

INSIGHTS

News about employability,
careers and the labour market

Welcome to the May edition of Insights.

Owing to staff absence through illness, Insights this month is an article originally produced for Learning at Work Week. We will return to 'normal' in the July edition.

A reminder if you have any feedback or comments, you can contact us at Insights@edt.org.
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Identifying the skills of the future

Learning at Work Week (15–21 May 2023) celebrates the value of lifelong learning and creating learning cultures in the workplace. Its theme, 'Create the Future', highlights the year-round job of employers to support, encourage and direct their employees to develop the skills needed to meet business goals. Skills are (the most important) part of what makes the business a success. Here we look at some of the work that is taking place in the UK to inform this understanding.

In our working lives, most of us will have been involved in conversations about our skills or training and development needs. These might be through observation sessions or one-to-one meetings with a manager or trainer. They might have involved tests, questionnaires or self-assessments. The intended outcome is the same: to arrive at an understanding of where you can improve your skills to become better at your work.

There are also macro-considerations that look beyond the individual, such as gathering intelligence on skills to focus on the needs of a profession, a sector or a geographical area.



To inform these broader skills needs requires research and analysis. Recent work, some of which is due to be published later in 2023 includes:

- The latest large-scale Department for Education (DfE) funded [**Employer Skills Survey 2022**](#) which draws on interviews with over 80,000 employers. It will supply intelligence on the demand for skills that employers are facing within their workforce as well as recruitment-related issues.
- Funded by the DfE, [**Local skills improvement plans - GOV.UK \(www.gov.uk\)**](#) will provide 'a representative and coherent employer view of the skills most needed to support local economic growth and boost productivity and improve employability and progression for learners'.
- The [**Unit for Future Skills - GOV.UK \(www.gov.uk\)**](#) is an analytical and research unit within the DfE. It has been set up to improve the quality of jobs and skills data, working across government to make this available and more accessible to policymakers, stakeholders and the public.
- At a sector level, in 2022 the UK Government announced a plan for the NHS, the largest employer in the UK, to outline the workforce needs of the health sector.
- The 2021 publication by the [**Green Jobs Taskforce \(publishing.service.gov.uk\)**](#), convened by the Department for Business, Energy and Industrial Strategy and the DfE, investigates the skills implications for the UK as we move towards Net Zero by 2050.
- Organisations such as the [**Construction Industry Training Board \(CITB\)**](#) in the construction sector and [**Skills for Care**](#) for adult social care work with employers in their sectors to understand and respond to their skills needs.

A five-year research programme was started in 2021 by the National Foundation for Educational Research (NFER), focusing on the skills that will be needed by 2035. The first publication [**The Skills Imperative 2035: what does the literature tell us about essential skills most needed for work? - NFER**](#) sets the scene for future research, drawing on thousands of publications to draw out the common themes for what work will look like in 2035 and which essential employment skills will be in demand.

This work has found several 'megatrends' that are shaping the way work is changing:

- technological advancement (digitisation, automation, AI)
- ongoing shifts from manufacturing to service sectors and changing business models (for example, a greater use of contractors; shifts to digital and online services – the 'platform economy') and working practices (including flexible working and self-employment)
- demographic shifts – particularly the ageing population and longer life expectancy
- growing inequalities in the labour market and wider society playing out across demographic groups and regional geographies
- environmental change – the need for greening and sustainable forms of energy; the impact of extreme weather.

One key growth sector that was frequently mentioned in the research is health and care. Other growth sectors are education, professional services, sales/business development; creative, digital and design; green economy; information and communication; and natural and applied sciences.

Sectors and occupational groups that are most likely to decline are administrative/secretarial; manufacturing/production; retail/cashier work and agricultural and business administration/finance.

The employment skills – also described as transferrable skills – which the consensus judged to be the most important for the future are shown in the table below. The rank is based on the frequency that the skills were identified from the 30 skills surveys used to form this assessment.

Figure C – Essential employment skills identified – in order of frequency (as shown in brackets)

Rank	Skill	Skill group	Attributes covered
1=	Problem solving/decision making (22)	Analytical/creative	Able to find solutions to a challenge (reasoning, judgement, decision making)
	Critical thinking/analysis and evaluation (22)	Analytical/creative	Able to appraise, dissect, synthesise, interpret (information literacy)
	Communication (22)	Interpersonal	Able to speak, listen, write, present effectively
4	Collaboration/cooperation/teamwork (18)	Interpersonal	Able to work and interact effectively with others
5	Creativity/innovation/originality (17)	Analytical/creative	Able to think around a challenge or issue/come up with new ideas
6	Leadership/management (14)	Cross-cutting	Able to lead people (including social influence), systems (including project planning) and change
7	Self-motivation/learning orientation (13)	Self-management	Being a 'self-starter', open to learning new things, keen to develop, aims high
8=	Flexibility/adaptability (8)	Self-management	Able to adapt to change, change direction
	Resilience/optimism/persistence (8)	Self-management	Able to cope with adversity/uncertainty, remain positive, keep trying, manage stress
10	Empathy/social perceptiveness (7)	Emotional intelligence	Able to appreciate/understand others' perspectives and needs

Source: **The Skills Imperative 2035: what does the literature tell us about essential skills most needed for work? (nfer.ac.uk)**

Understanding which skills are in demand is important from a whole economy perspective. It informs skills provision and decision-making at an individual or personal level. These studies provide careers guidance organisations with an evidence base that informs their work to support individuals' decision-making.

It's important to sound a note of caution, as predicting future needs is subject to caveats, including worldwide pandemics, regulation of technology, ethical and moral considerations, environmental impacts. As the world changes around us, there is a continuous need to review the demand for skills and use these findings to inform the requirement for the provision of skills in the UK.

Education Development Trust provides business support for small to medium enterprises in the North East of England. This includes help with training needs analysis. To find out more visit **Business Growth Support – North East Ambition**.



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