FACTSHEET

The Prince's Responsible Business Network

UPSKILLING FOR ALL: NO ONE LEFT BEHIND

Business in the Community (BITC) is working with Phoenix Group on a project to identify solutions that will enable employers to equip every employee with the knowledge, support and motivation to participate in upskilling opportunities. Ultimately, we want to support those in low-skilled, low-paid roles to progress at work and advance their social mobility. As part of the project, we commissioned a YouGov surveyⁱ to help build a comprehensive picture of the extent to which low-skilled workers feel motivated and supported to upskill. This briefing provides a summary of those findings.

Introduction

Employer investment in skills has decreased by 28% over the last two decades.ⁱⁱ But the tight labour market coupled with a long-term decline in productivity has created a window of opportunity in which to stimulate businesses to invest in the learning and development of **all** their staff – not just their higher skilled employees – as an essential enabler of growth.

Unequal participation in skills development

Low skills perpetuate poverty and inequality.^{III} More than half (55%) of the UK's nine million adults with low basic skills are in employment^{IV}, meaning that employers have a pivotal role in supporting skills development to enable social mobility.

Yet many employers are not successfully developing the skills of those workers who require support to break out of the cycle of low-skill, low pay. Our research found that workers in lower-skilled roles participate in far fewer skills development opportunities than their higher-skilled colleagues.

Two thirds of lower-skilled employees have had no company-funded development opportunities in the past two years compared to 38% of higher-skilled workers.

Directing more upskilling opportunities towards higher-skilled employees has implications for ethnically diverse people, women, and disabled people, as these groups are all over-represented in lower-skilled occupations.^v

The impact of employer actions on motivation to upskill

Why are lower-skilled employees not participating in learning and development opportunities at the same rate as their higher-skilled colleagues?

One reason may be a lack of motive as opposed to opportunity. The YouGov survey found that lower-



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skilled employees are less likely to want to develop any skills or progress their careers in the short term than their higher-skilled colleagues.

33% of lower-skilled workers are not looking to develop any skills at the moment, compared to 12% of higher-skilled employees.

Just 25% of lower-skilled employees agree that progressing their career is important to them, compared to 60% of higher-skilled employees.

It may be, therefore, that lower-skilled employees are simply not taking up opportunities that are presented to them.

However, while there are many different factors that may influence a person's motivation around inwork progression, not all of which are within the preserve of the employer, the survey found evidence to suggest that an employer's approach to in-work learning may have an impact on a person's enthusiasm to learn and the likelihood of engagement with learning opportunities.

For example, compared to higher-skilled workers, lower-skilled employees are:

- Less likely to feel that their current job makes good use of their skills and abilities (55% vs 76%)
- Less knowledgeable about the new skills that they will need to progress their career (48% vs 70%)
- Less likely to have been encouraged to gain the skills needed for more senior roles (26% vs 57%)
- Less likely to believe that they have an equal opportunity to advance regardless of

their personal characteristics or circumstances (45% vs 66%).

Taken in the round, lower-skilled employees are not using the skills they already have, do not know what skills they would need to progress, are not being encouraged to develop those skills, and do not feel that they have a good chance to progress their career within their organisation. It is, therefore, unsurprising that lower-skilled workers may be less motivated to participate in upskilling opportunities even where they are available.

Unequal access to development opportunities

Regardless of how motivated an individual is to engage in learning, skills development is most likely to occur when opportunities are presented.

Our research found that, compared to their higherskilled colleagues, lower-skilled workers are far less likely to be offered:

- Performance appraisals (14% vs 47%)
- Regular line management meetings (13% vs 36%)
- Management/supervisor feedback (10% vs 35%)
- Colleague/team feedback (12% vs 29%)
- Objectives and development targets (7% vs 34%)
- Structured training programmes (10% vs 20%).

Overall, 45% of lower-skilled workers undertake no training or development activities at all in their current role, compared to 14% of higher-skilled employees.

Different approaches to career advice

Our research found that one in four workers in lower-skilled roles wants to progress in their careers; we wanted to explore where they go to seek career advice and whether that might impact their in-work skills development.

Compared to their higher-skilled colleagues, lowerskilled workers are generally less likely to seek career advice from anyone directly connected to their employer:

- Line managers 16% vs 31%
- Colleagues 12% vs 30%
- Mentor/coach 7% vs 20%.

In fact, the most popular source of career advice for lower-skilled workers is Jobsites, such as LinkedIn (18%).

High-quality, consistent career advice is widely considered to be a prerequisite for sustained social mobility, adding up to £2,000 per annum to individuals' future earnings^{vi}. A question for future consideration through this project may be the extent to which employers should be providing more career advice to lower-skilled employers and what this might mean for their development.

Next steps

The workers most likely to be impacted by automation and climate change are low-skilled and low-paid. Employers must act now to ensure that every employee, at every level of their business, has the support and opportunity they need to develop their skills so that they have the very best chance possible to prosper in this changing world of work.

This Upskilling for All project has been developed to help employers understand how they can achieve this.

The insights provided by the YouGov survey set out here will help to inform a series of co-creation sprints in which we will seek to identify ways that employers can better equip their low-skilled workers to upskill and thereby progress their careers. BITC members can sign up <u>here</u> to take part in the sprints.

We will publish a full report of our findings from across the whole project in the summer of 2023.

This Factsheet has been produced in partnership with <u>Phoenix Group</u>, the UK's largest long-term savings and retirement business.

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ENDNOTES

vi <u>Careers England</u>

¹ All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1097 adults. Fieldwork was undertaken between 14th February - 7th March 2023. The survey was carried out online. The figures have been weighted and are representative of adults in full or part-time employment in an organisation with 2 or more employees in the UK. ¹¹ Learning & Work Institute

The World Bank

iv OECD

v In-Work Progression Committee, House of Commons library, ONS