

City & Guilds Group

# Skills Confidence 2016

June 2016



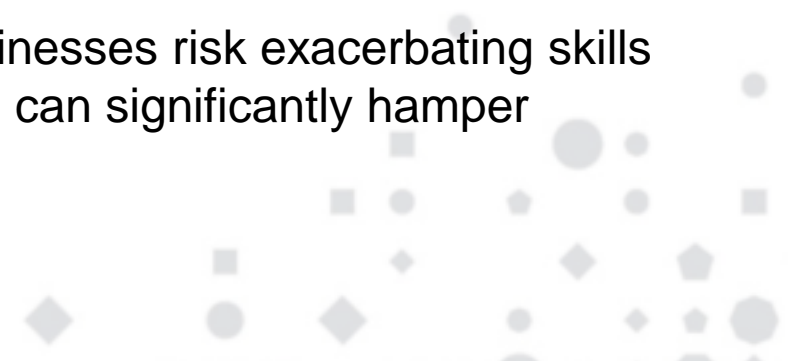
# Introduction

The City & Guilds Group is a leader in global skills development. It regularly undertakes high-quality research to drive the skills agenda and share new insights on core issues affecting the skills landscape.

Through our first-ever Skills Confidence Report, we have explored how confident employees are that they have the right skills for the future world of work. It also explores how individuals feel about future trends that have been projected, such as automation, artificial intelligence and globalisation.

The world of work is changing rapidly, but it is not clear whether or not employees are aware of this, or indeed preparing themselves for the future. Through this research, we are hoping to gain this understanding, and encourage businesses and individuals alike to consider how they can future proof their skills.

Unless people are prepared for the future, businesses risk exacerbating skills gaps and stagnant productivity – both of which can significantly hamper future growth.



# Methodology

- Censuswide conducted the research on behalf of the City & Guilds Group.
- The research was carried out between 9 May 2016 – 17 May 2016. The research gathered the views of 8,157 respondents from the United Kingdom, United States, India and South Africa. The individuals surveyed include:
  - 1028 CEOs/Senior leaders
  - 2079 middle managers
  - 5050 general employees
- The survey was conducted from a random sample of UK adults. Censuswide abides by and employ members of the Market Research Society which is based on the ESOMAR principles.



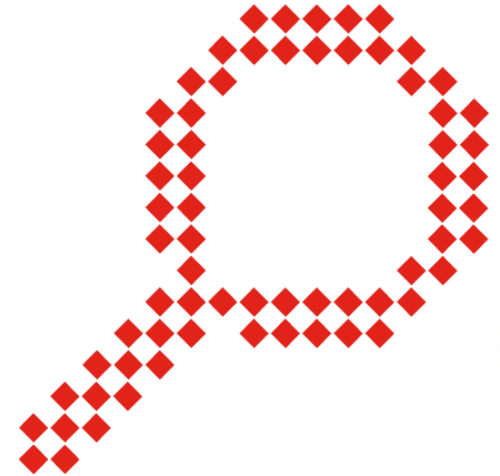
## **The reality gap: false confidence in the workplace**

# Context

- According to the World Economic Forum (WEF), we are going through a fourth industrial revolution which will further displace the role of humans in the economy in favour of machines and automation.\*
- Andy Haldane, Chief Economist at the Bank of England said in a speech to TUC in late November 2015 that up to 15 million British jobs could be at risk of automation, and 80 million jobs in the US.\*\*
- UKCES predicts that high-skill roles, such as managerial, professional and technical roles are set to expand by 2.5m by 2022. Low-skill occupations will expand by just under 500,000. In contrast, around 750,000 middle-skill jobs will disappear by 2022.\*\*\*
- Research from Oxford University found that for every 10 middle-skilled jobs that disappeared between 1996 and 2008, 4.5 replacement jobs were high-skilled, and 5.5 were low-skilled.\*\*\*\*

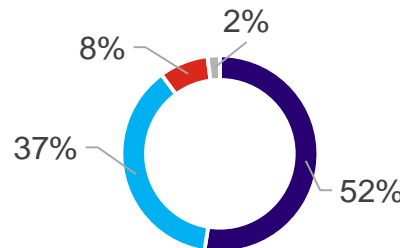
# What the research tells us

- Future proofing businesses, and the skills within them, will be key to future economic success if the consensus of the business commentariat is to be believed.
- However, the research indicates that the sense of urgency to adapt skills to the changing nature of the economy is not felt amongst employees at large, with many thinking their jobs will not be affected by future trends.
- Respondents do not feel that the changing nature of the workplace will impact their job, nor the skills they need for the future.
- This 'false confidence' is particularly apparent among general employees – particularly in the UK, US and South Africa. Is an awareness of global trends limited to business leaders? If so, how can they help to address the reality gap and prepare their workforce for the future?

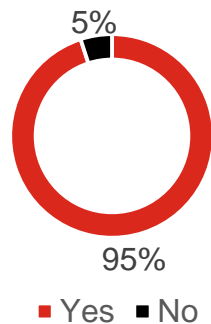


# The majority of respondents are confident about their skills & productivity

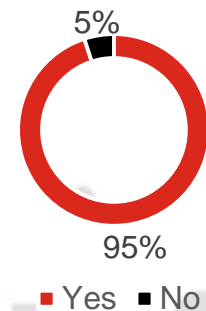
I have the right skills and abilities to help my company succeed



I am confident in my own skills



I am confident in my own productivity



■ Very confident ■ Confident  
■ Not that confident ■ Not at all confident

# Surprisingly, few UK workers worried about productivity

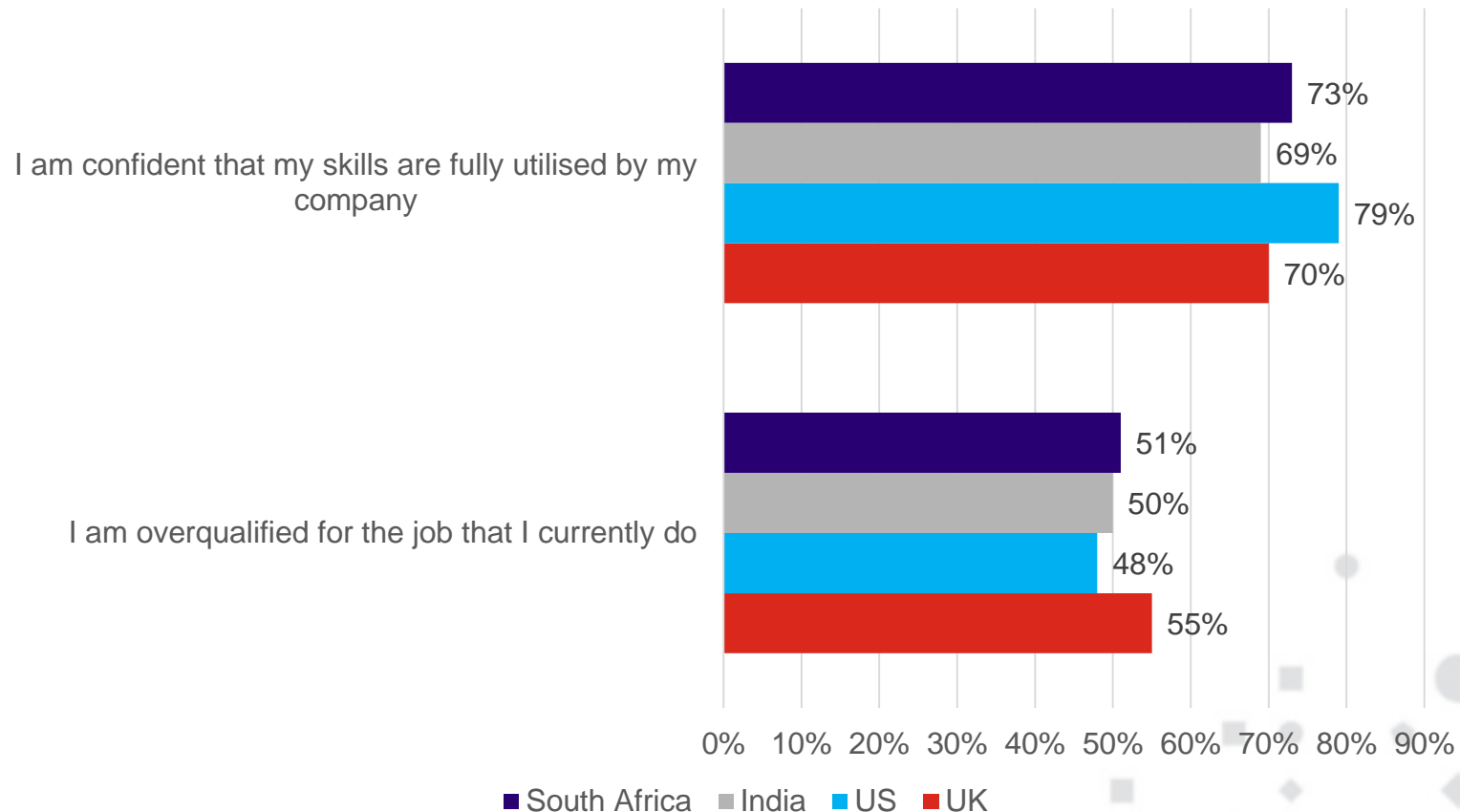
**17%**

Did not see poor productivity as damaging to the UK's economic prospects.



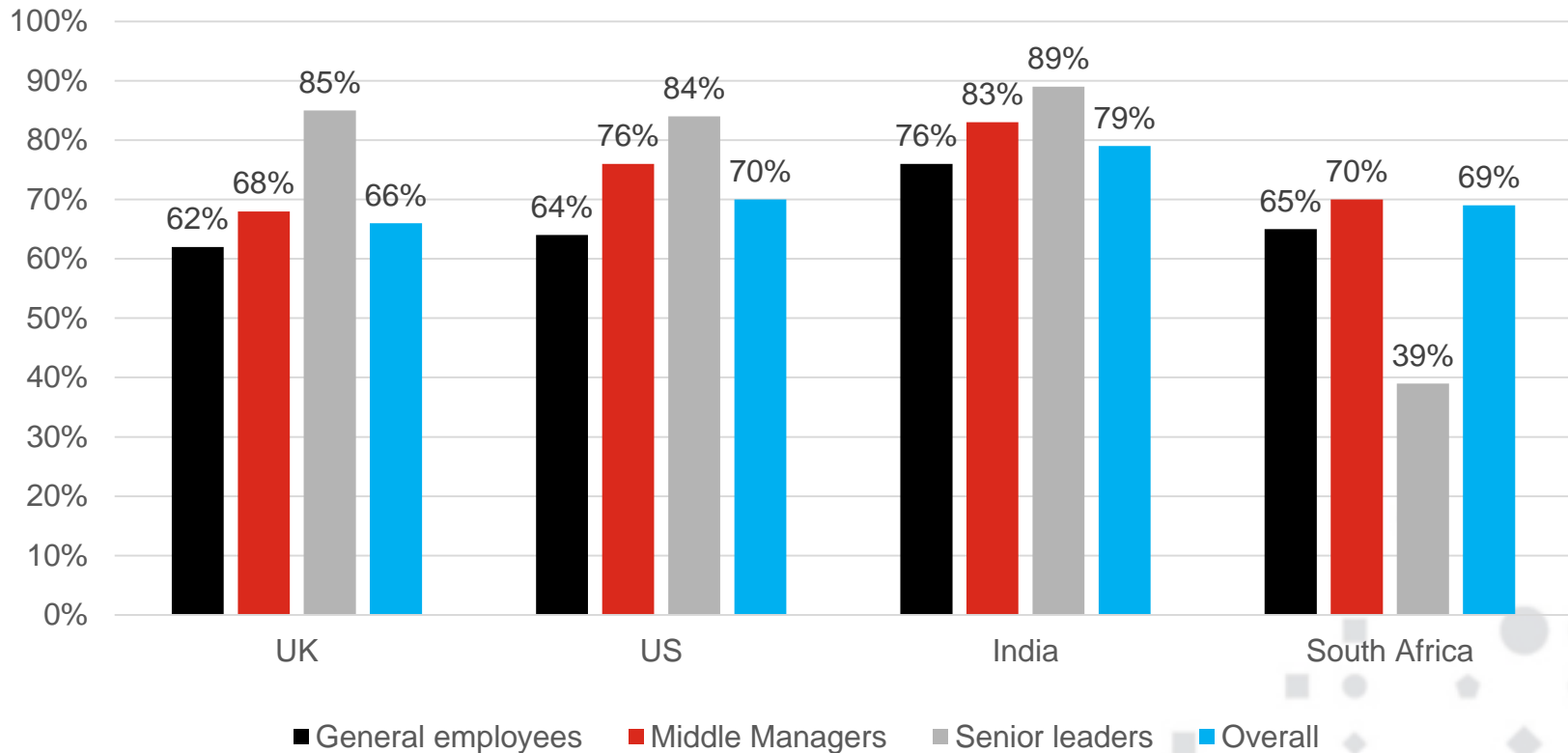
# Overall people are confident in their level of skills – and how their skills are put to use

% who answered 'yes'



# Business leaders are more confident that their skills are utilised by their company

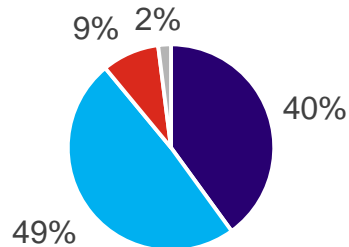
I believe my skills are fully utilised by my company (% who answered 'yes')



# People are largely confident that their skills will be relevant in five/ 10 years' time

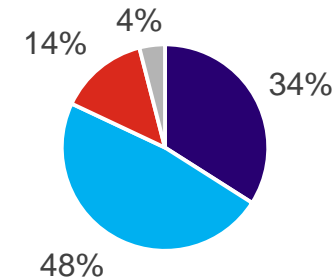
How confident are you that your skills will be relevant in five/ 10 years' time?

UK: 5 years



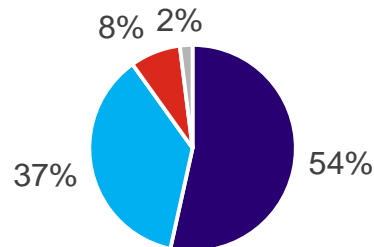
■ Very confident ■ Confident  
■ Not that confident ■ Not confident at all

UK: 10 years



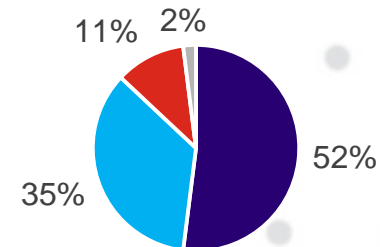
■ Very confident ■ Confident  
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US: 5 years



■ Very confident ■ Confident  
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US: 10 years

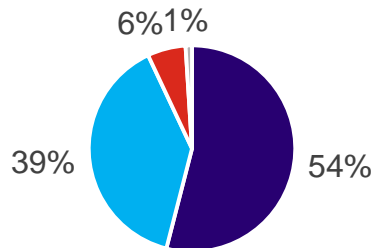


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# People are largely confident that skills will be relevant in five/ 10 years' time

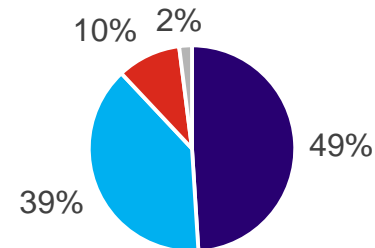
How confident are you that your skills will be relevant in five/ 10 years' time?

India: 5 years



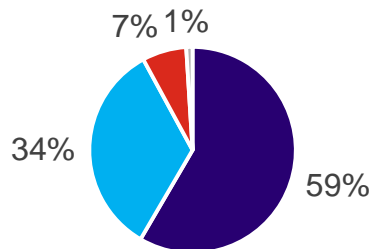
■ Very confident ■ Confident  
■ Not that confident ■ Not confident at all

India: 10 years



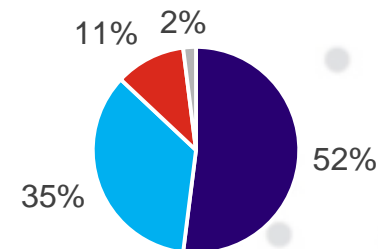
■ Very confident ■ Confident  
■ Not that confident ■ Not confident at all

South Africa: 5 years



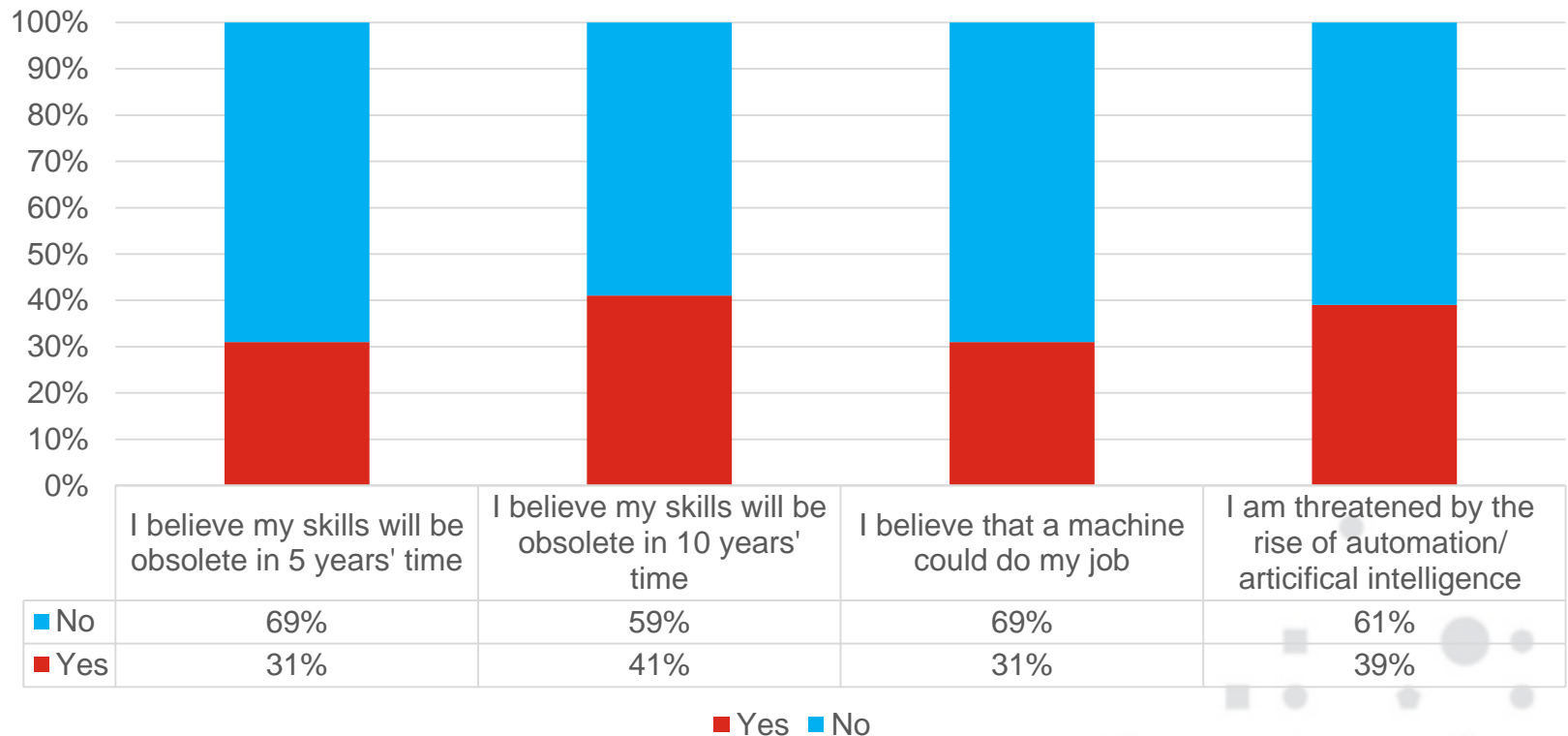
■ Very confident ■ Confident  
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South Africa: 10 years



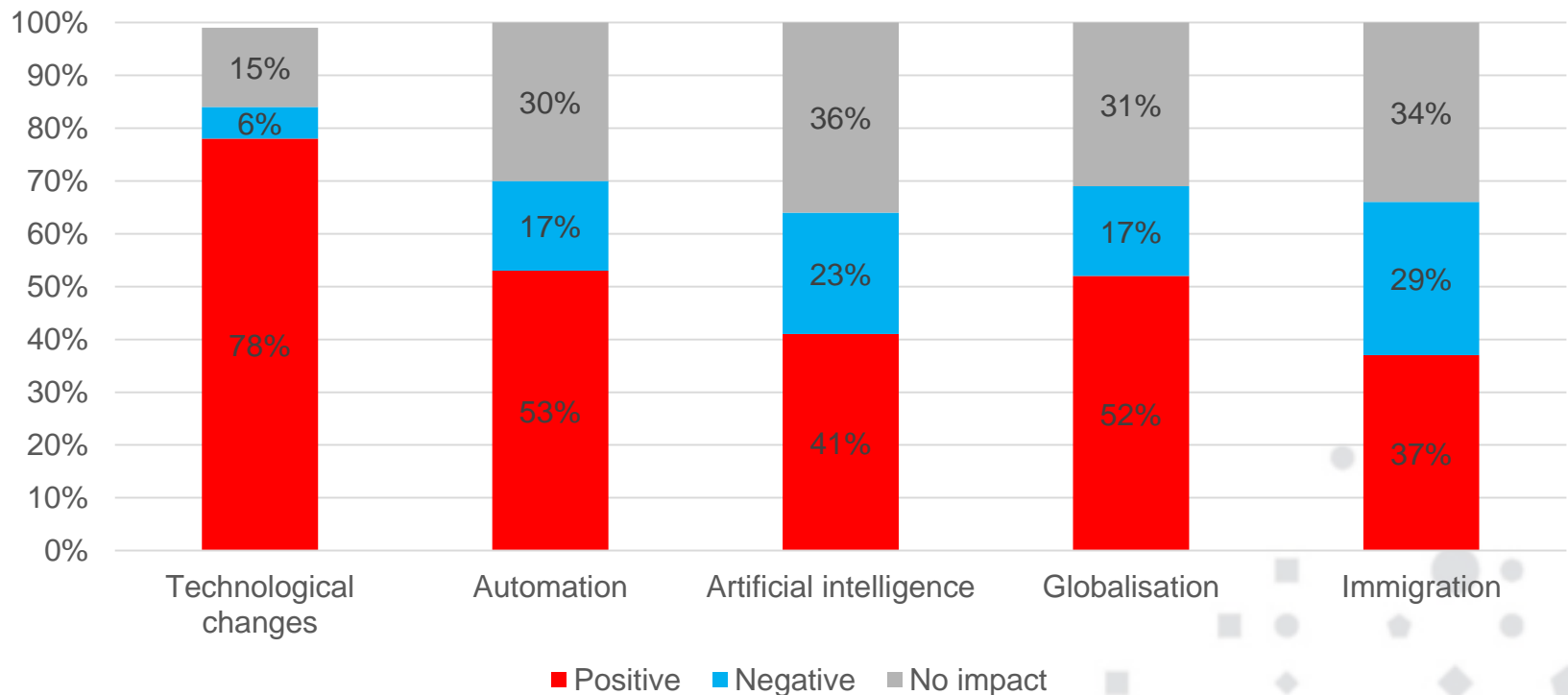
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# Respondents are largely confident or unaware about the impact of future trends



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Do you think the following trends will have a positive or negative impact on your job prospects over the next decade?

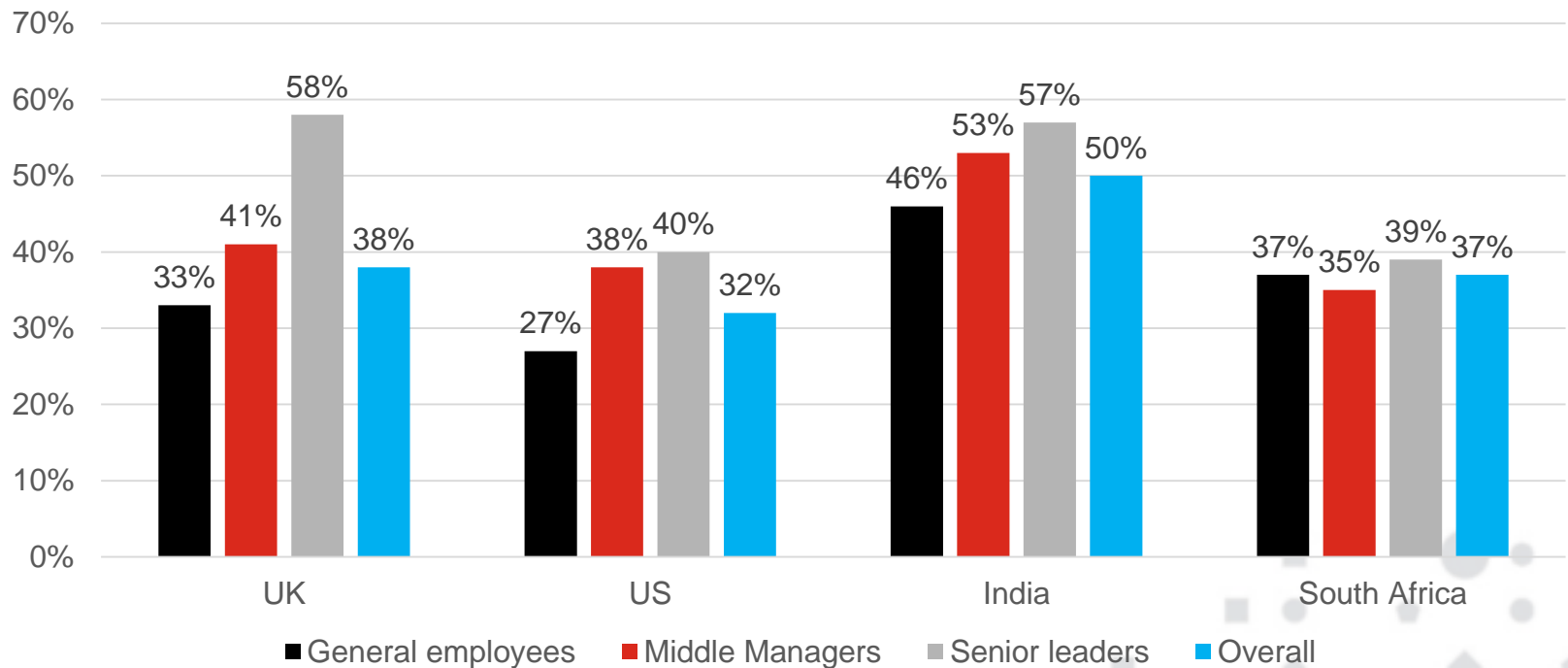


# Similar results were found across all markets

	UK	US	India	South Africa
<b>Technological advancements</b>	67% positive, 9% negative, 24% no impact	73% positive, 6% negative, 22% no impact	94% positive, 2% negative, 4% no impact	85% positive, 5% negative, 10% no impact
<b>Automation</b>	40% positive, 18% negative, 42% no impact	43% positive, 17% negative, 40% no impact	72% positive, 15% negative, 13% no impact	59% positive, 17% negative, 24% no impact
<b>Artificial intelligence</b>	32% positive, 20% negative, 48% no impact	33% positive, 21% negative, 46% no impact	57% positive, 24% negative, 20% no impact	44% positive, 25% negative, 31% no impact
<b>Globalisation</b>	40% positive, 17% negative, 43% no impact	40% positive, 15% negative, 45% no impact	72% positive, 15% negative, 13% no impact	57% positive, 20% negative, 23% no impact
<b>Increased immigration</b>	31% positive, 27% negative, 42% no impact	33% positive, 24% negative, 43% no impact	51% positive, 29% negative, 20% no impact	33% positive, 36% negative, 31% no impact

# General employees across all countries are less likely to be concerned about automation/ AI – implying senior leaders are more aware of future trends

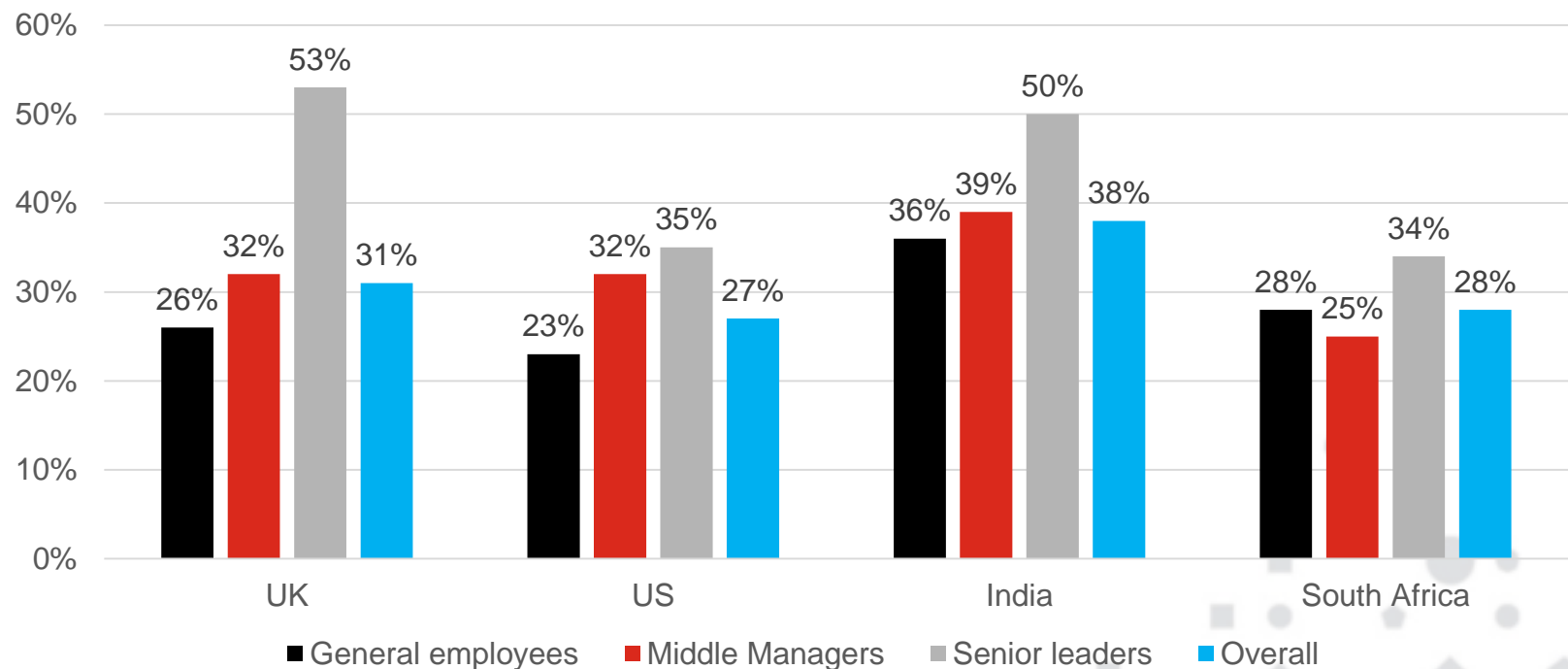
I feel threatened by the rise of automation/ artificial intelligence (% who answered 'yes')





# General employees across all countries are less likely to be concerned about automation/ AI – implying senior leaders are more aware of future trends

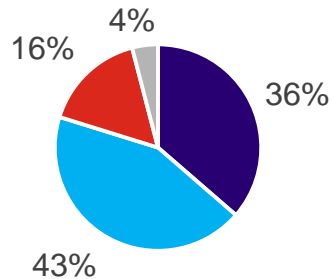
I believe that a machine could do my job (% who answered 'yes')



# People are largely confident that their jobs will exist in 5/ 10 years' time

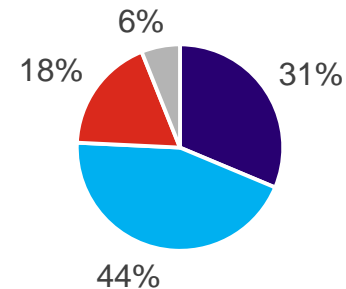
How confident are you that your job will exist in five/ 10 years' time?

UK: 5 years



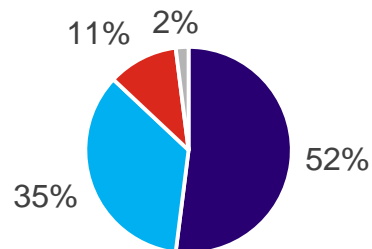
■ Very confident ■ Confident  
■ Not that confident ■ Not confident at all

UK: 10 years



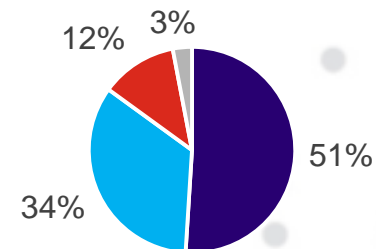
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US: 5 years



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US: 10 years

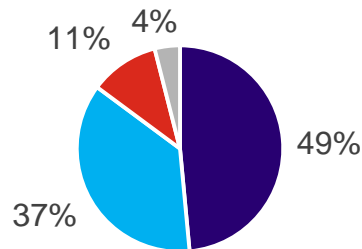


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# People are largely confident that their jobs will exist in 5/ 10 years' time

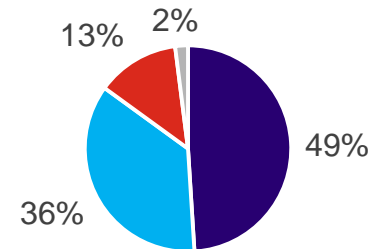
How confident are you that your job will exist in 5/ 10 years' time?

India: 5 years



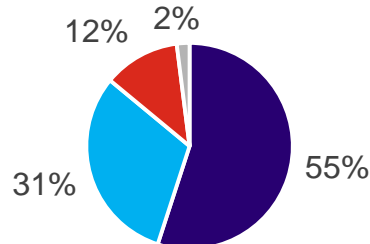
■ Very confident   ■ Confident  
■ Not that confident   ■ Not confident at all

India: 10 years



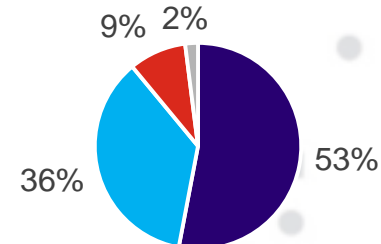
■ Very confident   ■ Confident  
■ Not that confident   ■ Not confident at all

South Africa: 5 years



■ Very confident   ■ Confident  
■ Not that confident   ■ Not confident at all

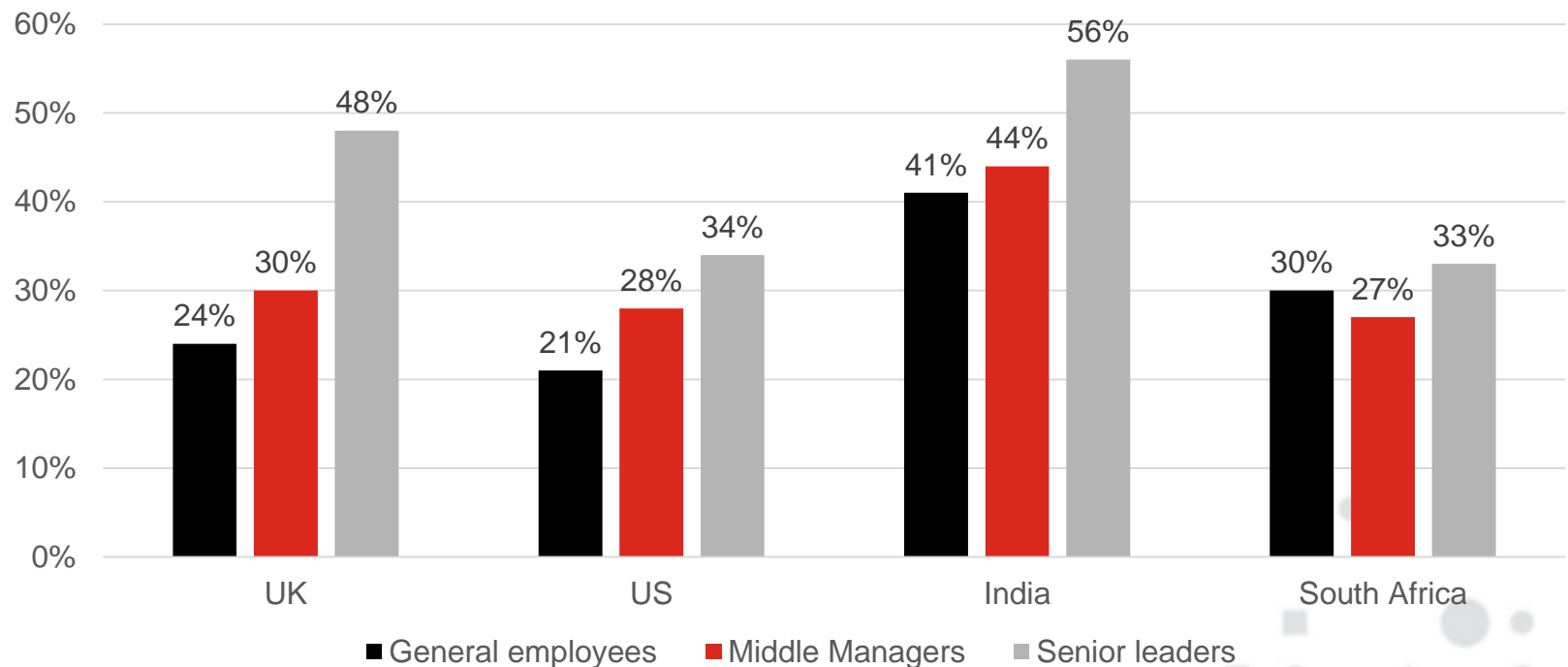
South Africa: 10 years



■ Very confident   ■ Confident  
■ Not that confident   ■ Not confident at all

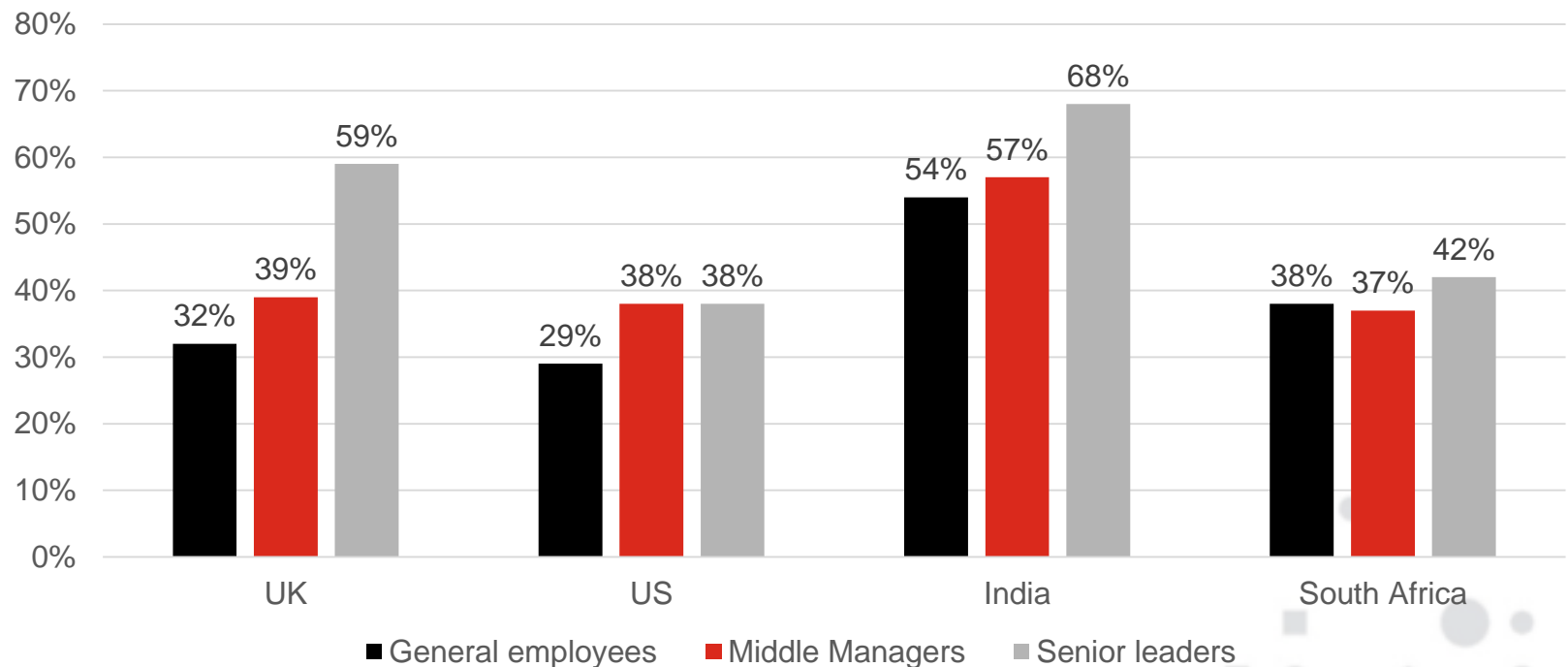
# General employees aren't worried about their skills becoming obsolete

I believe that my skills will be obsolete in 5 years' time (% who answered 'yes')

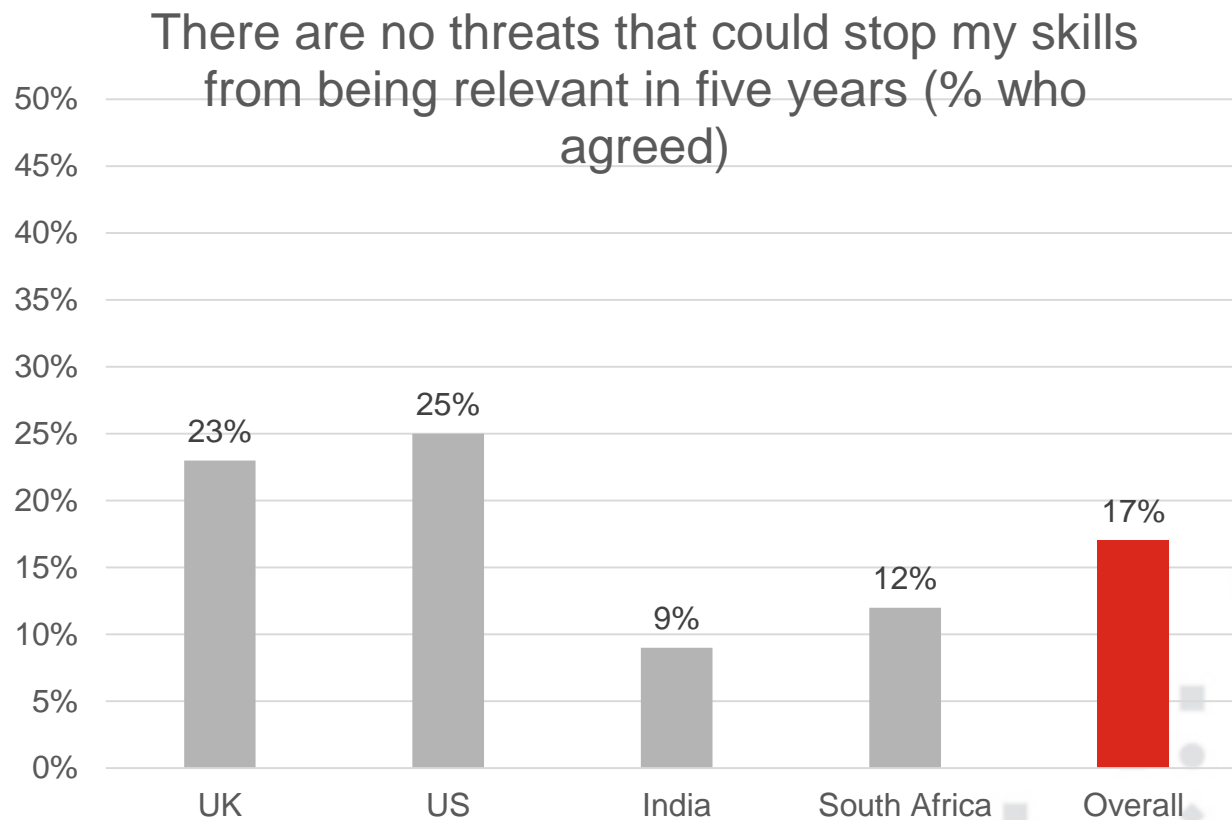


# General employees aren't worried about their skills becoming obsolete

I believe that my skills will be obsolete in 10 years' time (% who answered 'yes')



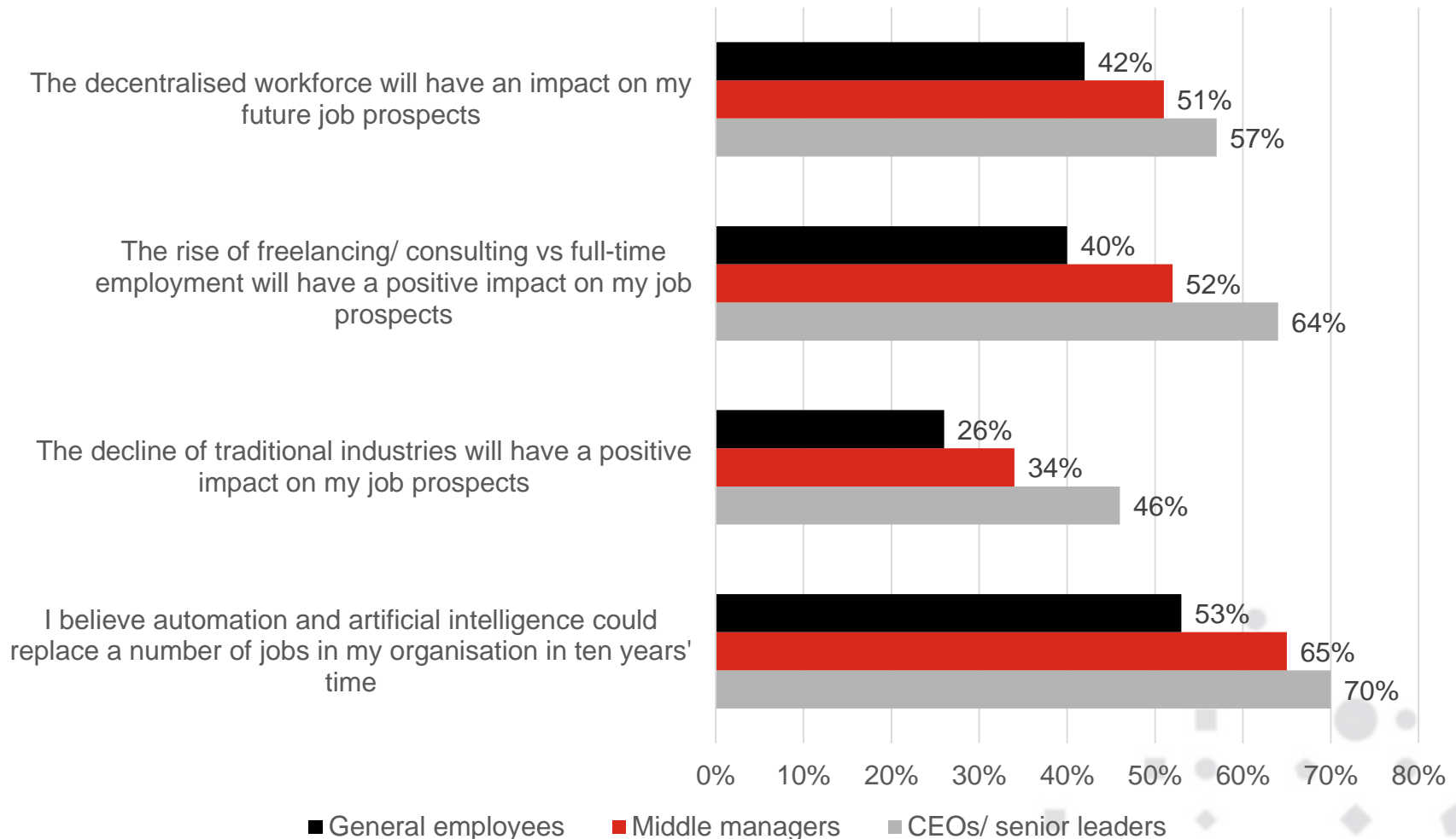
# Some people don't think there are any threats that could stop their skills from being relevant in five years' time



# But the top 5 threats across each country are...

UK	US	India	South Africa
Others willing to do my job for less money (32%)	Others willing to do my job for less money (32%)	Changing technical requirements (42%)	Others willing to do my job for less money (45%)
Technological advancements (22%)	Technological advancements (19%)	Technological advancements (36%)	Changing technical requirements (28%)
Changing technical requirements (19%)	Changes to consumer/customer needs (19%)	Others willing to do my job for less money (31%)	Technological advancements (26%)
Changes to consumer/customer needs (17%)	Changing technical requirements (18%)	Outsourcing to other countries (20%)	Outsourcing to other countries (18%)
Immigration (15%)	Outsourcing to other countries (15%)	Changes to consumer/customer needs (18%)	Changing nature of the national economy
There are no threats that could stop my skills from being relevant <b>(23%)</b>	There are no threats that could stop my skills from being relevant <b>(25%)</b>	There are no threats that could stop my skills from being relevant <b>(9%)</b>	There are no threats that could stop my skills from being relevant <b>(12%)</b>

# CEOs & senior leaders have a higher level of awareness of future trends

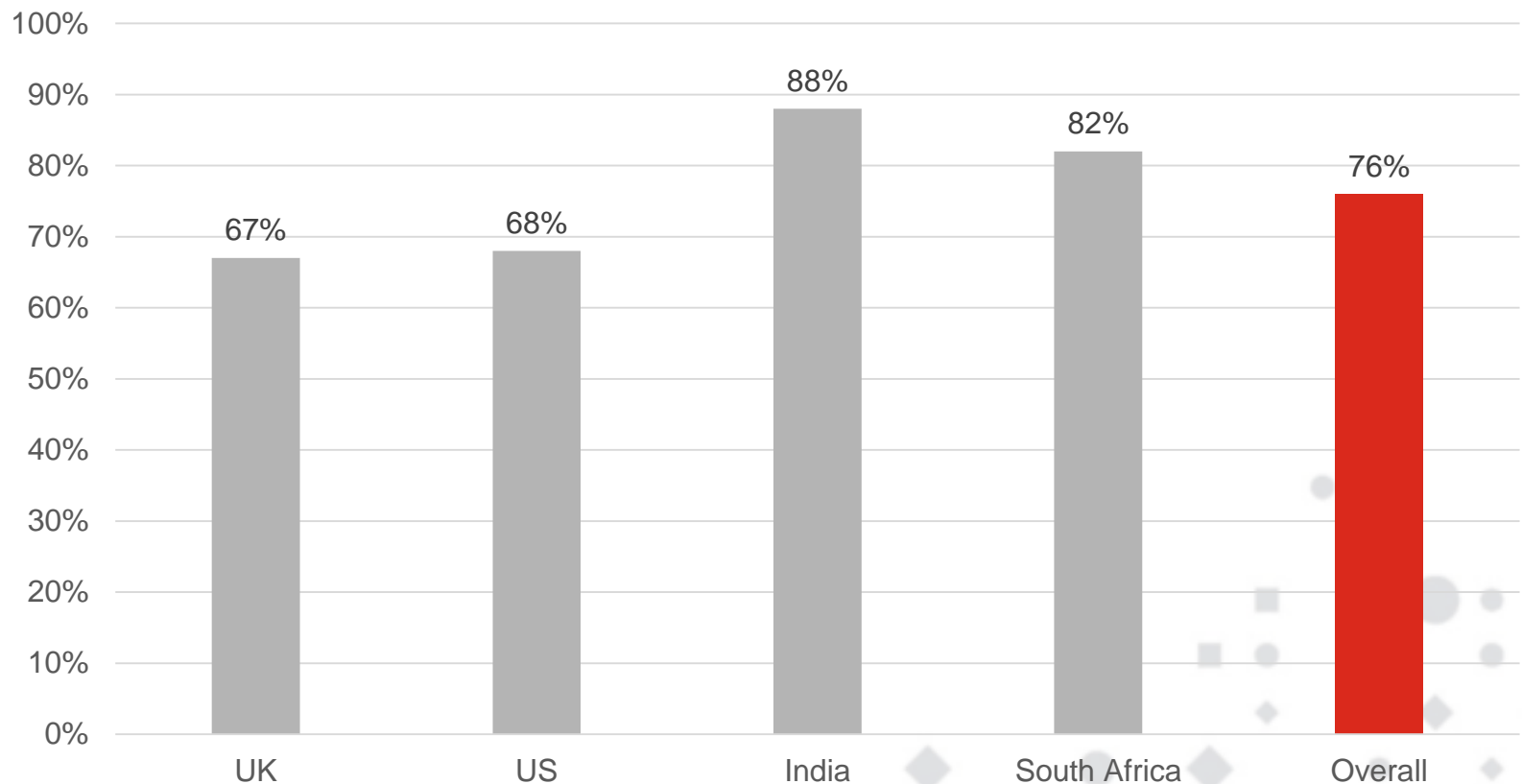


Findings from across all markets surveyed



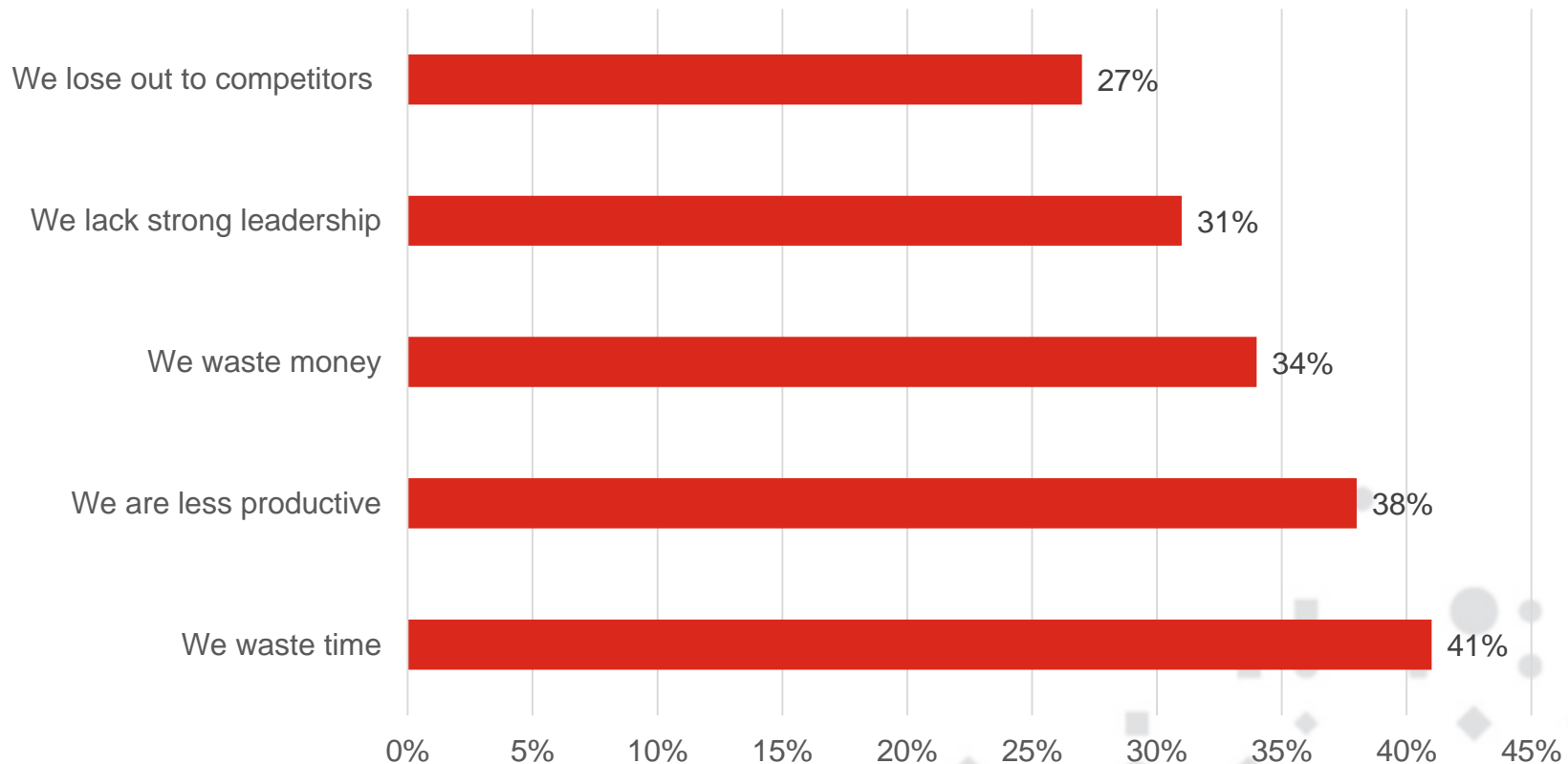
# Skills gaps are still a problem – and something most employees are aware of

% who identified skills gaps in their organisation



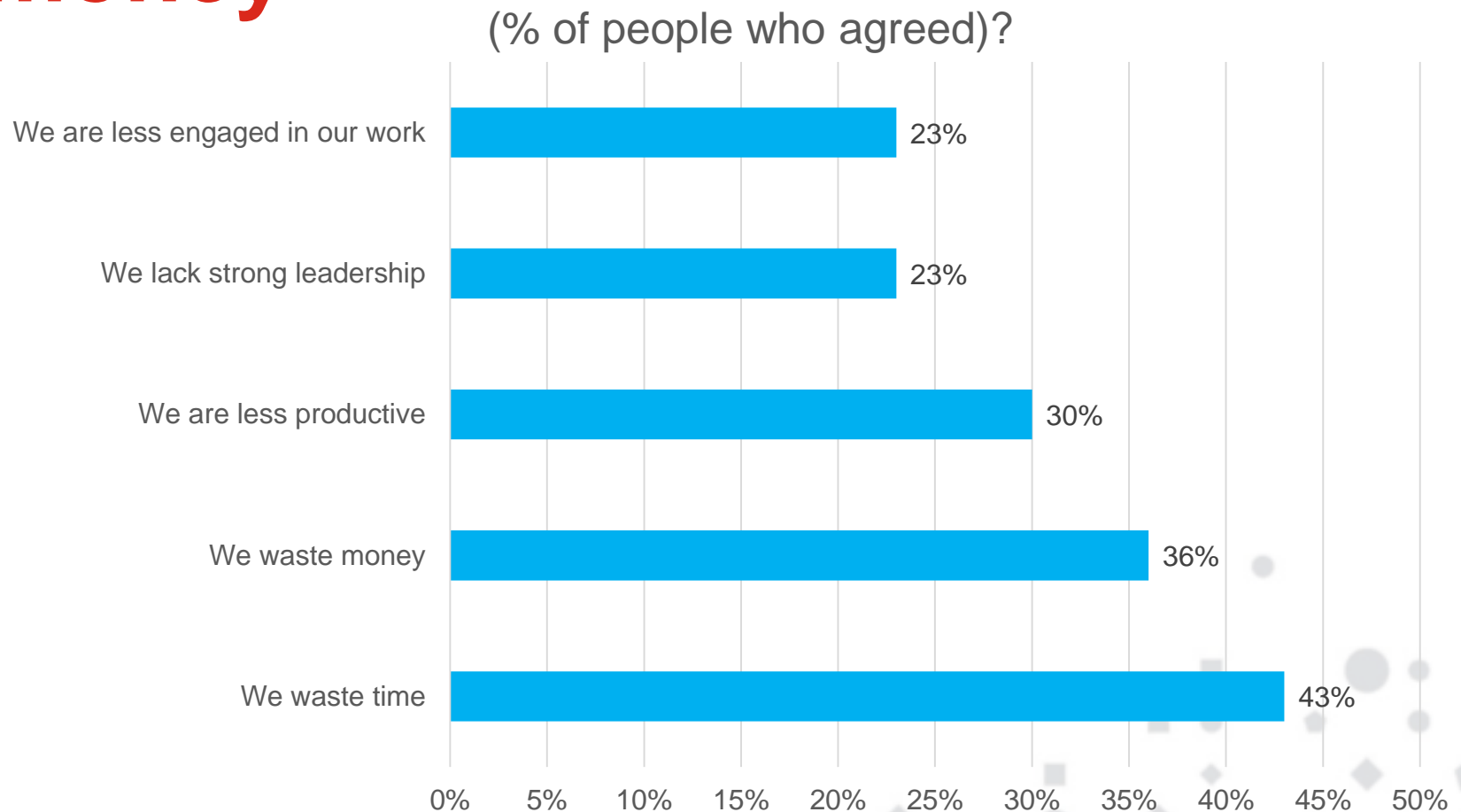
# Skills gaps can cause a number of issues

What are the impact of these skills gaps (% of people who agreed)?



Findings from across all markets surveyed

# UK respondents were most concerned about wasting time & money



# Conclusions

- Contrary to what is regularly reported, commentary around the future world of work is not affecting the confidence of workers – but this could mean they are unprepared for the future.
- Awareness of future trends appears to be higher among business leaders compared to general employees. Businesses need to help their employees prepare for the future – and ‘tell the story’ of what the future world of work could look like.
- Businesses should invest in high-quality training and support employees as they develop their skills. They should pay particular attention to the skills that will be most in-demand in the future.

# 2

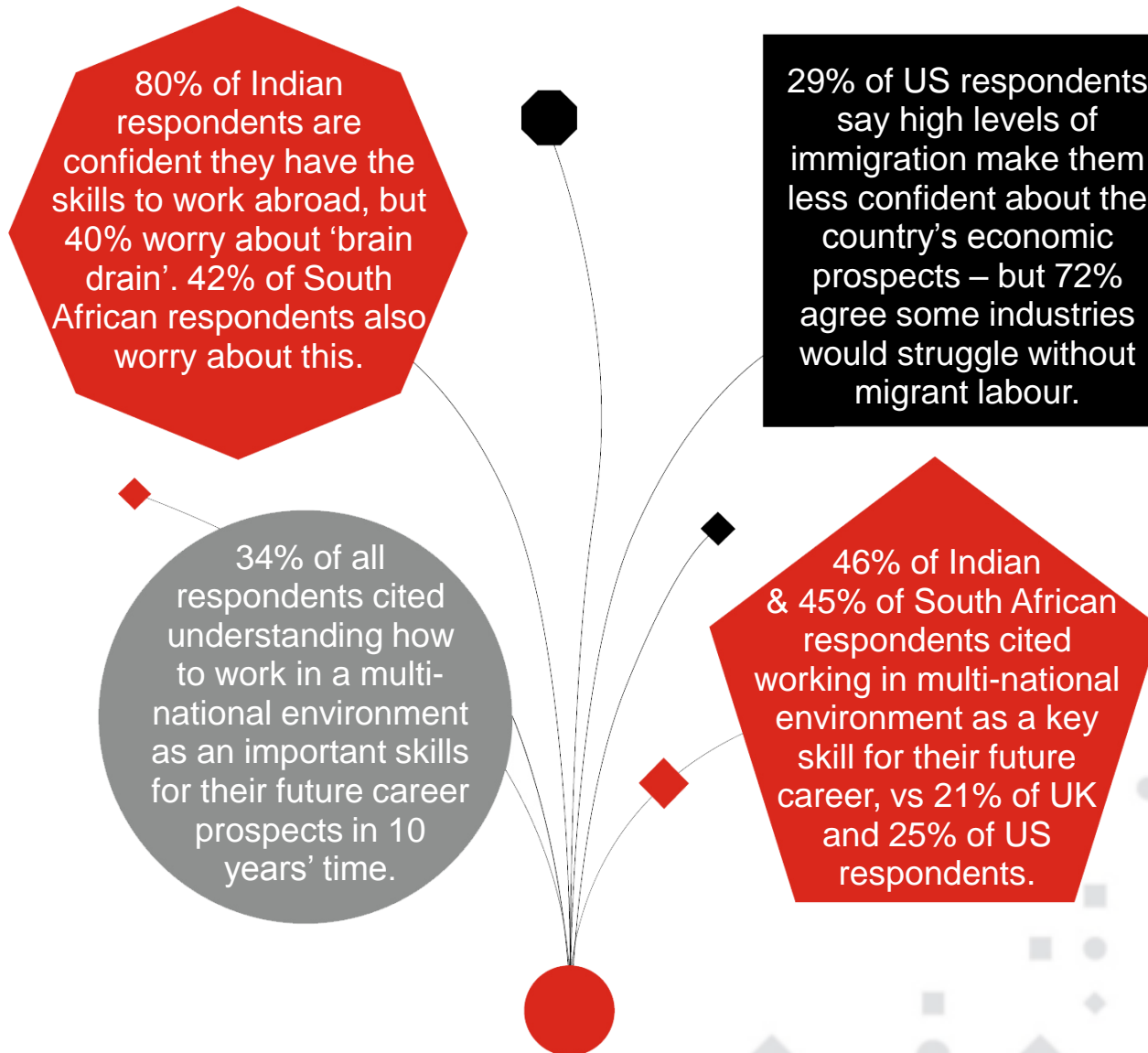
**Workforces on the  
move: skills in the  
global economy**

# What the research tells us

- Trade is no longer limited to goods and services; it now includes the international movement of people and, as a result, skills.
- Views differ across the world about the benefits and challenges around immigration and globalisation. In more developing nations for example, immigration is seen as an opportunity – but also something that can result in ‘brain drain’.
- In more developed economies – notably the US – there are concerns around the threat to job prospects, even though it is acknowledged that many industries would struggle without migrant labour.
- Many don’t recognise the impact of a global marketplace on their job prospects – but recognise the need to understand how to work in a multi-national environment.



# Fast facts





**Multigenerational  
workforces & skills  
readiness**



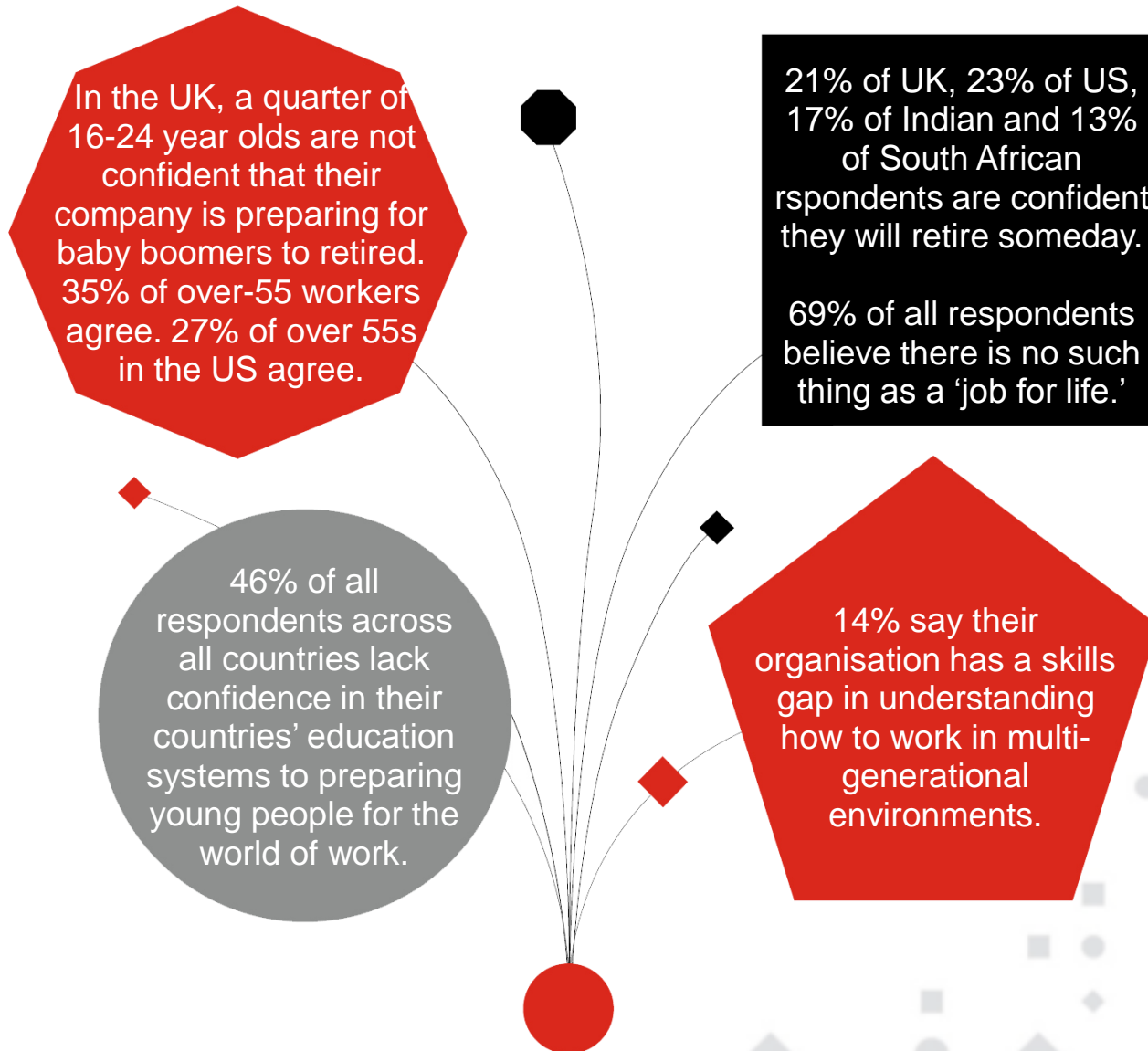


# What the research tells us

- There is strong recognition that these days, there is no such thing as a 'job for life' – and many people aspire to retire someday. However some recognise retiring may not be the reality.
- Across all markets, there were concerns about how prepared young, new entrants to the workforce will be for the workplace – and whether or not the education system is doing enough to prepare people to enter the world of work.
- Only a small percentage recognise understanding how to work in multi-generational markets as a skills gap in many organisations – but this could grow as the multi-generational workforce becomes a reality.



# Fast facts



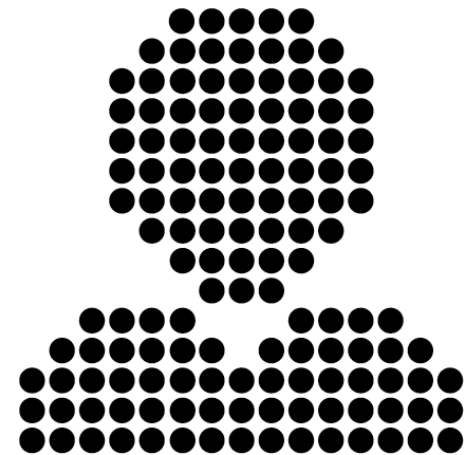


## **Skilling up: the evolution of learning & development**

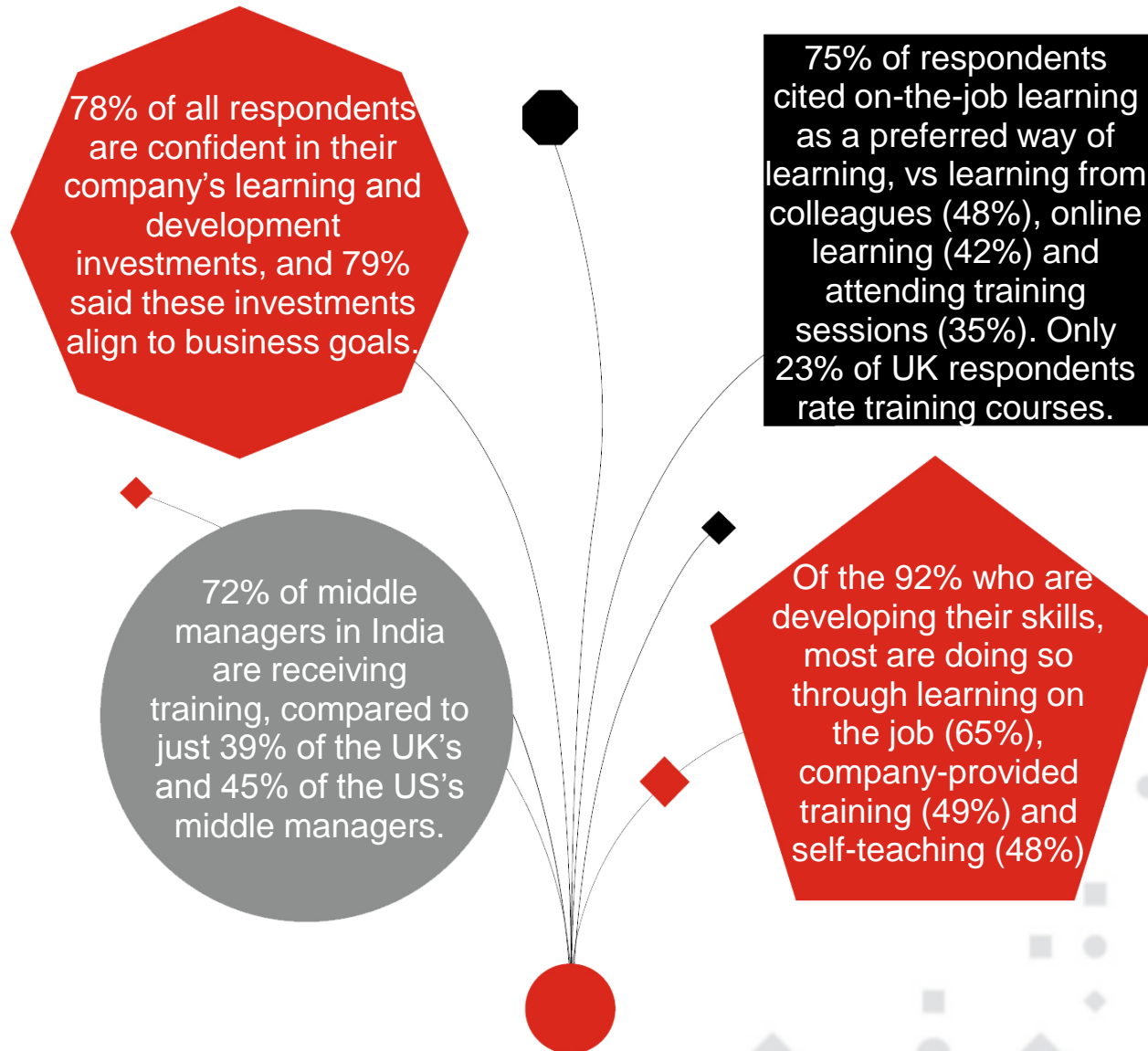


# What the research tells us

- Employees are embracing training in the workplace, and taking advantage of the opportunities offered by employers. Encouragingly, most people recognise the link between training and development and business growth – and they are confident in the effectiveness of their company's learning and development programmes.
- The favoured way to learn is on the job – and in some countries, more traditional methods of training are falling out of favour, which could signal the death of the day-long training course.
- Businesses need to understand – particularly at a time when we are seeing a multi-generational workforce – that everyone learns differently and there can never be a one-size-fits-all approach.
- In India, there is a much bigger drive towards training managers vs UK and US. Are the UK and US doing enough to prepare future leaders?



# Fast facts



# References

\* Research from the World Economic Forum:

<https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>

\*\* Speech from Andy Haldane, chief economist at the Bank of England, delivered to the TUC, November 2015:

<http://www.bankofengland.co.uk/publications/Pages/speeches/2015/864.aspx>

\*\*\* UKCES report, *Working Futures 2012-2022: Introduction and Commentary*:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/351472/working\\_futures\\_commentary\\_and\\_introduction.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/351472/working_futures_commentary_and_introduction.pdf) (Accessed 6 June 2016)

\*\*\*\* Oxford University: [http://www.skope.ox.ac.uk/wordpress/wp-content/uploads/2014/12/Skope\\_IssuesPaper33Holmes.pdf](http://www.skope.ox.ac.uk/wordpress/wp-content/uploads/2014/12/Skope_IssuesPaper33Holmes.pdf) (Accessed 6 June 2016)



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