

# The internal skills challenge

## Skills gaps in the workplace

**SKILLS GAP**  
IS WHERE AN EMPLOYEE ISN'T FULLY PROFICIENT AT THEIR JOB

MOST STAFF ARE FULLY PROFICIENT, BUT WE STILL HAVE

**1.4 MILLION**

EMPLOYEES ACROSS THE UK WHO ARE NOT

THE PROPORTION OF EMPLOYERS REPORTING INTERNAL

**SKILLS GAPS ARE DECREASING** ↓↓



17% — 15% — 14%

IN 2011

IN 2013

IN 2015

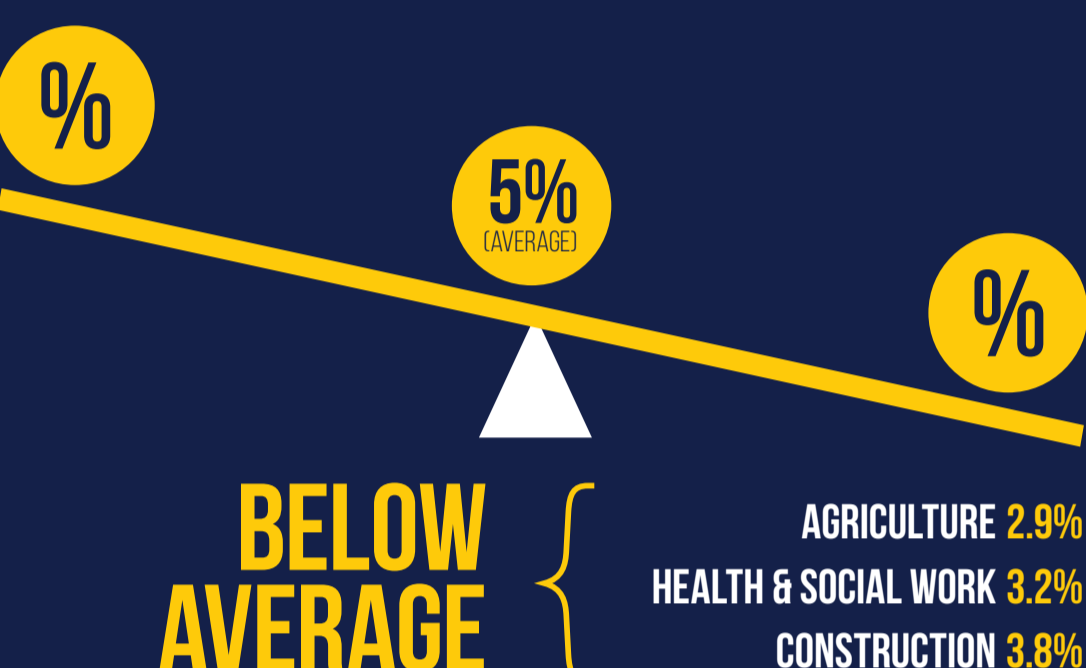
**What This Means**

INTERNAL SKILLS GAPS ARE DECREASING, HOWEVER THERE ARE STILL A LARGE NUMBER OF WORKERS ACROSS THE UK WHO ARE NOT FULLY PROFICIENT

## Pockets of skills gaps

WHILST 5% OF ALL EMPLOYERS REPORT AT LEAST ONE EMPLOYEE WITH A SKILL GAP, THIS VARIES CONSIDERABLY BY SECTOR

7.2% HOTELS AND RESTAURANTS  
7.2% MANUFACTURING  
6.4% PUBLIC ADMINISTRATION } **ABOVE AVERAGE**



SECTORS THAT HAVE SEEN THE BIGGEST CHANGES SINCE 2013



FINANCIAL SERVICES

HOTELS + RESTAURANTS

AGRICULTURE



MANUFACTURING

PUBLIC ADMIN

A DECREASE IN SKILLS GAPS IS GOOD — IT SHOWS THE PROPORTION OF STAFF NOT FULLY PROFICIENT IN THEIR JOBS HAS FALLEN

BASE: ALL ESTABLISHMENTS

**What This Means**

THE OVERALL DECLINE IN SKILLS GAPS HIDES MORE COMPLEX DIFFERENCES AND CHANGES

## Skills lacking in the workplace

OF THE 14% OF BUSINESSES THAT REPORTED SKILL GAPS, PEOPLE AND PERSONAL SKILLS ARE A PARTICULAR ISSUE FOR EMPLOYERS



**59%**

OF EMPLOYERS SAID TIME MANAGEMENT AND TASK PRIORITISATION SKILLS ARE LACKING



**58%**

OF EMPLOYERS SAID MANAGEMENT AND LEADERSHIP SKILLS ARE LACKING



**56%**

OF EMPLOYERS SAID TEAM WORKING WAS A GAP IN THEIR TEAM'S SKILLS



**39%**

OF EMPLOYERS SAID PROBLEM SOLVING WAS A GAP IN THEIR TEAM'S SKILLS

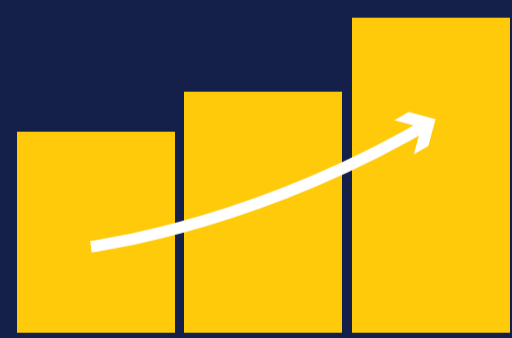
BASE: ALL ESTABLISHMENTS WITH SKILLS GAPS. PERCENTAGES SHOW WHERE THE SKILL WAS AT LEAST PART OF THE REPORTED SKILLS GAP

**What This Means**

EMPLOYERS SAY THAT MANAGING TIME, TEAM WORKING AND MANAGEMENT AND LEADERSHIP SKILLS ARE IMPORTANT GAPS AMONG SOME OF THEIR STAFF

## Impact of skills gaps

THE PROPORTION OF EMPLOYERS WITH AN EMPLOYEE WHO IS NOT FULLY PROFICIENT HAS DECLINED, BUT, MORE EMPLOYERS ARE REPORTING THAT SKILLS GAPS ARE HAVING A MAJOR IMPACT



**17%**

WITH A SKILLS GAP SAY IT'S HAVING A MAJOR IMPACT (UP 2% SINCE 2011)



**52%**

WITH A SKILLS GAP SAID IT INCREASED THE WORKLOAD FOR OTHER STAFF



**27%**

WITH A SKILLS GAP SAY IT LEADS TO HIGHER OPERATING COSTS



**25%**

SAY IT CREATES DIFFICULTIES MEETING QUALITY STANDARDS



**24%**

SAY IT CREATES DIFFICULTIES INTRODUCING NEW WORKING PRACTICES

**What This Means**

SKILLS GAPS HAVE A SIGNIFICANT IMPACT ON EMPLOYERS

## Underutilisation of skills

**UNDERUTILISATION**  
UNDERUTILISATION OCCURS WHERE AN EMPLOYEE HAS SKILLS AND QUALIFICATIONS ABOVE THOSE REQUIRED FOR THEIR ROLE

THREE IN TEN EMPLOYERS HAVE AN EMPLOYEE WHO IS UNDERUTILISED, A TOTAL OF

**2,000,000**

WORKERS



**12%**

OF ALL UNDERUTILISED STAFF WORK IN HOTELS AND RESTAURANTS



**What This Means**

THERE IS HUGE UNTAPPED POTENTIAL IN THE WORKFORCE