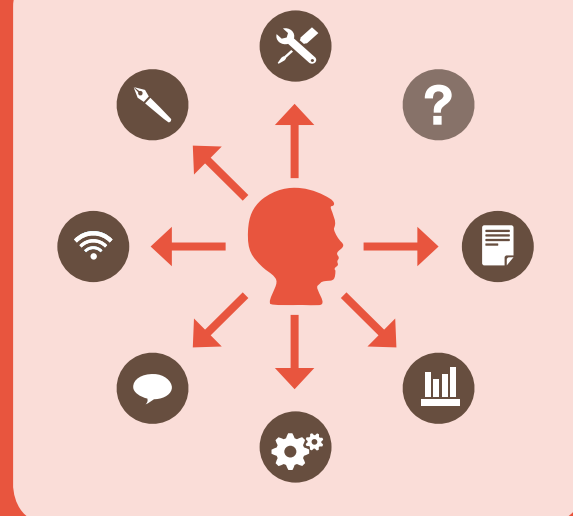


# The Internal Skills Challenge

A 'skills mismatch' can occur as a result of either under- or over-skilling: some employees lack the skills required to operate effectively in their job roles (a "skills gap"), whereas others do not fully utilise their existing skill set.



Skills gaps may hinder establishments' ability to function efficiently, which in turn may then impact negatively on productivity



Skills-under use suggests a 'missed opportunity' for the employer to get the most out of their staff



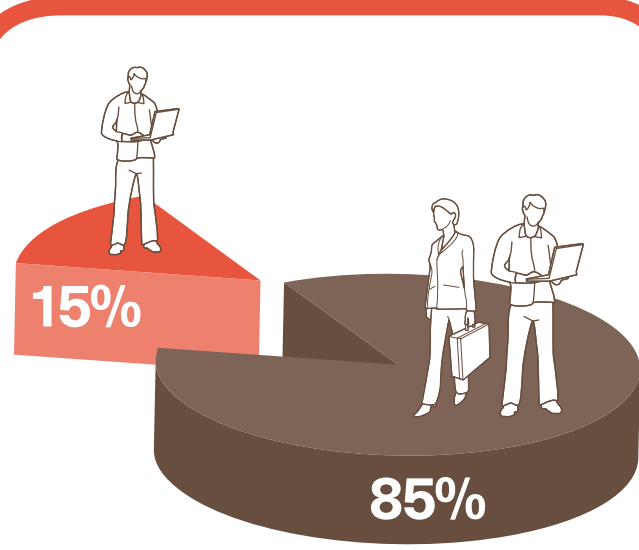
We also explore the extent to which employers anticipate that staff will need to acquire new skills

## Skills Gaps - Summary

**15%** of employers report a skills gap



**85%** of employers have a fully proficient workforce



**1 in 20**

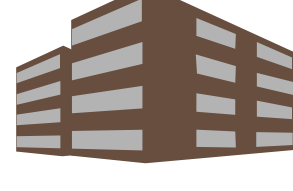


Skills gaps represent one in 20 employees, or 1.4 million workers

**17 → 15%**



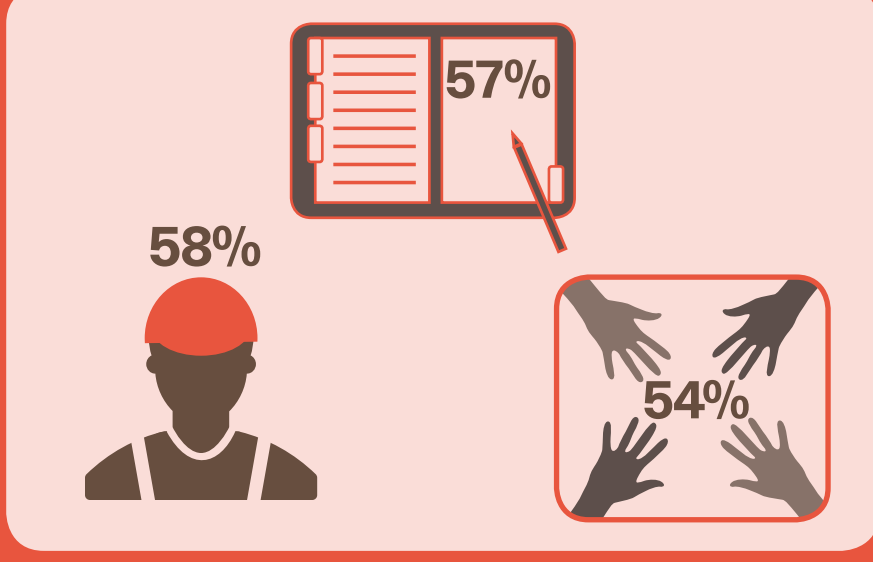
There has been a fall in the proportion of employers with skills gaps since 2011 (from 17% to 15%)



**86%**

of employers with a skills gap have taken action to improve their employees' proficiency, up from 76% in 2011

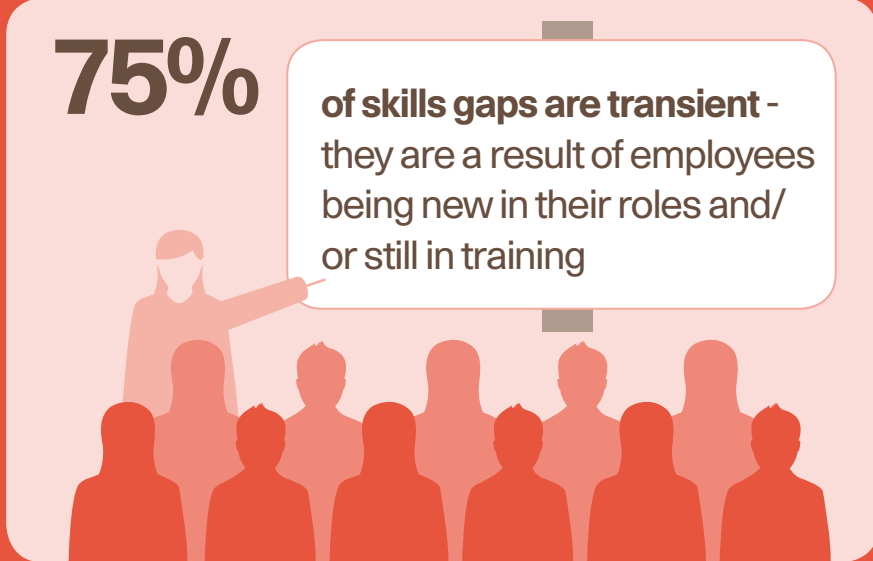
## Skills Lacking, Causes & Impacts



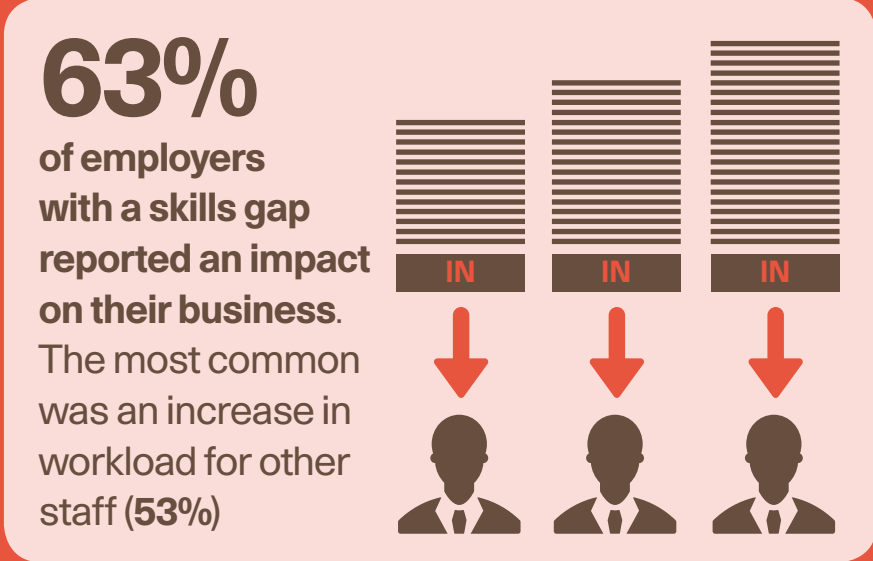
Technical, practical or job specific skills were most likely to be lacking (58%), closely followed by planning and organisation skills (57%) and team work (54%).



Skills lacking vary by occupation, e.g. customer handling skills (71%) were most commonly for Sales and Customer Service occupations



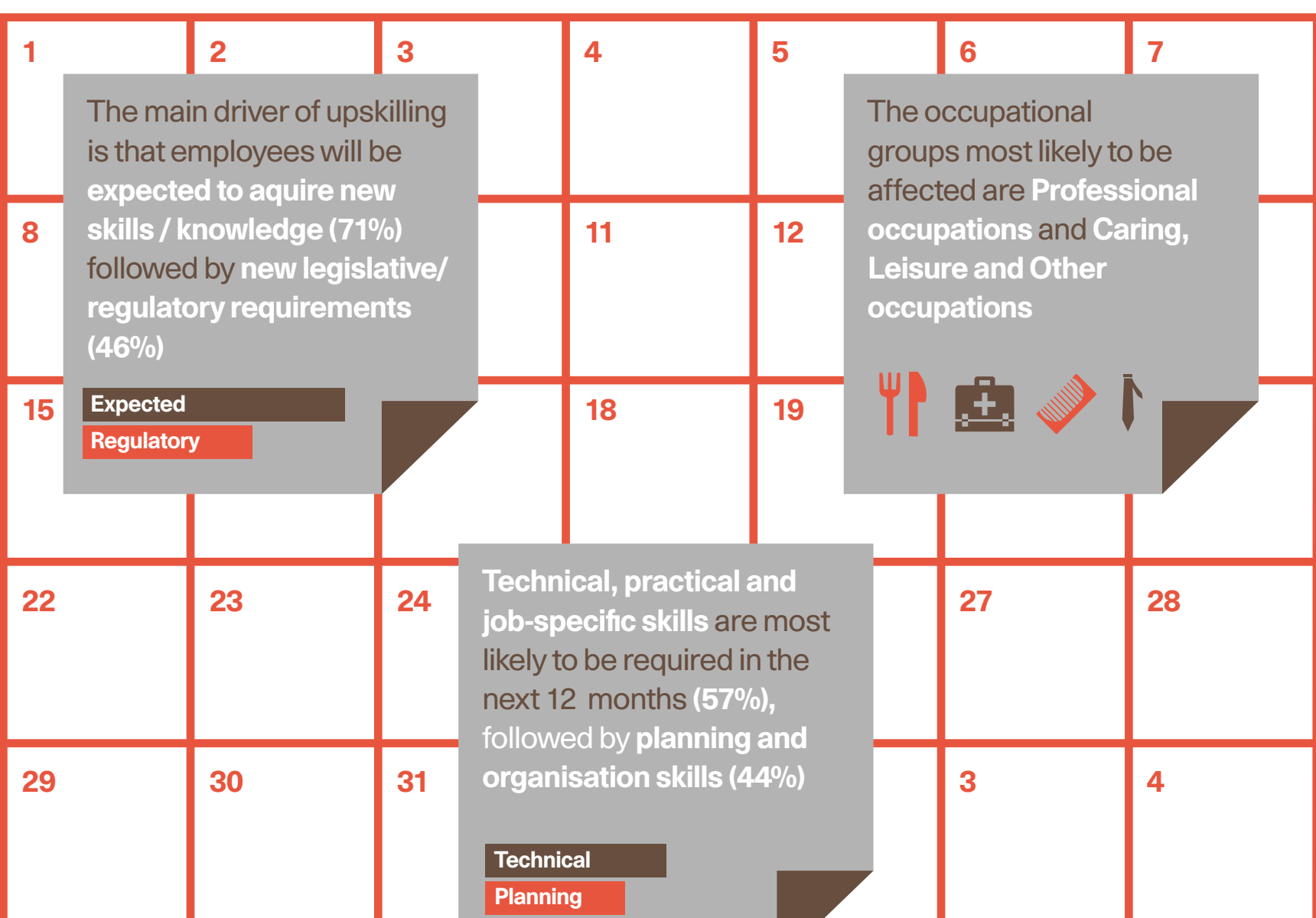
75% of skills gaps are transient - they are a result of employees being new in their roles and/or still in training



63% of employers with a skills gap reported an impact on their business. The most common was an increase in workload for other staff (53%)

## Upskilling

**71%** of employers predict that their skills requirements will change over the next 12 months.



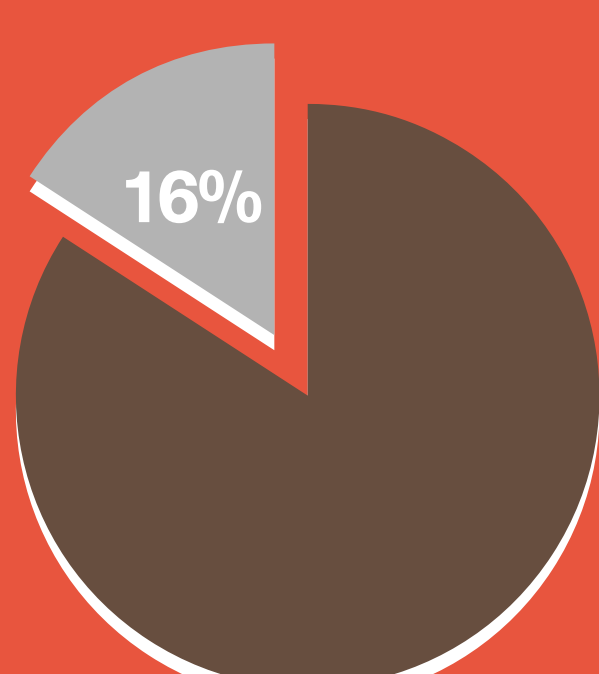
## Under-utilisation

Almost half of UK employers report skills under-use (48%)

This equates to

**4.3 million workers**

with skills and qualifications that exceed those needed for the job



(16% of the total UK workforce)

Skills under-use is particularly acute in some sectors, for example within hotels and restaurants 60% of establishments report their staff have skills and qualifications which are not being used

