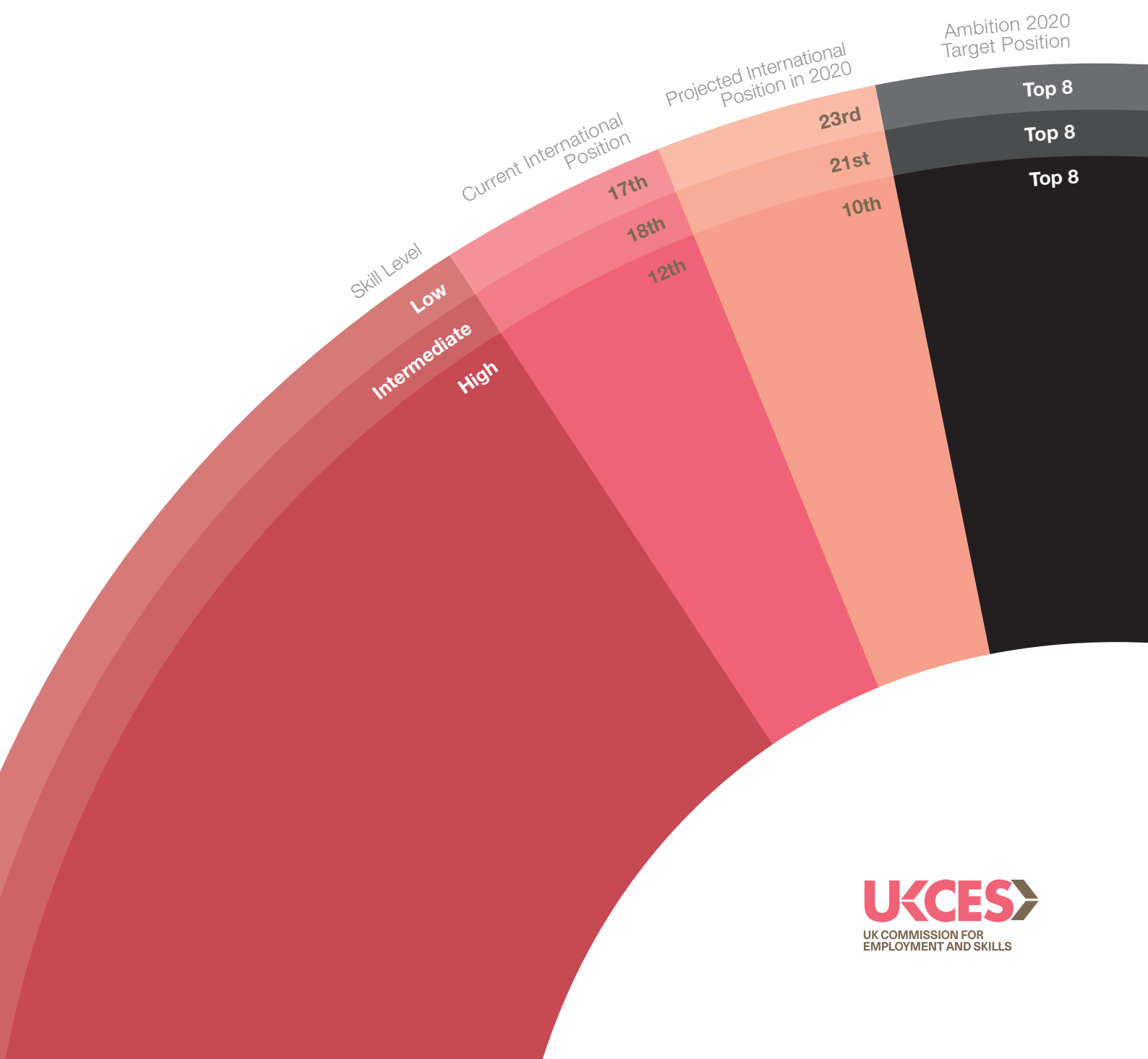


Key Findings and Implications for Action

The 2009 Report

# Ambition 2020: World Class Skills and Jobs for the UK



**“Our prosperity depends on the success of our economy. That depends on the jobs we are able to create; and having the skilled workforce we need to do them – and to do them well.”**





## Foreword

We are living through tough times. After an unparalleled period of economic growth, bringing new jobs and new prosperity, we are in the teeth of a recession which may also be unparalleled in its length and depth.

But recovery will come, and with it, fresh opportunities and challenges. We must work hard to beat the recession, but we must not forget to prepare for that recovery and the better times ahead. Indeed, we must work to create the conditions to force sustainable recovery.

Key to this will be investing in our people. There can be little more important than equipping the UK with the skills it needs, for the jobs it needs both today and tomorrow. Our prosperity depends on the success of our economy. That depends on the jobs we are able to create; and having the skilled workforce we need to do them – and to do them well.

The UK Commission for Employment and Skills was established to advise government on the policies, strategies, measures and targets needed if we are to achieve our ambition of being in the top eight countries in the world for skills, jobs and productivity.

One of our key tasks is to assess the UK's progress towards that goal. This is the first of what will be an annual assessment of how well we are doing, and what more needs to be done to achieve our ambition by 2020. It monitors progress against our international competitors, providing a sound evidence base for advice and an agenda on which future success can be built.

The UK Commission will contribute to achieving our World Class Ambition: building the vision, agenda and priorities for the future; helping employers, government and the people of the UK to realise their full potential; maximising both skills and jobs; and bringing prosperity to us all.



**Sir Michael Rake**  
Chairman, UK Commission for Employment and Skills

## Contents

4	Introduction
4	The Current Challenge
5	Our Ambition
5	Our Progress: How Are We Doing?
6	Our Prospects for Attaining the 2020 Ambition
8	Jobs: Today and Tomorrow
10	Skills and Jobs: Balance and Mismatch
12	Raising Employer Ambition
13	Skills and Employment Policy: Next Steps
16	The Implications for Action
18	Our Vision

### **The full report:**

*The 2009 Report – Ambition 2020: World Class Skills and Jobs for the UK* is available at [www.ukces.org.uk](http://www.ukces.org.uk). Hard copies are available from [info@ukces.org.uk](mailto:info@ukces.org.uk).

### **Cover:**

Skill levels of the UK workforce – Ambition 2020

# Introduction

The UK Commission for Employment and Skills marks our first year of operation with the publication of *Ambition 2020: World Class Skills and Jobs for the UK* and our *2009–14 Strategic Plan*. The first fulfils our responsibility to report annually on UK progress towards becoming world class in employment and skills by 2020. The second sets out how the UK Commission will contribute toward achieving this goal.

This summary of *Ambition 2020* highlights the key findings of the main report. It then goes further to outline the Commission's view of the actions that are required for the employment and skills system to respond to our current difficult economic conditions and to lay the foundations for recovery.

We begin with our key findings, outlining the existing challenge, before setting out our ambition to be in the top quartile of OECD countries, and the UK's current position on the road to that ambition. We then assess our prospects for attaining this goal by 2020 before examining how far the skills of the workforce match our future employment needs. We conclude by examining employer ambition and the role of public policy in meeting the UK's skill and employment needs.

Following this summary of our findings, we set out five priorities that we believe are essential to economic renewal and to securing our place in the upper quartile of OECD countries. Finally, we outline the Commission's Strategic Plan.

# The Current Challenge

Today, we are facing unparalleled and unpredictable challenges. After 15 years of continuous growth, we are in a global recession that may be the deepest in 75 years. Employment is falling and unemployment is rising with thousands of people losing their jobs in communities throughout the UK.

The impact on the economy and society will be far-reaching. To secure economic renewal – to emerge from the recession stronger, more adaptable, more competitive – will demand bold and concerted action across the public, private and third sectors. We must focus not only on how to survive the recession, but on how we will thrive in the years ahead.

The challenge for our UK employment and skills systems is formidable. In each nation, we need to build a system to match the high skill, people-driven economy of the future – a system that responds well to business need while opening opportunity for all people. We must increase the ambition and aspiration of individuals to gain new skills – not just once, but throughout their working lives. We must transform the way that employers invest in their workforce and use the skills of their employees. And we must achieve this radical change in a way that delivers higher performance at lower cost.

The stakes are huge and time is short, but if we set our sights high and act together with determination and imagination, the prize is immense. In the following sections, we set out where we are now and what it will take to achieve our Ambition for a World Class employment and skills system.

# Our Ambition

Our Ambition is to be one of the top countries in the world – for jobs, for productivity and for skills: a World Class economy, built on World Class skills, supporting high performance jobs and businesses. In practice, this means being in the top quartile of OECD countries – the top eight OECD nations – in jobs, productivity and skills by 2020.

Our future prosperity depends ultimately on employment and productivity: how many people are in work and how productive they are when they are working. Skills are essential to both and if we are to become World Class, we must raise our game to match the productivity, skills and jobs of the best. Latest internationally comparable data (2006) shows that we have some way to go. We rank 11th in the world in productivity levels and 10th in employment. We also rank 14th on income inequality – in the gap between the highest and lowest earners. And, within the UK, there are substantial variations across the nations and regions in both productivity and jobs.

We will not close the skills gap with our competitors unless we can achieve a culture in which employers and individuals place a high value on skills and continued learning. Skills are vital to both employment and productivity. They increase the likelihood of individuals being in employment and the wages they can earn. They increase the chance of business survival and contribute to business growth and productivity. They are a critical driver of economic growth, economic development and community regeneration. In short, a strong skills base is pivotal to jobs, to productivity, to our national prosperity.

Governments across the UK are seeking to grip this challenge. Millions more learners have gained basic and intermediate skills over the last decade than in the preceding decade. Skills provision is increasingly becoming more employment responsive and employer-led, including for example the £1 billion Train to Gain programme in England. Apprenticeship numbers across all the UK nations have risen dramatically and remain a key platform for the future. And there are new schemes which more strongly link skills to job opportunities for the unemployed.

# Our Progress: How Are We Doing?

The aim of achieving World Class employment and skills – of becoming one of the top countries in the world at every skill level by 2020 – is highly ambitious. It means attaining more than 20 million additional qualifications. This is equivalent to *more than one for every second adult of working age* by 2020. Because current skill levels vary widely across the nations/regions of the UK, this Ambition is even more stretching in many parts of the country.

There are signs of significant progress in recent years. The numbers of high skilled people have increased by more than a third, or more than 3 million people, in the last 10 years, while the numbers without qualifications have fallen by a quarter, or more than 1.5 million people.

Latest international data (2006) on the UK workforce, compared with those in the other OECD countries, is little changed from that reported in the Leitch Review. We are ranked 17th on 'low' level skills; 18th on 'intermediate' level skills and 12th on 'high' level skills. While the overall UK skills profile is improving, too many people are in danger of being left behind: 1 in 8 adults of working age have no qualifications; more than a quarter are not qualified to Level 2; and just shy of a half are not qualified to above Level 2.<sup>1</sup>

These international benchmarks are based on qualifications. Some other benchmarks are available for European Union countries and on these criteria the UK performs better, for example, on lifelong learning where the UK is placed third highest in the EU and, on overall progress towards the five commitments of the 'Lisbon agenda', the UK comes fifth. With regard to training, we find that around two thirds of UK employers provide training to their staff and the overall volume seems high. However, this training is unevenly and unequally distributed. Low skilled employees and those in lower status occupations receive measurably less training. Importantly, managers receive particularly low levels of training in comparison with other OECD nations, as do employees in small firms and in a number of important sectors of the economy.

<sup>1</sup> The four nations of the UK each have differing ambitions, goals and milestones though all except Scotland do currently focus on qualifications as the key success measure.

# Our Prospects for Attaining the 2020

We have assessed our likely progress and the prospects of achieving World Class standing in skills and jobs in the next decade. Our projections suggest that, without urgent action, the UK's relative international position is unlikely to become World Class.

In 2020, on recent trends, we are likely to be ranked 23rd in the OECD on low level skills (compared to 17th now); 21st on intermediate level skills (compared to 18th now); and 10th on high level skills (compared to 12th now). Unless we act decisively, we will not be in the top eight countries of the world at any skill level (see Table 1).

**Table 1:** The UK and World Class skills – international ranking in OECD 30

	2006	2020	Ambition
Low level skills	17	23	Top 8
Intermediate level skills	18	21	Top 8
High level skills	12	10	Top 8

If we translate our international ambition to reach the top quartile of countries into what this means for UK skill levels, our current projections suggest that, with the exception of high level skills, we will not achieve our objectives, as can be seen in Table 2.

# Ambition

**Table 2:** The qualifications of UK adults

	2007	2020	Ambition
Low level skills (% qualified to at least Level 2)	71	77	90+
Intermediate level skills (% qualified to at least Level 3)	51	58	68
High level skills (% qualified to at least Level 4)	31	41	40

Despite undoubted recent progress, without a step change in numbers over the next decade, we will still *not* achieve the desired improvement at low skill levels although we *may* achieve 77% qualified to Level 2 as against a 90% plus ambition. We will *not* achieve the desired improvement at intermediate skill levels although we *may* achieve 58% as against a 68% ambition. We *will* achieve the higher level skill ambition (41% as against a 40% ambition) although even here, the rate of improvement by other countries may mean that our skills progress is not quite enough to move us into the top OECD quartile.

For basic skills, the Leitch Review proposed that 95% of UK adults should have functional literacy and numeracy skills by 2020. Our projections indicate that 95% of UK adults will, indeed, have reached this minimum level of literacy by 2020. However, the numeracy goal will not be attained without a step change in numbers over the next decade; the expected outcome of UK adults achieving functional numeracy is between 88% and 90%.

With regard to employment, even before the full impact of the recession, the UK's comparatively strong position in employment had begun to slip. While the 80% employment goal is simply an aspiration, it was established to signal UK Governments' commitment to full employment. However our current rate of about 74% has not increased significantly since 2001.

# Jobs: TODAY AND TOMOR

Increasing skill levels make sense if high quality jobs are available for individuals and employers to make use of these skills. Following almost 15 years of jobs growth and relatively low levels of unemployment, economic conditions generally, and jobs prospects in particular, have deteriorated sharply in recent months. In the last three months of 2008, 180,000 people have been made redundant and unemployment has increased by nearly 140,000. However, training levels continue to remain firm.

The current conditions also need to be placed in a longer-term context. Over recent years, not only has there been sustained growth in jobs (over 3 million in the last 10 years) but, these have, on the whole, been higher skilled. The proportion of jobs requiring higher levels of qualifications has been rising whilst the proportion requiring low or no qualifications has been declining. This trend is reflected in the substantial growth in 'white collar' professional, associate professional, technical and managerial jobs.

This trend has profound implications for vulnerable groups and people facing multiple barriers to employment. These individuals are least likely to be in stable employment – or *any* employment. They are likely to be on both ends of the age spectrum, particularly the young; they are likely to be low skilled; they are more likely to have a disability; and they are more likely to be from an ethnic minority group. Nonetheless, it should be remembered that high levels of 'replacement demand' mean that a significant number of low skill job opportunities will still remain in the future.



# ROW

Making serious headway on the skills and jobs agenda during the current recession will be exceedingly difficult. Some of the jobs that are being lost will not return; some skills will become obsolete; many industries and occupations will experience restructuring – some on a massive scale. Future job growth will be slower than in the past and in some communities, return to pre-recession employment levels may take several years. However, growth *will* come, with an expected 2 million new jobs between now and 2020, and most of them will demand higher skills. And, because of retirements and other labour market changes, a further 11 million job opportunities are likely to become available.

We must prepare now for the jobs of the future. We must ensure that people have the skills necessary for the opportunities that will become available post-recession and that employers will be able to recruit workers with the skills necessary for business success.

**We must prepare now for the jobs of the future.**

We must ensure that people have the skills necessary for the opportunities that will become available post-recession and that employers will be able to recruit workers with the skills necessary for business success.

# SKILLS AND JOBS: Balance and

In an efficient labour market, workforce skill levels are sufficient to meet employer needs and the supply of skills is aligned with market demand. If these become out of kilter, two types of mismatches occur.

The first is *skill shortages*. These arise when there is an inadequate supply of appropriately skilled applicants in employers' accessible labour markets. Overall, skill shortages are actually low (around 170,000 across the UK) though they are more significant in small establishments, in some key occupations (eg skilled trades, associate professional and technical occupations), and in a number of sectors (eg construction and audio/visual) and localities (eg London).

The second mismatch that occurs is *skill gaps*, where members of the existing workforce are seen to lack the skills necessary to meet business needs. These are more significant in the UK – perhaps 10 times greater, amounting to some 1.8 million people – though are sometimes more transient and may have less impact than skill shortages.

Both shortages and gaps are, in part, dependent on employer demand and may well understate the skills required if more employers were to adopt more ambitious strategies.

Another way of understanding the extent and nature of mismatch between the skills we need for jobs and the skills we have available for them, is to draw on international comparisons, comparing the proportion of the workforce with high level skills and the proportion of the workforce in high skill jobs. The UK does, indeed, have more high skill jobs than high skill people (implying we have insufficient people with high level skills), but this gap is actually small relative to most countries. Moreover, the growth in our numbers of high skilled people significantly exceeds the growth in our numbers of high skill jobs. The growth in high skilled jobs is occurring at a slower rate than in other countries. This growing mismatch is also seen from research which indicates an emerging gap between the supply of and demand for graduates as well as an increase in the proportion of workers who are 'over-qualified' for their current jobs.

Taken together, these findings are lead indicators of potential imbalances between the numbers of skilled jobs and skilled people; between the skills available and those in demand – which, in turn, may result in the 'over-skilling' or 'under-employment' of skilled workers. So far, this has had little impact on the relative earnings of those with higher skill levels whose wage premium remains high by international standards.

# Mismatch

This potential misalignment may arise either because demand for skills is too low or because supply is too great. Our view is that this problem lies largely on the demand side. The relatively low level of skills in the UK; the limited extent of skill shortages; and the relatively low demand for skills compared to supply, imply a weakness in demand. The UK has too few high performance workplaces, too few employers producing high quality goods and services, too few businesses in high value added sectors. This means that in order to build an internationally competitive economy, the future employment and skills system will need to invest as much effort in raising employer ambition, in stimulating demand, as it does in enhancing skills supply. The aim is to achieve a virtuous circle of skills development, between the skills available and the skills required.

Of course, in the current recession, the greatest mismatch in the labour market is between a weak overall demand for and the available supply of labour, creating both unemployment *and* unused skills. For the individual, inactivity or underemployment is debilitating – sapping aspiration, talent and determination. For the UK, it brings social costs as well as lost productivity. The key to economic renewal, then, is to invest in human capital now – to deploy our energy and resource in building the skills base across the UK.

**The key to economic renewal, then, is to invest in human capital now –**  
to deploy our energy and resource in building the skills base across the UK.

# RAISING EMPLOYER AMBITION

It is not enough just to raise skill levels. It is essential, but not enough, to align the skills available with skill requirements. It is also necessary to build an economy that is internationally competitive and fit for the future. Raising skill levels and matching them to skill needs should go hand-in-hand with raising employer ambition and the creation of more higher skilled jobs.

Higher skill levels are not the only driver of employment and economic development. Innovation, research, quality, high productivity and high value added goods and services are essential to sustained competitive advantage. Innovation and productivity will stimulate employer demand for skills. So, raising skill levels is both a contributor to, and a consequence of, a 'high road' economic development path. The more that a post-recession recovery strategy is built around higher skills, the more likely it is to raise employer demand. In the end, the demand for skills is a 'derived' demand; it depends on the shape of the economy and level of economic activity. This is why economic and industrial policy are crucial to achieving our 2020 Ambitions, and why achieving those Ambitions is, in turn, a key route to a stronger economy.

Action is needed at the level of the individual organisation too. Leaders and managers are essential to business strategy and competitive positioning. Their organisational success depends on their vision, capability and effectiveness. Yet, the UK has a relatively long tail of managers who are not well qualified and do not apply accepted management practices. Without improving UK leadership and management, we will struggle to improve economic performance.

Moreover, there is little value to an organisation having a skilled workforce if the skills are not used well. Effective managers turn the potential of a skilled workforce into improved organisational performance. High performance workplaces are an important contributor to increased productivity and to employee well-being.

In the final analysis, allowing for market and public failures, an economy broadly gets the skills it deserves. The more companies move up the value chain, the more they produce innovative, high specification goods and services; the more organisations raise their game, the greater the demand for higher skills. Strong management and leadership and consistent, effective use of skills in the workplace, will require a more highly skilled workforce *and* will help ensure that one is provided.



# SKILLS AND EMPLOYMENT POLICY: Next Steps

Our current employment and skills systems are often seen by users as complex, difficult to understand and hard to navigate. Whilst many of the policy initiatives and reforms developed in recent years have been designed to make the systems work better, to be more responsive, to be more ‘demand-led’, too often the overall effect has been to complicate rather than to simplify.

The challenge we face is threefold: a ‘policy gap’, where a stronger emphasis on the demand side is required to better balance the policy agenda; a ‘policy to practice gap’, where delivery and arrangements on the ground do not always meet the policy promise; and a ‘measurement gap’, where better success measures are needed to align policy with our ambitious goals for 2020, and with delivery.

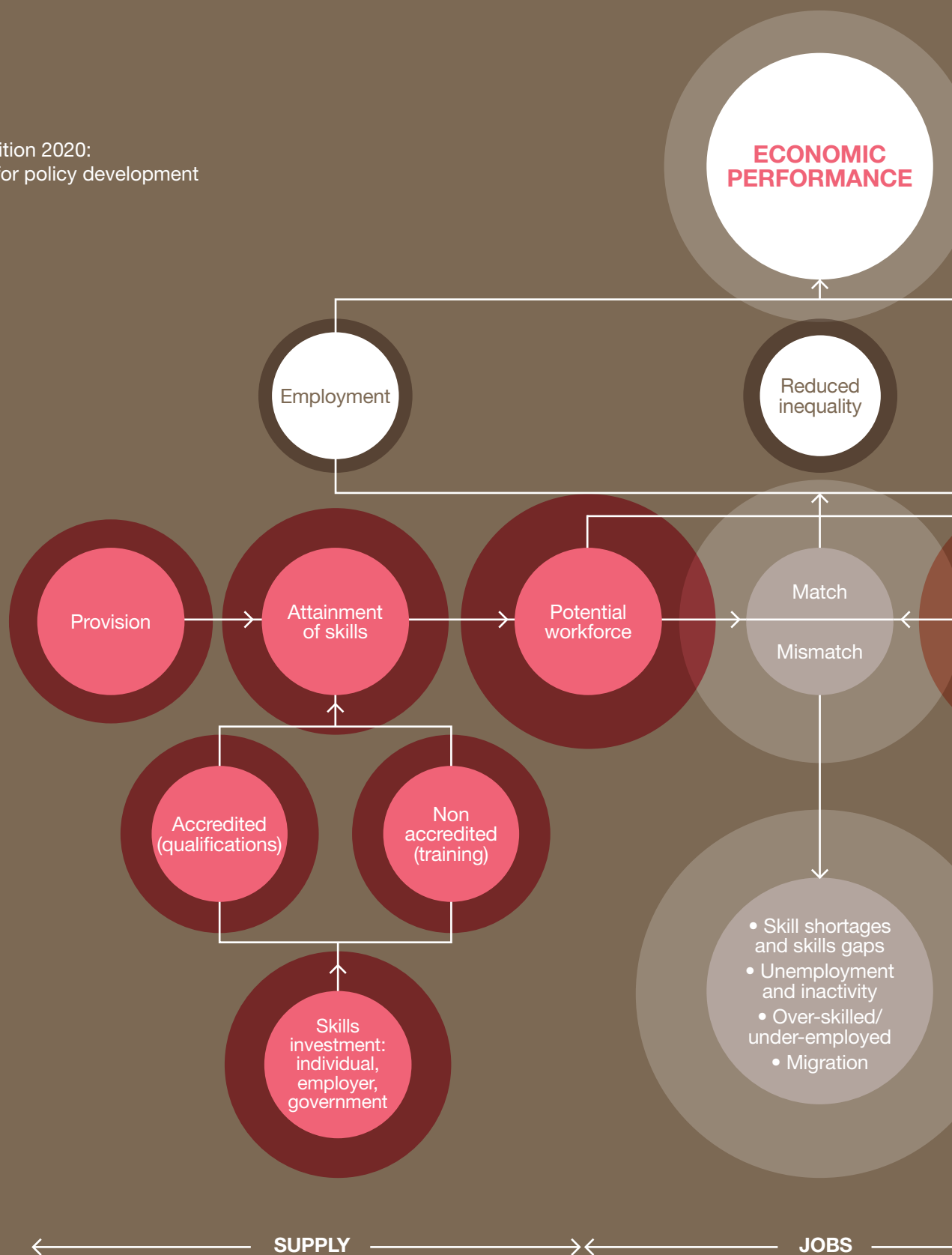
We intend to use a new framework for policy development and thinking (see Chart 1) on the skills and employment agenda, to help us achieve our 2020 Ambition. It crystallises the structure and narrative of the *Ambition 2020* report into a framework which connects

the various dimensions of the agenda into a system and also points to the establishment of appropriate measures of success, to better connect skills, employment and economic development policy, in pursuit of Ambition 2020. Thinking and policy development based on this framework would provide greater alignment, coherence, balance and integration across the system and could generate enhanced synergy, effectiveness and impact.

This framework highlights that superior economic performance is driven by high levels of productivity and employment. The prosperity achieved needs to be shared widely. To reach these goals, we need an economy, and more employers with business strategies, that compete on quality, on value added, on innovation and on the skills of our people. The jobs needed in such an economy will be more highly skilled and it is necessary to raise skill levels to ensure that the economy and labour market get the skills they need to sustain economic progress. Mismatches between the skills we need and the skills we’ve got must be reduced to enable businesses to get the skills they require to be successful. Policy needs to address all aspects of this agenda in order to maximise effectiveness and impact.

# Ambition 2020: A framework for policy development

**Chart 1:** Ambition 2020:  
A framework for policy development



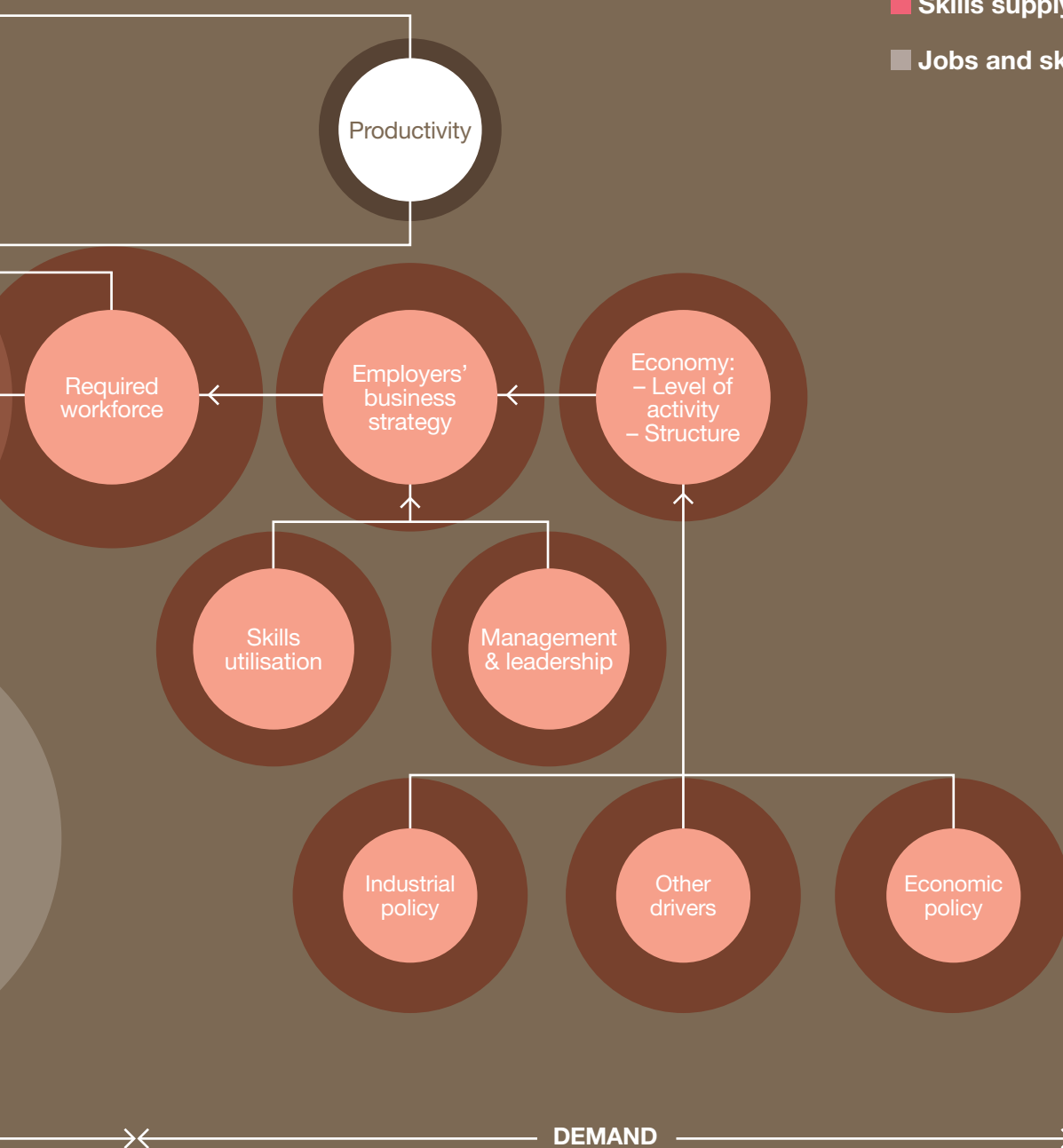
## KEY

■ Economic performance

■ Skills demand

■ Skills supply

■ Jobs and skills mismatch



# The Implications for Action

This short outline of key findings from our research has implications for the work we all need to do in order to create a successful route to the future. It provides an agenda to take jobs, skills and productivity forward towards our ambition to be World Class, amongst the best in the world, by 2020.

The foundations of this agenda lie in **five key priorities** that we recommend should be the focus of joined-up government policy within and between the four nations. These priorities will inform our own work (see Chart 2).

**1 To create a clear and integrated strategy for economic transformation and renewal**, capable of sustaining the UK through periods of recession, recovery and growth – a strategy that aligns policies and practices in industrial and economic development, employment and skills in order to achieve that transformation.

The UK faces the complex challenges of raising productivity, employment and skills to unprecedented levels, whilst simultaneously narrowing the gaps between individuals and between the nations and regions of the UK. This requires a strong alignment of national industrial skills and economic development policies; clear ownership and responsibility for the development of jobs and employment; and more effective integration of national policy with regional/local strategies and action.

**2 To support effective economic development in cities and local communities**, built upon industrial and labour market strengths and opportunities, and maximising the skills of the local working age population.

There is an increasing need to close the gaps in economic performance and employment between the nations, regions and sub-regions of the UK; to customise employment and skills services to employer need; to personalise service to individuals or groups of people. These trends provide an important impetus to decentralise decisions, particularly through effective partnerships.

**3 To develop more strategic, agile and demand-led skills and employment provision**, capable of anticipating and meeting employers' evolving skills and job requirements – a more proactive skills approach linked and responsive to industrial opportunities and challenges in each nation.

Our colleges, universities and training providers need to be of excellent quality. They are essential to ensuring that employers get the skills they need for enhanced productivity and competitiveness, and that individuals have the opportunity to exploit fully their talent and potential. This requires building a high performing, agile, relevant and responsive employment and skills system in each nation – demand-led systems that meet today's needs whilst anticipating, and adapting quickly and effectively to, the challenges and opportunities of tomorrow.

**4 To transform individual aspiration and skills into a world class workforce**, maximising the motivation and opportunity for all people to develop and exploit their talents and skills for personal and professional success.

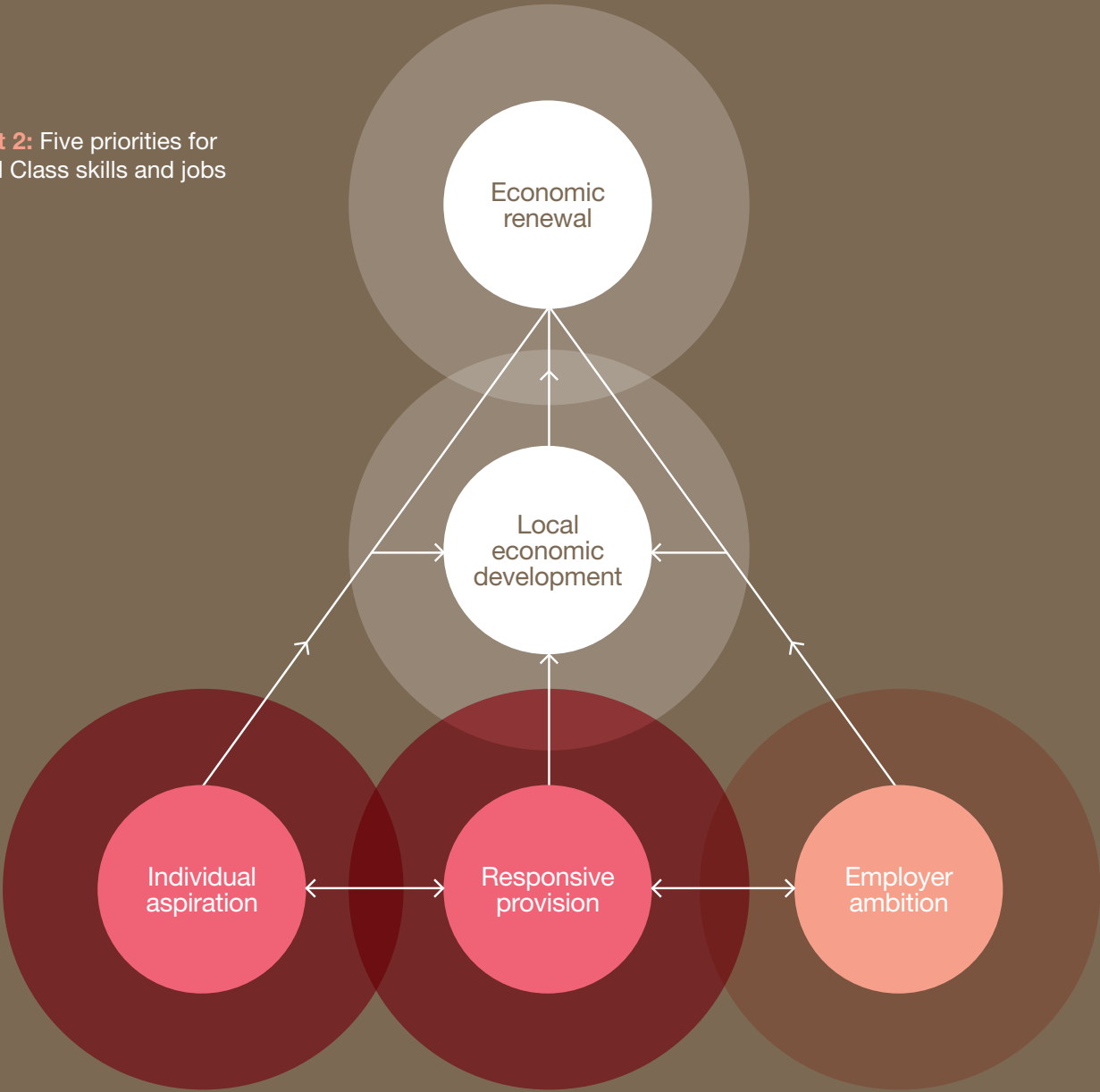
Too many of today's working age population lack the knowledge and skills critical for success in tomorrow's jobs. The twin demographic challenges of a declining youth cohort and an ageing workforce require the UK to tap the talent of all adults in order to maximise both economic competitiveness and people's quality of life.

**5 To build employer ambition and capacity to be world class**, capable of competing globally in the high skills, knowledge driven economy, and optimising the talent and skills of their people.

To recover from recession and thrive in the new global economy, employers must become more productive and effective in their field. Businesses will need to build their future on innovation, quality, high value added and efficiency. Public and voluntary employers will have to do far more with far less in the next decade when public expenditure will be under unprecedented pressure. The commitment, creativity, productivity and skills of their people will be crucial to every employer's success.



**Chart 2:** Five priorities for World Class skills and jobs



# OUR VISION...

A World Class and successful nation, built on sustainable economic growth, and providing opportunity for all.

We will use our framework and these priorities to establish a series of goals, milestones and benchmarks associated with our vision and mission, to assess the progress of our own Strategic Plan, a plan built on the twin pillars of the evidence contained in the *Ambition 2020* report and extensive consultation with our stakeholders. We will report against these and we hope that Government in the UK, Wales, Scotland and Northern Ireland see merit in this approach.

## Our Mission:

Maximise UK economic competitiveness and individual opportunity through World Class employment and skills.

## Our Values:

### Inspiration

We will be innovative, energetic and brave

### Integrity

We will earn trust and respect by being ethical, honest and impartial

### Inclusion

We will be committed to equality, diversity and partnership working

### Influence

We will be decisive, give expert advice and be agents of beneficial change

## UK Goals and Milestones:

- 2020 goal:** World Class productivity levels – in top eight OECD countries, currently 11th
- 2020 goal:** World Class employment levels – in top eight OECD countries, currently 10th
- 2020 goal:** World Class skill levels – in top eight OECD countries, currently 12th–18th
- 2014 milestone:** Skill levels of the working age population equivalent to 80% at lower secondary; 58% at upper secondary; and 36% at tertiary level or higher – current levels are 71%, 51% and 31%, respectively.
- 2014 milestone:** 76% overall employment rate; with UK unemployment 20% lower than EU average.
- 2014 milestone:** 40% of businesses to have adopted high performance working practices – currently 30%.
- 2014 milestone:** 12th in OECD for ratio of top 10% of earnings to bottom 10% of earnings – currently 14th
- 2014 milestone:** A 10% reduction in UK national/ regional productivity and employment gaps

## Our Strategic Priorities:

Drawing on the five national priorities proposed on page 16, the UK Commission will, itself, focus in particular on three for our own work over the period 2009–2014:

### Priority 1

#### Building a more strategic, agile and demand-led employment and skills system

Sustained economic growth, increased productivity and high employment require a top performing employment and skills system – a system that is not only demand-led, responding quickly and effectively to today's diverse and evolving labour market needs; but also one that, through foresight and a more proactive skills approach, anticipates and then delivers the skills needed for the strategic challenges and opportunities of tomorrow. Working with partners and stakeholders, we will draw on UK and international research and effective practice to develop and present advice on policies, measures and incentives that will substantially improve the relevance, responsiveness and flexibility of the employment and skills systems, including further and higher education, private training providers, work-based and work related learning, and employment services. The key benefits of this work will be:

- Increased provider aspiration and commitment to provide high quality services for employer and individual success.
- Increased relevance, agility and adaptive capacity of employment and skills providers in the publicly funded systems.
- Reduced system complexity and bureaucracy in order to maximise institutional focus on relevant and responsive delivery.
- Acknowledged world class public employment and skills systems, maximising UK talent and competitiveness.

### Priority 2

#### Maximising individual opportunity for skills and sustainable employment

If we are to achieve a world class workforce by 2020, we must transform individual aspiration – maximising the motivation and opportunity for all people to develop their talents for personal and professional success. We must ensure that individuals have the information and guidance to make informed choices and navigate the labour market, and access to the skills and qualifications they need to get and progress in work. The UK Commission will work with experienced practitioners and front-line staff in employment and skills institutions to assess barriers to learning, work and progression for individuals. We will work with employers and trade unions to identify practical measures to expand work-based learning. Our recommendations will focus on the common objective of increasing the numbers of adults who gain sustainable employment with skills and progression.

The key benefits of this work will be:

- Increased individual ambition and confidence to maximise talent and opportunity through work and lifelong learning.
- Increased individual equality of opportunity, participation, achievement and progression for the whole working age population.
- Improved individual employment and skills outcomes and satisfaction, whilst ensuring high quality and relevant provision.
- A world class UK workforce committed to maximising individual talent and opportunity, and their contribution to a competitive society.

### Priority 3

#### Increasing employer ambition, engagement and investment in skills

UK economic competitiveness rests, in large measure, on the productivity of UK employers. A critical measure of a high productivity, high performance workplace is the way that employers use – and continue to develop – the skills of their people. It also depends on the willingness of employers to help lead and influence the employment and skills system.

UK prosperity will depend on creating an economy in which employers clearly recognise that their productivity and growth are tied to how well they use and develop the skills of their workforce.

The key benefits of this work will be:

- Increased UK employer ambition and commitment to achieve world class performance and success through investment in people.
- Enhanced employer understanding of their future labour market and skills requirements leading to improved employment and skills demand and supply.
- Increased employer engagement with, and investment in, high quality education and training with a system that is easier to use and more responsive to employer and individual need.
- Improved skills utilisation with growth of innovative high skills, high value added businesses, more efficient and effective public services and better jobs.

## Analysis > Understanding > Insight > Advice

The UK Commission aims to raise UK prosperity and opportunity by improving employment and skills. Our ambition is to benefit employers, individuals and government by advising how improved employment and skills systems can help the UK become a world-class leader in productivity, in employment and in having a fair and inclusive society: all this in the context of a fast-changing global economy.

Because employers, whether in private business or the public sector, have prime responsibility for the achievement of greater productivity, the UK Commission will strengthen the employer voice and provide greater employer influence over the employment and skills systems.

Having developed a view of what's needed, the UK Commission will provide independent advice to the highest levels in government to help achieve those improvements through strategic policy development, evidence-based analysis and the exchange of good practice.

### UKCES

3 Callflex Business Park  
Golden Smithies Lane  
Wath-upon-Deane  
South Yorkshire  
S63 7ER

**T +44 (0)1709 774 800**

F +44 (0)1709 774 801

### UKCES

28–30 Grosvenor Gardens  
London  
SW1W 0TT

**T +44 (0)20 7881 8900**

F +44 (0)20 7881 8999

This document is available at **[www.ukces.org.uk](http://www.ukces.org.uk)** as a downloadable pdf. Hard copies are available, and can be requested from **[info@ukces.org.uk](mailto:info@ukces.org.uk)**.

The UK Commission's strategy can be found in full in our *Five Year Strategic Plan 2009–2014*, published alongside this document. Details of current projects and activities are provided in our current *Business Plan 2009–2010*, also available on our website.

© 07/05/09/1st Ed/2.5K