



NFER

National Foundation for
Educational Research

NFER Briefing

1 Background

The global economy faces significant shifts in the coming decades. The world of work is in state of transformation due to technological advancements, environmental changes, demographic shifts, and the impact of Covid-19. These effects are forecast to have a huge impact on the workplace and the role of workers in the labour market in the next 10 to 15 years and beyond, both in terms of the jobs that will be available and the skills needed to do them. Failure to develop the skills base of the workforce could lead to a mismatch between employer needs and the skills available, resulting in recruitment difficulties, underemployment and wider social issues.

There is currently limited understanding of the combination of essential employment skills which will be needed, their relative importance, and how to develop them in England. To fill this evidence gap, our Nuffield-funded research study, [‘The Skills Imperative 2035: Essential skills for tomorrow’s workforce’](#) is investigating:

- which essential employment skills will be most needed in 2035
- what will their likely supply be and where will the gaps be
- the role of employers and educators in preparing workers and young people for future employment needs
- which occupations and workers are most at risk of not having these skills and
- which skills will affected workers need to develop to transition into new employment opportunities

2 Key findings

This first report, a review drawing on a wide-ranging and growing evidence base, sets the scene for our wider research study by bringing together what the literature suggests about what the world of work will look like in 2035 and which essential employment skills will be in demand.

- Human reasoning and interaction will be important in expected growth areas (such as health, social care and education) as well as in areas more typically associated with the future, such as digital, technological and green industries.
- Workers with low levels of education or in low-skilled/routine tasks continue to be at greatest risk from automation, particularly in areas such as production, manufacturing and administration. However, artificial intelligence will also impact higher skilled jobs.
- Urgent action is needed to ensure future skills demands can be met and to raise worker employability, given that around 1.5% of the manufacturing workforce in the

EU has already been displaced by technology (Oxford Economics, 2019) and 22 per cent of current workforce activities across the EU could be automated by 2030 (Smit et al. 2020).

- The pandemic has accelerated the pace of digitisation, automation and artificial intelligence (AI) and exacerbated labour market inequalities, again underlining the need for action.
- Problem solving/decision making, critical thinking/analysis, communication, collaboration, creativity and innovation are transferable skills which will be in high demand in the next 15 years and beyond as technology becomes more embedded in the workforce.

3 Addressing these issues

[The Skills Imperative 2035: Essential skills for tomorrow's workforce](#) – will build on the literature review findings, by estimating the likely future supply of essential employment skills, identifying where the skills gaps fall and outlining which workers are most likely to be affected. This will allow strategies to be developed to ensure future employment needs can be met and to help workers transition to other sectors or jobs.

Our research will also look at the role of education, in particular seeking to examine the following questions:

- What are the best ways of measuring the current and needed skills/attributes?
- What role should employers, schools, post-16 training providers and third sector organisations play in developing essential employment skills, and where are the barriers?
- To what extent should essential employment skills be explicitly developed; and to what extent should they be ‘taught’, as opposed to nurtured or experienced?

4 Next steps

The Skills Imperative 2035, funded by the Nuffield Foundation, will see NFER and its co-investigators working with employers, policy makers, and education leaders to address these pressing issues about skills, work and education.

NFER's co-investigators include University of Sheffield, Institute for Employment Research at Warwick University, Cambridge Econometrics, Kantar Public, Learning and Work Institute and the University of Roehampton.

5 About NFER

The National Foundation for Educational Research (NFER) is an independent, not-for-profit organisation dedicated to producing high-quality, independent research and insights to inform key decision-makers about issues across the education system. Our mission is to generate evidence and insights that can be used to improve outcomes for future generations everywhere, and to support positive change across education systems.

6 About Learning and Work Institute

Learning and Work Institute is an independent policy, research and development organisation dedicated to lifelong learning, full employment and inclusion. We research what works, develop new ways of thinking and implement new approaches. Working with partners, we transform people's experiences of learning and employment. What we do benefits individuals, families, communities and the wider economy.

7 Contact

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