

# How employable is the UK?

## Meeting the future skills challenge



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**NatCen**  
Social Research that works for society

**LifeSkills**  
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## Foreword



The world of work is changing dramatically. Economic, societal and technological forces are leading to increased global collaboration, agile working and automation.

This will have a significant impact on our workforce, as people of all ages and career stages will need to adapt to this fast-changing world of work, where ways of working will be very different. The challenge we face is that, despite significant efforts, it's very difficult to predict exactly what the jobs of the future will look like and what technical skills will be needed.

So, there are many unknowns. But what we do know is that some skills – being proactive, adaptable, resilient – are universal and necessary to face whatever challenges and opportunities the future world of work may hold. These are not new skills and, whilst they don't replace the need for technical skills in the future, we do need to raise awareness of their importance.

They are highly valued by employers from all industries, yet it has long been reported that they are becoming increasingly hard to find in employees, leading many to claim that the UK is facing a widening skills gap with our workforce at risk of being under-equipped for the future. There are several studies that have looked to understand and address this gap, but they have tended to focus on a wider set of digital or technical skills.

We wanted to understand the scale and nature of the *employability skills* gap, comparing the views of educators and employers whilst testing over 10,000 workers on their confidence and capability in seven core, transferable skills – proactivity, adaptability, leadership, creativity, resilience, communication and problem-solving. We chose these skills as they are what humans are best at. As technology advances, they will become increasingly valuable to all employees, regardless of their age or career choice.

We also wanted to test a set of skills that was consistent with and supportive of the wealth of existing research about the future of work.

The sheer volume of future skills frameworks available to us turned out to be both a blessing and a curse, as debate continues to rage over fine definitions and which skills are the most important and transferable between professions. I strongly believe that if we are to be effective in addressing the UK's skills gap and teaching these skills, we need to focus our efforts on a consistent skills framework that is agreed between employers, educators and the Government.

The role of employers is particularly crucial – they understand the labour market better than anyone and can help people build the skills they're looking for, both today and in the future. This was why we first launched our LifeSkills programme in 2013, to inspire millions of young people and equip them with the key skills needed for the world of work. We've already developed tools and content that can support educators in preparing young people with these seven skills, embedding them within the school curriculum so that they don't add to an already crowded school timetable.

However, the findings of this report show that it's not just young people that require support – with nearly 60% of UK adults lacking the full set of core transferable skills, there is a clear need for increased support in lifelong skills learning. This is why Barclays is helping the UK move forward by expanding our LifeSkills programme to all ages – by the end of 2022, we're committing to helping 10 million adults build the employability skills they need to succeed in the future world of work.

We have a fantastic, skilled workforce in the UK and it's important to continue to invest in our skills growth so that we remain competitive. This is just the start and we hope that the findings of this report will encourage other employers, educators and the UK Government to get involved – by working together, we can make a start in addressing the skills gap and create a competitive future workforce that boosts the UK economy.

**Kirstie Mackey**

Director of LifeSkills at Barclays

## Our expert interviewees



**Baroness Karren Brady** is an English sporting executive, politician, television personality, newspaper columnist, author and novelist. She is the former managing director of Birmingham City F.C. and current vice-chairman of West Ham United F.C. She is featured in the BBC One series *The Apprentice* as an aide to Lord Sugar and has her own series on ITV called *Give it a Year*. She was the Small Business Ambassador to the UK Government under Prime Minister David Cameron.



**Sherry Coutu** is a serial entrepreneur and angel investor who serves on the boards of companies, charities and universities. She chairs Founders4Schools, the Scaleup Institute and the Financial Strategy Advisory Group for the University of Cambridge. She is a non-executive member of Cambridge University (Finance Board), Cambridge Assessment, Cambridge University Press and is a Non-Executive Director of the London Stock Exchange plc and Raspberry Pi. Sherry was appointed Commander of the Order of the British Empire (CBE) for services to entrepreneurship in the New Year's Honours List 2013. She is the author of 'The Scale-up Report' on UK economic growth and serves as an Ambassador for London.



**John Cope** is the CBI's Head of Education & Skills, leading the CBI's work across education, from the early years through to lifelong learning and retraining. Alongside this, John chairs the CBI's LGBT+ Network. Originally from the Midlands, most of John's career prior to the CBI was spent in policy and communications, including advising three past education ministers and being a founding director of an education and mental health research institute. Outside of work, John is a governor of a SEND school and sits on the Education Policy Institute's Advisory Board.



**Matthew Taylor** has been Chief Executive of the RSA since November 2006. During this time the Society has substantially increased its output of research and innovation, has provided new routes to support charitable initiatives of its 29,000 Fellows and has developed a global profile as a platform for ideas. In July 2017 Matthew published the report ‘Good Work’; an independent review into modern employment, which was commissioned by the UK Prime Minister. Prior to this appointment, Matthew was Chief Adviser on Political Strategy to the Prime Minister. Previous roles include Labour Party Director of Policy and Deputy General Secretary and Chief Executive of the IPPR, the UK’s leading left of centre think tank.



**Martin Wayman** joined ISS UK in 2016 as their new Corporate Responsibility Manager and has recently developed their new CR strategy – ThinkForward@ISS, which launched in 2017. Both employability and community engagement programmes will continue to be a major focus areas of ThinkForward@ISS and Martin is planning to scale up ISS activities in these areas. ISS’ history of supporting the Barclays LifeSkills programme will be a key component of this.

## Summary

The future economic wellbeing and global competitive position of the UK is dependent on ensuring the country has a suitably skilled workforce. Over the coming decades, as the forces of globalisation, digitalisation and automation reshape the labour market, the nature of work itself will change, creating demand for new skills. The future UK economy will require basic digital skills from all workers and place an increasing premium on higher level technical skills and employability skills such as flexibility, creativity and problem-solving (Stormer, 2014<sup>1</sup>).

At the same time, our ageing population means that people will be working for longer, with the government investing in partnership with businesses to support and retain older workers (DWP, 2017<sup>2</sup>), and placing an increased emphasis on lifelong learning as one of the foundations of the UK Industrial Strategy (BEIS, 2017<sup>3</sup>).

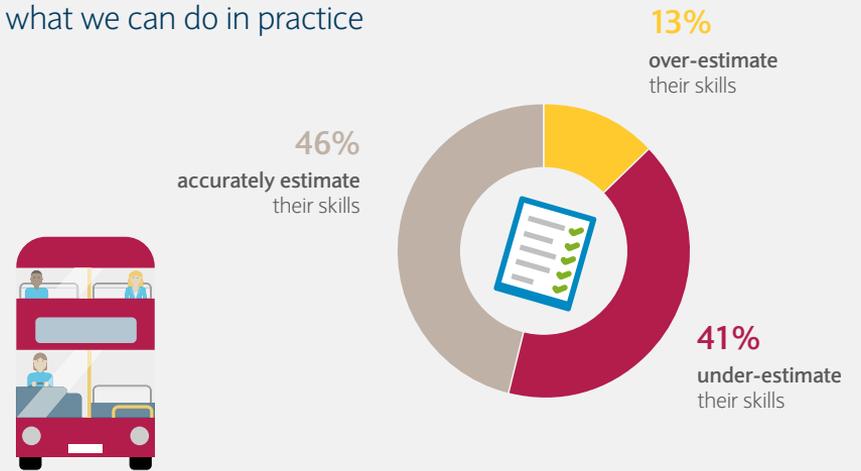
In order to ensure the population's skills are able to meet the demands of a shifting market, we first need a clearer understanding of the scale and nature of the employability skills gap. This study addresses that gap, bringing together the perspectives of employers, educators and the working-age population to create a definitive picture of employability skill levels across the UK. The seven skills we considered were: resilience, proactivity, problem-solving, communication, creativity, leadership and adaptability.

1 Stormer, E. et al. (2014) *The Future of Jobs and Skills in 2030, Evidence Report 84*, UK Commission for Employment and Skills

2 Department for Work and Pensions (2017) *Fuller Working Lives: a partnership approach*

3 BEIS (2017) *UK Industrial Strategy: The Five Foundations*

There is a big difference between the skills we think we have, and the reality of what we can do in practice



London showed the highest over-confidence

with 24% of respondents assessing their skills more highly than they were able to demonstrate in practice

Women outperformed men in every skill

with 46% of women able to demonstrate they had all seven skills, compared to 39% of men





Millennials are the lowest performing age group with 39% able to display all the core skills

Younger people and Londoners

were most likely to be over-confident



Older people, and women

were more likely to underestimate their abilities



Nearly 6 in 10 adults

(57%) failed to demonstrate all of the seven core employability skills

By consolidating the views of multiple stakeholders, our report provides an authoritative starting point for a discussion about how the country can move forward to meet the skills demands of the future.

One of the key issues identified by our research is a gap in core employability skills, evidenced by the fact that 57 per cent of working-age respondents in our national survey failed to correctly answer competency questions for all seven employability skills.

Of equal importance is the mismatch between our self-assessment and our objective skills - in other words, the difference between what we think we can do and the reality of what we can do in practice. Our findings (across our national survey and our work with employers and educators) point to over-confidence among younger members of the workforce and those living in London. In contrast, there is a very significant proportion of the population, typically older and female, who underestimate their abilities. Both over and under-confidence are problematic, as lack of skills and lack of self-belief can limit progression and productivity.

As well as highlighting a significant skills gap and a disconnect between confidence and practical ability, our study shows that educators need support to become better attuned to the needs of employers. For example, while employers emphasised the importance of leadership skills, and the difficulties they faced recruiting suitably skilled staff to their organisations, when we asked educators which employability skills would become extremely important, leadership skills were at the bottom of the list.

These findings highlight the need for the UK to identify innovative and practical approaches to building core transferable skills and self-confidence across the workforce. They also highlight the continuing need to foster closer communication and partnership between educators and employers. By developing a shared understanding of the employability skills valued by the labour market, employers and educators will play a key role in equipping the workforce with the skills they need to thrive in the future labour market.



79% of employers say employability skills are important in their industry

yet 34% do not plan to offer any training in the next year

22% of teachers don't think their institution is effective at developing these skills



with only 6% feeling their students are fully prepared when they leave education

## Introduction: Understanding employability skills in the UK



The future economic wellbeing of the UK is dependent on ensuring the country has a suitably skilled workforce (UUK, 2018<sup>4</sup>). This is a global challenge and, like other ageing countries, the UK needs to ensure that the education system prepares students for the labour market, and that the workforce is reskilled throughout their lifetime to meet the challenges of a ‘fourth industrial revolution’<sup>5</sup>.

The growth of digitalisation and technology in the workplace, alongside the replacement of traditional manufacturing industries with a growing service industry means that employability skills (sometimes known as soft skills) are already more and more important to today’s labour market. Looking to the future, the UK economy will require basic digital skills from all workers and place an increasing premium on both higher level technical skills and employability skills such as flexibility, creativity and problem-solving (Stormer, 2014).

The UK workforce, faced with shifting skills demands alongside changes to the way in which people work, is under pressure to keep up through upskilling, reskilling, and training. The Government has recognised lifelong skills development as one of the five foundations of the industrial strategy (BEIS, 2017). They have made major investments in technical education and STEM skills, as well as announcing the creation of a National Retraining Scheme, supporting workers to reskill for work in high demand industries. However, there is still more to be done to ensure that the wider UK workforce has access to the lifelong learning resources that will enable them to thrive in the future labour market, and the UK to continue to compete on a global stage.

<sup>4</sup> Universities UK (UUK) (2018) *Solving Future Skills Challenges*, <https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2018/solving-future-skills-challenges.pdf>

<sup>5</sup> World Economic Forum (2016) *The Future of Jobs: Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution. Global Challenge Insight Report*

In order to understand how best to respond to this challenge, it is important that we have a clearer understanding of the scale and nature of the employability skills gap. Whilst other studies have explored employers' perspectives on the skills gap (e.g. NACE, 2016, 2018)<sup>6</sup>, compared the views of graduates to those of hiring managers (PayScale/Future Workplace Survey, 2016)<sup>7</sup> and investigated perceptions of the most important skills, few studies have sought to create a holistic picture of employability skills in the UK. This report seeks to address this gap, bringing together the perspectives of the three key stakeholder groups: employers, educators and the working-age population.

6 National Association of Colleges and Employers (NACE) (2016, 2018) *Job Outlook*

7 PayScale and Future Workplace (2016) *2016 Workforce-Skills Preparedness Report*

By bringing together multiple perspectives, this report aims to present a definitive picture of UK employability across the different stages of working life, from those starting out in their career to soon-to-be retirees. We hope it will provide an authoritative starting point for a discussion about how the country can move forward to meet the skills demands of the rapidly changing labour market.



## About LifeSkills created with Barclays

The motivation behind the LifeSkills programme is to inspire millions of young people and equip them with the key skills needed to move forward within the 21st century work place. LifeSkills brings together educators, businesses, young people and parents to achieve this, as increasingly young people need to leave education not only with appropriate academic results but with the skills that we know businesses need now and in the future as technology reshapes our working world.

Educators, including schools, colleges, universities, charities and youth groups, are provided with more than 65 hours of free curriculum linked employability resources, through videos, quick fire activities, interactive tools and full lesson plans to teach young people, as well as dozens of interactive tools for young people to learn in their own time or in conjunction with their parents through our dedicated parents section.

The programme teaches skills such as CV writing, interview skills, networking, problem-solving, creativity, resilience, communication and managing online reputation.

LifeSkills also provides free support to UK businesses to help improve access to work experience opportunities – giving young people the key skills and experience they need.

Already LifeSkills is raising the aspirations of young people as they feel more confident about the future and Barclays are seeing evidence that young people are using what they have learnt to secure employment and manage their finances more effectively. More than 6.7 million young people have already participated in the programme since its launch in spring 2013.



## The seven key employability skills

The following seven skills have been identified as being key to succeeding in the future workplace – regardless of choice of career path or industry. They were adapted from existing research about core, transferable skills, including the Skills Builder Partnership’s and World Economic Forum’s frameworks (WEF, 2016).



### Resilience

The ability to cope with challenges or setbacks and turn them into positive, valuable learning experiences



### Proactivity

Taking the initiative and making things happen, instead of always reacting to what happens around you



### Problem-solving

Using a structured process to analyse tricky problems, consider logical solutions, and then evaluate the result



### Communication

The verbal and physical skills that we use every day to explain what we’re thinking and feeling to other people



### Creativity

The ability to come up with inventive ideas that will help you complete a task or solve a problem in a new or interesting way



### Leadership

The ability to get the best out of a team of people as you work collectively to tackle a task, or reach an objective



### Adaptability

The ability to cope with and thrive in changing conditions

These seven skills underpin the questions used in our working-age, employer and educator surveys, as well as our discussions with industry experts and teachers. They are referenced throughout this report as “employability skills”.

## Employer and educator perspectives on employability skills in the UK

As part of the study we asked more than 1,100 employers and educators what they thought about the state of employability skills in the UK. To help us understand their views and gain a comprehensive picture of skill levels, work with these two groups included two surveys, an online forum and interviews with five industry experts. The findings set out in the following chapter tell us which employability skills employers and educators see as being the most important now and in the future, where they feel there is a skills gap, and how they think employability skills can and should be developed.

### What employability skills are most important?

We asked employers to think about the way employability skills have changed over the last ten years, which employability skills they feel are most important right now, and which employability skills they feel are most likely to be important over the next 10 years.

“

The workplace is changing. It's becoming more flexible, it's becoming more open ... In my day there was a ladder that you worked your way up very slowly to get to the top. It's now more like a web. People go over there and do a little bit of this and go over there and do a little bit of that, and they have much more varied careers as opposed to sticking to one thing.

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**Baroness Karren Brady,**  
**Businesswoman and Chair of LifeSkills Advisory Council**

### Have certain skills become more important over time?

**Adaptability**, along with **communication** skills, were seen by employers as having grown in importance over the last 10 years. Notably, more than 60 per cent of employers felt that adaptability had become more important over the previous decade.

Discussions with experts suggest that this emphasis on **adaptability** reflects uncertainty in the UK labour market and changes in the way people move within it.

### Which employability skills are the most important to UK employers today?

When asked about the importance of skills right now, employers ranked **problem-solving** as the most important of the seven skills; 19 per cent of those surveyed put problem-solving in first place. This was followed by **creativity** (ranked as most important by 17 per cent of employers), **leadership** and **adaptability** (both with 16 per cent).

Resilience

Proactivity

Problem-solving

Communication

Creativity

Leadership

Adaptability

Figure 1: Proportion of employers considering each of the seven skills as having become more important over the last 10 years

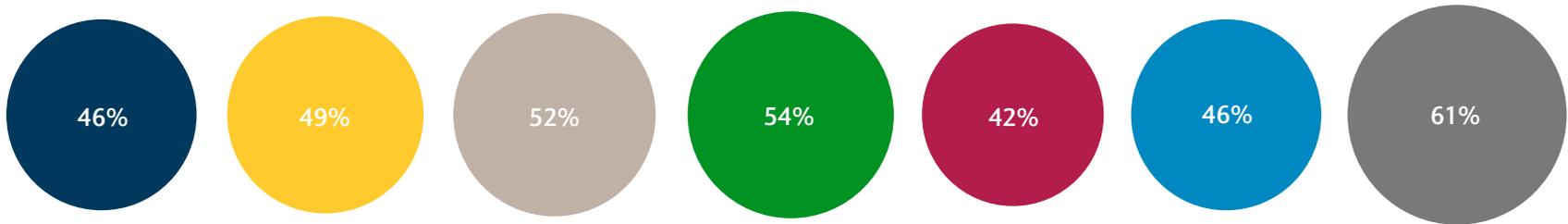
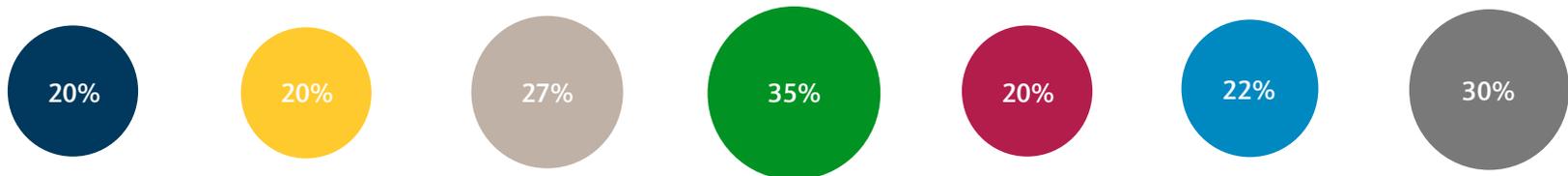


Figure 2: Proportion of employers ranking each of the employability skills as the most important now



Figure 3: Employers' views on which of the seven skills will become 'extremely important' in the next 10 years



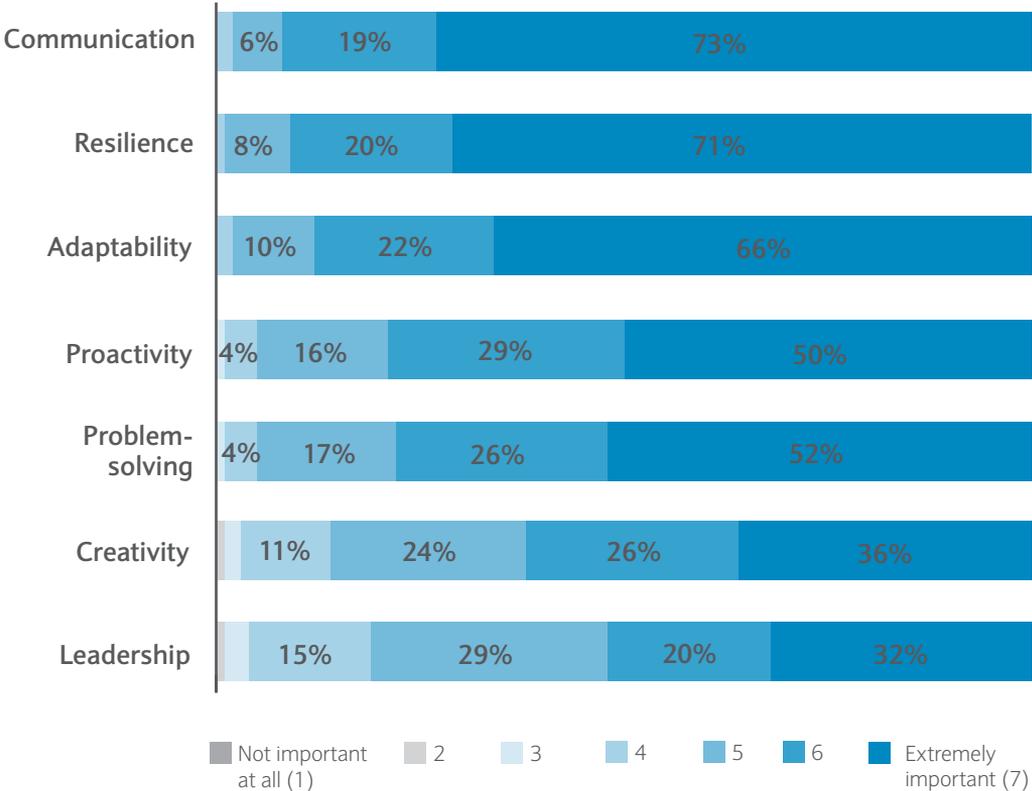
### Which employability skills will be most important in the future?

Looking forward to the next ten years, employers highlighted the growing importance of communication and adaptability; 35 per cent of survey respondents felt that communication would become extremely important in the next 10 years, and 30 per cent adaptability.

This suggests that when employers look back over a decade of labour market change, or look forward to future changes, communication and adaptability are at the front of their minds. Yet, when they think about skills gaps in their workforce right now, leadership feels more pressing.

Interestingly, while in some ways the views of employers and educators align, there are important differences. Almost three quarters of educators we spoke to (73 per cent) felt **communication** would be 'extremely important' in the next ten years, followed by **resilience** and **adaptability**. However, in contrast with the employer view, **leadership** was the skill the smallest number of educators felt would become 'extremely important'.

Figure 4: Educators' views on which skills will become more important in the next 10 years



This disconnect is concerning, as it suggests a potential misunderstanding within the UK education sector about the skills required in the labour market, and a corresponding need to raise the profile of leadership skills among educators. This may be particularly challenging in an education system whose curriculum has a particularly strong focus on knowledge acquisition.

Moreover, it leads us to consider how educators and employers can work together more effectively to develop employability skills starting in education and continuing through employment with a focus on life-long learning.

The discrepancy between what young people are taught in schools and the skills they need to be work-ready was also highlighted by the experts we interviewed. One of them pointed, in particular, to a lack of education around leadership skills.

Interviews with experts also emphasised the importance of a resilient and adaptable workforce for the future health of the nation.

“ [Young people] are taught things in school, but they’re not shown how to be work ready, and I think that’s a great shame. And I think that’s probably come since work experience was eliminated from the curriculum. So lots of people come into a workplace and they really don’t know what to expect... [Or] what’s expected of them... I don’t know any young person who’s in education that is taught about the importance of leadership. ”

**Baroness Karren Brady,**  
**Businesswoman and Chair of LifeSkills Advisory Council**

“ Resilience is very important, as is adaptability... We’re facing into an unpredictable future, so being able to deal with high levels of ambiguity is important, both for our mental health and for our productivity as a nation. ”

**Sherry Coutu,**  
**Serial Entrepreneur and CEO of Founders4Schools**

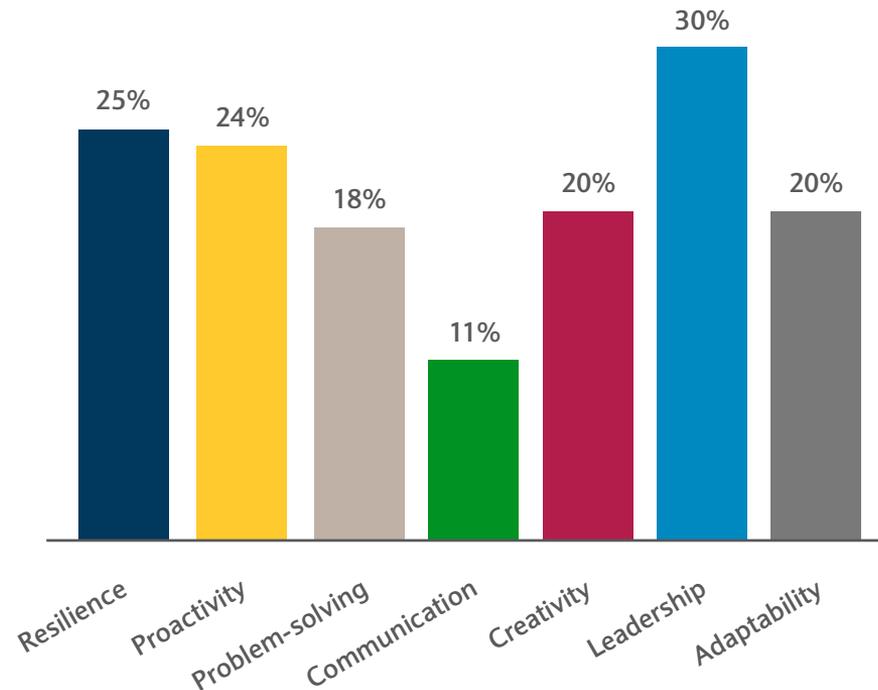
## Does the UK have a skills gap?

Employers highlighted a clear deficit in employability skills among candidates applying for jobs at their companies. In particular, 30 per cent of employers said that there was a lack of applicants who had **leadership** skills. This was followed by a gap in those who could demonstrate **resilience** and **proactivity**.

Tellingly, **leadership** and **proactivity** were also the biggest concerns amongst educators. Approximately 30 per cent of educators felt that students left school well prepared to demonstrate these skills in the workforce (28 per cent and 30 per cent respectively).

These skills weren't the only ones educators felt young people were under-prepared for when leaving school or college. Indeed, proportions were low across all seven employability skills. Communication was the only employability area where more than 50 per cent of educators felt school-leavers possessed the skills needed for work. Just 18 per cent felt that their own institution was very effective at developing employability skills.

Figure 5: Employers' views on which skills are lacking among potential recruits

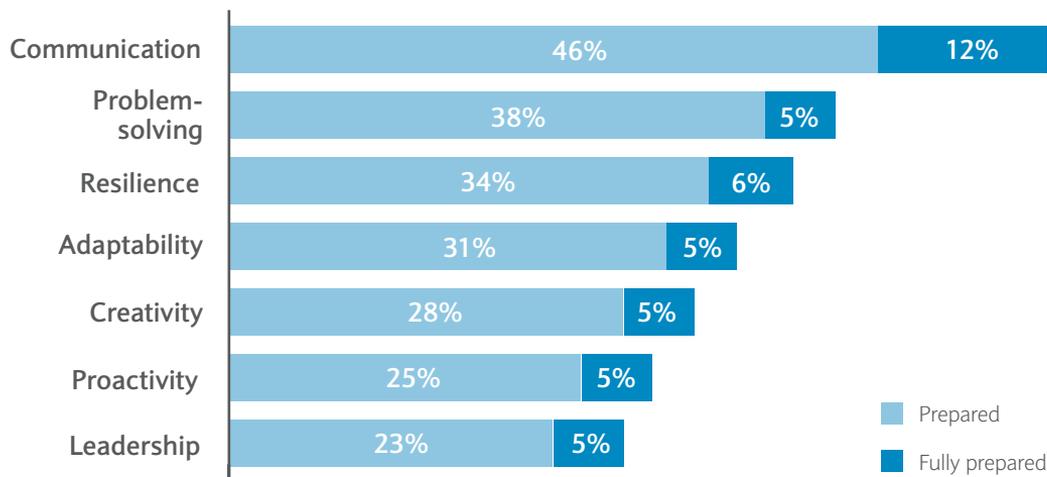


Evidence from a recent NatCen study on selective education suggests the public agrees: while employability is our highest priority for schools, less than 50 per cent of the population believe schools actually prepare pupils for fulfilling employment (Tanner et al, 2017)<sup>8</sup>.

Interviews with industry experts also reinforced the view that there is a skills crisis, in particular among school-leavers.

These findings raise important questions about how the gap in leadership, proactivity and other skills can be met, both for school-leavers and those at a more advanced stage in their career. We need to address the question of how employability skills can be taught in schools and workplaces, and how the UK workforce can show leadership in fostering skills development in colleagues.

Figure 6: Educators' views on how prepared school/college-leavers are for employment



“ Life skills as well as technical skills are lacking and that’s causing 93 per cent of business leaders to complain about the skill crisis... I believe that’s down to a lack of exposure to business leaders both in the classroom and particularly in the work place. It’s vital for 16 to 18 year olds to experience what’s expected of them. ”

**Sherry Coutu,**  
Serial Entrepreneur and CEO of Founders4Schools

<sup>8</sup> Tanner, E and Kelley, N (2017) Attitudes Towards ‘Good Schools’ and Selective Education, NatCen

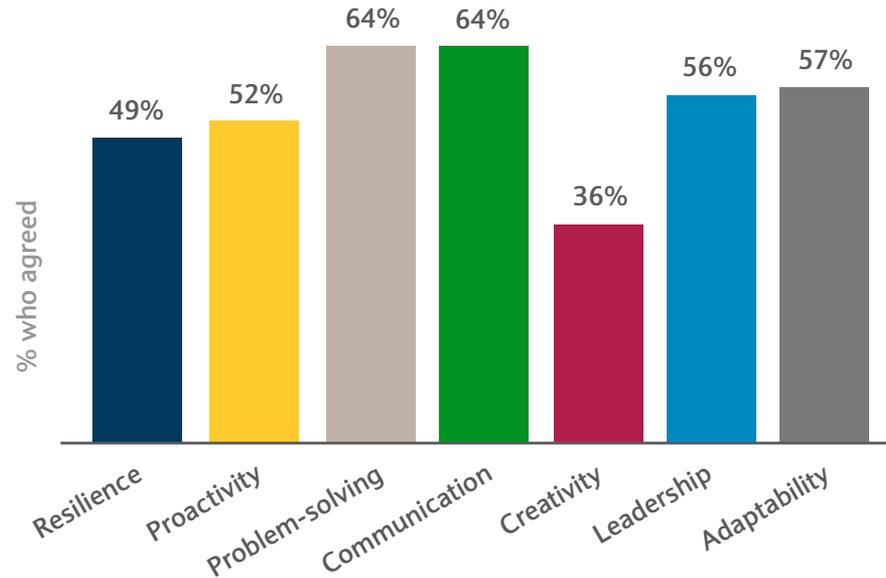
## Learned skills or natural abilities?

Employers generally agreed the seven employability skills could be developed through training and work experience – particularly **communication** and **problem-solving**, two key skills from the perspective of both employers and the general population.

**Creativity**, however, was much more commonly perceived as being a natural ability and something that was difficult to enhance through training. Indeed, only a third of employers (36 per cent) thought that creativity was a skill that could be developed through training and work experience. This is reflected in the training courses they offered their employees (discussed on page 21).

These views connect strongly with those of educators. Despite the fact that more than 90 per cent felt that creativity ‘could’ be developed through education, this was the skill educators felt least confident developing in their students, with more than a third saying that they lacked confidence in this area (see Figure 9).

Figure 7: Proportion of employers who felt employability skills could be developed through training



Qualitative research with educators suggested this was because they associated creativity with specific subjects, such as the arts, and therefore did not see creativity as a skill to be fostered across all subject areas.

Expert views confirmed the contested place that employability skills have in statutory education, in particular the challenge of teaching these skills or recognising them as part of the wider curriculum. A strong call was made by educators to build the evidence base on whether and how key employability skills could be taught in the classroom.

As with creativity, educators expressed a lack of confidence in their ability to develop **proactivity** and **leadership** in their students (both 31 per cent). Again, there are parallels with the views of employers, who felt that proactivity and resilience were the most difficult to develop through training and experience, after creativity.

“ There’s a very big debate amongst educationalists about whether it is possible to teach these skills in any way other than being a by-product of more traditional forms of learning... There is no agreement amongst educationalists about how it is you apply these skills and how it is you accredit these skills and whether they are genuinely transferable. ”

**Matthew Taylor,**  
Chief Executive, RSA

**Figure 8: Percentage of educators agreeing that each employability skill can be developed through education**



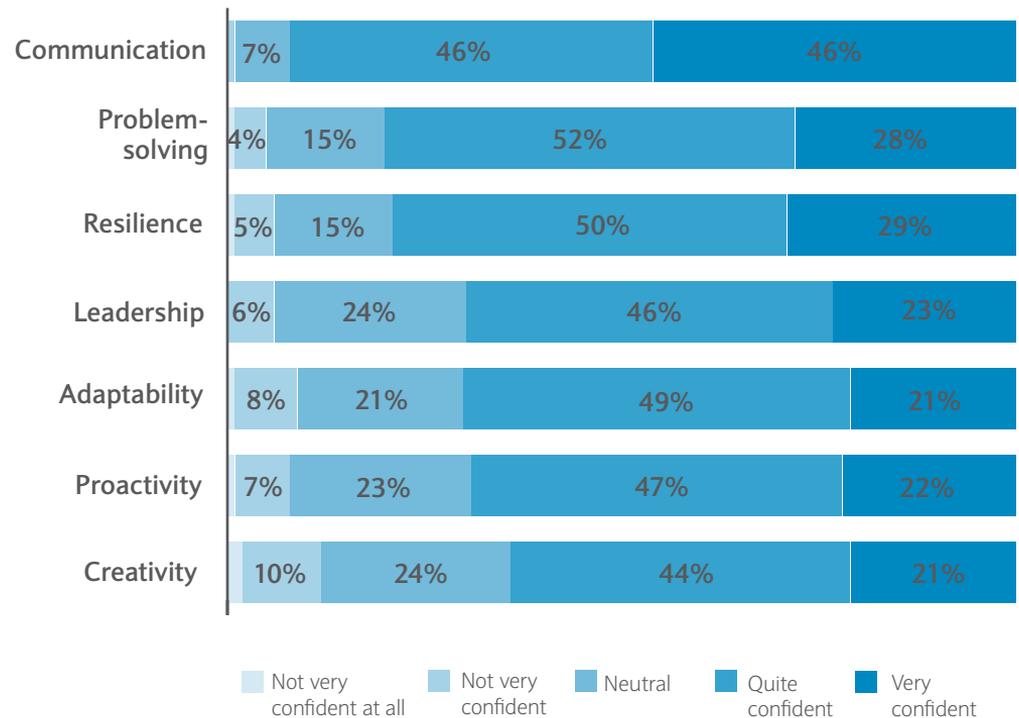
## What training provision do employers offer?

As with educators, employers are not confident about their ability to teach employability skills in the workplace. Indeed, 38 per cent of employers had not provided training courses covering any of the seven skills in the previous year.

Unfortunately, this low level of in-work training looks set to continue in the future, with more than a third of employers saying that they did not intend to offer courses in any of the seven skills in the next 12 months.

Provision of training varied considerably by skill, with the largest proportion of employers delivering training in **communication** skills (28 per cent), followed by **leadership** (27 per cent) – reflecting the skills gap identified by employers and educators. Skills with the lowest level of training provided over the previous year were **creativity** (13 per cent), **resilience** (10 per cent) and **adaptability** (8 per cent). These same three skills were also those with the fewest planned training activities in the coming year (13, 12 and 10 per cent respectively). Whilst the lack of training in creativity no doubt stems from employers’ perception that creativity is a natural ability rather than a learned skill, the lack of training on resilience and adaptability may be a consequence of the perception that these skills are difficult to teach through traditional training courses.

Figure 9: Educators’ confidence in teaching employability skills



Employers not offering their staff training in any of the seven skills were asked for the reasons why. These reasons were extremely varied, but the most commonly reported were connected to financial constraints (23 per cent). However, it is important to note that a fifth of those not offering training, were doing so as they felt their staff already had well developed employability skills.

Of course, it is important to recognise that training in core transferable skills does not need to be delivered via formal training courses, and it may be that employers can use (or perhaps are already using) alternative methods to build employability skills, such as Continuing Professional Development and talent management.

## Findings summary

Figure 10: A skills-based summary of educator and employer perspectives

	 Resilience	 Proactivity	 Problem-solving	 Creativity	 Leadership	 Adaptability
<b>Educators</b>	Seen as important as increasingly lacking in students	Low levels of proactivity among school leavers	Don't see it as likely to be as important as other skills in the future	Least confident in developing this skill	Skill students least likely to be equipped with when leaving	Recognise importance but can be difficult to address
<b>Employers</b>	Also noticing lower levels among recruits	Another skills gap for employers	Seen as the most important skill right now	Not seen as something that can be developed by training	Area felt to be most lacking in recruits	Likely to become increasingly important



**Communication** was the exception as it was prioritised in education and training. It was also the skill educators and employers felt was least likely to be lacking in young people.

## Skills in the working-age population

In addition to surveys and qualitative interviews with employers and educators, we also conducted a survey of over 10,000 UK residents aged 16-65. The survey asked respondents to evaluate the importance of the seven skills and assess their own skill levels. We also 'tested' whether participants were able to put employability skills into practice through a series of vignettes portraying real-life situations where they had to choose a course of action. This allowed us to develop a picture of how skilled people think they are in relation to the seven skills (their confidence) and compare it to how skilled they actually are (their capability).

We surveyed over



# 10,000 people

## The vignette (competency) questions

### What are vignettes?

Vignettes are short descriptions of a hypothetical scenario, to which research participants are asked to respond. The answers they give reveal their perceptions, attitudes and behaviours relative to the situation presented.

### How were they used in our research?

For each vignette, participants are presented with a situation faced by a fictitious character experiencing a dilemma at work. Four possible courses of action are provided, and respondents are asked to select their (one) preferred option. Two of the possible options are 'correct' and result in the respondent scoring a point and two are 'incorrect' so no point is awarded at that question. In this way, their capacity to put the seven employability skills into practice is put to the test.

## The big picture - competency

Looking at the extent to which the UK's working-age population possesses the seven employability skills, it was striking to note that over half our survey respondents (57 per cent) failed to correctly answer all seven competency questions (measured using vignettes).

The largest gaps were recorded for **creativity** and **adaptability**, where 25 per cent and 22 per cent respectively responded incorrectly to the vignette questions. Adaptability was highlighted by both employers and educators as one of the future skills that will be most important in the future (31 per cent of employers felt this skill would be 'extremely important' in the next 10 years), so this gap is a cause for concern.

Equally troubling is the lack of demonstrable **leadership** skills, with 16 per cent of survey respondents proving unable to put these skills into practice. Leadership was considered by employers as one of the most important competencies (contrasting with the views of educators), yet also the one they most struggled to find among people applying for jobs in their companies.

Interviews with industry experts both highlight the importance of leadership skills, and the perception that there is a significant skills gap in this area.

“

Having that emotional intelligence and being able to look after their teams and consider the well-being of their teams and manage their teams well, it isn't always something that we see... Having a mindset that makes you a good leader and makes you aware of your team's emotional needs and well-being is, I think, going to become more and more important in the workplace... There is quite a lot of turnover in our industry. People come and go, and that's a challenge for the business. If you're a strong leader you can potentially put a stop to that by creating a great culture and a great environment that means people want to stick around.

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**Martin Wayman, Corporate Responsibility Manager, ISS**

“

In last year's [CBI Education and Skills] survey, 61 per cent of those that took part in the survey said they lacked sufficiently skilled people to fill vacancies and 75 per cent of businesses expected to increase the number of highly skilled roles over the coming years. This highlights a lack of people with the right education or training, but it doesn't just cover qualifications, it also highlights a lack of transferable skills and work-readiness.

”

**John Cope, Head of Education and Skills, CBI**

## The big picture – confidence

Alongside important gaps in demonstrable ability, the survey highlighted areas where the UK's working-age population expressed low levels of self-confidence. A quarter of survey respondents did not rate themselves highly on any of the core transferable skills and only three per cent saw themselves as possessing all seven. Partly mirroring the gaps identified through the vignette questions, the skills where respondents expressed the lowest levels of confidence were **creativity** (only 18 per cent considered themselves as strong on this skill), **leadership** (28 per cent) and **proactivity** (28 per cent).

When asked to rank the seven employability skills in order of importance, the views of working-age respondents chimed with those of employers - both groups placing **problem-solving**, **leadership** and **creativity** in the top three slots. Twenty-one per cent of respondents ranked leadership and problem-solving as the most important skills, and 15 per cent creativity.

Alongside leadership and adaptability, problem-solving and creativity were highlighted in the expert interviews as of increasing importance to the future workplace. The growing demand for these skills was stressed in relation to the prospective impact of automation and technology on today's jobs.



“ Over the coming years, certain elements of roles or, in some cases, entire roles, may be affected or replaced with automation, AI, and technology. This makes transferable skills like communication, creativity, or problem-solving much more valuable and in demand because those are the sort of skills that are the hardest to be replaced [by technology]. ”

**John Cope, Head of Education and Skills, CBI**

## Exploring patterns among the working-age population

We used Latent Class Analysis, a technique which combined respondents' answers to the self-assessed skills (confidence) and competency questions (vignette scores) to group respondents into six clusters of people who shared a similar skills profile and were distinct from the others. These groups were:



- 1) **High confidence, mid capability (over-confident):** those who assessed their skills highly but whose performance on the vignette questions did not match this confidence;
- 2) **Mid confidence, low capability (over-confident):** those who were moderately confident but performed very poorly on the vignettes;
- 3) **Mid confidence, high capability (under-confident):** those who saw themselves as moderately skilled but displayed a better mastery of skills than their confidence suggested;
- 4) **Low confidence, mid capability (under-confident):** those who had extremely low self-assessed skills but performed moderately well when asked to put these skills into practice;
- 5) **Highest confidence, high capability (highly skilled):** those who rated their skills very highly and performed well on the vignette questions; and
- 6) **High confidence, highest capability (highly skilled):** those who both saw themselves as having high skill levels and were able to demonstrate a good mastery of these skills.

More than half of those surveyed fell in the first four categories, suggesting that the majority of the working-age population either over-estimates their skills (13 per cent) or is under-confident (41 per cent).

The pen portraits on the following pages describe a typical person belonging to each of our skills clusters.

## What is Latent Class Analysis?

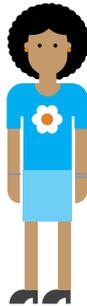
Latent Class Analysis (LCA) is a statistical technique which can be used to uncover hidden groupings in data. All survey respondents have two types of characteristics:

- **Observed** characteristics such as gender, age, work status and education, and
- **Latent** (underlying) characteristics, which are less tangible and harder to define. They often relate to personality traits, such as skills and attitudes. Latent characteristics cannot be observed directly but can be measured indirectly by collecting information on observable characteristics.

In this study we have used LCA to identify groups of people with similar underlying (i.e. latent) skill types. We cannot identify these groups directly in the data; instead we have used responses to questions measuring self-perceived skills and vignettes measuring practical ability.

LCA involved running a statistical model to identify people who responded to the self-assessment questions and vignettes in similar ways. The model then allocated people with similar response patterns to the same group or cluster.

## Who belongs to each of our skills clusters?



### High confidence, mid capability (over-confident)

Nina is 22, she left school after completing her A Levels and has been working full-time as an office assistant in London. She is confident in her abilities and felt that most of the skills described in the self-assessment questions were 'mostly' like her. Nina did not do particularly well in the competency questions; her lack of experience meant she was unable to identify many of the correct responses, giving her a relatively low score. She particularly struggled with the questions on problem-solving, communication, creativity and leadership.

Name: Nina  
Age: 22  
Location: Greater London  
Gender breakdown: 43% male, 57% female



### Mid confidence, low capability (over-confident)

Bob is 31 and lives in Birmingham. He left school after completing his GCSEs and works full-time as a builder. He is fairly confident and felt he possessed all the skills presented in the self-assessment questions, even though he admitted he did not excel in them. However, Bob found the competency questions very difficult. He had particular problems with the leadership question, but also struggled to identify the correct responses for communication and creativity.

Name: Bob  
Age: 31  
Location: West Midlands  
Gender breakdown: 56% male, 44% female



### Mid confidence, high capability (under-confident)

Stella is 54 and works part-time in a supermarket. She left school and started working after completing her GCSEs. She gave herself mid-scores on most of the self-assessment ratings. She chose the 'somewhat like me' response option on most of the self-assessment questions as she felt she had most of the skills, even if she did not identify with them very strongly. Stella also gave steady responses to the competency questions where she did particularly well in proactivity, problem-solving and communication skills.

Name: Stella  
 Age: 54  
 Location: Scotland  
 Gender breakdown: 42% male, 58% female



### Low confidence, mid capability (under-confident)

Liz is 48 and lives in a small town in the North of England. She left school with few qualifications and is currently out of work but seeking employment. Her confidence is low; she did not feel she was strong on any of the seven skills, but rated her proactivity and creativity skills as being particularly poor. However, she was able to identify many of the correct responses in the competency questions and gave a strong set of answers (she is able to recognise the correct responses when presented with examples of different situations but may not have the confidence to carry those actions through in real life situations).

Name: Liz  
 Age: 48  
 Location: North West  
 Gender breakdown: 41% male, 59% female



### Highest confidence, high capability (highly skilled)

Steven is 56, has a degree and works full-time. He is highly confident about his skill set and rated himself strongly on all seven skills in the self-assessment questions. Within the skills, he rated himself particularly strong at creativity, proactivity, adaptability and leadership; skills that are highly valued in his professional occupation. Steven also performed well on the competency questions, scoring particularly well on questions about problem-solving, proactivity and leadership.

Name: Steven  
Age: 56  
Location: South West  
Gender breakdown: 54% male, 46% female



### High confidence, highest capability (highly skilled)

Diane is 47 and works full-time in a professional role. She has a post-graduate qualification and is confident about her skills. Diane felt she had each of the seven skills covered by the self-assessment questions but her most common responses were that the skills being described were 'somewhat' or 'mostly' like her. She did not have the confidence to own the skill entirely. She rated herself most highly on problem-solving and leadership. Diane did very well at the competency questions, where she was able to draw on experience built up over her working life, as well as the skills from her degree. She scored highly on all the skill areas covered by the competency questions - scoring better than other groups.

Name: Diane  
Age: 47  
Location: East of England  
Gender breakdown: 48% male, 52% female

## Over-confident

Respondents in the first two clusters, accounting for 13 per cent of the overall sample, tended to see themselves as having better skill levels than they were able to demonstrate in practice.

These were the youngest clusters, having the highest proportion of respondents aged 16-34 (51 per cent and 44 per cent respectively versus 34 per cent overall). Young people generally fared worse than those in the older age groups when their skills were tested.

For all of the seven skills except resilience, higher proportions of participants aged 16-24 and 25-34 responded incorrectly to the vignettes compared to Baby Boomers, pointing to the importance of experience in developing a fully-rounded skill set. Perhaps surprisingly, those in the 25-34 age group were less likely than those aged 16-24 to demonstrate the full set of employability skills (39 per cent versus 41 per cent). In particular, they were less able to demonstrate **creativity** and **leadership** – the competencies where employers saw the biggest gap – as well as **communication** skills.

This finding highlights the importance of lifelong learning in ensuring that even those who might have already had work experience are and remain work-ready.

Younger respondents were especially likely to over-rate their abilities on **proactivity**. Those in the younger age groups were significantly more likely than Baby Boomers to express high confidence in their proactivity skills, but then perform poorly when asked to apply their skills to a real-life scenario. The youngest respondents were also more than twice as likely as those aged over 50 to see proactivity as one of the three most important skills (32 per cent compared to 14 per cent).

### Generation groups

This report uses the following generation groups to describe respondents belonging to the different age categories captured in our survey:



**Baby Boomers:**  
born between 1945 and the early 1960s = survey age group 51-65



**Generation X:**  
born between the early 1960s to the early 1980s = survey age group 35-50



**Millennials / Generation Y:**  
born between the early 1980s to 2000 = survey age group 25-34

The higher importance attributed to proactivity by the younger generations may well be related to the increased competitiveness of the current job market, where putting your hand up is an important way of standing out from the crowd.

Indeed, industry experts stressed the importance of proactivity for success in the workplace.

Older generations, who outperformed the younger ones in terms of applying proactivity in the vignette questions, could helpfully play a role in supporting their skill development. This intergenerational skills-sharing could work effectively for both groups, as younger respondents out-performed their older counterparts in resilience.

While Baby Boomers tended to perform well on our vignette questions, expert views called attention to the need for lifelong learning, including upskilling and retraining, particularly in the context of the need to extend working lives.

“ I think [proactivity] is about having an initiative, making things happen, understanding what’s going on around you... We all want to employ people with natural curiosity who are thinking of ways in which to make things more efficient, to make things more profitable, or just simply to make things better. And you do that by taking your initiative, trying new things, making things happen and being able to react to what’s happening around you. And actually, lots of really good businesses like challenge. ”

**Baroness Karren Brady,**  
**Businesswoman and Chair of LifeSkills Advisory Council**

“ It’s not just young people – there are wide skills gaps in people who are 40 to 55 / 60 as well, which means they can’t be employed in the jobs that need doing. Reconfiguring or augmenting their skillsets will be critical for our society to function well. ”

**Sherry Coutu,**  
**Serial Entrepreneur and CEO of Founders4Schools**

Respondents in the **mid confidence, low capability** group performed especially poorly when responding to the competency questions, scoring an average of only 3.7 points out of a possible 7. The biggest gap was in **leadership** skills, demonstrated by less than half of the participants in this group (43 per cent). This cluster also had the highest proportion of male respondents (56 per cent compared to 46 per cent overall).

Men tended to be outperformed by women on all of the seven skills, with 39 per cent of men correctly answering all the vignette questions compared to 46 per cent of women. Despite their poorer applied skills, men showed high levels of confidence in terms of assessing their own abilities. This over-confidence was especially prominent for **leadership** and **proactivity**.

In terms of geographical distribution, both **over-confident** groups had higher than average proportions of respondents living in Greater London (20 per cent and 15 per cent respectively, compared to 13 per cent overall). London residents, as we will see when looking in more detail at the skill profiles of the different UK regions, were significantly more likely than those based in other regions to over-estimate their own employability skills.



## Under-confident

In contrast to the two over-confident groups, respondents in the two middle clusters reported lower self-assessed skill levels than they demonstrated through their answers to the vignette questions. These two groups, which together accounted for almost half of the overall sample (41 per cent), tended to underestimate their competencies. The gender, age and spatial profile of these two clusters contrast with that of the over-confident groups.

Such a widespread lack of confidence among the UK's workforce was also highlighted in the expert interviews.

The two middle clusters both had higher than average proportions of female respondents (58 per cent and 59 per cent respectively compared to 54 per cent overall), the highest across the groups. As discussed above, women were significantly less likely than men to assess their skills highly, despite being better able to apply them in real-life situations. The most substantial difference was in **adaptability**, with only 14 per cent of women considering themselves as strong at adapting plans when circumstances change or new information becomes available, compared to 19 per cent of men. This was followed by **leadership**, where just 6 per cent of female respondents preferred to take charge of a difficult situation as opposed to 10 per cent of men. Yet, women outperformed men on both the adaptability and leadership vignettes (79 per cent and 87 per cent of women scored a point on these two questions compared to 76 per cent and 80 per cent of men).



“ I would say that one of the biggest things [that is lacking in today's workforce] is confidence. ”

**Baroness Karren Brady,  
Businesswoman and Chair  
of LifeSkills Advisory Council**

Leadership was considered by the majority of female participants as the most important employability skill, on a par with problem-solving, and more women than men listed this in their top three (55 per cent against 50 per cent). It is crucial that women start to recognise their strengths in leadership, particularly when it is a skill that both they and UK businesses value so highly.

Experts emphasised the increasing importance of adaptability in the context of their industries, as well as linking it to broader societal changes.

Under-rating one's strengths can be especially detrimental in today's competitive job market and may hamper opportunities for employment and career progression. Female respondents were significantly more inclined than their male counterparts to under-estimate their capacities on all of the seven skills. Women's lower confidence was especially notable for **problem-solving** and **proactivity**.

Those belonging to the **low confidence, mid capability** group demonstrated particularly low levels of confidence. They had the lowest self-reported skills but fared better than the two over-confident groups on the vignette questions, with an average score of 5.5.

“

I think adaptability as well is particularly [important] in our industry (facilities services), because contracts can come and go... Things don't stay the same very long, so I think adaptability is quite an important one... There are all sorts of factors driving that, whether it's technology or changing demographics or environmental changes or political changes like Brexit, that mean things aren't as stable as they once were... I think having that ability to cope with change is going to become more and more important.

”

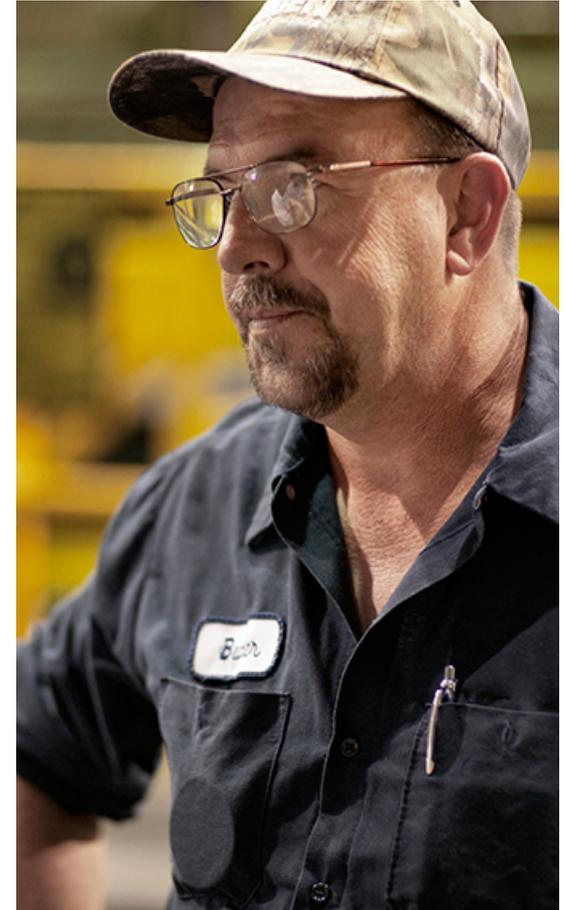
**Martin Wayman,**  
Corporate Responsibility Manager, ISS

Once again in contrast with the over-confident groups, the fourth cluster had an older age profile (28 per cent were aged 16-34, compared to 34 per cent overall and 53 per cent aged 45-65, compared to 45 per cent overall). Those in older age groups (45-65) tended to underestimate their abilities on all seven skills except resilience, with a particular lack of confidence in their **problem-solving** capabilities.

Employment status also appears to be strongly connected to confidence levels. The **mid confidence, high capability** cluster has the highest proportion of part-time workers (19 per cent compared to 16 per cent overall), and a slightly lower proportion of respondents in full-time work (42 per cent versus 46 per cent overall). The **low confidence, mid capability** group contains the lowest proportion of full-time workers of all clusters (30 per cent) and the highest of respondents not in employment (23 per cent compared to 10 per cent overall). This cluster also has the lowest qualification levels of any of the groups (just 20 per cent have a degree, compared with 37 per cent overall).

In contrast to the over-confident groups, the two under-confident clusters had the lowest proportion of respondents who lived in London (13 per cent and 11 per cent compared to 15 per cent overall).

The gender and employment profile of these two groups sheds light on a section of the UK population; comprised predominantly of women who are not in full-time employment, who may be missing out on employment opportunities because they do not fully recognise their skills. This is particularly the case for older women who have lower qualification levels.



## Highly skilled – high confidence, high capability

Respondents in the fifth cluster (our **highest confidence, high capability** group), representing just under a tenth of the sample (9 per cent), scored the highest in all seven of the self-perceived skill areas and did well on the vignette questions. This highly confident group has a larger than average proportion of male respondents (54 per cent compared to 46 per cent in the overall sample). This cluster also has an older profile and contains the lowest proportion of participants aged 16-34 than any of the other clusters (28 per cent against 34 per cent overall).

The final cluster (**high confidence, highest capability**) is the largest, including more than a third of survey respondents (36 per cent). This cluster has high self-assessed scores for all seven skill areas and the highest score on the vignette questions.

Respondents belonging to these clusters are highly qualified and highly likely to be in employment. These were the only two clusters with higher than average proportions of participants with a degree or higher qualification (e.g. technical or professional). The **high confidence, highest capability** cluster contains the highest proportion of respondents with degree level qualifications (46 per cent compared to 37 per cent overall), followed by the **highest confidence, high capability** cluster (43 per cent). Survey participants in the two highly skilled groups were also more likely than other groups to be in full-time employment (53 per cent and 50 per cent respectively, compared to 46 per cent overall).

Having a degree or higher technical qualification appears to significantly increase the likelihood of being able to answer the vignette questions correctly. Around 50 per cent of respondents with a degree or other technical, professional or higher qualifications were able to put all of the seven skills into practice in the real-life scenarios presented. This compares to 29 per cent of those with no qualifications, pointing to the benefits of education and training in enhancing one's skills set.

## Do skills levels differ geographically?

As part of our analysis we also explored employability skills by region<sup>9</sup>. The infographic (right) shows differences in the proportion of respondents in each region who are overconfident – that is those who rate their own skill levels highly, but answered at least one of the competency questions incorrectly.

### Which of the regions stand out in our analysis?

Although differences between the regions are generally small in statistical terms, a number of regions stand out from the pack, in particular, London, the North East and the South West.

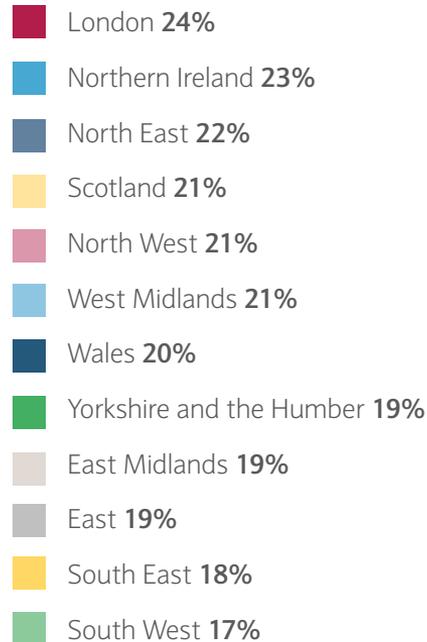
Reflecting the demographic profile of the region, characterised by a large proportion of young people and of those who are highly educated, respondents living in **Greater London** showed some of the highest levels of self-assessed skills. Indeed, London had the highest proportion of highly confident<sup>10</sup> respondents in the UK (33 per cent, compared to a UK average of 28 per cent).

<sup>9</sup> Whilst we were able to identify differences across the regions, it is important to note that these differences were not always statistically significant, (this includes differences in vignette scores) suggesting a reasonable degree of parity across the UK.

<sup>10</sup> High confidence is indicated by a total confidence score of four or more (mostly like me), across all the self-assessed questions.

### Proportion in each region who were over-confident

#### Most over-confident



#### Least over-confident

Most notably, Londoners rated themselves more highly than the UK average on resilience, proactivity and adaptability.

Results on the self-assessed skills questions, however, run counter to Londoners' scores on the vignette questions, where results compared very unfavourably with the rest of the UK; just 40 per cent scored the maximum seven points, the lowest proportion of all UK regions. This indicates that Londoners may feel more confident about their own employability skills than they are able to demonstrate when asked to put them into practice. This corresponds with the higher proportion of 'high confidence, lower capability' respondents located in London (discussed on page 33). Indeed, London shows a higher level of mismatch between confidence and capability<sup>11</sup> than any other UK region.

Respondents from London were also more likely to value different skills to those based in other parts of the UK. For example, creativity (this may reflect higher numbers working in the creative industries in the capital) and proactivity.

<sup>11</sup> This mismatch was assessed by comparing a binary variable for high confidence on each of the skills with the corresponding vignette score and then creating a composite variable.



### London:

- Most likely to show high confidence across the skills, particularly proactivity and adaptability
- But coupled with second lowest average vignette score in the UK, and the lowest proportion scoring 7 vignette points



### Northern Ireland:

- Higher than average self-assessed skills (especially leadership) and capability levels
- High proportion of 'highly confident' individuals
- Second highest proportion with the maximum score on the vignette questions



### North East:

- Low self-assessed scores, particularly proactivity, leadership and adaptability
- Lowest average vignette score in the UK
- Below average proportion scoring 7 vignette points



### Scotland:

- Confidence levels slightly lower than UK average
- Fewer 'highly confident' respondents than other regions
- Vignette scores also slightly lower than average

When considering self-assessed skills and vignette scores from a regional perspective, the North East and South West also stand out as being characterised by opposing patterns.

The **North East** showed lower than average self-assessed scores across skills compared to other regions, with a lower proportion of respondents describing themselves as proactive, adaptable and good leaders. This region also showed the lowest proportion of highly confident respondents (a position it shared with the East Midlands), with 25 per cent, in comparison to a UK average of 28 per cent.

As well as performing poorly in terms of self-confidence, the North East stood out as having the lowest average vignette score and the lowest proportion of respondents scoring 6-7 points across the seven questions (69 per cent). These findings are likely to reflect the nature of the labour market in the North East, which has been subject to contraction and change over recent decades.



### North West:

- Confidence levels similar to the UK average
- Lowest proportion scoring 7 vignette points after London (with NE and East Mids)



### West Midlands:

- Scores close to the national average in terms of confidence and vignette scores



### Wales:

- Proportion of 'highly confident' respondents similar to the UK average
- Higher than average self-assessed proactivity scores
- Lower average vignette score, but large proportion scoring the maximum 7 points



### Yorkshire and the Humber:

- Higher than average proportion of 'highly confident' respondents
- Slightly higher average vignette score than other regions
- Lower than average proportion of 'over-confident' respondents

The **South West**, on the other hand, tended to have higher than average self-assessed scores on most of the skills for which there were statistically significant differences across regions. In particular, respondents from the South West assessed themselves more highly than average on resilience, adaptability and proactivity. However, this was not mirrored in the overall proportion of ‘highly confident’ individuals measured across all of the seven skills, which fell slightly below the UK average. The South West was also among the regions which performed best on the vignette questions, with the highest average vignette point score in the UK and 76 per cent of respondents scoring 6-7 points (compared to a UK average of 73). Importantly, this region showed the lowest proportion of respondents who were ‘over-confident’, that is who were highly confident in their skills levels, but unable to demonstrate them in practice.



#### East Midlands:

- Lowest proportion of highly confident respondents in UK
- Lowest proportion scoring 7 vignette points after London (with NE and NW)
- Average vignette score in line with the UK average



#### East of England:

- Confidence levels slightly lower than average on a number of skills
- Average vignette score in line with the UK average
- Higher than average proportion scoring 7 vignette points



#### South East:

- Scores close to the UK average in terms of confidence
- Second highest average vignette score
- Highest proportion scoring 7 vignette points
- Second lowest proportion of over-confident respondents



#### South West:

- Self-assessed skills higher than the UK average
- Highest average vignette score in the UK
- Lowest proportion of respondents who were ‘over-confident’
- Large proportion scoring the maximum of 7 vignette points

## Conclusion: Developing employability skills in the UK

When we look at employability skills among the general population there are two distinct challenges.

First, among our 'overconfident' groups there is a need to ensure that confidence is supported by practical employability skills. Given the correlation between overconfidence and relative youth, educators have a particularly important role in addressing this challenge, through prioritising students' access to work placement and work related learning opportunities.

Second, among our 'under confident' groups there is a need to ensure that workers with strong employability skills, particularly older workers and women, are more confident in their own abilities and step forward to take on new roles in our changing labour market. Given the profile of these groups, it is employers who are best placed to address this challenge, by supporting coaching and mentoring for older workers and offering internships and apprenticeships to workers of all ages.

Findings from our study also suggest there is significant potential for intergenerational learning and development. Working with young people by volunteering in schools, or through mentoring and peer learning in the workplace, could help older age groups see the value of their skills and what they have to offer employers, and younger people develop the practical skills to match their confidence.

Skill enhancement programmes, such as LifeSkills created with Barclays, can also play a vital role by providing the means for learners, employees and labour market returners to review and develop the skills essential for today's competitive and changing jobs market. Making these programmes available to the wider workforce, and encouraging employers to support the use of learning tools, offers a good opportunity for individuals to take responsibility for skills enhancement at different career stages without the need for (potentially expensive) formal training programmes.

Employers are best placed to address the issue, by offering



Coaching and  
mentoring  
for older workers



Internships and  
apprenticeships  
to all ages

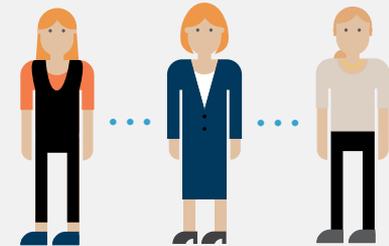
To ensure the workforce as a whole has the employability skills they need to succeed in today's labour market and the labour market of the future, employers and educators will need to work together more closely, which means tackling diverging views about which skills really matter. A key barrier, clearly seen in our report findings, is that businesses and educators can rarely agree on which skills are the most important. Educators, businesses and the Government need to work together to agree a common understanding of the key employability skills needed for the future, perhaps ideally through the adoption of a shared framework.

Second, there is a need to build a strategy for developing employability skills across the lifecycle of an individual's career, which works within the constraints of the school and further education systems as well as those of the workplace. Examples of this might include expansion of applied work experience in education, the importance of which has already been recognised in the 2017 Careers Strategy<sup>12</sup>. Placements allow learners to gain invaluable practical experience in applying the skills they have learnt to real-life situations, moving towards addressing the gap between confidence and competence.

There also needs to be a sense of common purpose. Educators need to see how developing transferable skills, such as leadership, will improve learning outcomes and the life chances of their students. More importantly, they need to understand the value employers place on these core, transferable employability skills. Employers need to be persuaded that helping to develop these skills among the current and future workforce will boost productivity in both the short and long-term.

12 DfE (2017) *Careers Strategy: Making the most of everyone's skills and talents*, <https://www.gov.uk/government/publications/careers-strategy-making-the-most-of-everyones-skills-and-talents>

Skills enhancement programmes can benefit workers at any career stage, and are a good alternative to formal courses



Both educators and employers need to realise the joint benefits



Educators:  
better employment prospects



Employers:  
boost workers' productivity

This will mean addressing the training and development gap identified in our survey, which found that a third of employers are not planning any training in employability skills over the next 12 months.

Finally, the UK government can play a key role in supporting stronger employer/educator partnerships by embedding educator-employer collaboration within education and skills policy and making funding available to support joint working<sup>13</sup>. Successful partnerships and closer collaboration between these two key groups will facilitate greater integration of education and skills pathways, and ultimately equip the UK workforce to respond more effectively to the changing labour market.

**In recognition of the report's findings and the role that businesses have to play in improving access to life-long skills training, Barclays has committed to rolling out its LifeSkills programme to over-25s, providing crucial employability support to 10 million people by the end of 2022.**



<sup>13</sup> The 2017 Careers Strategy includes a pledge to invest £5 million to help disadvantaged pupils to get the additional support they need to prepare for work. It also included a role for the Careers and Enterprise Company as strategic coordinator for supporting schools and colleges' delivery of careers programmes, using the Gatsby Benchmarks.

## Technical annex: Study methods

This mixed methods study comprised four strands of work, each designed to capture the views and experiences of different stakeholders within the UK workforce.

### Employer survey

The employer survey aimed to capture: employer perceptions of skills among the UK workforce/potential recruits; what they saw as the most important employability skills for the UK now and in the future; and training courses available to their employees.

The survey was designed by NatCen, and administered by Research Now using their business panel. A total of 680 employers, all with an influence on recruitment at their organisation, took part in the survey. Employers belonged to a range of different sectors and industries and were located across UK regions.

### Qualitative expert interviews

The employer and working-age population surveys were complemented by qualitative interviews with five industry experts, including four interviewees selected from Barclays LifeSkills Advisory Council, and one independent expert. Interviewers from NatCen carried out short telephone interviews with the five experts in July and August 2018. The interviews all followed the same structure and were designed to capture experts' views on the core transferable skills people need now and in the future to succeed in the workplace.

### Research with educators

The educator strand was conducted by Chrysalis Research with three sequential stages.

Stage 1 comprised desk research and a workshop with the Barclays LifeSkills Educator Council. The council includes senior leaders from secondary, Further and Higher Education across the UK with a passion for developing young people's employability skills.

The purpose of this stage was to review existing evidence on skills and scoping out areas for development in the quantitative element.

Stage 2 consisted of a quantitative survey with 492 UK educators based in secondary, Further Education and Higher Education institutions.

Stage 3 was an online, three-day qualitative forum with 30 educators, exploring themes emerging from the quantitative research.

### Survey of working age adults

The working-age population survey was designed by the NatCen team, and conducted by the PopulusLive polling company in July 2018. A total of 10,394 people took part in the survey from across the UK.

The survey was designed to understand prevalence and gaps in employability skills among the UK population in two ways: 1) using a series of questions for people to assess their own abilities (self-assessed skills); and 2) objectively measuring the same seven skills through a series of vignettes, or 'real-life' scenarios, asking people to select the correct answer from a series of options. The analysis included a technique called Latent Class Analysis (LCA), which was used to group people into skills clusters based on their survey answers. (See text box on page 27 for more information about LCA).

For more information or to tell us how you've used LifeSkills:

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