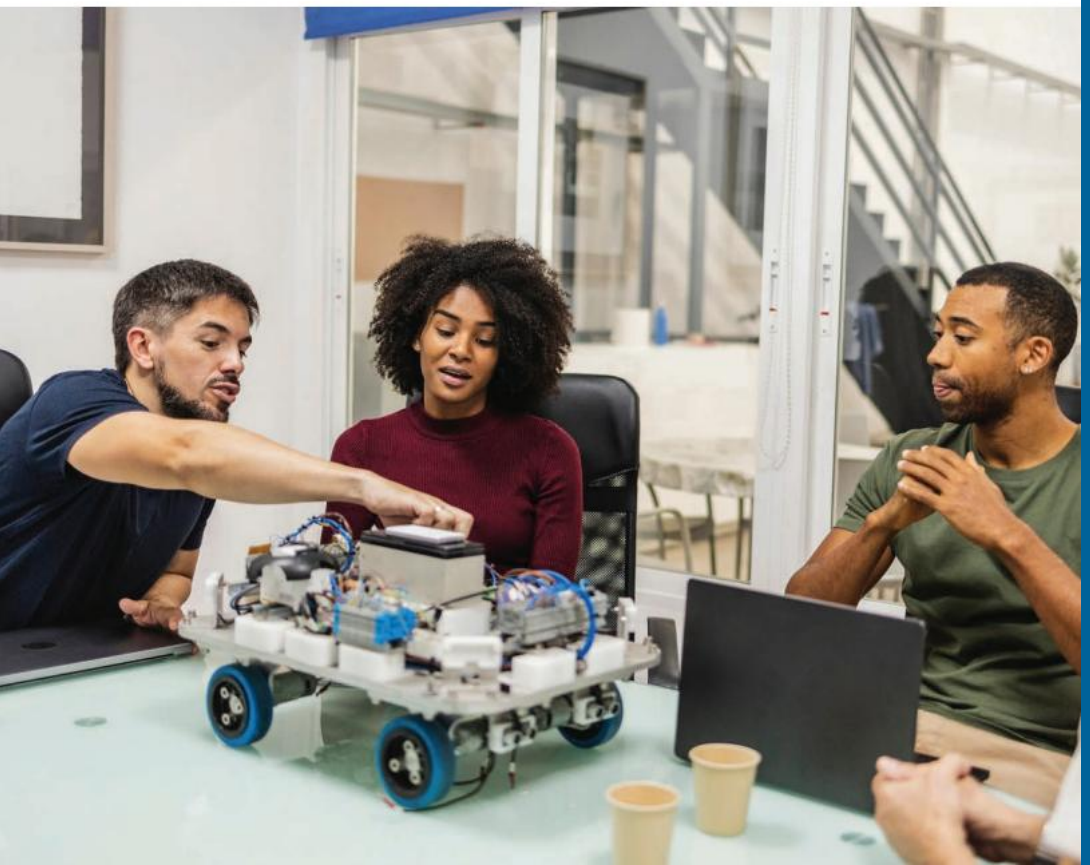
OECD

Getting Skills Right

How Workers Use, or Don't Use, their Skills in the Workplace



HOW WORKERS USE, OR DON'T USE, THEIR SKILLS IN THE WORKPLACE

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WHY SKILLS USE MATTERS

Why skills use matters

- Skill policies have historically emphasised the **supply side**
  - Expanding training participation
  - Increasing skills proficiency
  - Improving the quality of training

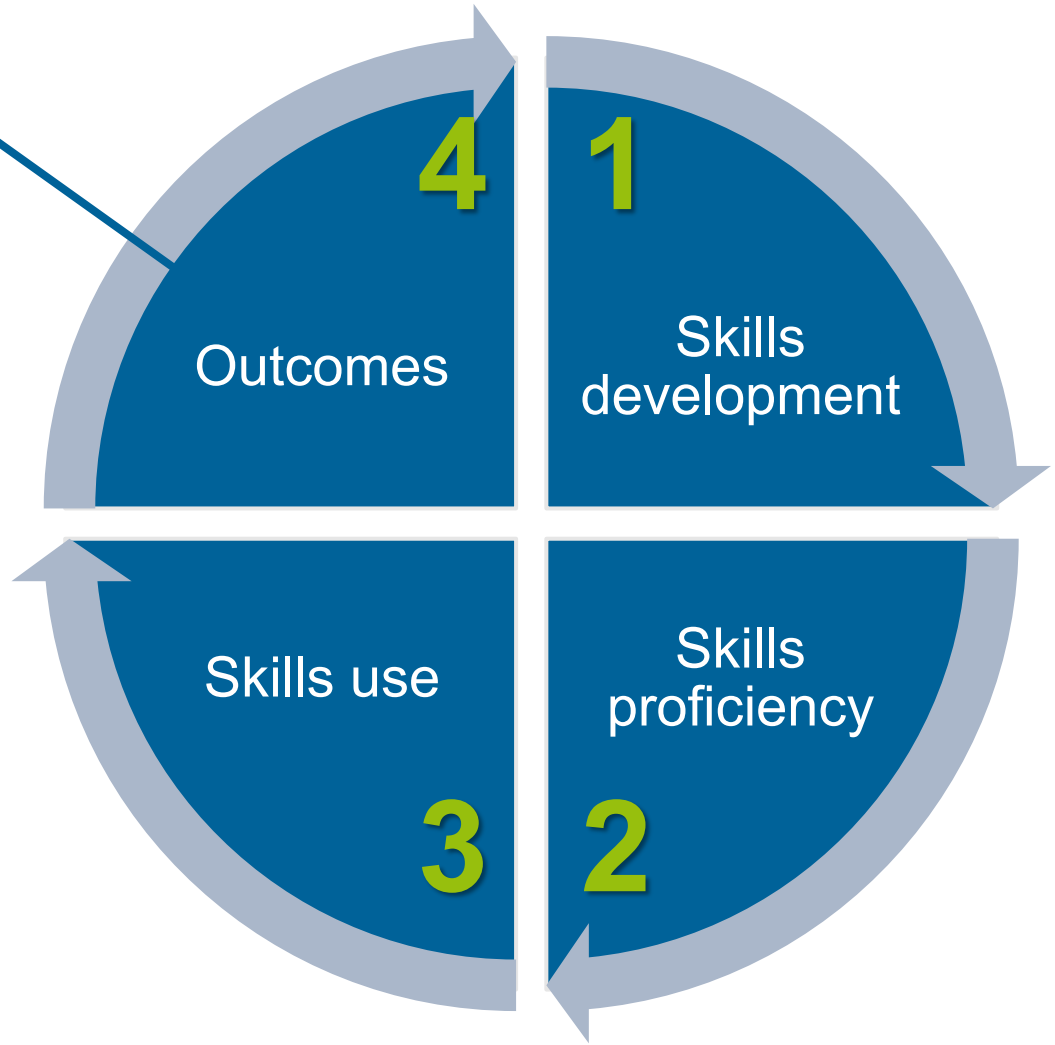
- However, research suggests that the **demand side** – how employers use workers' skills – is equally critical for economic performance

Skills investments generate returns only when workers can use them

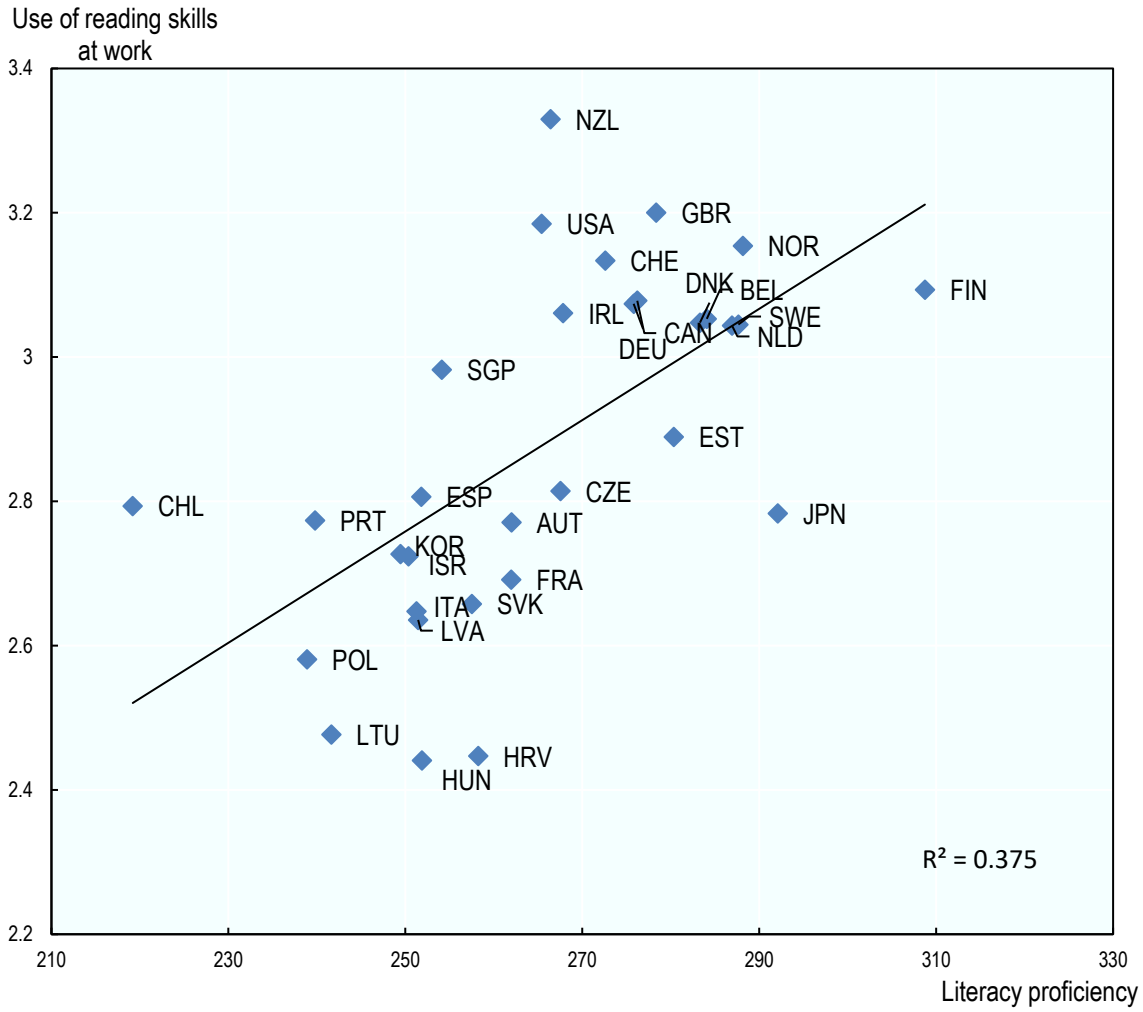
Why skills use matters

Outcomes:

- Productivity
- Innovation
- Wages
- Job quality
- Well-being
- …



The broken link between skills proficiency and use

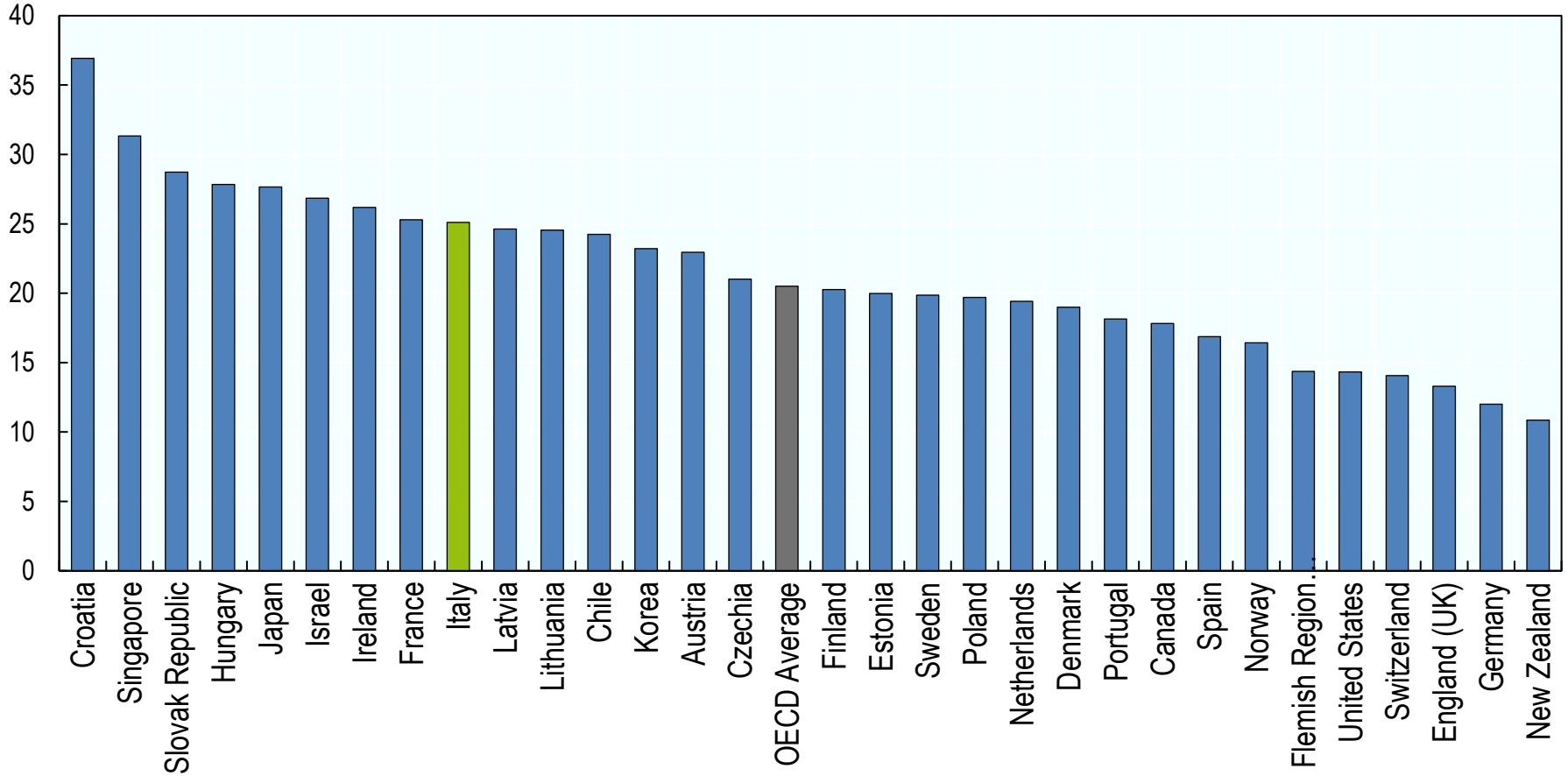


A highly proficient workforce does not automatically lead to greater use of skills

Countries with higher average skill levels do not necessarily report more frequent use of those skills at work

The broken link between skills proficiency and use

% of workers who scores at or above Level 4 in literacy but is in the bottom tercile of reading skills use at work



On average, 1 in 5 workers with high literacy proficiency (level 4+) fall into the bottom third of reading use at work

TECHNICAL INSIGHT

Measuring skills use in PIAAC

Reading

- In your current job, how often do you usually: read directions or instructions?
- Read letters, memos or e-mails?
- Read articles in newspapers, magazines or newsletters?
- Read books, scholarly publications, or articles in professional journals?
- Read manuals?
- Use maps, plans or GPS for finding directions and locations?

Writing

- In your current job, how often do you usually: write letters, memos or emails?
- Write reports or articles?
- Fill in forms?

Numeracy

- In your current job, how often do you usually: undertake calculations, such as calculating prices, costs or quantities?
- Undertake measurements such as lengths, weights, temperature, dosages, areas or volumes?
- Read and prepare charts or tables?
- Use advanced math/statistics?
- Read bills, invoices, bank or other financial statements?

ICT skills

- In your current job, how often do you usually: communicate with others (e.g. via emails, social networking sites, or internet calls)?
- Access information?
- Create or edit electronic documents, spreadsheets or presentations?
- Use specialised software?
- Use a programming language to programme software or websites?

Problem Solving

- How often are you usually confronted with complex problems that take at least 30 minutes to find a good solution?

Task Discretion

- To what extent can you choose or change the sequence of your tasks?
- How you do your work?
- The speed or rate at which you work?

Learning at work

- To what extent can you choose or change how often does your current job involve: learning new things?
- Learning-by-doing from the tasks you perform?
- Keeping up to date with new products or services?

Influencing skills

- How often does your current job usually involve: instructing, training or teaching people?
- Giving presentations in front of 5+ people?
- Persuading people?
- Negotiating with people either inside or outside your firm or organisation?

Co-operative skills

- In your current job what proportion of your time do you usually spend co-operating or collaborating with co-workers?

Self-organising skills

- How often does your current job usually involve: planning your own activities?
- Organising your own time?

Dexterity

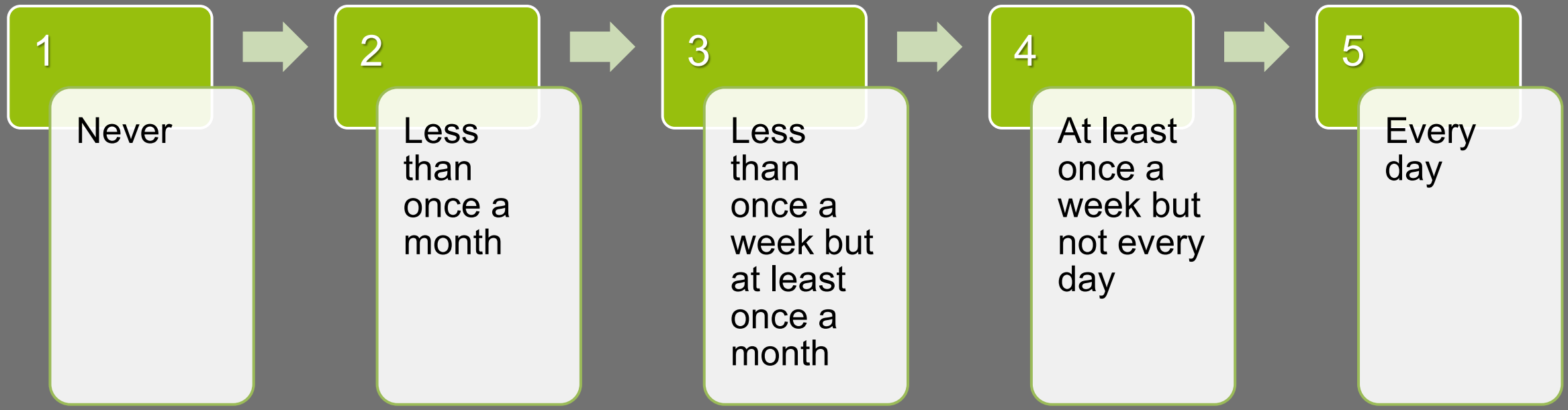
- How often does your current job usually involve using hands or fingers for precision work?

Physical skills

- How often does your current job usually involve working physically for a long period?

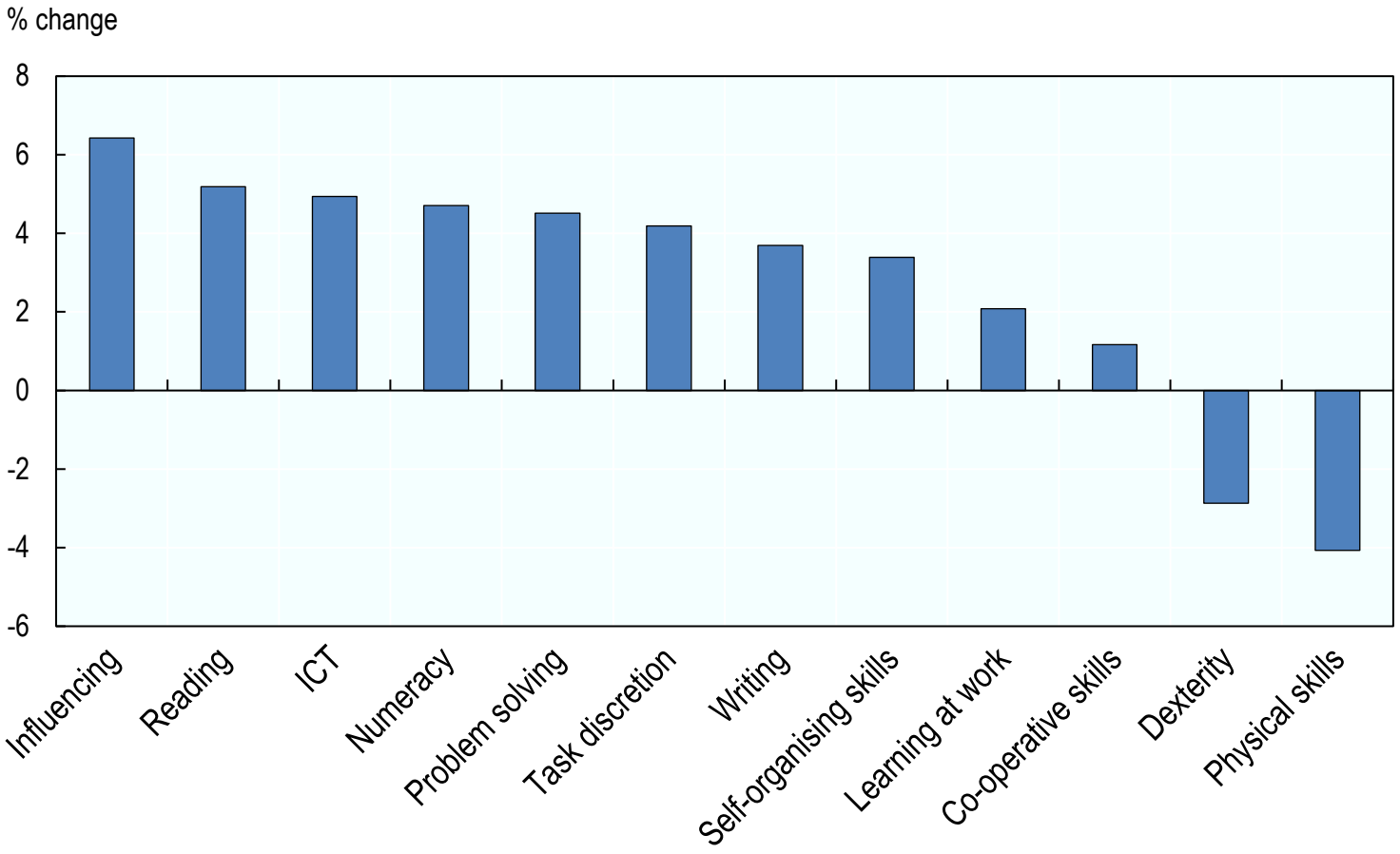
TECHNICAL INSIGHT

Measuring skills use in PIAAC



Skills use has key economic implications…

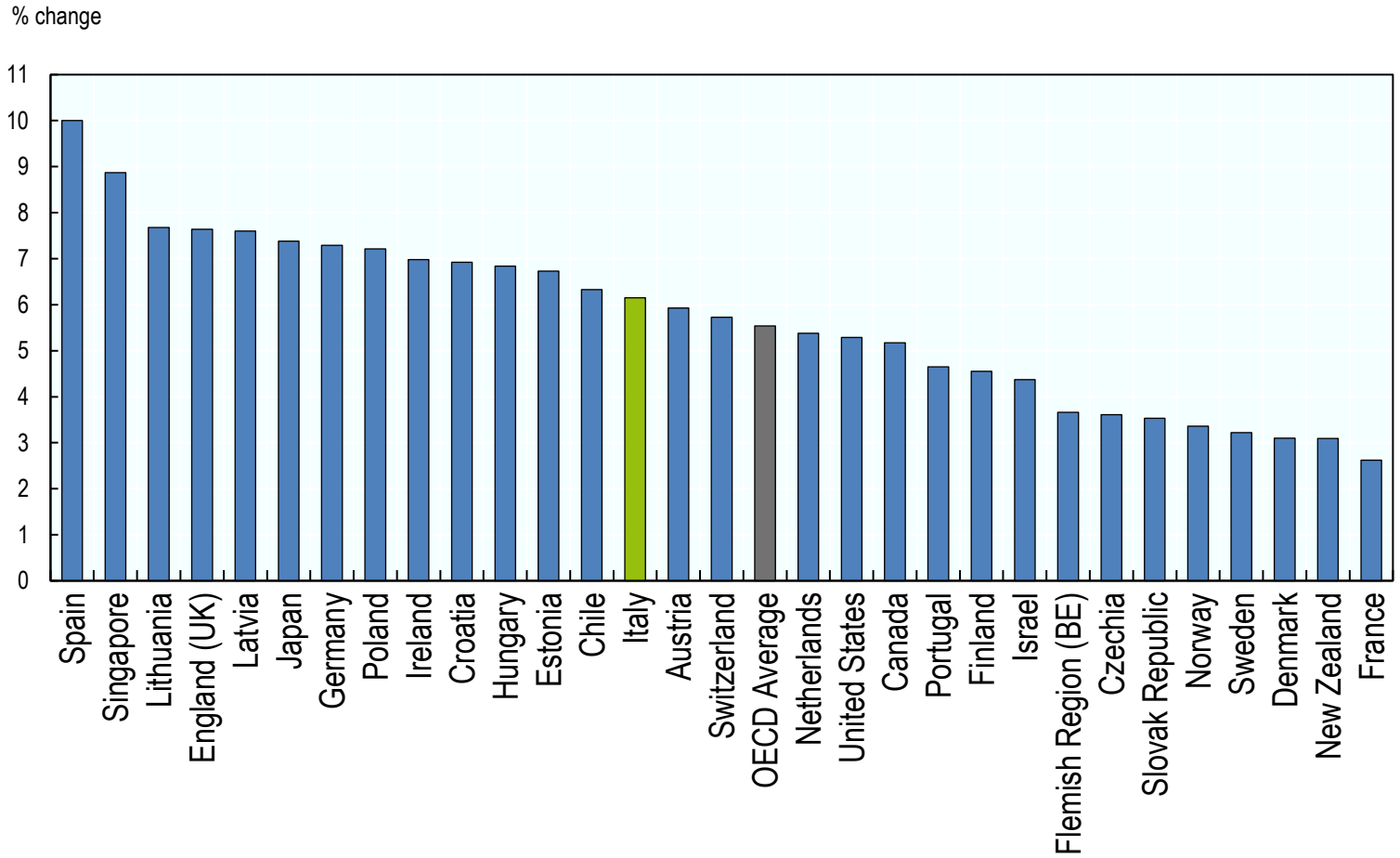
Association of a 1-sd increase in skills use and hourly wages



- Workers who use skills more intensively tend to earn more
- Skills use provides returns beyond formal qualifications

Skills use has key economic implications…

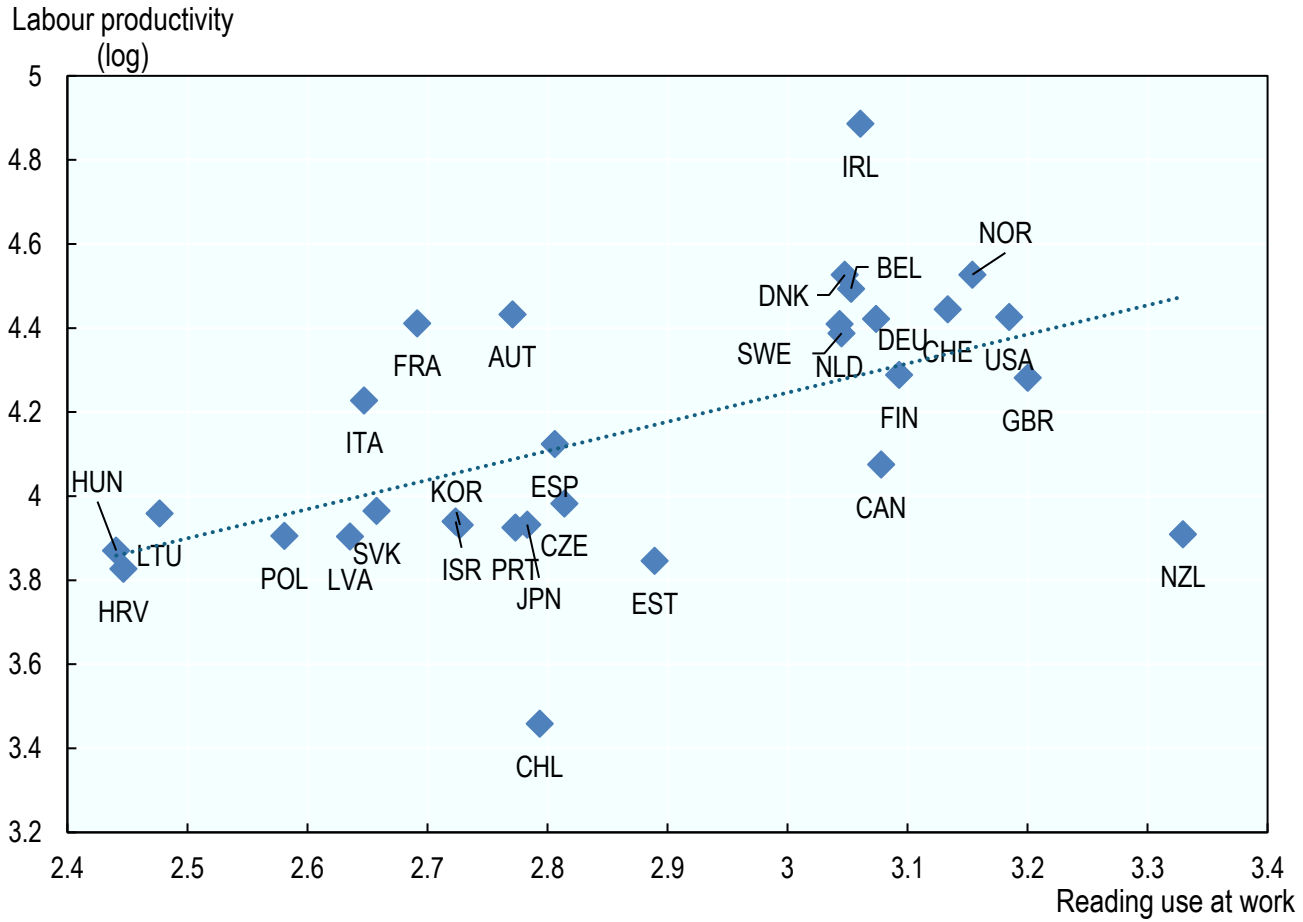
Association of a 1-sd increase in influencing skills use and hourly wages by country



- Averages mask substantial variation at country level in the wage returns to skills use
- In Italy, workers who use influencing skills more intensively earn wages that are 6% higher, while in France the difference in wages is just over 2%

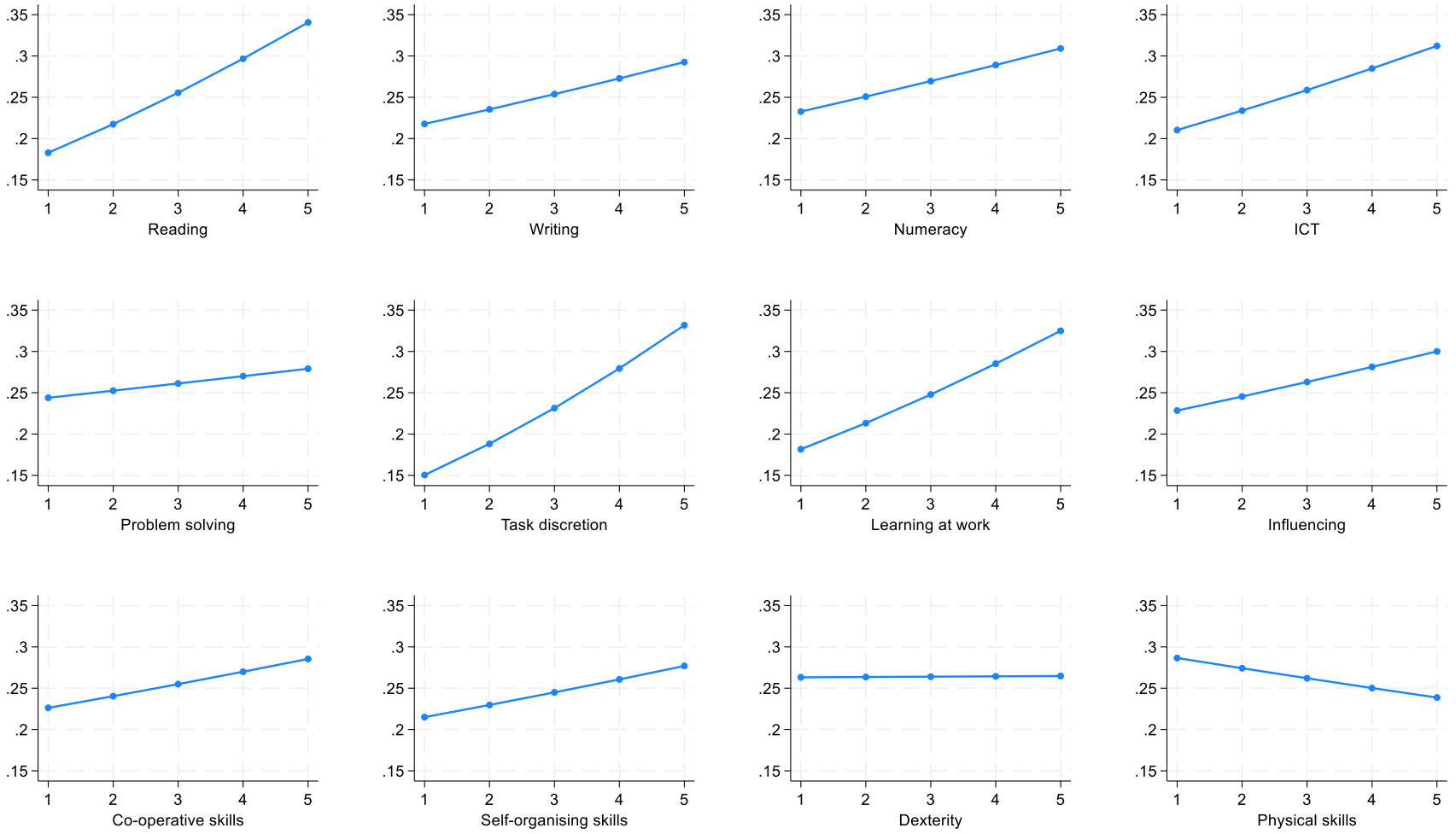
Skills use has key economic implications…

Labour productivity and reading skills use at work



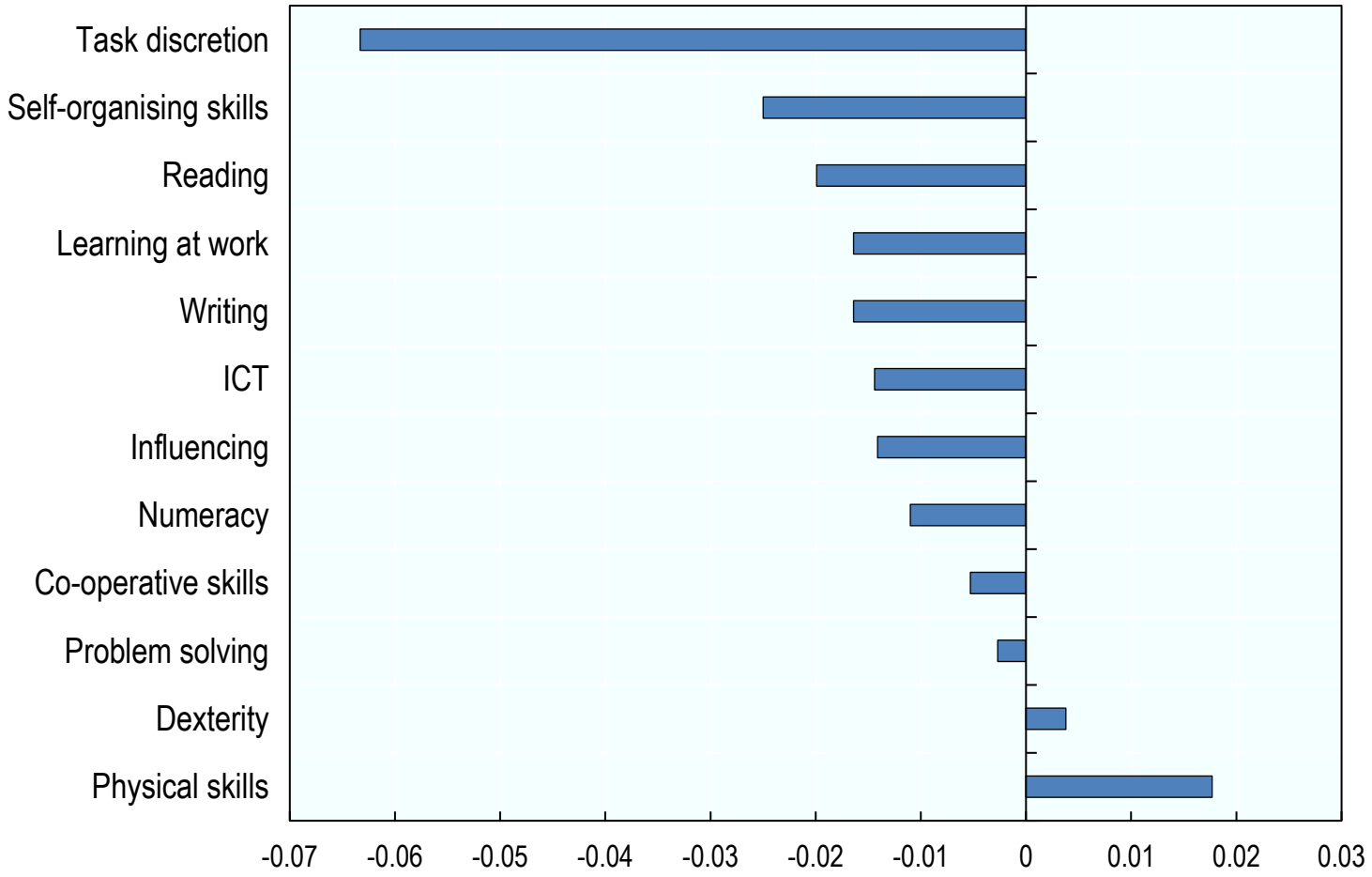
… as well as important societal consequences

Marginal probability change of being extremely satisfied at work



… as well as important societal consequences

Association of a 1-sd increase in skills use and burnout risk

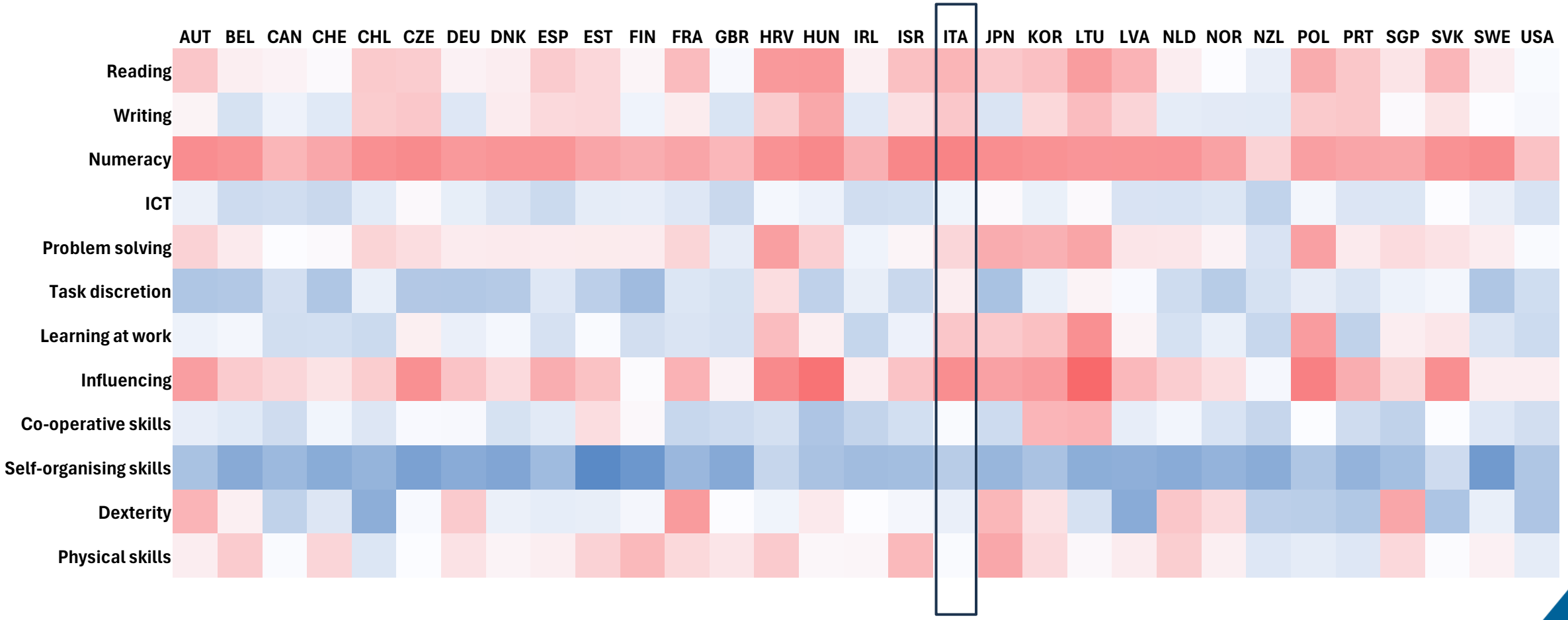


Burnout (as defined by WHO) involves:

- **Exhaustion**: pace of work, frequency of working to tight deadlines
- **Cynicism**: self-reported job satisfaction, tendency to feel depressed
- **Reduced professional efficacy**: perceived over-skilling, perceived overqualification

THE DEPLOYMENT OF SKILLS IN TODAY'S WORKPLACES

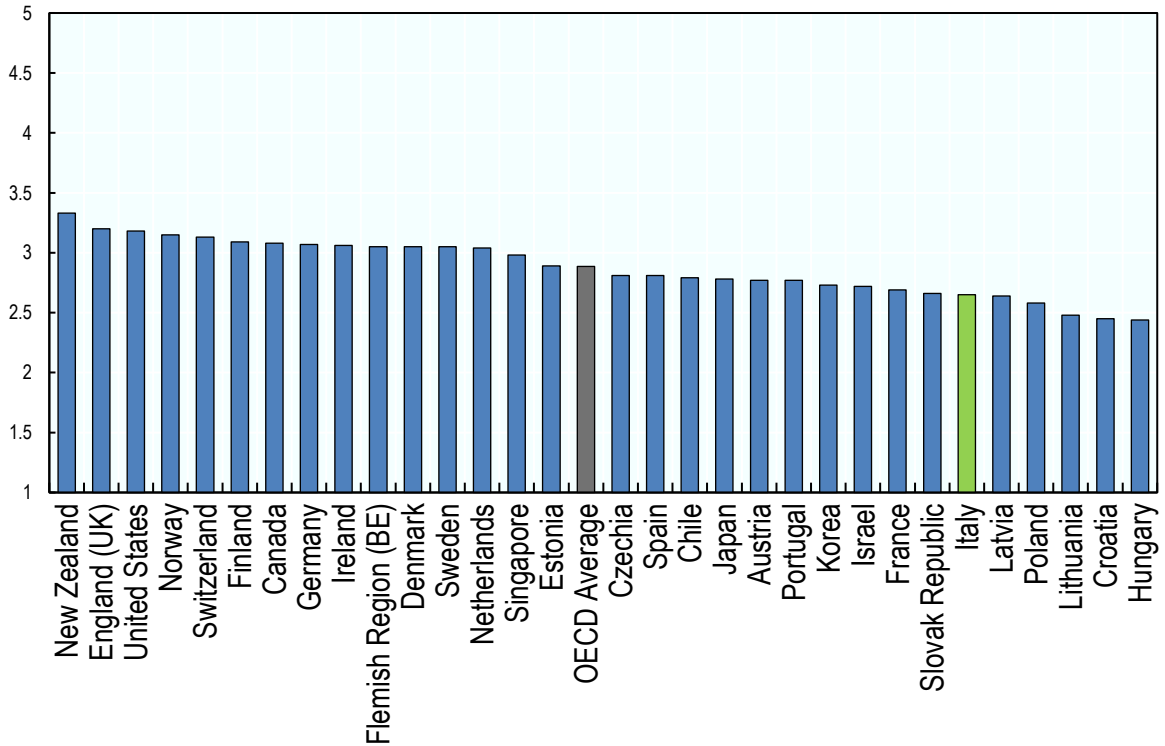
The most used skills in today's workplaces



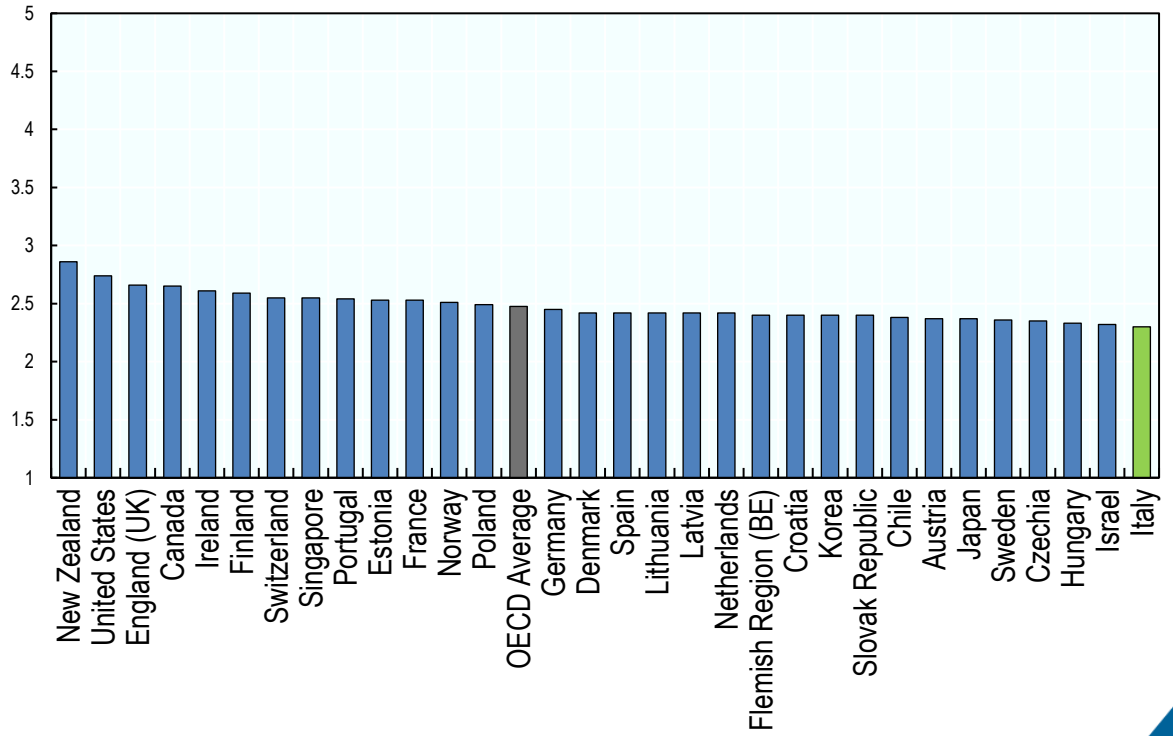
Note: The heatmap uses a blue-white-red colour scale to illustrate the relative use of skills in the workplace across countries. Blue indicates above-average use, white represents average use, and red signifies below-average use. The intensity of the colour corresponds to the degree of deviation from the overall average.

(Selected) skills at work by country

Reading

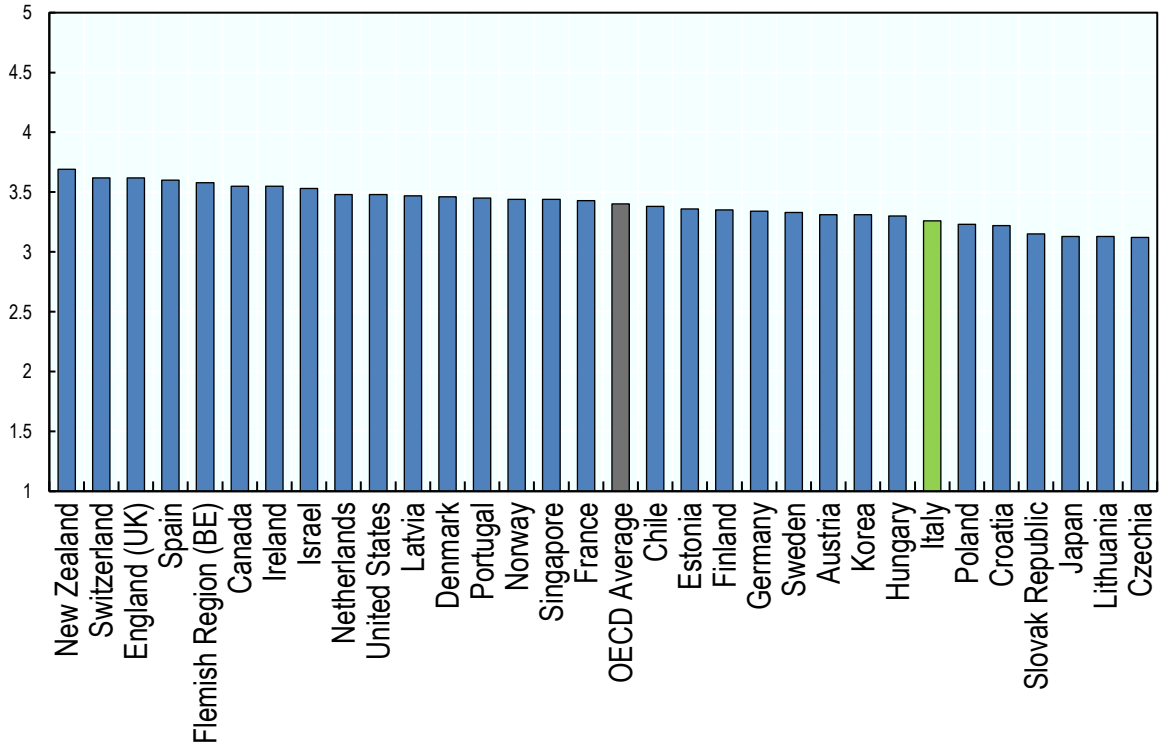


Numeracy

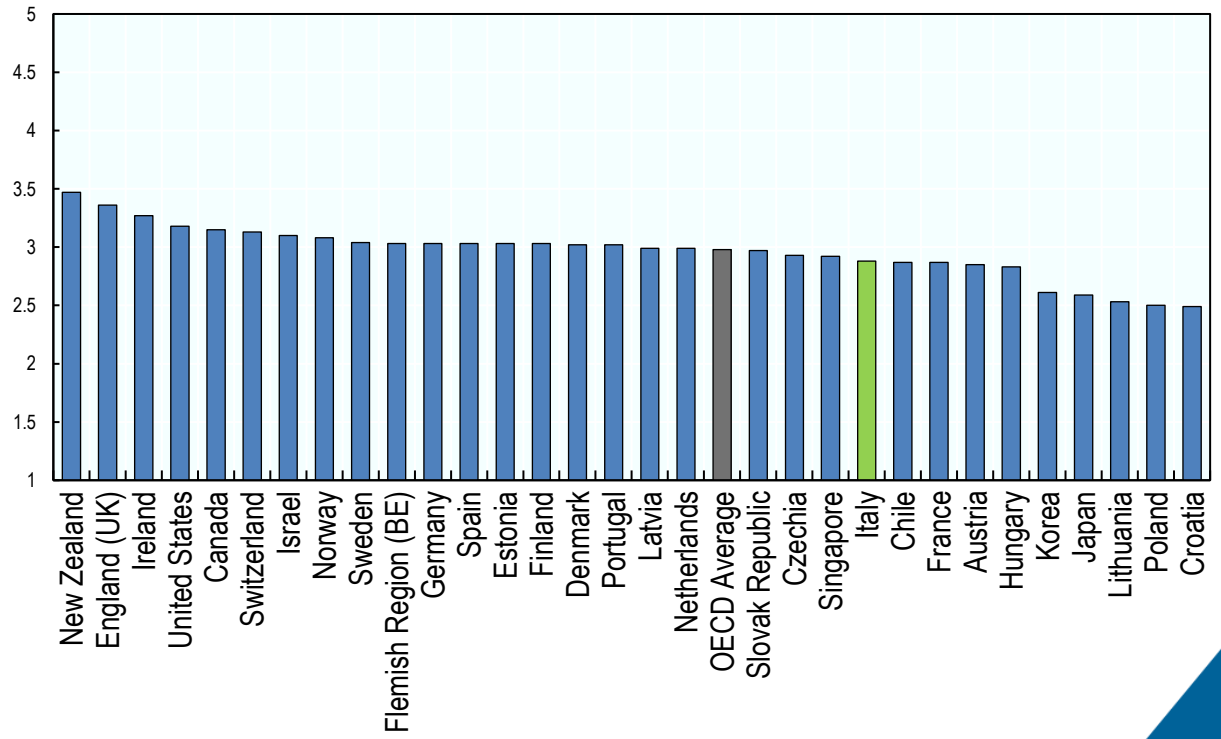


(Selected) skills at work by country

ICT

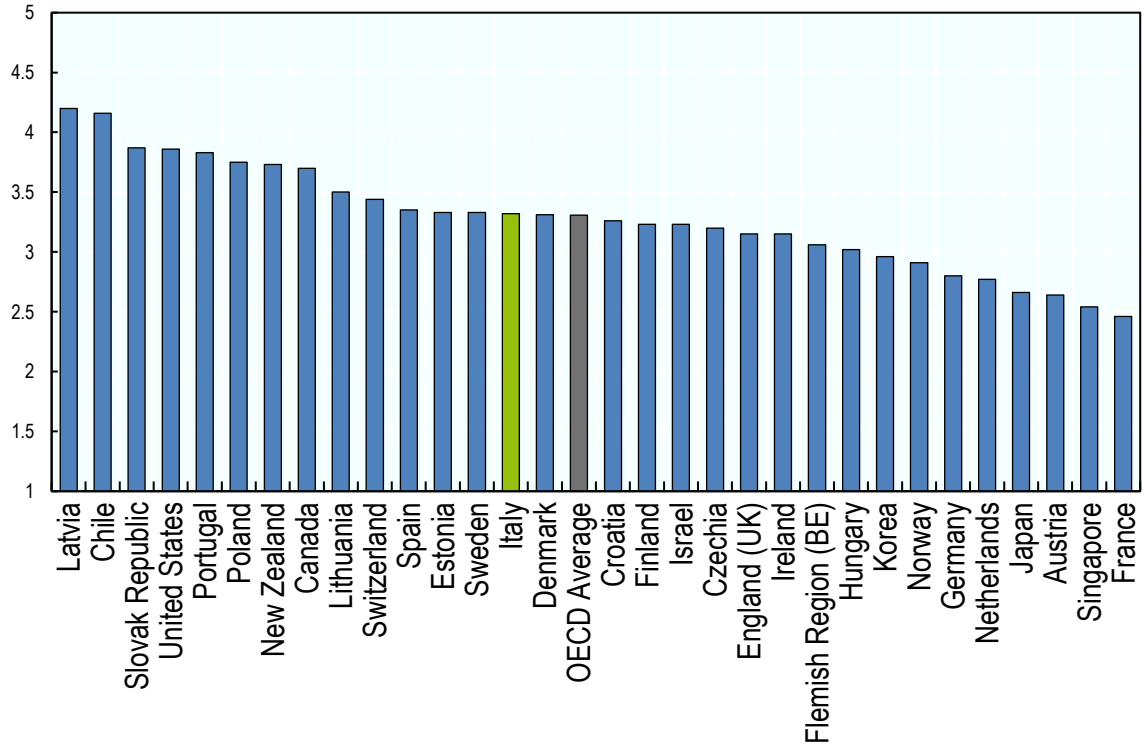


Problem solving

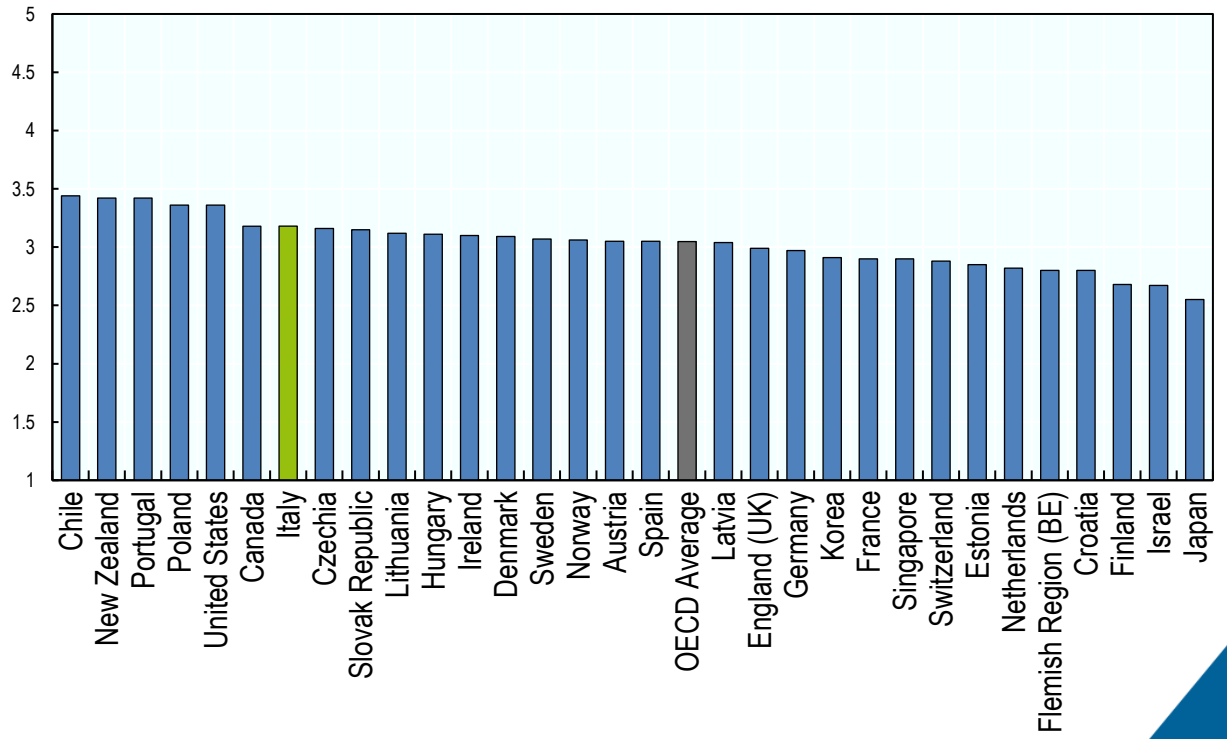


(Selected) skills at work by country

Dexterity

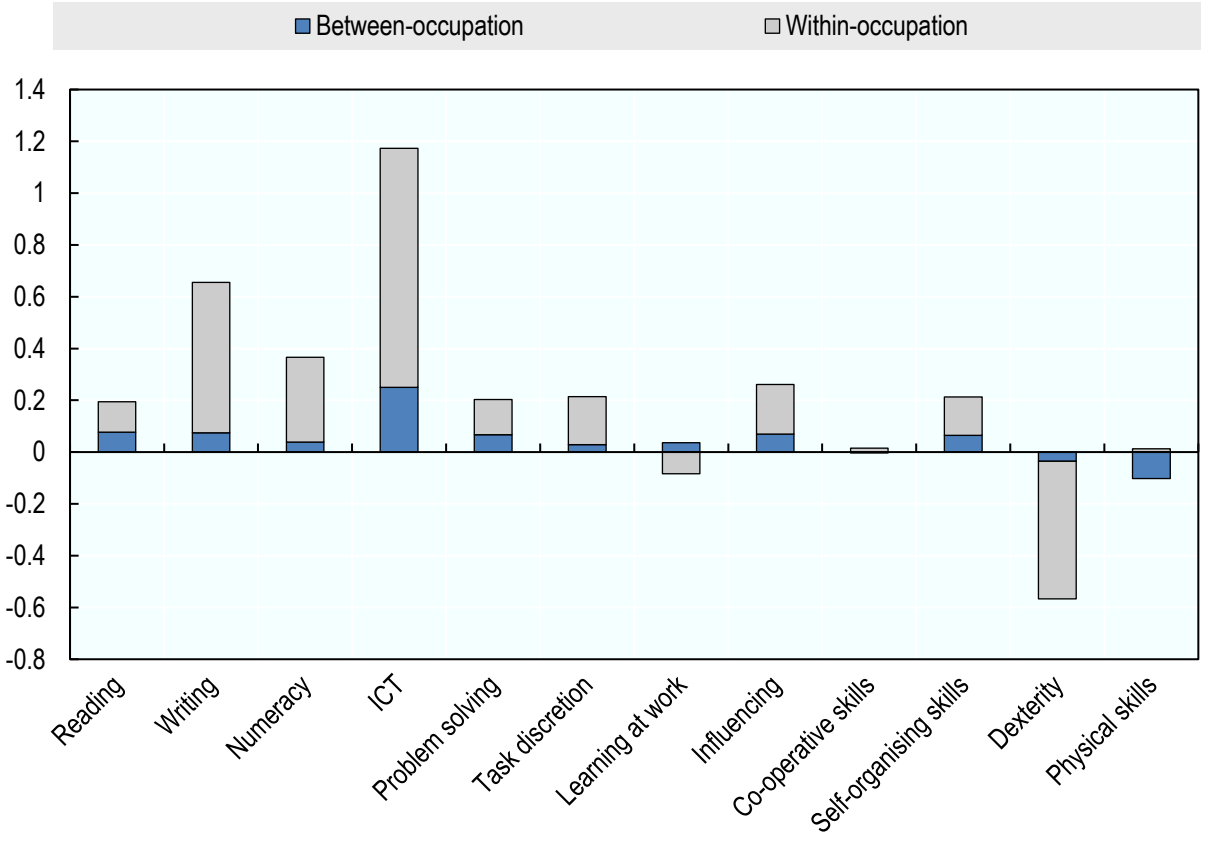


Physical skills



The evolution of skills use at work in the last decade

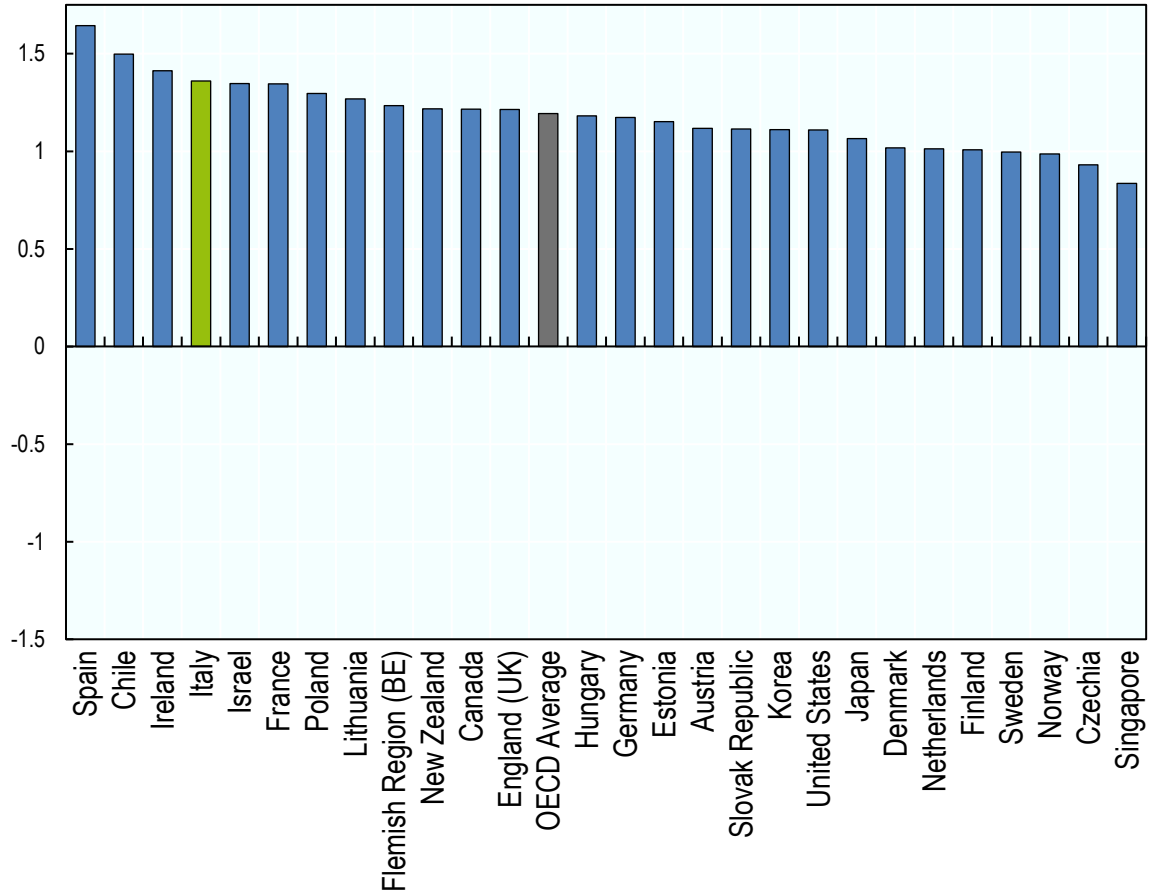
Change in skills use between PIAAC cycles
(Blinder-Oaxaca decomposition)



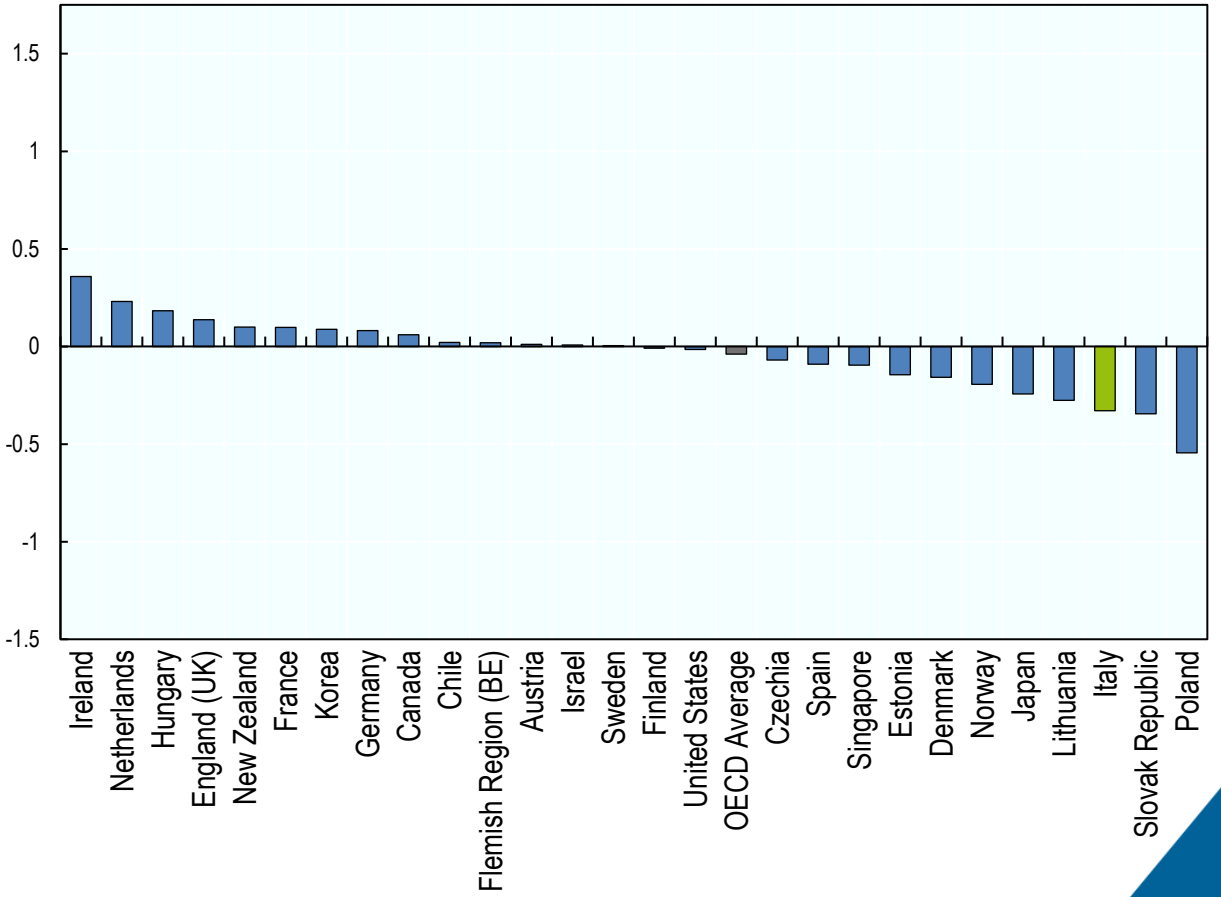
- The use of **ICT**, **writing**, and **numeracy** skills at work has expanded significantly over the past decade, indicating that digital and analytical demands are now pervasive across the labour market
- The use of **learning at work** and **co-operative skills** has changed little over time on average
- In contrast, the use of **physical** and **dexterity skills** has declined, pointing to a continued shift towards the automation of physical tasks

The evolution of (selected) skills use at work by country

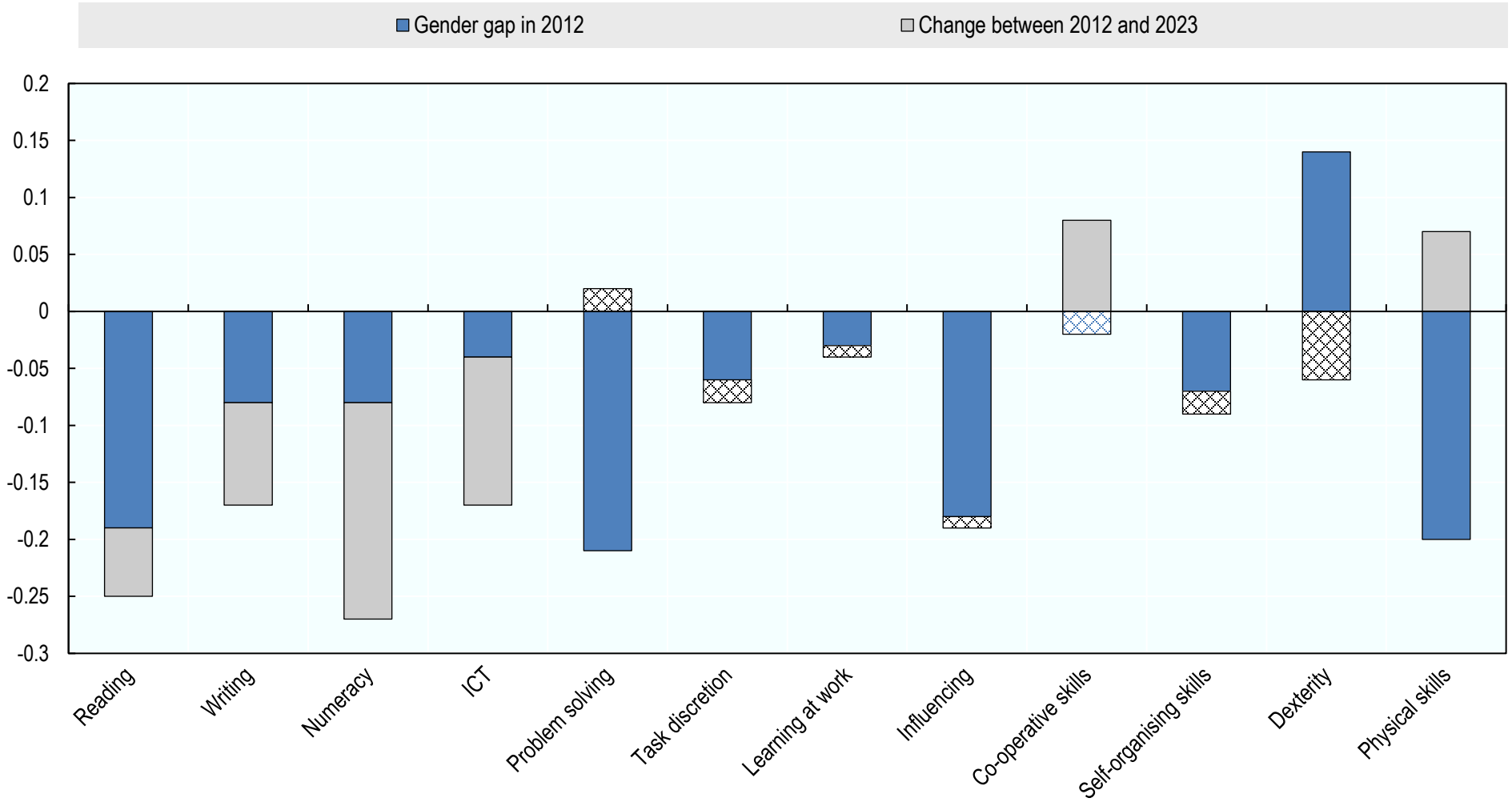
Change in the use of ICT skills at work



Change in the use of learning at work skills at work



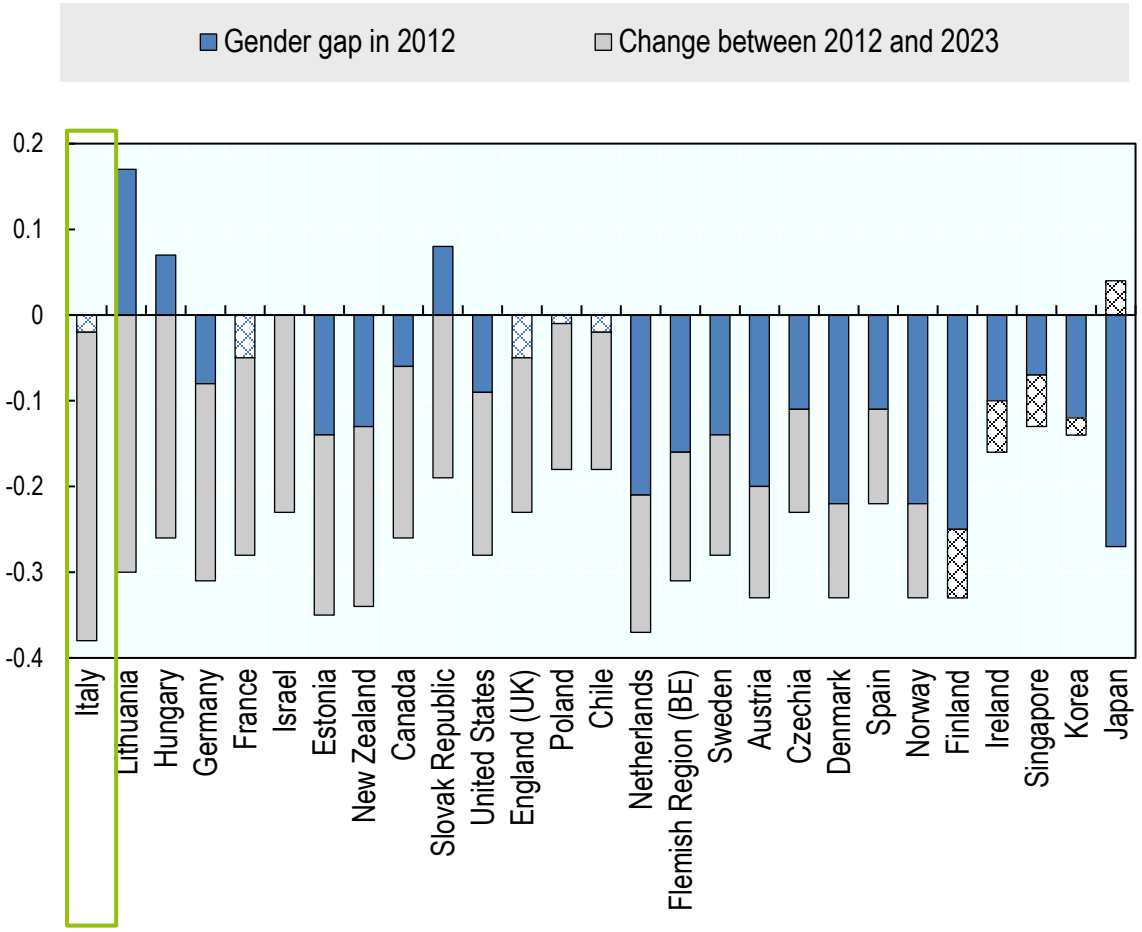
Gender disparities in skills use remain significant



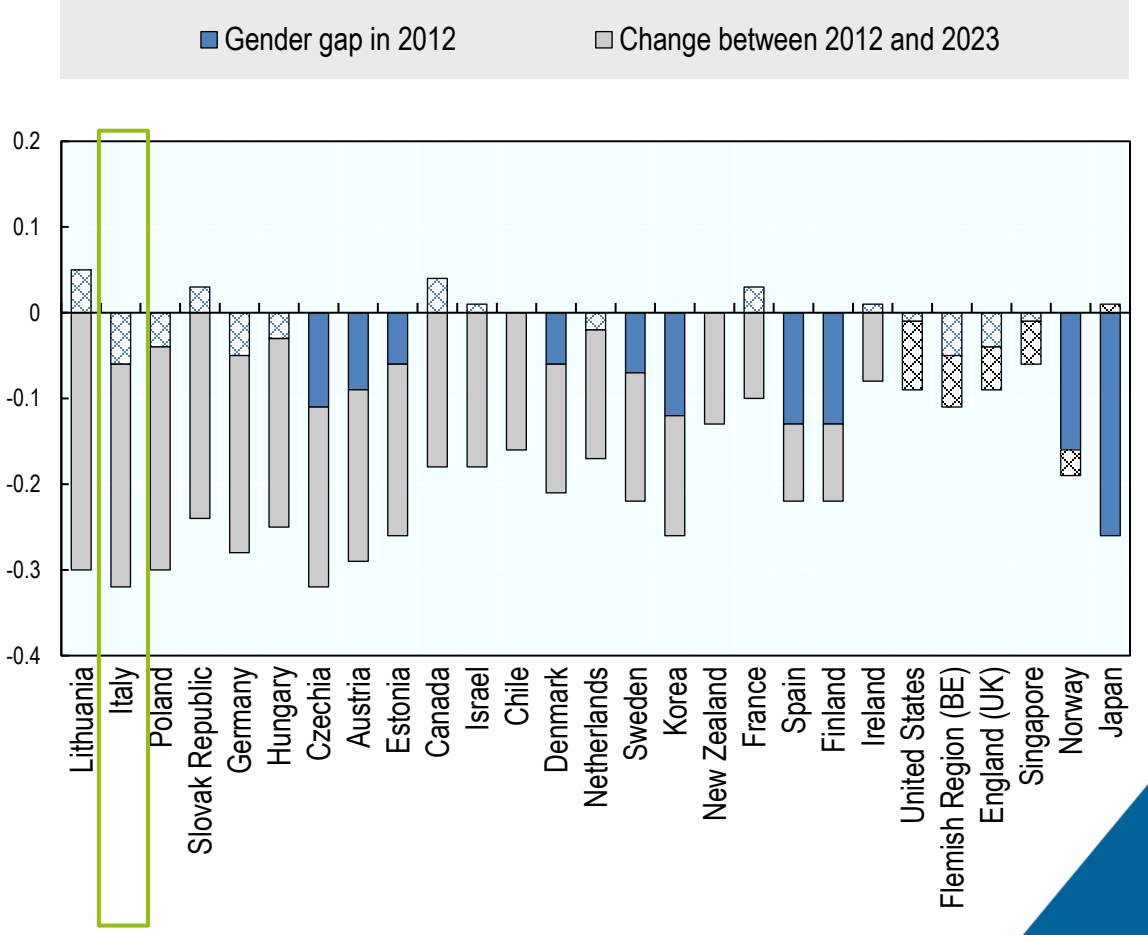
Note: Shaded bars represent statistically not significant results.

Gender disparities in skills use remain significant

A. Numeracy skills use



B. ICT skills use



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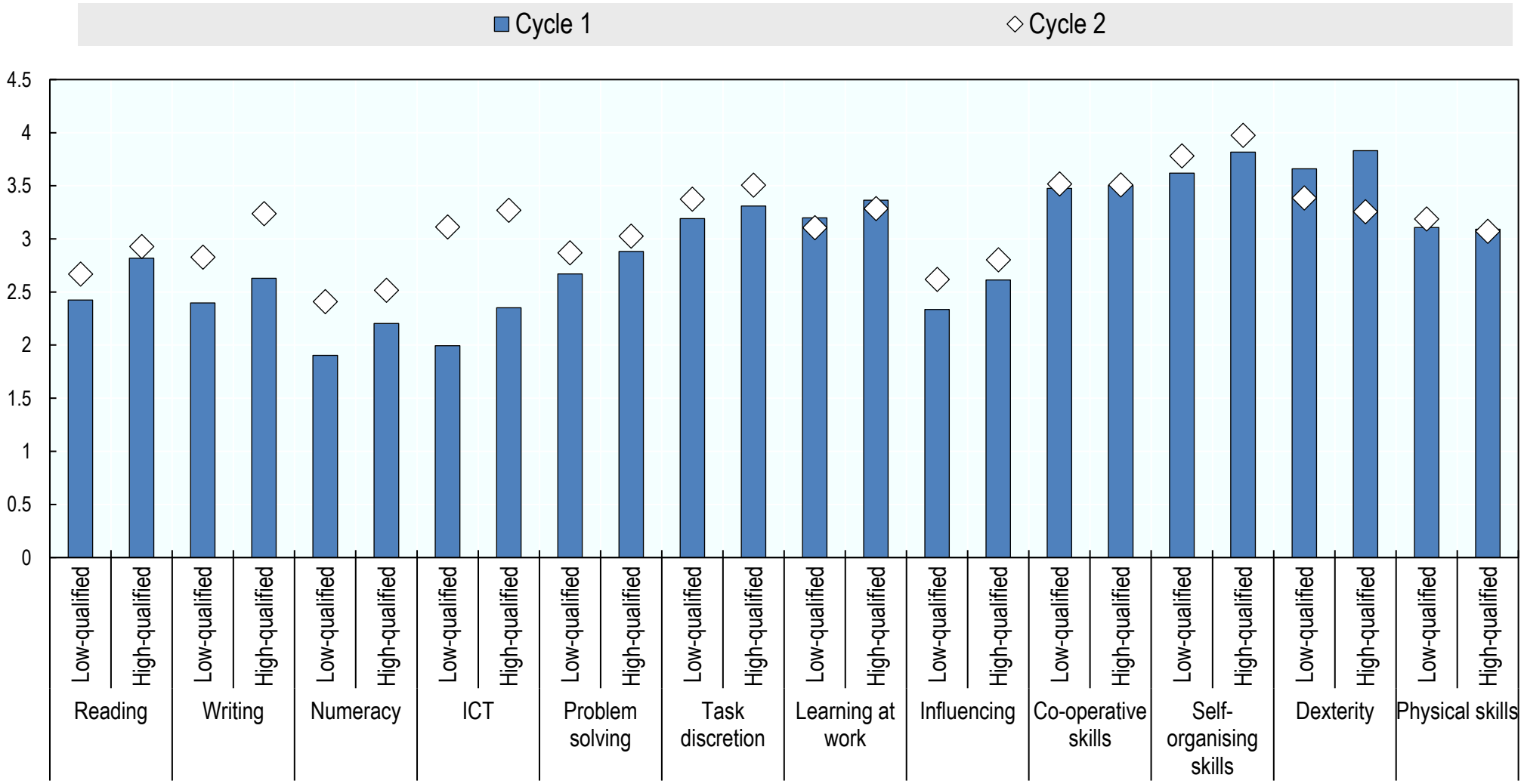
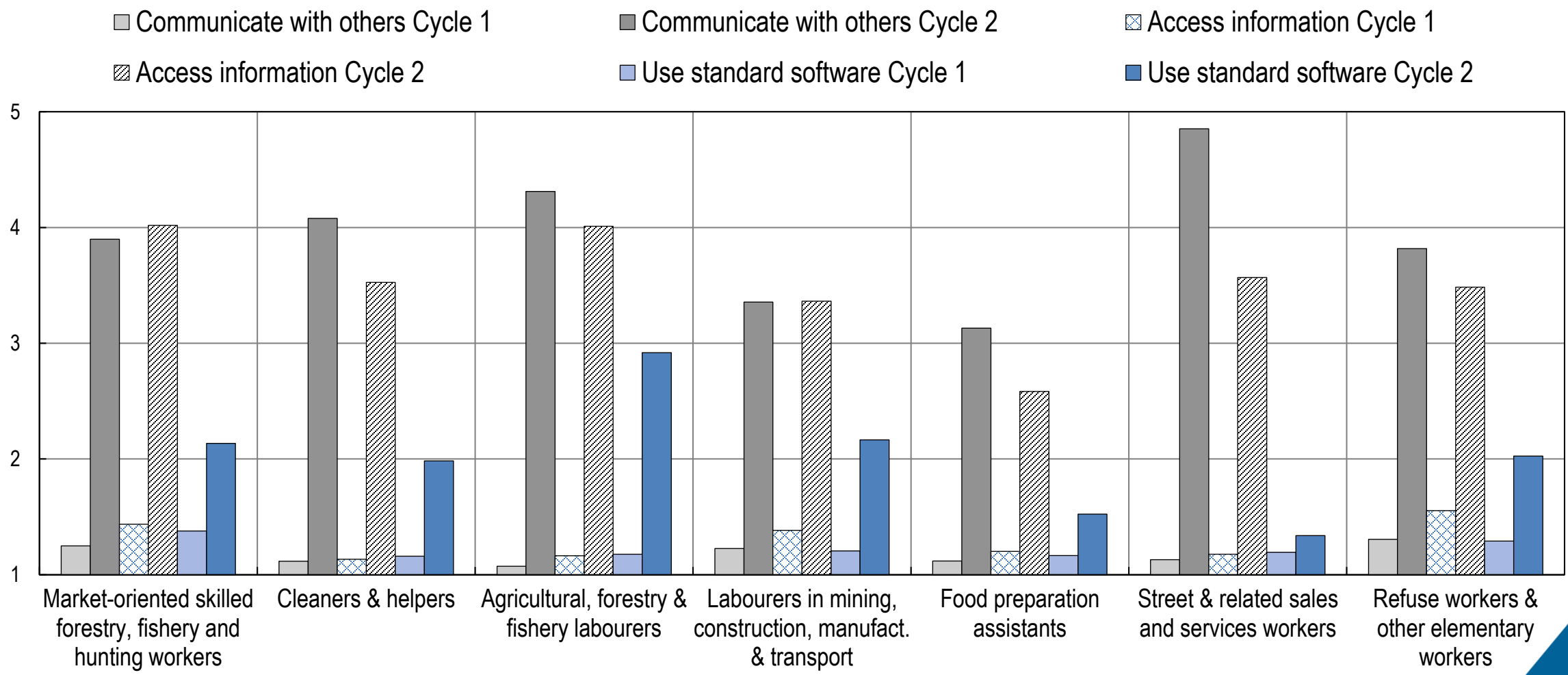
Low-qualified workers are catching up



The jobs of low-qualified workers have become more demanding in terms of the use of ICT skills

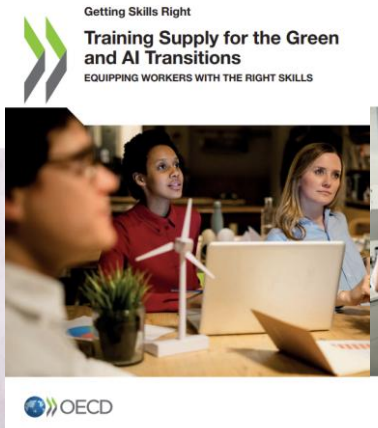


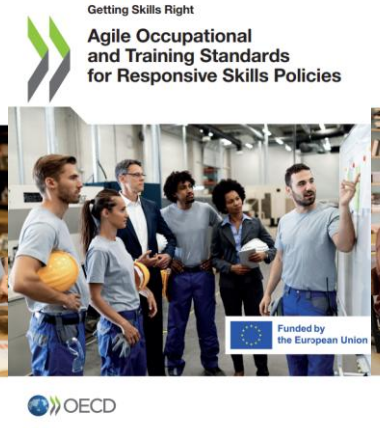
Main takeaways

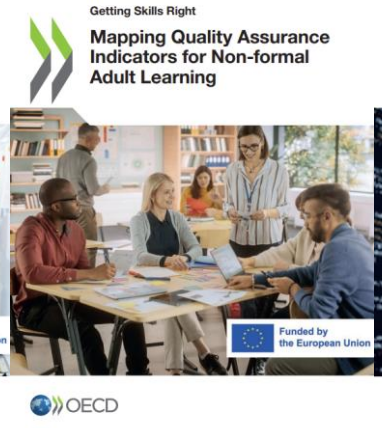
- Expanding the pool of highly skilled workers is necessary but not sufficient for productivity growth. **Bridging the gap between skills proficiency and skills use** is essential for ensuring that talent is fully utilised and that productivity gains are broadly shared.

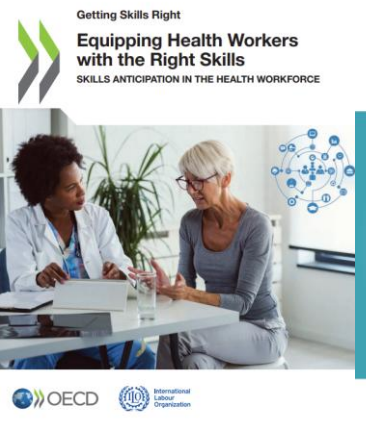
- Persistent mismatches between workers' skills and how they are deployed suggest **labour market inefficiencies**, which can be due to managerial practices that fail to leverage employee potential and workers taking jobs below their skill level due to labour market rigidities.

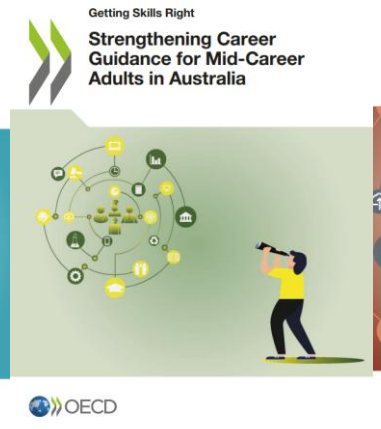
- Policy efforts should encourage **firm**-level innovation and job redesign to make better use of existing skills. At the same time, **governments** should increase efforts in strengthening labour market institutions and career guidance systems to facilitate better skill matching.

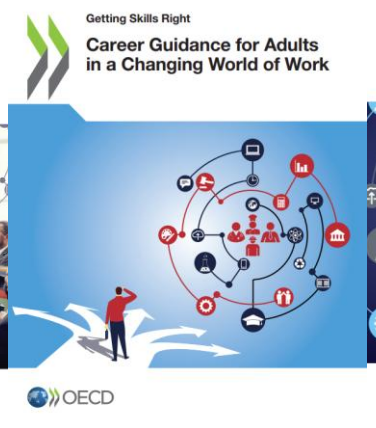


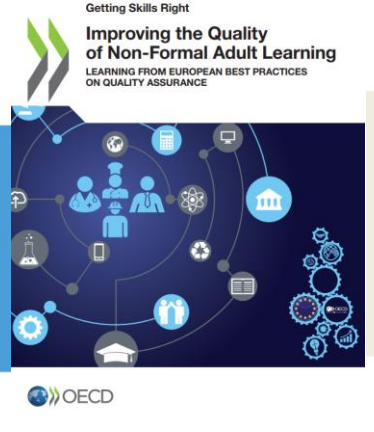












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