CIPD

Championing better work and working lives
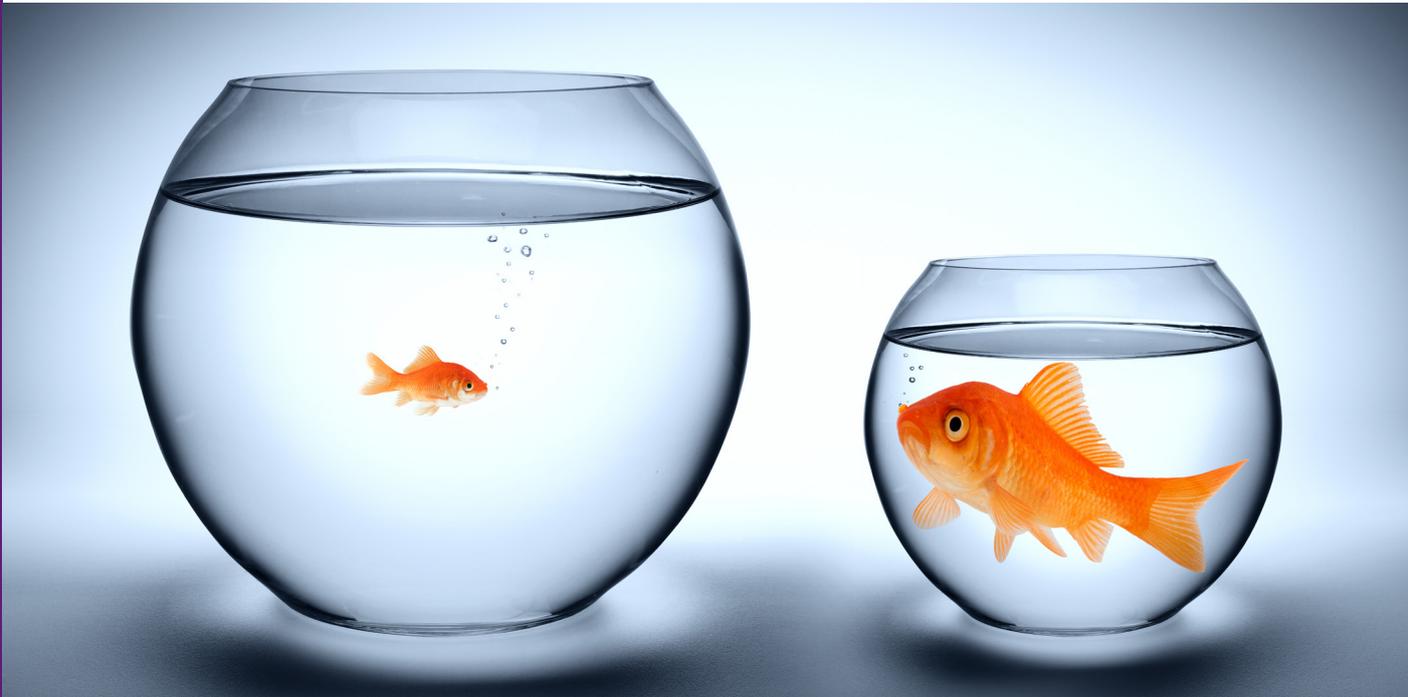
COUNTERING SKILLS MISMATCHES
THROUGH PEOPLE MANAGEMENT PRACTICE

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Countering skills mismatches through people management practice

New research by the CIPD[1] identifies the inefficient matching of people's skills and competencies with those required for their jobs as one of the key problems facing organisations and their workers. Nearly half of those surveyed (49%) said their skills were not well matched to their roles.

Skills mismatches – which occur when someone either has the skills to cope with more demanding duties or lacks some of the key skills required to perform their job effectively – have important individual and organisational ramifications. Those in mismatched roles are more likely to suffer from psychological distress, report lower job satisfaction and more likely to want to quit. In addition, they are saddled with more limited earning potential and progression opportunities. A significant portion (32%) doubt there is trust between management and employees. These factors produce a further knock-on effect for the organisations they work for, manifesting in poorer staff retention and reduced workforce productivity.

Conversely, research has shown that when people are able to use their skills fully, organisations benefit from improved retention of workers, greater employee engagement and enhanced relations between management and employees. Analysis from the OECD further suggests that the UK on the whole could benefit from a 5% productivity gain if the level of skills mismatches could be reduced to OECD best practice levels.

---

[1] *Over-skilled and underused: investigating the untapped potential of UK skills*, CIPD, October 2018.

Problems caused by skills mismatches:

- lower job satisfaction, earnings and career prospects
- lower confidence, higher stress
- less likely to say there is trust
- workers more inclined to leave
- lower productivity.

Practical approaches to countering skills mismatches

How well people's skills are used in the workplace is shaped by the way work is organised, how jobs are designed, as well as other people management practices. Well-designed work that provides opportunities for growth, a supportive workplace culture that fosters commitment and engagement, alongside effective reward and performance management, all contribute towards people staying motivated and deploying their skills more fully. In particular, employers and people managers can look at a number of specific actions to reduce skills mismatches and improve development opportunities within their organisations. These include:

- conducting a skills audit
- reviewing job design and team structures
- revising recruitment practices
- investing in deliberate training and skills development
- improving line management capability.

Conducting a skills audit

Knowing and understanding the skills you have within your workforce is the essential first step in addressing skills mismatches. Segment your workforce, look at skill sets, consider demographics and identify business-critical roles – both strategic and operational. Skill sets people have may not be confined to only those that are regularly used in their current roles – there may be relevant skills that are or have been developed outside of work. A skills audit via a self-assessed learning diagnostic and regular development conversations can help organisations identify and make better use of their people's skills, particularly in areas of the business where those skills are in high demand.
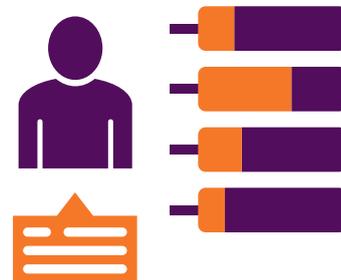
Reviewing job design and team structures

Having established an understanding of the available skill capabilities, a review of current job design[2] and team structures will help identify areas where the use of those skills can be optimised. Well-designed work, particularly work that provides individuals with the chance to problem-solve and collaborate with others, bolsters employee empowerment, greater trust, and development of the skills that are seen as most important for work, skills such as communications, teamworking, planning and organisation, and of course problem-solving.

---

[2] See CIPD factsheet, *Job Design*.

Revising recruitment practice

Degree-level qualifications are often used as a candidate filter in the recruitment sifting process, even when those qualifications do not have direct relevance for the role in question. This practice perpetuates the problem of over-skilling. Employers need to rethink the entry requirements of the job and not be caught up in what others are doing. This would help reduce qualification mismatch and at the same time make recruitment practices[3] more open and inclusive, enabling employers to benefit from a more diverse talent pool.

Recruiters should be prepared to take a broader view on transferable skills and seek not only candidates with like-for-like experience, but those with potential and ability to grow with the changing requirements of the organisation. This would curtail the need for businesses to play catch-up on replacing rapidly changing skill sets.

Investing in deliberate training and skills development

Nearly a quarter of employees (24%) had reported not receiving any form of training over the last 12 months. Providing employees with access to training, as well as opportunities to pick up experience from changes in duties or tasks, helps individuals develop and deploy their skills more effectively. Employers should explore a combination of interventions including formal training sessions and various forms of in-work learning and application.

For example, learning from peers through face-to-face interactions or online networks is rated by workers as the most useful way of learning. Employers, therefore, should explore mentoring initiatives, incentivise knowledge-sharing, and create opportunities for employees to 'talk shop'. Job rotations and secondments, as mentioned above, along with shadowing are other forms of development that could be offered, particularly as these are highly valued by employees for acquiring the relevant skills and experience to support both their work and careers.

When considering skills development measures, remember that it may not only be technical skills that are most needed. Broader skills including communications and customer-handling, as well as 'basics' like numeracy and digital can be critical in unlocking additional capability within your organisation. A skills audit, as discussed, will help identify the areas of need. Be sure to make training accessible to the different segments of your workforce, including part-time workers.

---

[3] See CIPD factsheet, *Recruitment: an introduction*.
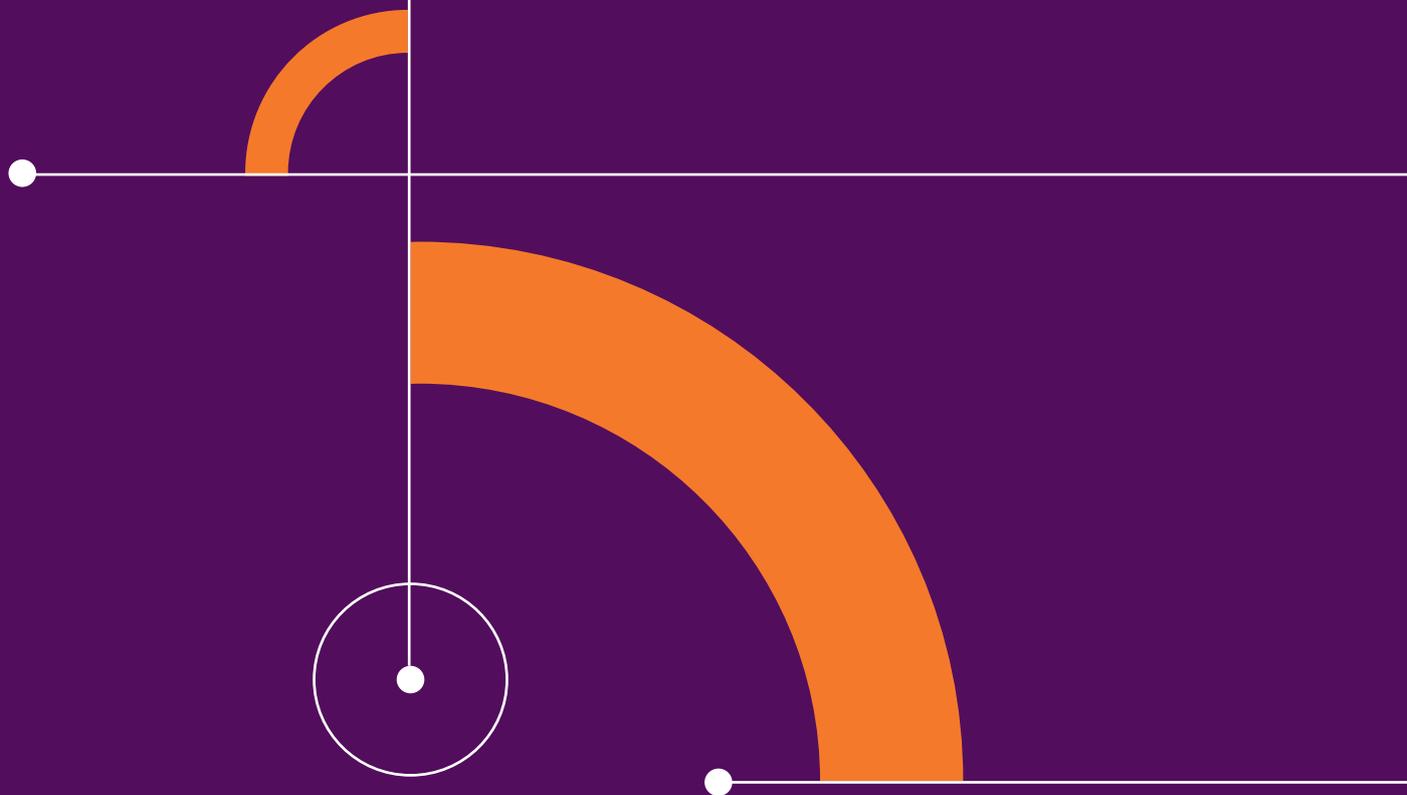
Improving line management capability

Line managers are seen by workers as gatekeepers to development opportunities and progression. They are key to shaping workplace culture and fostering a work environment that is productive and supportive of learning. However, many employees are critical of their managers' lack of time or experience in fulfilling their roles. Common criticisms are that managers are too 'hands off', and fail to provide proactive support, guidance or feedback. Most managers themselves say they had received no training on how to carry out their function. Organisations should therefore look to extend training[4] and development[5] to include line management capability as well, particularly as staff are considered for promotion into managerial roles.
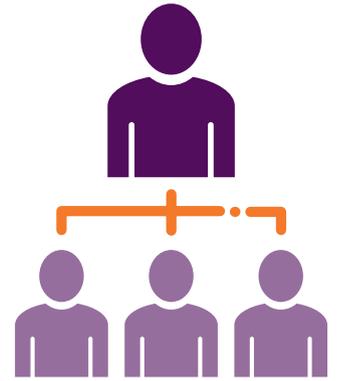
Management for its part needs to be open to embracing employees' skill sets and ideas for product and process improvements. Line managers should take initiative, and adopt a creative approach to capitalising on their staff's skills and experience, especially those gained from previous employment.

---

[4] See CIPD podcast, *Training Line Managers*.
[5] See CIPD factsheet, *Management Development*.

CIPD