–44 (n=1,133); 45+ (n=2,428); ABC1 (n=2,816); C2DE (n=900); up to £20,000 per year (n=885); £20,000 to £39,999 per year (n=1,290); £40,000 to £59,999 per year (n=590); £60,000 and above per year (n=354); male (n=2,088); female (n=1,628); below degree level (n=1,590); undergraduate degree (n=1,051); postgraduate degree (n=1,028); all employees (n=3,716).

Perceived barriers to career progression

Respondents were asked whether they faced any particular barriers to making the next step in their careers. Overall, for those who perceived there to be barriers to progression, the most common barrier reported is that they lacked appropriate attributes (41%), with one in twelve reporting that they faced personal discrimination. Interestingly, 29% reported that they were not looking for career progression at the moment, so barriers to career progression were not applicable to them.

Figure 10 provides a full breakdown of the responses. The most commonly reported barrier was a lack of available progression opportunities (26%), followed by a lack of confidence (14%), not knowing what they wanted from their career (13%) and a lack of motivation (10%). A relatively low proportion cite lack of training as a barrier to progression (7%). Women were more likely to cite lack of confidence (17% compared with 12%) and family commitments (10% versus 6%) as barriers to career progression than men.

That the biggest perceived barrier to progression across all groups is a lack of opportunity (26%) highlights the need for organisations to consider how they provide development prospects for employees, but also to consider how they motivate employees to want to progress in their roles.

Figure 10: Barriers to career progression (% reported)

Barrier	%
Religion or belief discrimination	1
Sexual orientation	1
My ethnic background	1
Sexism	2
Disability	3
Lack of qualifications	5
Not fitting in with my current company	5
Other	6
Lack of expertise	6
Lack of training	7
Age discrimination	8
Family commitments	8
Lack of motivation	10
Not knowing what I want from my career	13
Lack of confidence	14
None of the above – don't feel there are any other barriers	17
Lack of opportunities	26

Unweighted sample: n=3,716.

Individual differences in perceived barriers to progression

Our analysis finds that barriers to career progression vary on a number of factors, from social grade to qualification level. We also find that motivation to progress differs by age group, with older workers more likely to say they aren't currently interested in career progression than younger workers (although a large portion of older works do indicate they are looking to advance their careers).

Motivation

Age appears to play a key role in determining career progression ambitions. Almost four in ten employees over the age of 45 were not seeking career progression, compared with just one in ten of young workers (aged 18–24). Looking at a more detailed age breakdown, the proportion not seeking career progression was particularly high amongst those aged 55 and over, where almost half (47%) were in this category. This suggests there is an element of personal choice in lower levels of career advancement in this group, yet this is unlikely to be the whole story; organisations should seek to understand the development needs and aspirations of all employees regardless of age.

There appears to be a somewhat higher appetite for career progression in social grades ABC1, with only 26% in this group saying they are not looking for career progression compared with 37% in social grades C2DE.

Interestingly, just 13% of those of non-white ethnic origin aren't looking for career progression compared with 30% of those from a white ethnic background. However, this is likely due to the younger age profile of this group within the survey sample.

Part 2: Training and career development opportunities

Those with below-degree-level qualifications were also more likely to say they weren't looking for career progression at the moment (35% compared with 23% of those with graduate qualifications and 26% of those with postgraduate-level qualifications).

Ability
While younger respondents were more likely to say they were looking for career progression, they were also more likely to say that they lack appropriate attributes to advance in their careers. More than six in ten 25–34-year-olds feel they lacked appropriate attributes (62%) compared with just two in ten of those aged 55+ (23%). Both those with undergraduate and postgraduate degrees were more likely to feel that lack of appropriate attributes (such as expertise or confidence) than those without a degree.

Non-white respondents were also more likely to say they lack appropriate attributes for progression (60% versus 40%).

Opportunity
Young workers were much more likely to cite a lack of appropriate opportunities as a barrier to career progression, with 40% of 18–24-year-olds and 39% of 25–34-year-olds citing this barrier compared with 26% of those aged 45–54 and just 15% of those aged 55+.

Discrimination
Positively, relatively few respondents report that personal discrimination is a barrier to their career. However, there is undoubtedly still progress to be made given that non-white respondents[46] were much more likely to say they felt discrimination was a barrier to career progress than white respondents (26% versus 11%). For more in-depth information that examines progression barriers across minority ethnic groups, see the CIPD report, *Barriers to BAME Employee Career Progression to the Top*.[47]

**Table 12: Barriers to career progression by individual characteristics (%)**

Individual characteristics		Barriers to progression				
		Any personal discrimination reasons	Any lack of appropriate attributes	Lack of opportunities	None of the above – don't feel like there are any barriers	None of the above – not looking for career progression
Age group	18–24	12	62	40	15	10
	25–44	9	57	36	17	13
	45+	14	32	20	17	38
Gender	Male	12	42	26	19	27
	Female	13	41	27	15	31
Qualification level	Below degree	10	37	21	18	35
	Undergrad	13	48	32	16	23
	Postgrad	14	42	29	17	26
Social grade	ABC1	12	42	28	18	26
	C2DE	11	38	22	15	37
Ethnicity	White	11	40	26	17	30
	Non-white	26	60	34	14	13
Total	All employees	12	41	26	17	29

Unweighted base: 18–24 (n=155); 25–44 (n=1,133); 45+ (n=2,428); ABC1 (n=2,816); C2DE (n=900); up to £20,000 per year (n=885); £20,000 to £39,999 per year (n=1,290); £40,000 to £59,999 per year (n=590); £60,000 and above per year (n=354); male (n=2,088); female (n=1,628); below degree level (n=1,590); undergraduate degree (n=1,051); postgraduate degree (n=1,028); all employees (n=3,716).

Responsibility for career progression

Survey respondents were asked about where they thought responsibility for their career development lay. Interestingly, over half (56%) believe that the individual is mainly responsible for development, a further 28% of employees feel their development is the responsibility of line managers and themselves equally. Just 2% of workers thought that human resources has main responsibility for career development.

Figure 11: Views on who is most responsible for employee development (%)
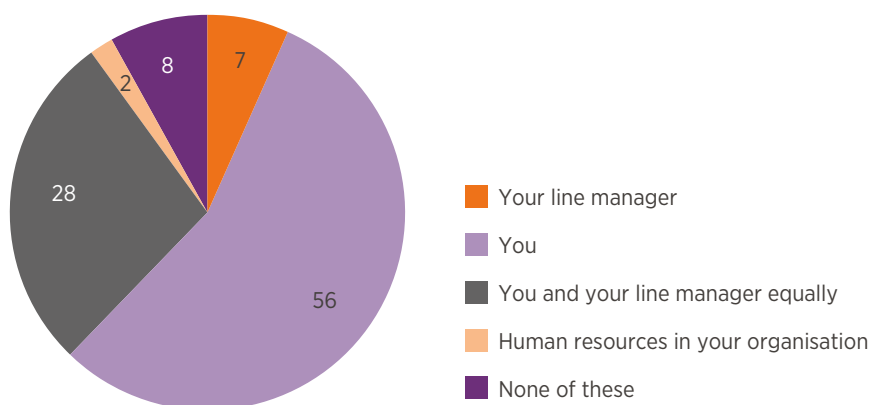
Unweighted base: all employees (n=3,716).

Access to training opportunities

Figure 12 sets out the type of training individuals have received in the last 12 months. Of those who had received training, the most commonly reported types of training received were on-the-job training (38%), online learning (32%), and learning from peers (30%). The least commonly reported forms of training were mobile-device-based learning (5%), job rotation, secondment or shadowing (6%), and blended learning (7%). A quarter of respondents indicated that they had not received any type of training in the past 12 months (24%).

Respondents were asked to indicate how useful they felt the training they received was. The majority of participants reported the training they received to be useful to some extent. Learning through peers was perceived to be the most useful, followed by job rotation, secondment and shadowing, with 94% rating this as useful (although just 6% had experienced this in the last 12 months). Online learning, mobile learning, and induction and health and safety training was less positively viewed, although over six in ten still reported these types of training to be useful.

The type of organisation an individual works for has an impact on whether they will receive training or not. Those who work in private sector organisations, for instance, were much more likely to report that they had undertaken no training than those who worked in public or voluntary sector organisations (27% versus 7% and 11% respectively). A full sector breakdown is not available because of small sample sizes for some industries; however, analysis of those where data are available shows that the proportion receiving no training in the last 12 months is highest for those working in manufacturing (34%), wholesale and retail (33%), hotels and restaurants (33%), and construction (30%), and lowest in financial intermediation (19%), education (14%) and health and social work (13%).

The size of organisation an individual works in is also important, with survey respondents who worked for an SME more than twice as likely to report that they had received no training in the past year (30% compared with 14% who work for large organisations).

Contract type also plays an important role, with part-time workers and self-employed workers much more likely to report that they had not undertaken training; 29% of those on part-time contracts and 46% of the self-employed stated that they had not taken part in any training in the last 12 months (compared with just 21% of people employed on full-time contracts).

Figure 12: Training received in past 12 months and usefulness of training (% received and rated useful)
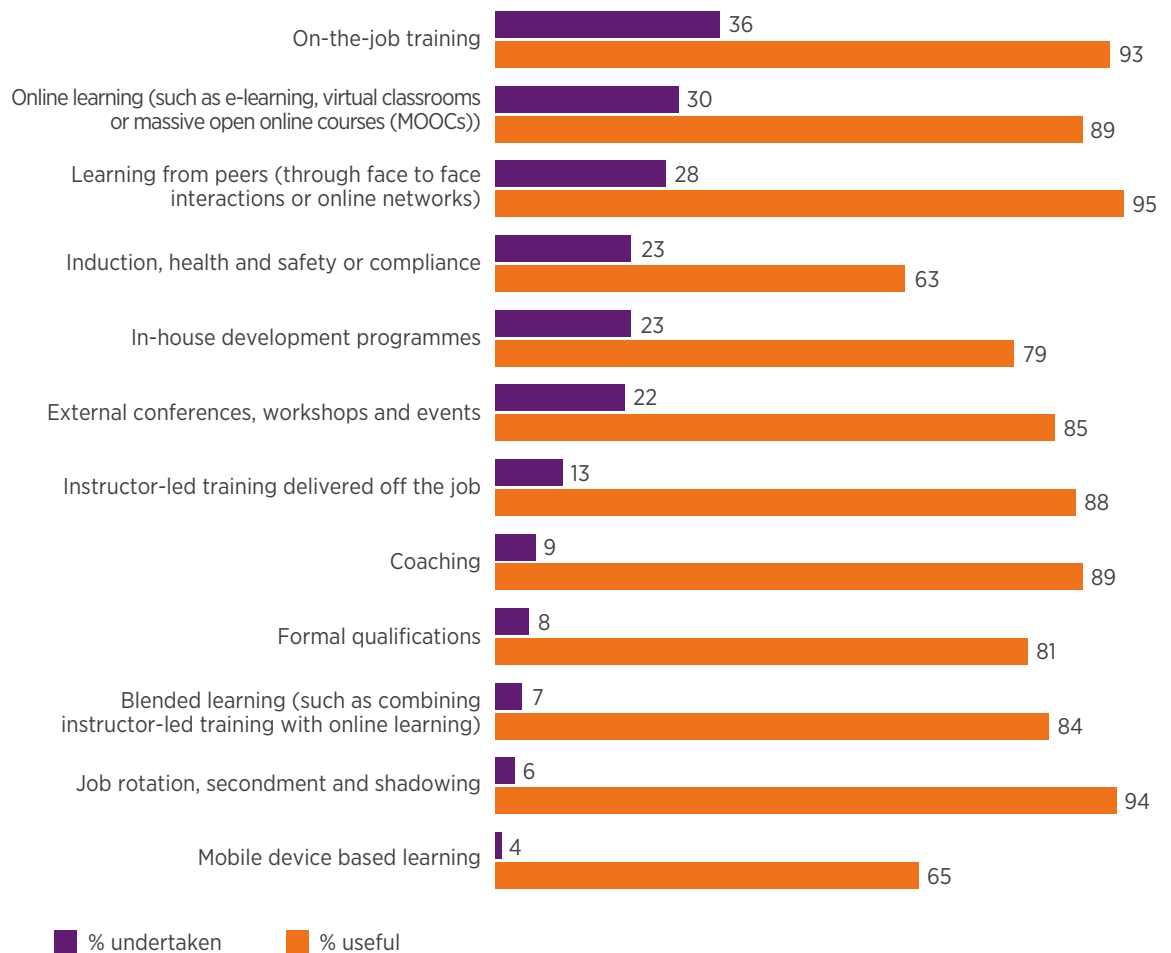
Unweighted base: all employees (n=3,213).

Individual characteristics also play an important role in shaping whether someone has access to training. Workers over the age of 45 were much more likely to report that they had received no training in the past 12 months than younger respondents (27% of those aged 45 and over, compared with just 13% of 18–24-year-olds).

Previous research has identified that low-wage workers, for example, may have less formal training provisions available to them (alongside working in organisations with poor HR practices).[48] The survey findings support this assertion, with 28% of those earning up to £20,000 per year not being offered any training, compared with 18% of those earning

£60,000 or above per year. Related to this, 28% of those in social grade ABC1 had no training in the past 12 months. In comparison, 18% of those in social grade C2DE reported having no training in the past 12 months, representing a 10-point difference.

Figure 13: Employees not receiving any training in last 12 months, by organisation size and sector (%)
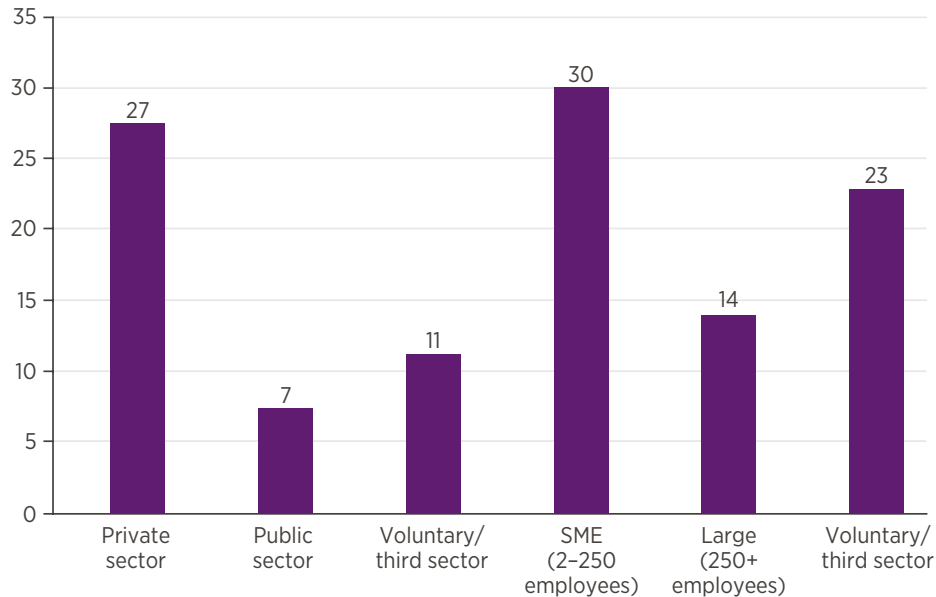
Unweighted base: private sector (n=2,502); public sector (n=454); voluntary/third sector (n=257); SME (n=1,446); large (n=1,581); total all employees (n=3,213).

Table 13: Training provision, by seniority, age, social grade, and salary (%)

Individual characteristics		Not received any training in last 12 months (%)
Seniority	Board-level management	38
	Senior management	18
	No management responsibility	22
Age group	18–24	13
	25–44	17
	45+	27
Gender	Male	26
	Female	21
Social grade	ABC1	22
	C2DE	30
Salary	Up to £20,000 per year	30
	£20,000 to £39,999 per year	22
	£40,000 to £59,999 per year	20
	£60,000 and above per year	19
Total	All employees	24

Unweighted base: board-level management (n=683); senior or other management (n=1,286); no management responsibility (n=904); 18–24 (n=155); 25–44 (n=1,133); 45+ (n=2,428); male (n=2,088); female (n=1,628); ABC1 (n=2,816); C2DE (n=900); up to £20,000 per year (n=885); £20,000 to £39,999 per year (n=1,290); £40,000 to £59,999 per year (n=590); £60,000 and above per year (n=354); all employees (n=3,716).

⑤ Part 3: Qualitative evidence on how people are using and developing their skills at work

Three online focus groups were undertaken with survey respondents, from a mix of sectors, job seniority level, and regions across the UK. They focused on the following groups: individuals who identify as having a mismatch in skills and/or qualifications; individuals who have identified barriers to progression; and people with line management responsibilities.

The aim was to explore in more detail the themes identified in the survey analysis; findings have been grouped around the following themes:

- skills and qualifications at work
- access to training and development opportunities
- barriers to career progression
- workplace culture and the role of the line manager.

Skills and qualifications at work

The skills that employees feel are missing from today's work world aren't necessarily the technical skills required to carry out the particular role, but rather broader 'soft' or 'employability' related skill sets and basic skills (such as literacy, numeracy skills and digital). Focus group participants identified a lack of: common sense, literacy, maths, work ethic, time-keeping, reliability and communication. In particular, younger and less experienced employees were seen to need guidance on communication skills in particular (for example telephone manner, email tone), while older employees, on the other hand, tended to feel that their IT skills are not up to date and would welcome training to improve their skills:

> *'I actually think the modern workforce in general struggle with the basics – how to communicate in English, how to talk to people in a professional capacity.'*

Overall, focus group participants viewed skills to carry more merit than qualifications. Qualifications were perceived by some as what 'gets you in the door', and are potentially used in the recruitment sifting process, whereas skills are gained through application and on-the-job experience and are viewed as much more important accessing and moving up in work:

> *'Qualifications are just pieces of paper. Skills are the tools for the job.'*

> *'Qualifications do not mean you have any experience or know how to do the job.'*

With the exception of technical roles that require formal certification, many with degrees feel that their qualification lacks relevance to their role; they're not seen as something that provides transferrable skills. Participants who have degrees but are in roles that don't require it feel frustrated – but they also agree that often their degree qualifications are

not targeted enough to be applied in the workplace. Those that feel that qualifications are barriers to progression often reference a specific, practical qualification, such as a driving qualification or teaching certificate, rather than a degree-level qualification:

> *'A degree isn't at all necessary for my job; many people who are senior to me didn't go to university... [I feel bitter], bitter might be a bit of a strong word, but that is what it is! And regretful I suppose, I could've spent more time working on my career and save some money too.'*

Focus group participants perceived being under-skilled as more problematic than being over-qualified. Feeling that one is under-skilled was seen as impacting negatively on an individual's confidence and leading to increased stress, with better access to on-the-job training identified as a critical factor to addressing these challenges. A number of others, with longer tenure, identified recent role changes and/or ambiguous job descriptions as leading them to feel out of depth and under-skilled in their role, emphasising the need for clearer communication on role requirements:

> *'I don't believe in over-qualifications or being over-skilled … just an excuse for companies to pay you less. Under-qualified – absolutely, that's a thing. But most people my level would be considered over-qualified to be a runner, for instance. But, they could still do the job.'*

Access to training and development opportunities

Across the focus groups, employees appear to have limited access to formal training opportunities, which supports the survey findings, with most training seen as generic and of a type which does not support workplace productivity:

> *'Training is only really available to me when the law requires it, or the company needs it to be done so they can get a certification.'*

> *'There are no training opportunities within my workplace.'*

> *'My training now mostly comprises e-learning or on-the-job training.'*

In terms of the types of training individuals received, for many, face-to-face was the preferred mode of delivery, but it was recognised that it was also more expensive. Because of this many participants reported that face-to-face training was often delivered in-house but some felt that it was not always led by the right person and/or struggle to see the direct relevance to their role. Those who did have access to employer-funded training generally reported that they didn't have difficulty in getting sign-off and are given time to complete the learning – but one or two in smaller companies report having to constantly remind their employer to pay the fees.

Mandatory training and online training were viewed as the least helpful. Participants perceived 'tick box', mandatory training as lacking in value and not contributing to career

progression opportunities (for example, training in data protection, health and safety, new regulations). Online learning, on the other hand, was viewed as poor quality, either because it was unengaging and/or irrelevant:

> *'Typically it is online training which I find absolutely useless. I want real training, someone actually showing me how to do things.'*

> *'I prefer face-to-face training but we are encouraged to do online these days because it is cheaper.'*

> *'...had a very good in-house training team until approximately four years ago, then it was rationalised, shall we say, and moved online, over the phone, etc.'*

There's a pattern of training being more prevalent to staff at junior levels, especially in more corporate organisations, with accessibility declining with more niche training requirements. The survey evidence suggested an association between access to training opportunities and whether or not someone had been promoted; however, this does not appear to be supported by the focus group findings. Generally, it appears from focus group participants that progression does not appear to be linked to more training opportunities:

> *'I was promised a fast progression but the pay and qualifications haven't kept pace. I started as an apprentice so accepted a small wage of £8,000, but the increases since just haven't been enough and I have had to get second jobs to support myself, leading to resentment.'*

In order to motivate people to take on additional training, the benefits to undertaking the training, and the impact that it will have on their role, need to be clearly communicated. However, many focus group participants identified that the biggest barrier to uptake of training was actually the lack of training opportunities provided by employers, and if suitable opportunities were available they would be motivated to take advantage of them.

Barriers to career progression

Focus group participants highlighted a number of barriers to career progression, with lack of opportunities, lack of confidence and lack of flexibility identified as particularly important. However, the findings also suggest more could be done to boost motivation, with many lacking the ambition to progress in their careers.

Opportunities to progress are often viewed as scarce within the company, with focus group participants mentioning internal barriers such as the structure of the company/a promotion ceiling, but also externally, especially for people living in more remote locations. A few feel that there are jobs available, but learning about vacancies is a barrier, especially if recruitment is done via existing networks.

Some agree that those who get promoted are the ones who put themselves forward and ask for it, but many would not be confident doing so themselves. A few describe having lost confidence because of changes in their situation – for example, coming back from

maternity leave and/or moving to a part-time role. Participants highlighted that feeling supported by management and peers is essential in fostering a positive and productive working environment:

> *'I see people with low confidence ignored, walked over or struggle.'*

While many agree that conditions are improving with regards to flexible working, more could be done – and faster. For working parents, a lack of flexibility in working hours is a real barrier to progression and some feel that their need to deviate from set working patterns impacts on how they're viewed by management and their colleagues:

> *'I work flexible hours to work around my childcare and this is a barrier for progression for me. Currently my job works perfectly around it. I have applied to other higher roles and have been told at interview that they cannot offer me as much flexibility.'*

The survey data highlighted the substantial minority of employees who weren't looking for career progression. The focus groups help shed some light on the factors behind this, suggesting that many of those who lack motivation to progress do not want to take on the additional responsibility – they see the pressure put on their managers, and don't feel that the recognition or remuneration would merit the increased workload, while others feel that they would not be able to cope with the additional stress. Achieving a good work–life balance also seemed to play an important role for many, enabling them to invest time into their families and hobbies – especially if they've reached a level of seniority in their career that they're happy with:

> *'I have no motivation to progress further. I stood down because of my circumstances and would not want to go back to senior management … long hours and long days.'*

> *'[Barriers to progression are] lack of confidence and more hassle than worth. Might not get more money, just more responsibility…'*

> *'At the moment I am not too concerned with progression. I am more concerned with adapting to family life. Perhaps in the future I will want to progress further, but at the moment it is not something I am thinking about.'*

> *'I am happy with the level I have reached, which is mid-manager level. Anything more senior would be too stressful and time demanding.'*

A number of focus group participants appeared to have just 'fallen' into their particular career, that their career pathway hadn't been planned and/or they hadn't thought about what type of job their qualifications could help them access:

Part 3: Qualitative evidence on how people are using and developing their skills at work

'I had no plans for a career in retail, I don't think anyone ever does ... I have managed to progress through my achievements rather than a mapped out career plan; I am always a bit nervous around taking next steps in case it doesn't go well.'

'When I realised I could never get into a vet school I used my qualifications to get into university to study biology instead, with no real plans, apart from maybe science teaching, when I realised that was also way too hard I finished university with a good but fairly useless degree and fell into this job!'

Workplace culture and the role of the line manager

Workplace culture has a significant role in determining whether or not employees reach their full potential – it's important that management have a long-term view of what their workforce is able to achieve. However, there's a general consensus that management is often resistant to invest in employees for fear that they may leave and move onto another job. One or two participants highlighted that this could be especially true to employees who are 'over-qualified' as they may be perceived as using the role as a 'stop gap':

'My managers haven't really given me any training for my new role. Their attitude was "throw me in the deep end". I wouldn't say they've been overly supportive, just expect me to get on with it and know how to do it ... I don't feel overly confident in myself knowing my managers aren't really helping.'

Management also need to be open to embracing employees' skill sets and ideas for product and process improvements; a few describe how, even when offered, management do not utilise skills gained from previous employment (especially if their role is a step down), leaving these individuals demoralised:

'They have no idea that anyone has any skills that might be useful. They are sales-focused and not interested in any advice that would improve the business.'

The focus group findings suggest that work culture, opportunities for career progression and a sense of fulfilment lead to higher levels of job satisfaction. Younger people tend to feel more aligned with their career – many are ambitious and seeking career progression; some complain that promotions take too long to achieve. Those who have been in the workplace for longer are more likely to agree that the predominant (often only) role of their job is to 'pay the bills' – some report having become disillusioned with workplace politics and/or workload, and are looking for more work–life balance (especially if they have families):

'When you're younger, you believe workplaces are fair and rational; as you get older you see them as arenas for politics, corporate creeping, nonsense sloganising and control.'

Longer-serving employees feel that there is a celling to progression, that with seniority, opportunities for progression decrease and/or career pathways become less transparent.

A move to a new company is often seen as being required to reach new opportunities – fear of the unknown and concerns around job security are barriers to making a move.

Line managers are seen to have an important role in shaping employees' progression trajectory – workplace relationships are important in building a positive, supportive culture and in providing access to on-the-job opportunities – but relationships like   these are often lacking:

> *'I think low work morale and inflexible workplaces mean that people are easily distracted and don't work to their full potential.'*

Contact time with managers is important in allowing managers to assess employees' strengths and weaknesses, in order to inform constructive feedback – a number, however, report a lack of visibility of their line manager due to their manager's workload or schedule (this is identified as particularly challenging for those in roles requiring shift work). A good line manager provides ongoing mentorship – however, it's commonly reported that line managers take a 'hands off' approach and don't provide proactive support, guidance or feedback, which can lead to low levels of morale and confidence:

> *'The relationship I have with my manager and colleagues is good, but I don't know if I agree with his approach; he's pretty hands-off – which works well for a lot of people – but some people in my team I can see really do need that extra guidance.'*

Line managers are often perceived as the gate-keeper to workload – they have a role in distributing tasks. Many, especially younger employees, complain of being 'bogged down' in lower-skilled, repetitive tasks which inhibit progression by not allowing for the opportunity to take ownership of more complex activities. Some criticise their line managers for not having the right interpersonal and time management skills to fulfil the role effectively; knowing the job role doesn't necessarily mean that they'll be able to teach someone else the role:

> *'My appraisals are always shocking. My manager is never free and can never commit the time. Then it is rushed as it is a tick-box exercise.'*

Relationships with management are perceived to be influential in opening up opportunities for progression – some feel that favouritism is in play and interpret those liked by the decision-makers as being more likely to get promoted:

> *'People get promoted because we need people in management more than because of their talents. Saying the right things in interviews is key, and sometimes seems more important than ability to manage people in real life…. Individual heads have a lot of say in who gets promoted, so patronage can play a role. Favourites benefit.'*

They also have a role in highlighting the need for, providing access to and signing off on training – but many appreciate that decisions around training are driven by management and that there's a lot of red tape to contend with:

'On the whole, yes. I find it very rewarding to be part of supporting and developing others. It's occasionally frustrating if I feel I am not able to commit the time I feel it deserves, and I feel it lets my team down.'

However, despite the critical role of line management in developing staff and helping them achieve their potential, very few line managers receive training and most have just fallen into line management roles as a natural part of their career progression. While most line managers in the focus group agreed that they enjoy this aspect of their role, a number had concerns over not being able to dedicate time to the people they're responsible for. Very few are offered ongoing line management training – some received one-off, ad hoc training (for example a three-day external course; internal training delivered by HR or L&D professionals) but generally feel that there's an expectation for them to 'get on with it'.

⑥ Part 4: Recommendations for policy and practice

How skills are effectively used, or not used, in the workplace has important economic and social implications.

Individuals who report using their skills fully in the workplace have increased job satisfaction, earn more and are more resilient to change, while businesses benefit from a more productive workforce and increased profitability.

On the other hand, it has been shown that workers whose skills aren't well-matched to their jobs suffer from increased stress, either because they do not have the skills they need to do the job as well as they would like, or they are frustrated because they can do more than the job allows. For businesses, poor use of skills impact on productivity, not only from reduced efficiency within firms but also because it makes it harder for more efficient firms to expand.

The focus of skills policy over the last three decades has been almost exclusively on increasing the supply of skills, with the assumption that this would create a virtuous circle: businesses supplied with a bigger pool of higher levels of skills would shift their business models upwards to take advantage of these, fuelling further demand for more higher-level skills. This has fundamentally failed as an approach: on the one hand, the UK still has a stubbornly high proportion of jobs that require low, or no, qualifications, and on the other hand, the UK has one of the most qualified workforces in the world but not enough graduate-level jobs to absorb them.

Promoting the increased use of skills can help employers move towards higher value-added employment and maximise business performance, and more productive jobs tend to be of higher quality and have higher wages, benefiting both individuals and businesses. Yet, addressing these issues is particularly challenging, as many of the levers lie outside the remit of traditional skills policy and instead sit within the broader context of economic development, business support and industrial strategy. It is also an

incredibly complex area; for instance, in order for firms to make better use of skills, it is, in many cases, first necessary to change an organisation's competitive and product market strategies, then how the organisation is designed to deliver these strategies, and then change how work is organised and jobs designed to fit, and then finally to put in place the training and development offer that supports all of this.[49]

Recognising that this is a challenging area, this final sections puts forward some thoughts around how to take skills utilisation policy and practice forward in the UK.

Final thoughts for policy and practice

Policy-makers face challenges in addressing skills utilisation, partly because many employers do not necessarily see it as a business problem – unlike skills shortages, which are seen as carrying a major cost to businesses. Warhurst and Findlay (2012)[50] argue that there are three potential reasons why employers do not perceive it as an issue: first, employers are still able to make profits despite taking a low-road strategy; second, management may not be aware of a problem and/or lack the skills to act; and third, businesses, particularly SMEs, may be focused on short-term planning horizons, which means that even if such challenges are identified, the short-term costs outweigh any long-term benefits of addressing them. Further barriers to policy development lie in the 'patchy and disparate' literature on skills utilisation and little workplace-level analysis that would help support effective policy development.[51]

> *'In large measure skills utilisation policy across the UK is relatively unchartered territory and policy makers are embarking on a journey of exploration and discovery.'* [52]

However, while recognising these challenges, it is possible to identify a number of policies and programmes that have the potential to support enhanced skills use. It should be noted that the following is not a comprehensive list but rather some suggestions around potential areas for action for policy-makers and practitioners.

Raise awareness of the challenge amongst businesses

As highlighted above there is a lack of awareness amongst the business community about the benefits of making better use of workplace skills. Government, working with local and sub-regional partnerships, should promote greater awareness of skills utilisation amongst employers and the business benefits that can be gained from skills utilisation. Those benefits can be significant – better recruitment and retention of staff, and increased productivity and innovation, for example.

The Government, in recognition of the need to improve the productivity of UK firms, has recently launched Be the Business a campaign to improve business and people management processes. The initiative is welcome, however it is unlikely that it will reach many hardest to engage owner manager businesses. Web-based digital tools are important but not sufficient, local level action and face to face support is required.

Local approaches such as the Growth Through People campaign[53] – led by the Birmingham Chamber of Commerce – which aims boost productivity through improved leadership and people management skills, offer a potential way forward for other areas.

Make skills utilisation a key priority of the industrial strategy

It has been argued that attempts to address skills utilisation alone are likely be ineffective; instead it needs to be tackled in concert with efforts to raise the overall

demand for skills through industrial policy and business development.[54],[55] The chancellor should use the Budget to announce an increase in investment in skills development and projects to enhance skill utilisation through the National Productivity Investment Fund (NPIF) and the local implementation of the Government's industrial strategy. This could help fund a range of local and sector-based pilots to test the most effective mechanisms to support businesses in shifting their product market and competitiveness strategies upward, and improving their leadership and people management competencies.

Targeted, specialist support to help firms take the high road and reshape work
To address poor skills use amongst businesses, it is first necessary to support firms to take the high road, in terms of their business and competitive strategies, and address leadership and people management challenges.

SMEs, particularly those in low-wage sectors, often have the most to gain from the shift to higher value-added production, but in many cases they often lack the capacity to carry out the work that is required to achieve this goal. CIPD research[56] suggests that the provision of high-quality HR support to small firms at a local level embedded through key partnerships such as Local Enterprise Partnerships, chambers of commerce and local authorities has the potential to reach large numbers of employers and make a material difference to owner-manager confidence and capability and support productivity growth over time.[57]

The CIPD recommends that People Skills hubs, which would provide a finite amount of free, high-quality HR support to small firms in order to boost their basic people management capability and enhance job quality, are established across all Local Enterprise Partnerships (LEPs) in England at a total cost of £13 million a year, funded via the NPIF.

There is also scope for the provision of support for firms to improve their leadership and people management capability at an industry level through sector deals, a key aspect of the Government's industrial strategy. CIPD believes all sector deals should be contingent on coherent plan to improve the quality of leadership and people management, taking account of different circumstances and context. Individual sectors can lead action across both large employers and SMEs through the supply chain to improve the quality of leadership and management and how skills are utilised in the workforce.

Increase efforts to provide high quality careers advice and vocational pathways into work
Efforts to align skills provision with employer demand are also necessary if skills and qualification mismatch are to be reduced. To achieve this policy makers need to ensure the availability of high quality careers advice and guidance, as well as prioritising the creation of more high quality vocational routes into work to provide young people with viable alternatives to university.

Implications for people professionals
Effective skills utilisation requires a combination of management and organisational practices and processes. Employee motivation can be harnessed through effective reward and performance management systems as well as through a workplace culture that fosters commitment and engagement. Well-designed work, which provides individuals the chance to problem-solve and be autonomous, enables individuals the opportunity to fully use their skills at work.

This research has emphasised the fundamental role that line managers play in supporting employees to develop and use their skills, yet many have received no training on how to undertake their role effectively. Employers should invest in formal management training to help managers learn how to motivate teams through praise and feedback, how best to attain discretionary effort from team members, and how best to ensure that existing skills are used effectively and development needs addressed appropriately.

Ensuring that people are well matched to their job requires improved recruitment and people management practices. We have argued, in the case of over-qualification, that employers need to rethink the entry requirements of the job when recruiting rather than using qualifications as an easy way to screen applicants.[58] This would help reduce qualification mismatch and at the same time make recruitment practices more open and inclusive, enabling employers to benefit from a more diverse talent pool.

Organisations should undertake a more structured approach to discern the skills and experience their people can contribute. Productivity can be improved by more accurately matching people's skills with the roles or functions needing to be performed, but the converse is also true; productivity suffers when skills and roles are poorly matched. Segment your workforce, look at skill sets, consider demographics and identify business-critical roles — both strategic and operational. A skills audit via a self-assessed learning diagnostic and regular development conversations can help organisations identify and make better use of their people's skills, particularly in areas of the business where those skills are in high demand.

Alongside this, there is a case for looking at job design/redesign to ensure that people's skills and competencies are used effectively. Job design is a key feature of high-performance working initiatives, and aims to ensure that skills and motivation are both aligned and effectively applied within a context of employee engagement and positive line management practices and organisational leadership.

For those that wish to advance their career, the most common barrier to career progression is lack of opportunity, followed by lack of confidence and not knowing what is wanted from careers. Organisations need to think creatively about how employees can develop their skills and experience, and ultimately progress their careers, especially in flat organisational structures – for example, job rotation, secondments (internally or externally), taking on new responsibilities in role where appropriate, and developing and promoting clear internal career ladders.

Clear career development and access to learning and development opportunities, aligned with business need, will help organisations to recruit, retain and grow the skills they need. Building a strong employee offer, through non-financial benefits and enhancing your brand, alongside more measures such as the provision of flexible working, can further support this.

Ensuring that existing knowledge and capabilities of the workforce are used effectively, and that people are given the chance to develop their skills further, will not only help solve lagging productivity but also increase employee satisfaction and enable people to progress in their careers.

⑦ **Appendix**

Term	Example provided to respondents
Basic literacy	Reading manuals, procedures, letters or memos
Advanced literacy	Writing long documents such as long reports, handbooks, articles or books
Basic numeracy	Calculations using decimals, percentages or fractions, understanding tables and graphs
Advanced numeracy	Calculations using advanced mathematical or statistical procedures
Basic ICT	Using a PC, tablet or mobile device for email, internet browsing
Moderate ICT	Word processing, using or creating documents and/or spreadsheets
Advanced ICT	Developing software, applications or programming; use computer syntax or statistical analysis package
Technical skills	Specialist knowledge needed to perform job duties; knowledge of particular products or services
Communication skills	Sharing information with co-workers/clients; teaching and instructing people; making speeches
Teamworking skills	Co-operating and interacting with co-workers; dealing and negotiating with people
Foreign language skills	Using a language other than your mother tongue to perform job duties
Customer-handling skills	Selling a product/service; counselling, advising or caring for customers or clients
Problem-solving skills	Thinking of solutions to problems; spotting and working out the cause of problems
Learning skills	Learning and applying new methods and techniques in your job; adapting to new technology, equipment
Planning and organisation skills	Setting up plans and managing duties according to plans; planning the activities

⑧ **Endnotes**

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