

# ESSENTIAL SKILLS TRACKER



# 2022

## Executive Summary



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# Foreword

There have long been calls for a greater emphasis on essential skills: those highly transferable skills that everyone needs to do almost any job. Since 1989, the CBI have regularly called for skills including teamwork, speaking and listening, and problem solving to be a normal outcome of a good education, and then further nurtured by employers.

The events of the last couple of years have only increased the demand for these skills. An increased emphasis on caring professions has highlighted the critical importance of skills like listening and problem solving. Conversely, social distancing has increased automation of those skills which do not need that human dimension.

The Skills Builder Partnership exists to ensure that one day, everyone builds the essential skills to succeed. Since 2018, our approach has been a collective one: bringing together educators, employers and impact organisations around that shared mission as well as a common language and outcomes for essential skills provided by the Skills Builder Universal Framework.

That Partnership is now more than 800 organisations strong, and the growing impact of the Framework has been seen across education, training and employment. In the last year, the Partnership delivered 1.46 million opportunities for individuals to boost their essential skills. These opportunities increasingly span the length of individuals' lives – from primary school through secondary school, college, university or apprenticeships, and on through careers to retirement.

However, whilst there have long been calls for greater emphasis on these skills, whether from business organisations or from educators, evidence on essential skill levels across the UK is limited.

That has been due to the absence of a shared language or the means with which to quantify those skills. The Skills Builder Universal Framework addresses that gap, and for the first time we have been able to build a full picture of how individuals in the UK build and deploy their essential skills across their adult lives.

Through the excellent analysis of this report's authors, Robert Craig and Will Seymour, we now have a benchmark to understand some of the challenges and the opportunities for essential skills in the UK. As we commit to making this an annual view of essential skills across the country, our hope is that this helps to galvanise and direct our efforts as a Partnership and everyone who has a stake in the development of essential skills.

Together, this will help us to ensure that one day, everyone builds the essential skills to succeed.

**Tom Ravenscroft**

*Founder & CEO, Skills Builder Partnership*



# Context for the research

There is now significant interest in how essential skills – those highly transferable skills required for practically any job – can contribute to social mobility, productivity and prepare the workforce for automation. At the same time, there is growing momentum for taking a robust and consistent approach to measuring and building these skills.

The pandemic is broadly seen to have accelerated long term trends in the world of work: increasing levels of automation and growth in sectors including healthcare, social care and personal care, education, professional services and digital and creative industries. These are sectors that lean particularly on essential skills including interpersonal, communication, creative and self-management skills. In contrast, volumes of jobs in industries that rely less on essential skills are in decline, including manufacturing, agriculture and administrative services.

Despite valuable pieces of isolated research,<sup>1</sup> to date we have never had a clear picture of the levels of these skills across our country and how they impact life outcomes. Considering how comprehensive the data available on literacy and numeracy rates as well as academic performance in the United Kingdom are, and how valuable these are as policy and research instruments, it is evident that there is a profound gap when it comes to understanding essential skills.

The purpose of this research is to take the first step in filling that gap by providing a view of skill levels across our country and how they relate to important outcomes like wellbeing, employment and income. By repeating this research annually, we will build a baseline for essential skill levels across the country as well as a nuanced picture of the factors both impacting and impacted by them.

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<sup>1</sup> Angus, Millard, Joshua, Baars & Bowen-Viner (2020). *How do essential skills influence life outcomes?*

This paper therefore sets out to answer the following questions:

1. What is the relationship between essential skills and life outcomes such as employment and wellbeing?
2. To what extent do the UK public believe essential skills are important for their lives?
3. How are essential skills and the opportunities to build them distributed across our society?
4. What is the relationship between opportunities to build skills, skill levels and other outcomes?

## Findings

- This research shows that essential skills are correlated with life outcomes, from increased wellbeing and higher earnings to lower probability of being out of work or education.
- However, essential skills – and the opportunities to build them – are not distributed equitably in the UK.
- It is therefore no surprise that the UK public both highly values these skills and wants more opportunities to build them.
- Despite this, opportunities to build essential skills are limited.
- As well as a ‘skills gap’, this paper shows there is in effect a ‘skills trap’. Disadvantage and a lack of early opportunity to build essential skills leads to a lack of value placed on them, limited future opportunities, lower skill score, lower income and lower life satisfaction.
- The paper further validates findings from decades of work on the ground that high-quality opportunities to build essential skills improve individuals' skill levels.
- To both bridge the gap and escape the trap, the UK needs to scale the volume of high quality opportunities to build essential skills in education, through impact interventions and in employment.

## What are essential skills?

Essential skills are those highly transferable skills that everyone needs to do almost any job, which make specific knowledge and technical skills fully productive.<sup>2</sup> These are therefore distinct from basic skills (literacy, numeracy and digital skills) and technical skills (specific to a particular sector or role, sometimes drawing off a particular body of knowledge). They are:



- **Listening:** receiving, retaining and processing of information or ideas
- **Speaking:** oral transmission of information or ideas
- **Problem Solving:** ability to find a solution to a situation or challenge
- **Creativity:** use of imagination and the generation of new ideas
- **Staying Positive:** ability to use tactics and strategies to overcome setbacks and achieve goals
- **Aiming High:** ability to set clear, tangible goals and devise a robust route to achieving them
- **Leadership:** supporting, encouraging and developing others to achieve a shared goal
- **Teamwork:** working cooperatively with others towards achieving a shared goal



The research is the first of its kind to use the Skills Builder [Universal Framework for Essential Skills](#). The Framework was developed in collaboration with organisations including the CBI, CIPD and Gatsby Foundation as well as leading businesses, educators and academics. It breaks down the eight essential skills into 16 measurable, teachable, learnable components, from Step 0 to Step 15. Individuals indicate their ability against a likert scale for each step, which produces a “skill score” from -1 to 15 for each of the eight essential skills.

In this report we look both at the skill score for each of the eight skills (e.g. Problem Solving) but also use an average of all eight skills for each individual to give an average skill score. This average skill score enables us to undertake analysis and make effective comparisons across the population. Unless otherwise specified, when we talk about “skill score” in this paper, we are referring to an average skill score across the sample population, which in turn is an average of scores for each of the eight skills.

By using the Framework in this research, we can now measure skill levels as rigorously as technical skills or as we grade learning in education.

<sup>2</sup> UK Commission for Employment and Skills (UKCES) (2009). *The Employability Challenge*.

## 1. Essential skills impact life outcomes

Higher levels of essential skills drive higher income

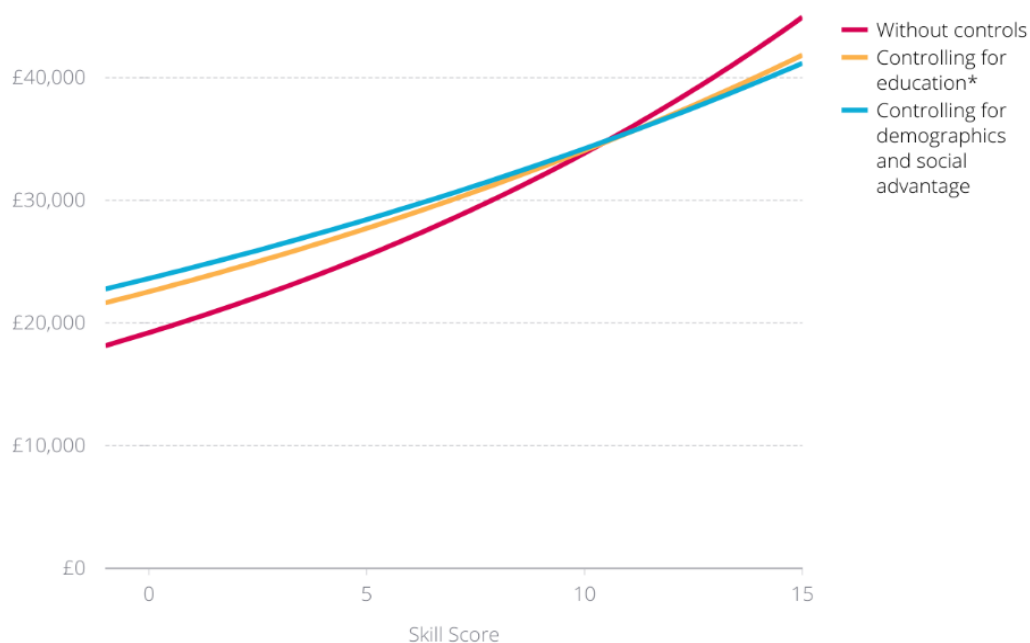


Figure 1.1 – Relationship between skill score and income in different models

- Analysis finds a wage premium of between 12% and 18% associated with an increase in skill score from the lower quartile to the upper quartile (i.e. an increase in an average skill score from 8.2 to 11.3).
- For the average worker, this increase from 8.2 to 11.3 translates into an essential skills wage premium of between £3,900 and £5,900.
- Iteratively controlling for education level, age, and other demographic factors shows that individuals who are similar in these respects but not in skill score are very likely to have incomes that differ in proportion to their level of essential skills, which is indicative of a causal relationship between essential skills and income.

An increase in essential skill score translates into a wage premium of £3,900 - £5,900



## Higher levels of essential skills are related to higher life satisfaction

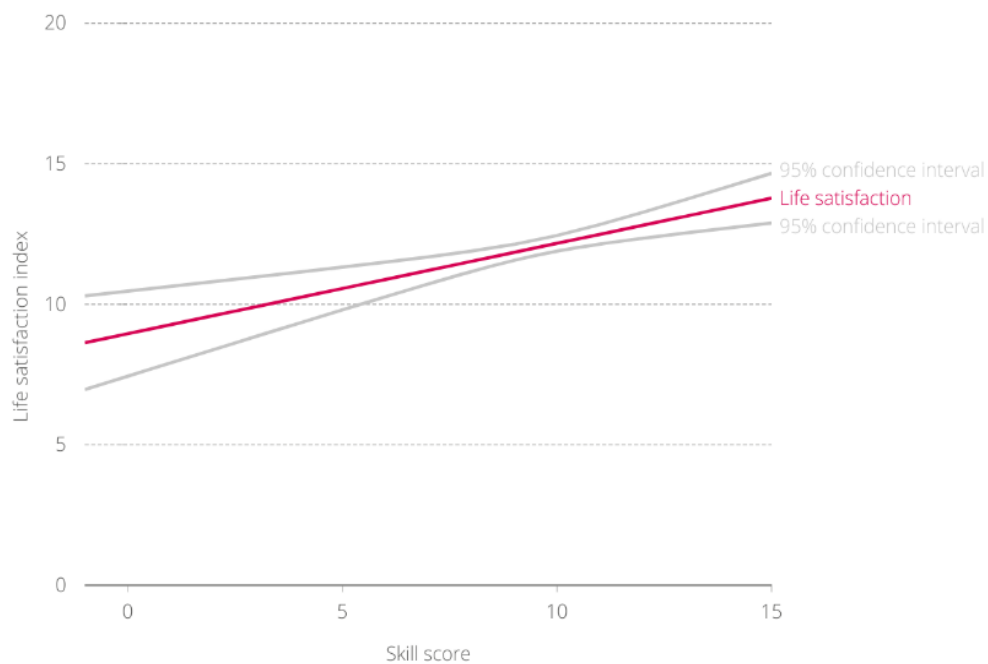


Figure 1.2 – predicted life satisfaction and confidence intervals for various skill scores, controlling for age, demographics factors, social advantage, and income

- There is a clear link between higher skill scores and greater life satisfaction, significant at the 0.01 level. Without controlling for other variables, 5% of the variance in life satisfaction is accounted for by skill score.
- Moving from the lower quartile skill score to the upper quartile skill score is associated with an increase in life satisfaction from 6.5/10 to 7/10, when controlling for age, income, and other demographic factors.

## Building essential skills can reduce the probability of being out of work or education

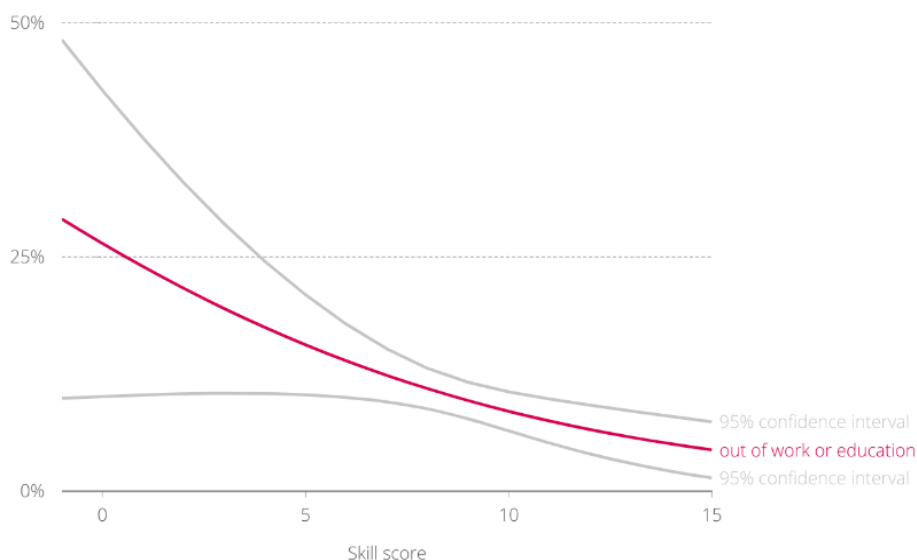


Figure 1.3 – likelihood of an individual being out of work or education at different skill scores, controlling for demographic factors and social advantage

- The relationship between skill score and the likelihood of an individual being in work or education is clear, and significant at the 0.01 level.
- An increase in skill score from the lower quartile to the upper quartile is associated with a reduction in the likelihood of being out of work or education from 11% to 7%, when controlling for age, gender, demographics, and social advantage.
- An individual with a skill score 3 steps higher than an otherwise similar individual is on average 52% less likely to be out of work or education.

An individual with a higher essential skill score is 52% less likely to be out of work or education



## 2. Essential skills are valued

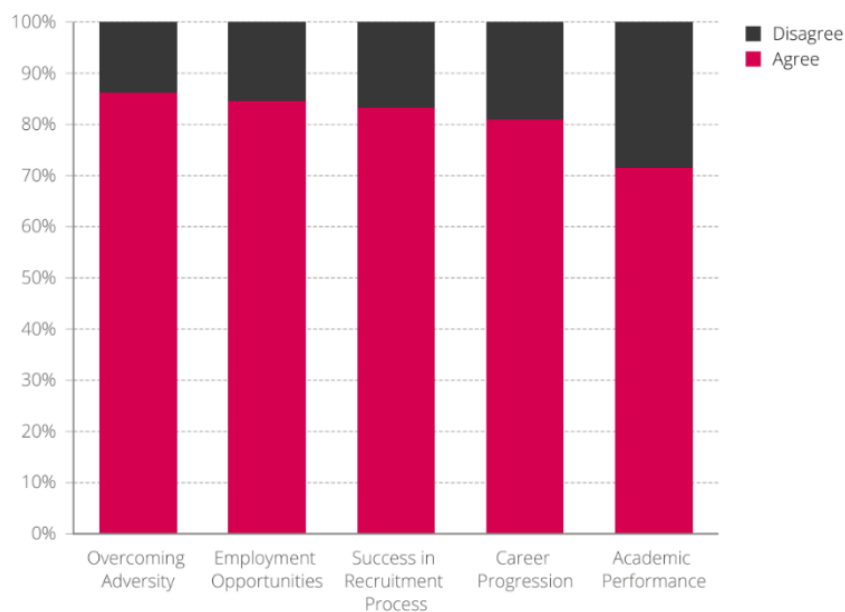


Figure 2.1 – Percentage of individuals who believe essential skills are important by different areas

- An overwhelming 89% of individuals believe essential skills to be important for employment, career progression or success in a recruitment process.
- Of these outcomes, most individuals believe the skills to be particularly important for overcoming adversity and difficulty in life (86%).
- 71% of individuals also believe essential skills are important for academic performance.

### 3. Essential skills and opportunities to build them are not distributed equitably

The median skill score of adults in the United Kingdom is 9.4 out of 15. As we repeat this research each year, we will look at trends in this top line number.

Unfortunately, in how this average breaks down, **essential skills and opportunities to build them are not distributed equitably in the UK.**

#### Essential skill levels increase then decrease with age

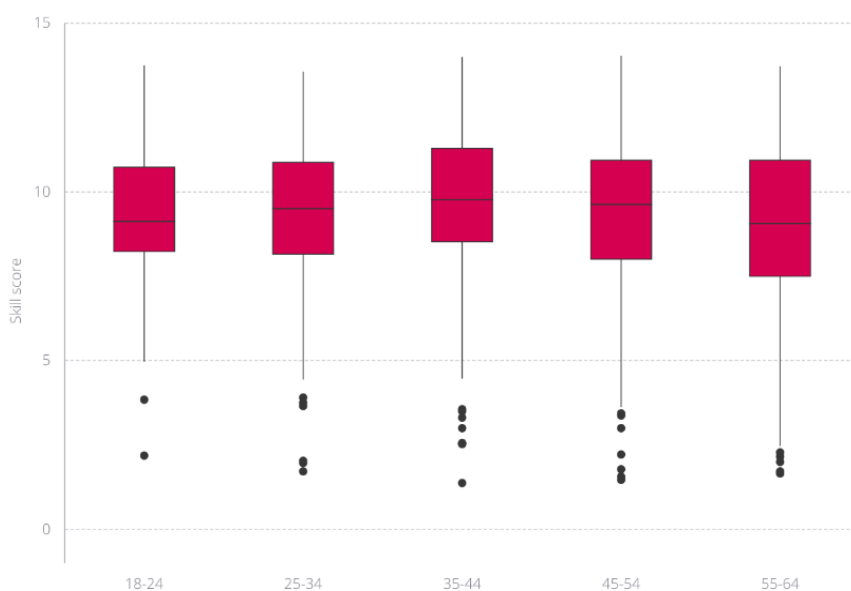


Figure 3.1 – Skill score by age group

- Skill score increases as people age from 18 to 44 years old but then drops again from 45 to 66, indicating both the importance of starting to build skills young, but also to keep going through lifelong learning.

## Essential skills are not distributed equitably between regions of the UK

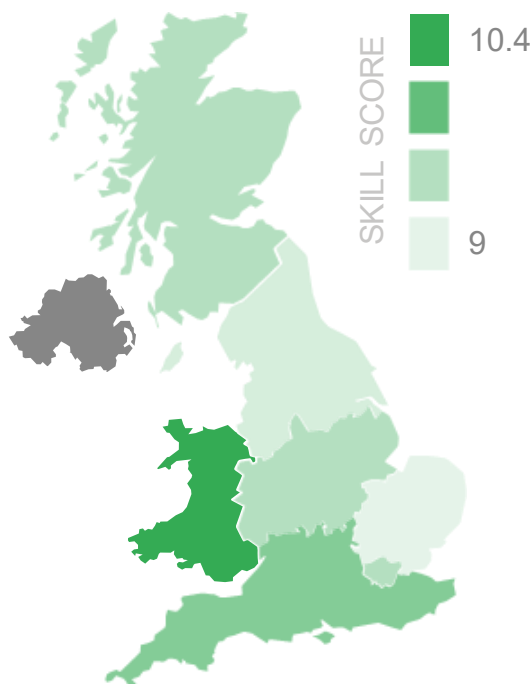


Figure 3.2 – Skill score by region

- There is a strong case for “levelling up” essential skills across the country, with the North and East of England reporting lower skill levels than London, the South and Midlands.

### Individuals in the lowest quartile of skill score are:

- 30% more likely to be aged 55-64
- 109% more likely to have no formal qualifications
- 8% more likely to have attended a non-selective state school
- 11% more likely to live in the North of England
- 23% less likely to have had a parent attend university
- 22% less likely to have had parents that were engaged with their education.

## Lower income workers in lower skilled occupations have fewer opportunities to build essential skills

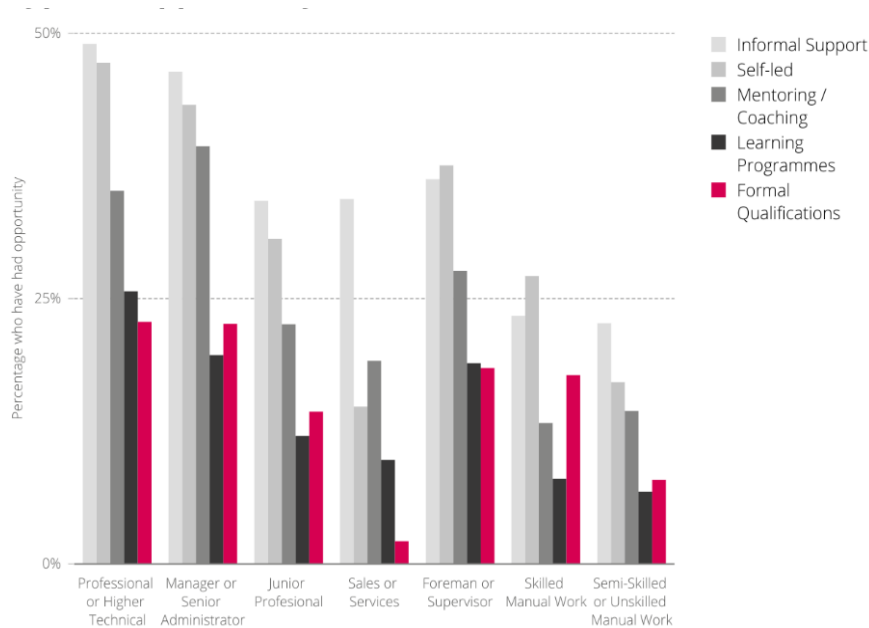


Figure 3.3 – Type of skill building opportunity at work by work type

- Most lower income workers and individuals in low-skilled occupations do not have opportunities to build essential skills. This contrasts starkly with those in higher income, “white collar” jobs, who get more opportunities to build these skills, even though higher skill levels drive higher income across all types of work.
- Only 14% of workers had ever been given the opportunity by their employer to develop essential skills through structured learning.

Only 14% of workers on average have been given the opportunity to develop essential skills at work via structured learning

Those whose parents went to university are more likely to have had opportunities to build skills at school

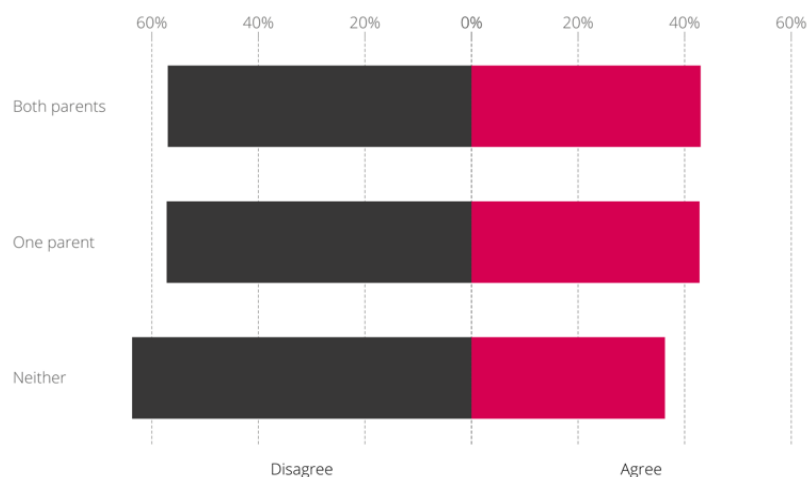


Figure 3.4 – Opportunities at school by parental education

Those with more engaged parents are more likely to have had opportunities to build skills at school

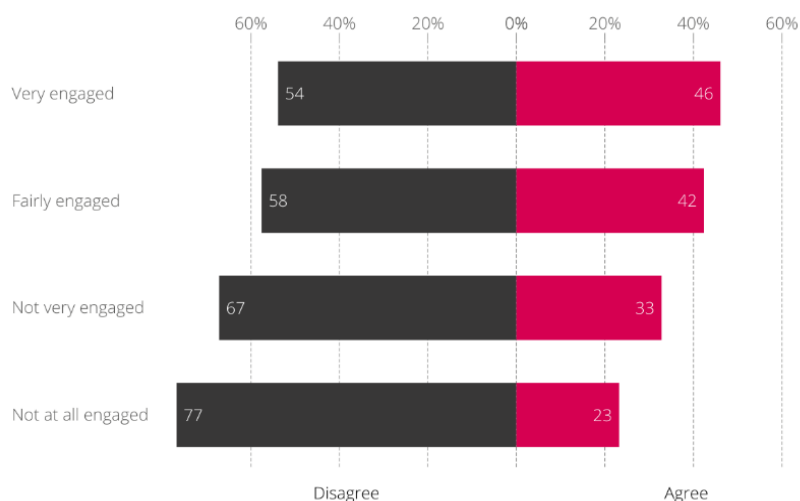


Figure 3.5 – Opportunities at school by parental engagement

- Those from more advantaged backgrounds, whether because they had more engaged parents or parents who attended university, or because they attended independent or selective schools, have meaningfully higher levels of essential skills and more opportunities to build them.

## Those who had more opportunities at school have more opportunities at work

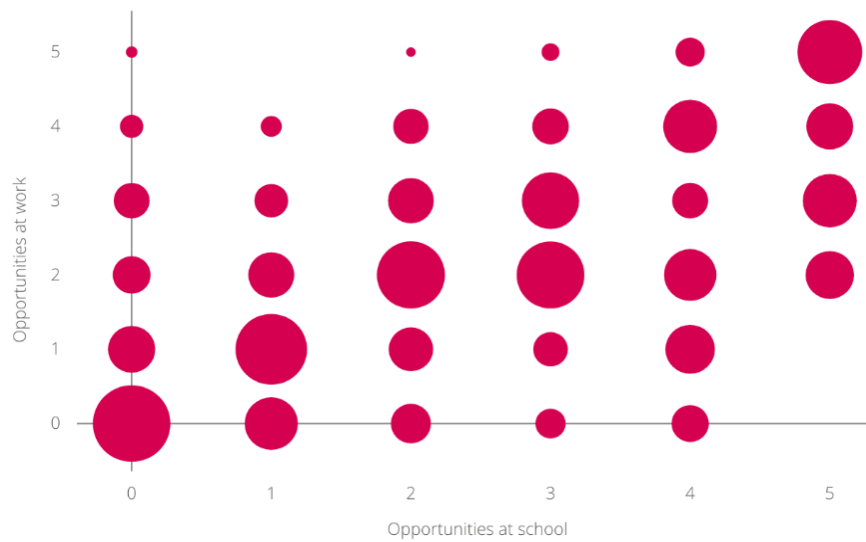


Figure 3.6 – Opportunities at school and opportunities in employment

- Those who lack the opportunity to build skills in school are less likely to have the opportunity to build skills in employment.

These results show that it is the most disadvantaged individuals that are least likely to benefit from having opportunities at school to build the essential skills that lead to improved life outcomes.

## 4. The skills trap

Beyond the well-documented ‘skills gap’ in the UK, there is also a ‘skills trap’



Figure 4.1 – The skills trap

- Those from less advantaged backgrounds – whether through parental engagement, education or the type of school they attended – have fewer opportunities to build essential skills at school.
- Having had fewer opportunities to build skills at school, their skill levels are lower. That is a primary driver of why we see such disparities in skill levels by different demographic or socio-economic characteristics.
- These individuals subsequently have less desire to build essential skills.
- They then go into lower skilled, lower paid jobs.
- Those jobs provide fewer opportunities to build essential skills and they continue on a lower earnings trajectory than their peers with higher levels of essential skills.
- They ultimately have lower levels of life-satisfaction.



## 5. Opportunities to build essential skills pose a solution

Given both the real impact on income and life satisfaction, as well as the pervasive perception that essential skills are important across life, it is logical that demand for more opportunities to build essential skills is very high.

### Most people would like more opportunities to build essential skills

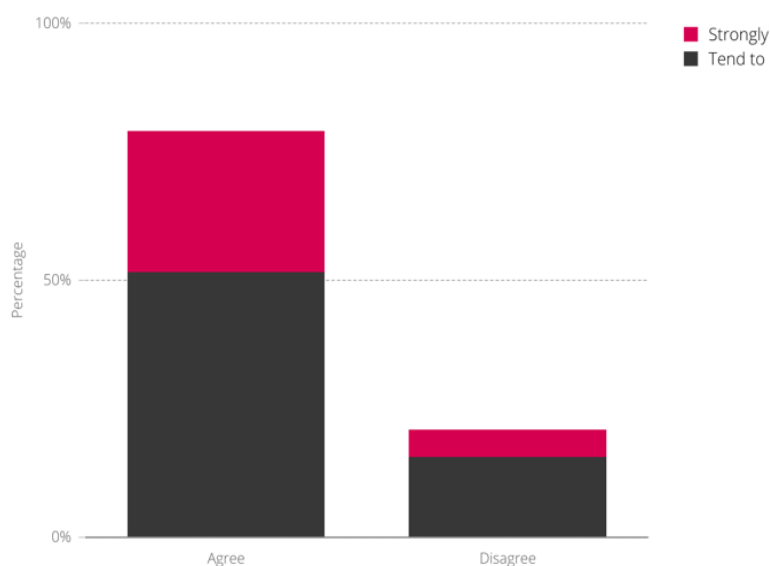


Figure 5.1 – UK public demand for more opportunities to build essential skills

- 83% of workers would like more opportunities to build essential skills, while 92% believe that they should form part of professional development.

## Those who desire more opportunities to build skills have higher skill levels

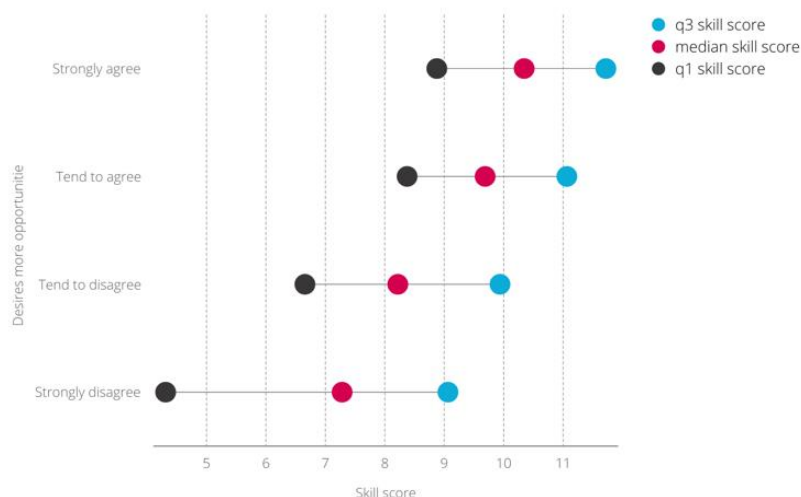


Figure 5.2 – Demand for more skills building opportunities

- Those who desire more opportunities to build skills also have markedly higher skill levels. 66% of those who strongly agreed they want more opportunities have above median scores; collectively this sub-population has a median score of 11.3, compared to a score of 8.3 (and only 20% above median) for those that strongly disagree they want more opportunities.
- Individuals who had good opportunities to build essential skills at school and strongly agree that they want more opportunities to build skills have some of the highest skill levels in the UK, with 81% of them achieving a skill score above the median.

## 6. Our recommendations

Given that opportunities to build essential skills lead to higher skill levels, there is a clear case for rapidly scaling the number of opportunities to build essential skills in the UK in a variety of contexts.

### Polymakers should:

- Put the Skills Builder Universal Framework on a par with the Gatsby Benchmarks of Good Career Guidance.
- Use the Skills Builder Framework as the *de facto* impact measurement tool for essential skills in schools and colleges.
- Ensure the Unit for Future Skills, to be set up by the Department for Education and announced in the recent Levelling Up white paper, works across departments and especially with BEIS and DWP.
- Embed the Universal Framework into the DWP Restart scheme.
- Use the Universal Framework in Youth Hubs as a tool in employability training.
- Ensure Local Skills Improvement Plans (LSIPs) use this Tracker as a starting point for reflecting on the essential skills needs in their area.

### Educators should:

- Invest in high quality essential skills development across an individual's education, including using a consistent language for essential skills.
- Set expectations for how students progress in essential skills over their time in education.
- Ensure that dedicated time is available to build essential skills.
- Engage businesses to make essential skills learning relevant to work.

### Employers should:

- Have a cohesive and comprehensive approach to building essential skills as part of professional development.
- Provide learning opportunities to employees to build their essential skills throughout their whole career.
- Promote the development of essential skills through appraisals, reviews and rewarding progression.
- Identify which essential skills and specific skill steps are required for roles, including them in job descriptions.
- Identify what essential skills and skill steps they are measuring through their recruitment processes.
- Ensure that recruitment processes are designed to correctly measure and identify the skills that they seek against the Universal Framework.

- Promote inclusion by giving candidates a fair chance to demonstrate their skills, and be transparent with candidates as to what skills are being recruited for.
- Demonstrate the relevance of how specific skills are used in the workplace.
- Ensure outreach activities, insight days, work experience and internships provide opportunities for participants to build essential skill steps.
- Ensure outreach activities measure progress in building participants' essential skills and use that data to optimise for impact.

**Impact Organisations should:**

- Use consistent language for skills, based on the Universal Framework.
- Build in prompts, questions or reflections that effectively allow individuals to assess themselves against the Framework.
- Design programmes that focus tightly on building specific skill steps.
- Link skills to real world outcomes.