

Jobs and Skills in Scotland: Key Themes and Some Implications for Career Guidance

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Content

1. Wider insights: Three Key Themes
2. Job Quality and Career Guidance Models



Since the Recession...

Nationally, it is recognised that, following the recession:

On the positive side

- **Employment in Scotland has recovered** and is above pre-recession levels;
- Many **key sectors have had good employment growth** despite difficult trading conditions;
- Scotland has maintained a **highly skilled workforce**; and
- The economy offered a range of **opportunities for young people after school**.

On the negative side

- **Growth rates for the Scottish economy remain behind that of the UK** and, although productivity has improved, Scotland's record remains poor.
- **A rise in 'non standard' jobs** - part time employment, self employment and non-permanent employment have grown;
- **An 'hour glass' labour market structure** which presents challenges for progression in the workplace, **underemployment** and **under utilisation** of skills; and
- **Low pay and in-work poverty** as of continuing concern.

Wider Insights – Three Key Themes from Jobs & Skills Report

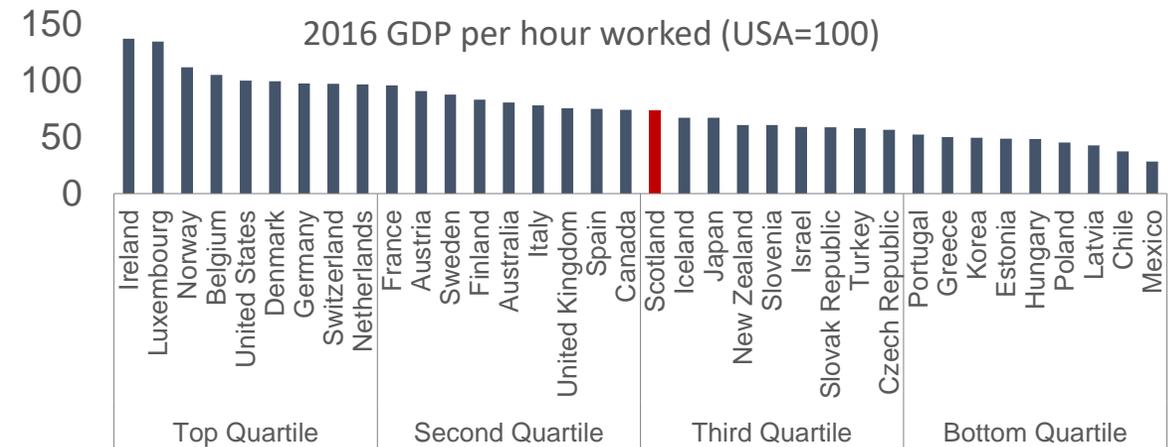
1. Boosting **productivity** will be vital for our long term prosperity
2. Our **growth** needs to be more **inclusive**
3. **The world of work is changing** – we need to support businesses and individuals to navigate and embrace that change

1. Boosting productivity will be vital for our long term prosperity

- Scotland's productivity is significantly behind other advanced economies

- Scottish productivity remains over 20% below the top quartile.
- The Scottish Government has a target to be in the top quartile of OECD countries for productivity. First set in 2007, this was to be achieved by 2017.
- Overall, Scotland's ranking has barely moved since the year 2000.

International productivity levels 2016



Source: Scotland Performs

- **Why it's important:**
- **Boosts wages.** If workers become more productive, firms can afford to pay them wage increases.
- **Public Goods:** If the size of the economy is bigger, higher wages will **boost consumption, generate more tax revenue** to pay for public goods

2. Inclusive growth

Our **growth** needs to be more **inclusive**



Productivity up and wages rise...

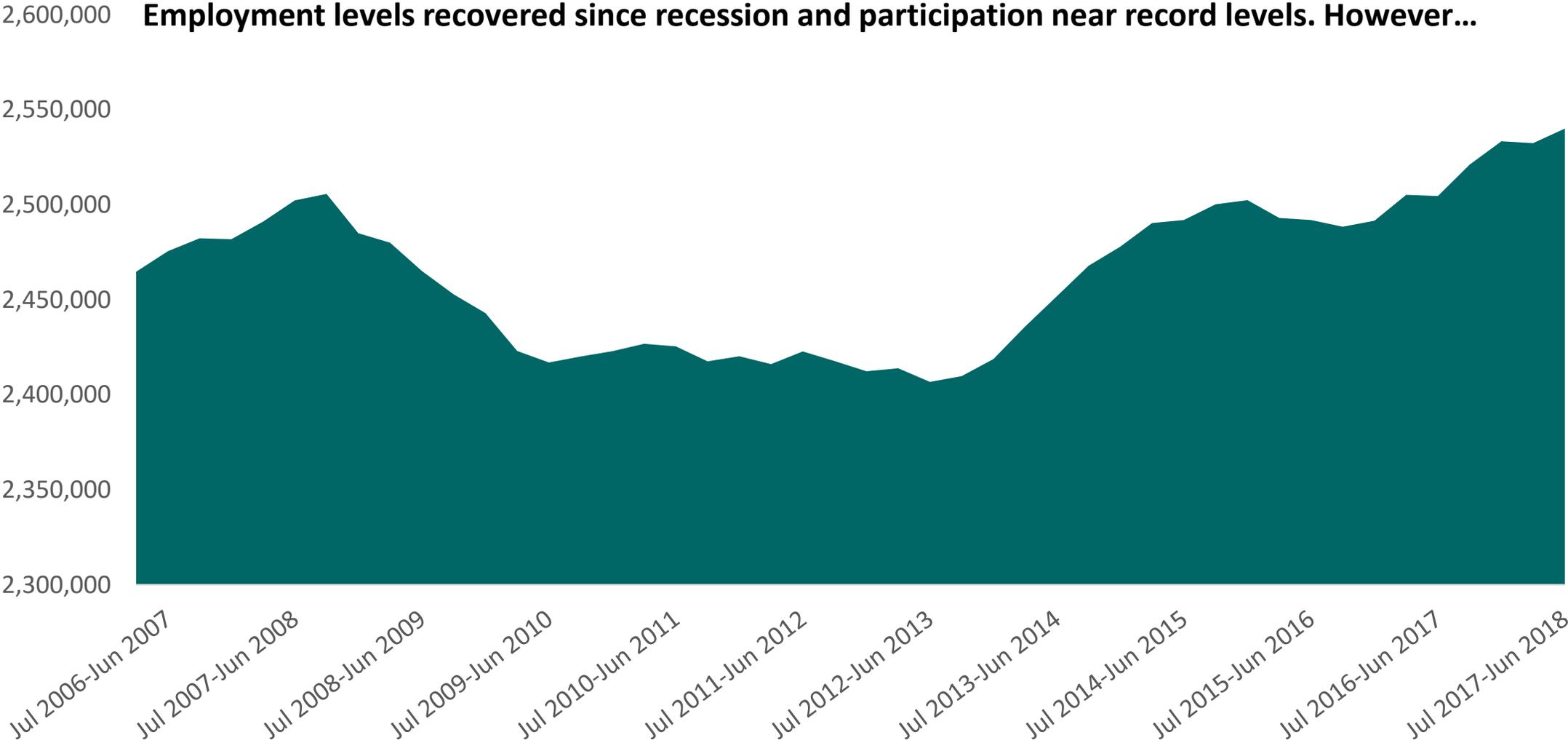


...but for everyone and not just the few.

*“Scotland has a real opportunity to take a big step forward in its performance **by embracing the concept of Inclusive Growth**. By deliberately pursuing policies which are rooted in the demands of the future economy, but which focus on maximising the contributions of individuals, growth and fairness can exist in a virtuous cycle.”*

**Gerry Rice, Director,
International Monetary Fund**

The Past Until Now – Employment



The rise of non standard work

The Rise of Non-Standard Work

Employment change in Scotland and the UK, 2007/08 – 2016/17

Employment terms	Scotland			UK		
	2007/08 (000's)	2016/17 (000's)	Change	2007/08 (000's)	2016/17 (000's)	Change
Full time employment	1,900	1,859	-2%	21,754	22,750	5%
Part time employment	599	642	7%	7,011	7,671	9%
Self-employment	257	292	14%	3,628	4,366	20%
Temporary employment	125	132	6%	1,407	1,600	14%

Source: Annual Population Survey

Low Pay/In Work Poverty: Does work pay?

- Low pay particular challenge for some groups – women, younger people, older workers, those with no qualifications, some ethnic groups, lone parents, people with disabilities
- In 2015/16, 610,000 people living in relative poverty were living in a household with at least one person working

Number of People in Poverty in Scotland living in Working Households

Year	All People in In-Work Poverty (After Housing Costs)
2008/09	450,000
2009/10	440,000
2010/11	430,000
2011/12	380,000
2012/13	510,000
2013/14	430,000
2014/15	500,000
2015/16	610,000

Source: Scottish Government, from DWP

Regional disparities

Based on an assessment of employment growth, productivity, earnings and unemployment:

Weak performance and recovery	Moderate performance and recovery	Strong performance and recovery
Borders Dumfries and Galloway Ayrshire Tayside Highlands and Islands	West Lothian Lanarkshire West Region Forth Valley	Glasgow, Aberdeen City and Shire Edinburgh and Lothians Fife

Source: Jobs & Skills report

2. Inclusive growth

Our **growth** needs to be more **inclusive**



Productivity up and wages rise...



...but for everyone and not just the few.

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However...

- Employment driven primarily by **rise of ‘non-standard’ employment**.
- Low wage growth and the persistence of **in-work poverty**
- Important **regional variations** in wage levels, productivity and employment growth
- Employment in the majority of **rural areas** has not reached pre-recession levels

The Productivity Puzzle

Unlike previous recessions, UK labour productivity growth has not bounced back when the recession ended. Productivity growth has struggled to remain positive.



Employment Up

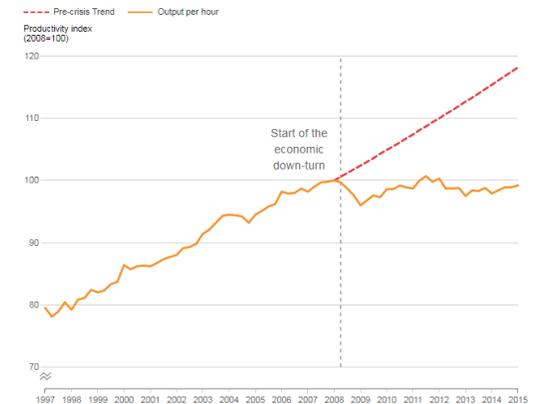


Productivity struggling

One Interpretation

1. **Increase in cheap labour:** ‘...the creation private jobs since 2009 has arisen within that part of the economy that had...more to gain from cheap labour (Martin and Rowthorn, 2012: 31)
2. **... in low productivity sectors:** “The high and low productivity sectors each account for about 35% of the nation’s employment but its increase since 2009 comes solely from the expansion of jobs in the low-productivity sector.” (ibid: 39)
3. **...with low wages:** “Low real wages helped to promote labour-intensive expansion in a variety of low-productivity service trades.” (ibid: 42)

Productivity, UK, January to March 1997 to January to March 2015



Source: Martin and Rowthorn, 2012: Is the British economy supply constrained II? A renewed critique of productivity pessimism



Since the Recession...

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Quantity up...

On the negative side

- **A rise in 'non standard' jobs** - part time employment, self employment and non-permanent employment have grown;
- **An 'hour glass' labour market structure** which presents challenges for progression in the workplace, **underemployment** and **under utilisation** of skills; and
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Growth rates for the Scottish economy remain behind that of the UK and, although productivity has improved, Scotland's record remains poor.

Quality down...?

3. Pace of Change

The world of work is changing – we need to support businesses and individuals to navigate and embrace that change

What the report tells us

- Technology means people will be required to work more flexibly and adaptably, jobs are becoming more complex, and skills requirements are shifting
- Automation, converging technology, digitalisation of production and ICT development have potential to further reshape the labour market and the demand for skills

How Skills Development Scotland is responding...

- Focus on development of Career Management Skills in young people
- Increasing awareness of the likely future skills requirements aligned to the 4th industrial revolution through the Centre for Work-Based Learning

“Without question, equipping today’s workforce – and the workforce of the future – with the right skills is critical to ensuring improvements in productivity, particularly in a world of increased automation and ever faster technological processes.”

Graeme Roy, Fraser of Allander Institute, 2017

This fourth revolution is characterised by an exponential rate of change*.

Rise of the Robots: Automation

Many jobs, or activities within these jobs, **can and will be done by machines** (McKinsey, 2013)

- **technical skills and knowledge will be of a lower importance** as machines learn to carry out technical tasks and artificial intelligence allows for knowledge to be shared globally (Deloitte 2016)
- **humans will need to learn to work alongside these machines** (Deloitte, 2016)
- machines will be able to carry out more and more routine tasks, both physical and mental; this leaves, for humans, **tasks that are much harder for machines to carry out such as working with and supporting others and using creativity and drive to solve complex societal challenges** (RSA, 2017)



Meta Skills: What Can't Be Automated

We have termed these skills for the future 'meta-skills', and define them as timeless, higher order skills that create adaptive learners and promote success in whatever context the future brings.

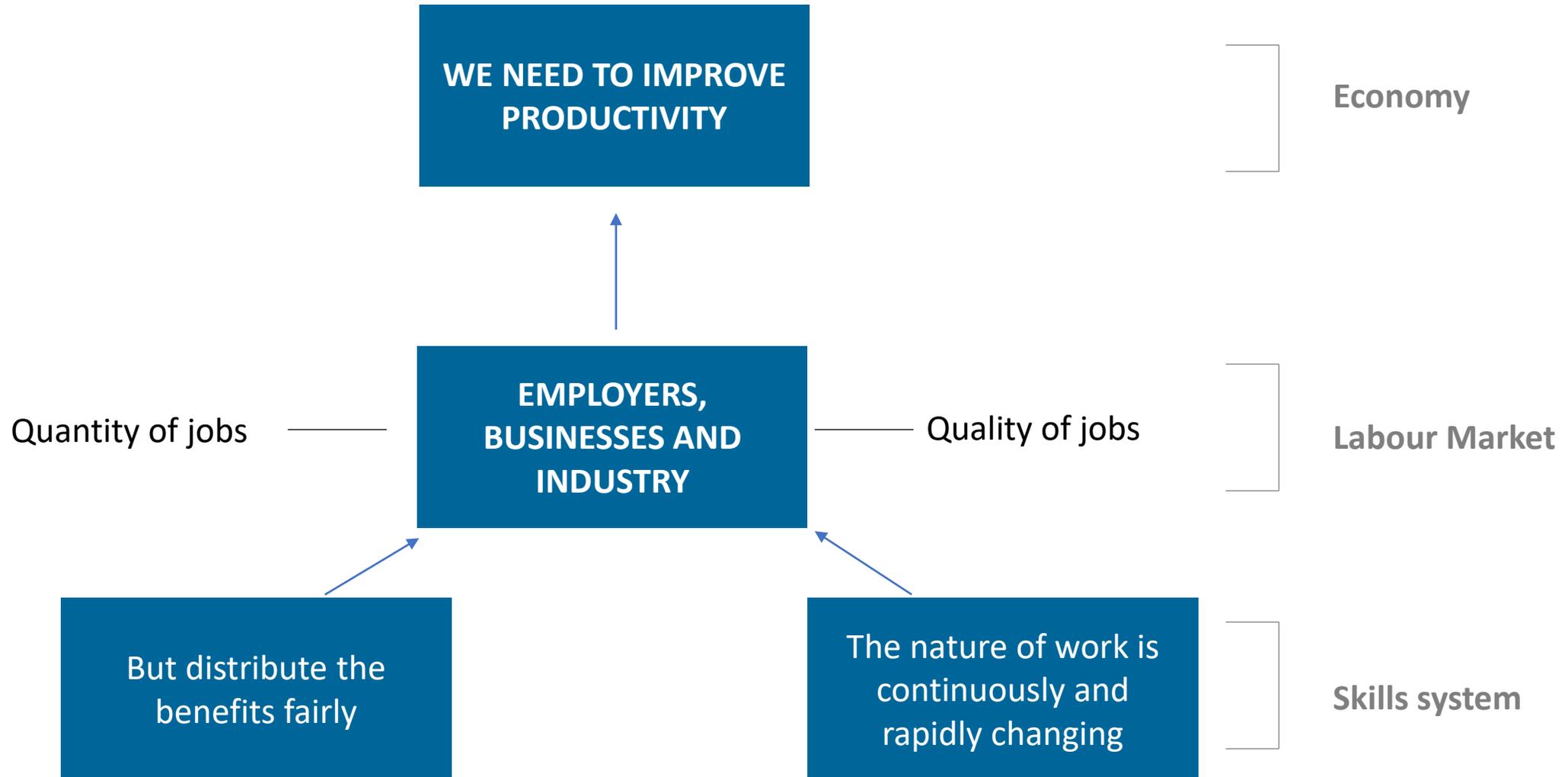
Self management	Social intelligence	Innovation
Focussing	Communicating	Curiosity
Integrity	Feeling	Creativity
Adopting	Collaborating	Sense making
Initiative	Leading	Critical thinking

These are the skills that enable individuals to perform highly today; in a changed world of work they will be required by all of us.

* Source: Skills 4.0, A Skills Model to drive Scotland's Future

https://www.centreforworkbasedlearning.co.uk/media/1542/skills-40_a-skills-model.pdf

Summary



How should the skills system respond?

- **Addressing Scotland's productivity challenge**
 - Increased focus on skills development in the workplace?
 - Enhanced commitment to work based learning?
- **Alignment with economic growth ambitions:**
 - Skills are crucial to inclusive economic growth – but only one part of the solution
- **Digitisation, automation and Industry 4.0:**
 - Responding to changes will require focus on new skills, and greater flexibility and agility in skills delivery
 - Continuing to invest in understanding industries' skills needs

Implications for Career Guidance: How Should Career Guidance Respond?

- **Inclusive Growth**
 - Non-standard jobs.
 - Regional disparities.
- **The Changing World of Work**
 - The future labour market?
- **Careers Guidance and the Labour Market**
 - Models for 21st Century?

Disclaimer: These views are my own and do not represent Skills Development Scotland.

Who are the non-standard workers?

Women: many women work part-time but often in lower skilled, lower status work

Young people: “younger workers on temporary contracts; among temporary workers, close to half are under the age of 30”

Lower skilled: “likely to have lower levels of education”

Supporting families: “Half of all non-standard workers are the main breadwinners in a household, and a large majority of them (80% or more) live in two-or-more-person households, often with children”

Bottom 40%: “People are more likely to be poor or in the struggling bottom 40% of society if they have non-standard work...This might not matter much if such work were a stepping stone to a better job in the future, but too often this is not the case”

Source: OECD, 2014

Do people move out of low paid work?

The Resolution Foundation [report](#) (2012): those who do and do not escape from low paid work (Escapers, Stuck, Cyclers).

Escaper, Stuck, Cyclers.

They mapped out the pay of a group of the same individuals over a period back to 1975 using data provided by the New Earnings Survey Panel Dataset (NESPD) – a longitudinal panel version of the Annual Survey of Hours and Earnings (ASHE). Data was at Government Office Regional level (thus Scotland classed as a Region).

Longitudinal data back to 1975.

As of 2012, Scotland had a high proportion (29%) of those stuck in low paid jobs relative to other regions (North East, Wales, Yorkshire & Humber, East Midlands higher); highest North East, 34%.

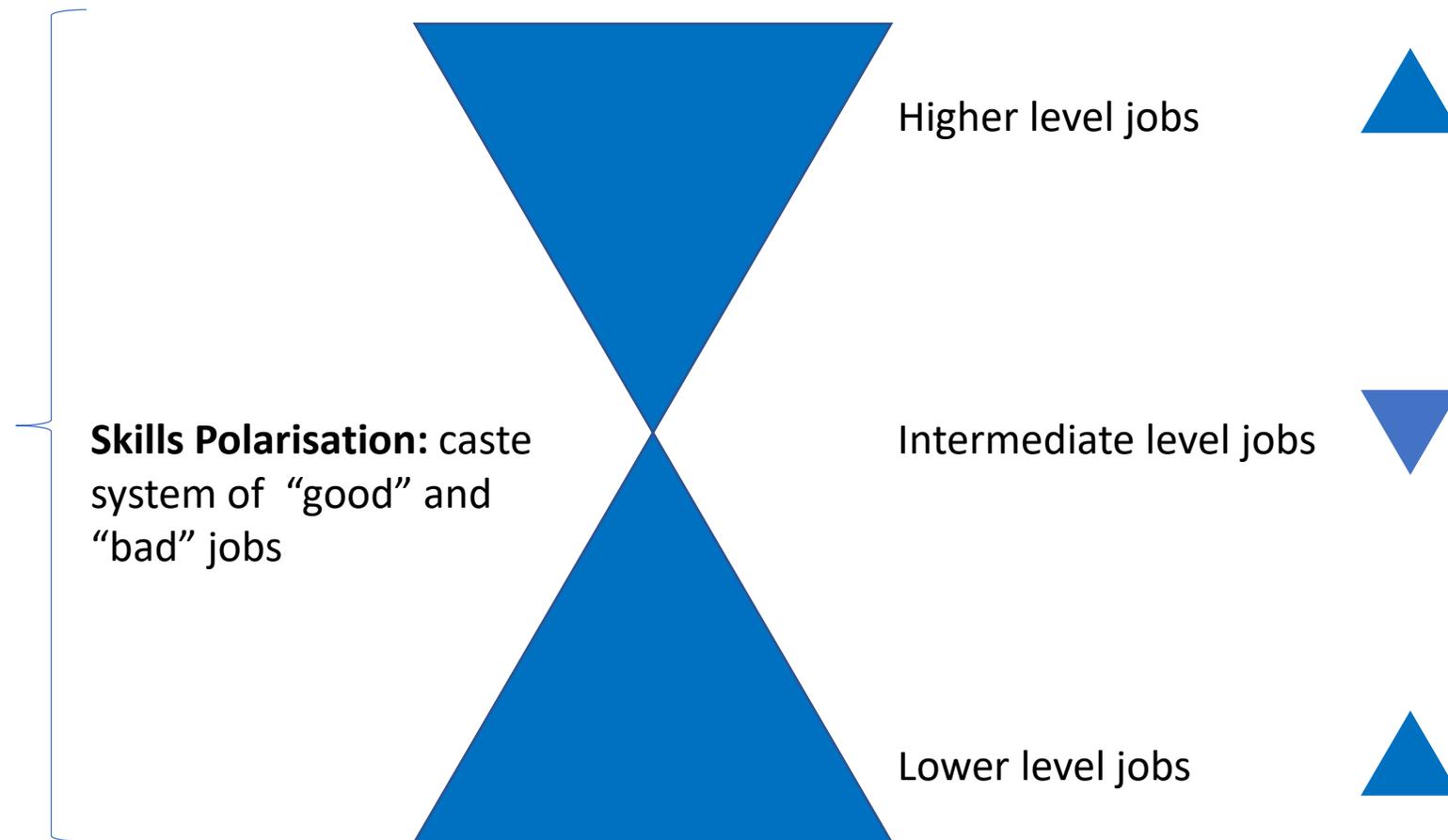
Scotland had a high proportion of those 'Stuck'.

There were higher proportions in Elementary Occs (SOC 9), Sales and Customer Service (SOC 7) and Caring, Leisure and other services (SOC 6) and in the sectors of Education, Human Health and Social Work and Administrative and Support Services.

Those at lower end of labour market more vulnerable.

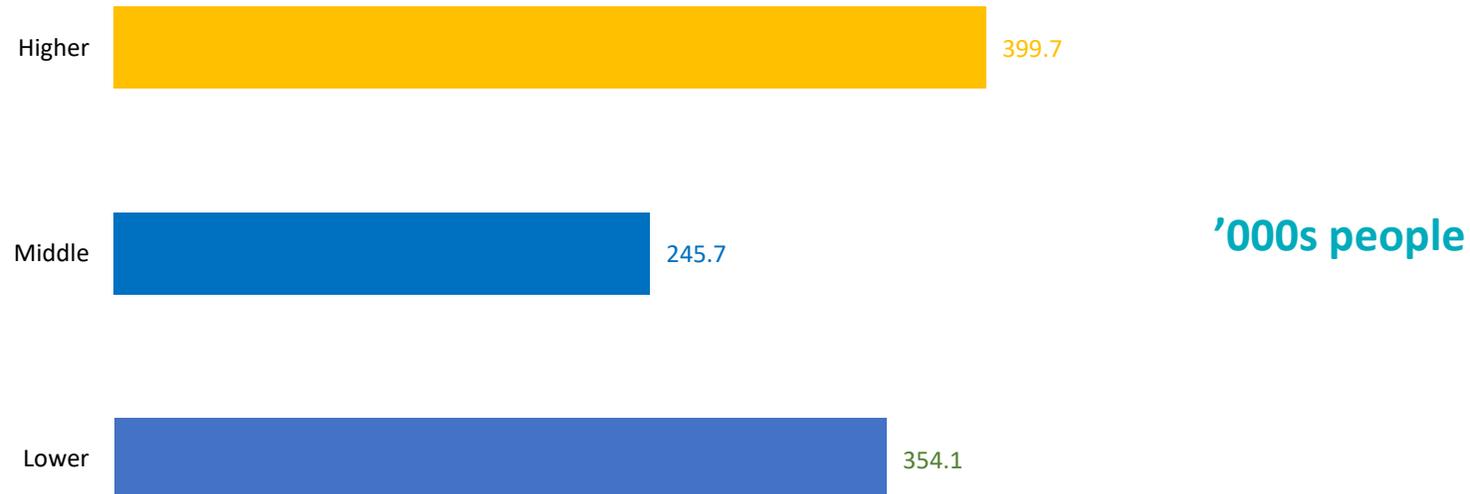
Source: Resolution Foundation, 2012

The Hourglass Economy



The Hourglass Economy: 2017-2027

Occupation	Total requirement ('000s people)	Skills Classification
Managers, directors & senior officials	54.3	Higher
Professional occupations	254.9	
Associate professional & technical occupations	90.5	
Administrative & secretarial occupations	80.8	Middle
Skilled trades occupations	89.7	
Caring, leisure & other service occupations	75.2	
Sales & customer service occupations	121.1	Lower
Process, plant & machine operatives	35.8	
Elementary occupations	197.2	



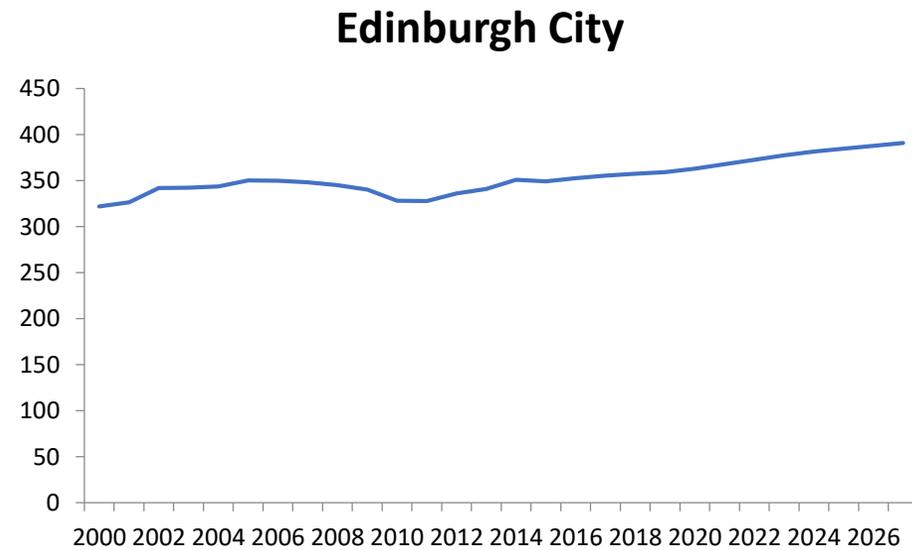
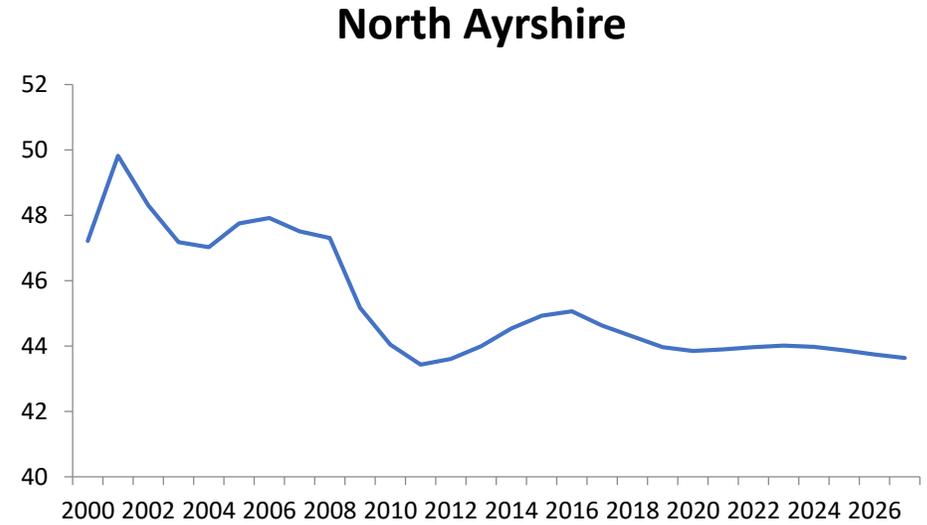
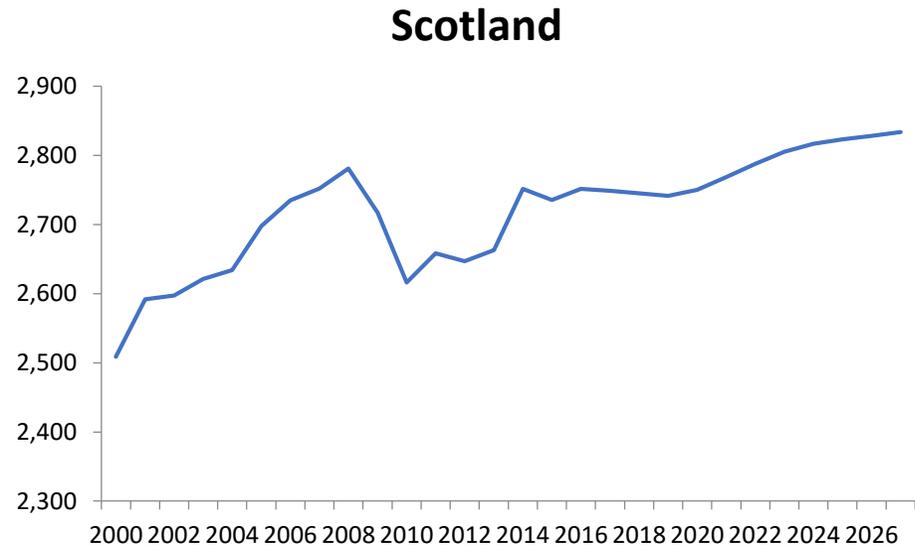
Are equality and jobs growth moving together?

“Ensuring that different employment arrangements meet the interests of both employees and employers, and do not become caste system of “good” and “bad” jobs, is one way of ensuring that equality and growth move hand-in-hand.”

Source: OECD, 2014

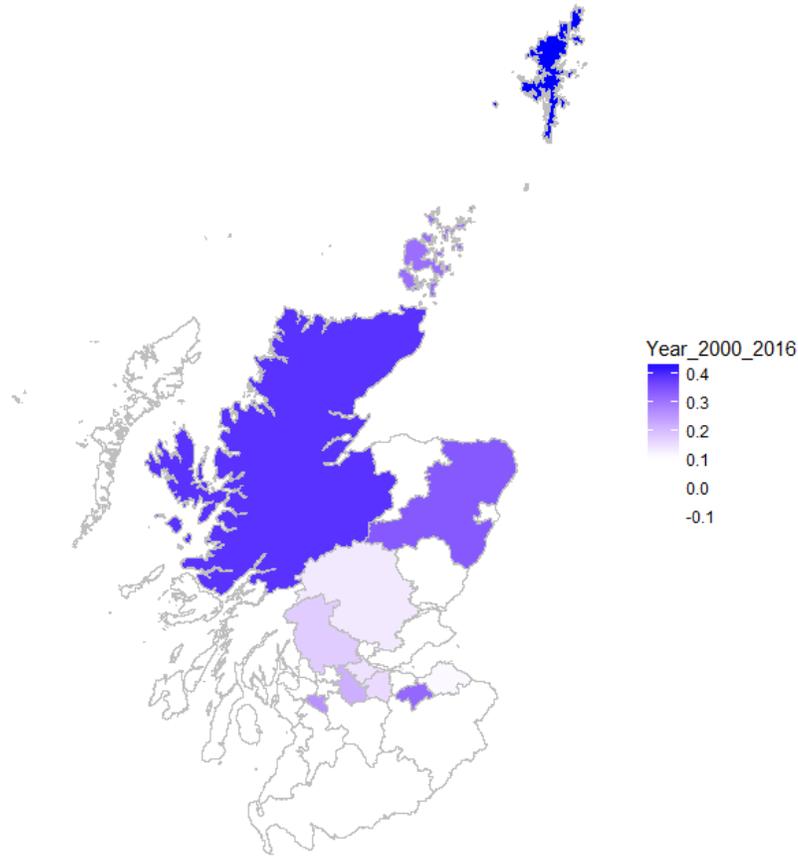
Regional Disparities and Future Employment Growth

Employment growth (jobs) 2000-2017

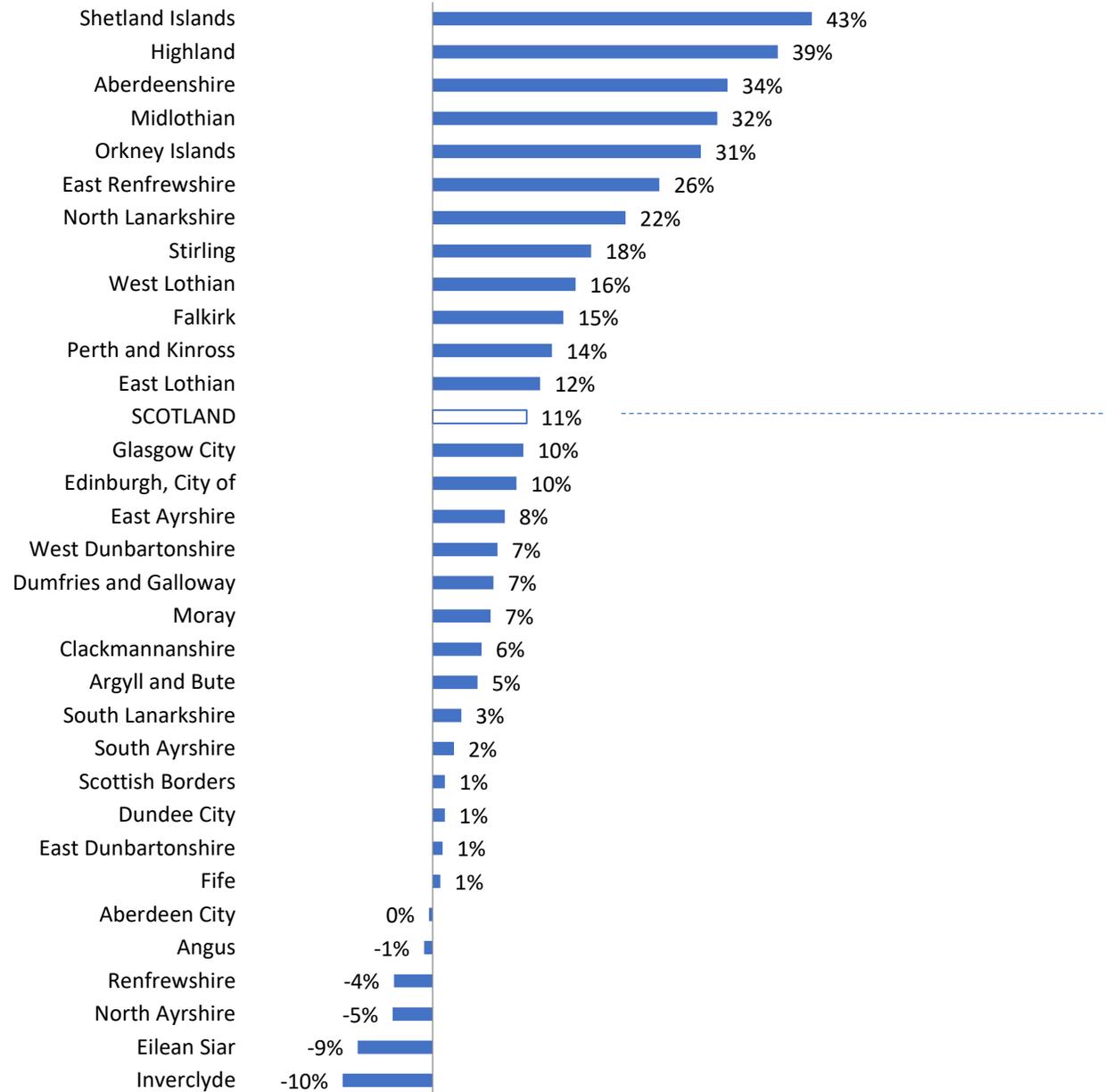


Uneven growth...

Employment Growth (% change) 2000-2016

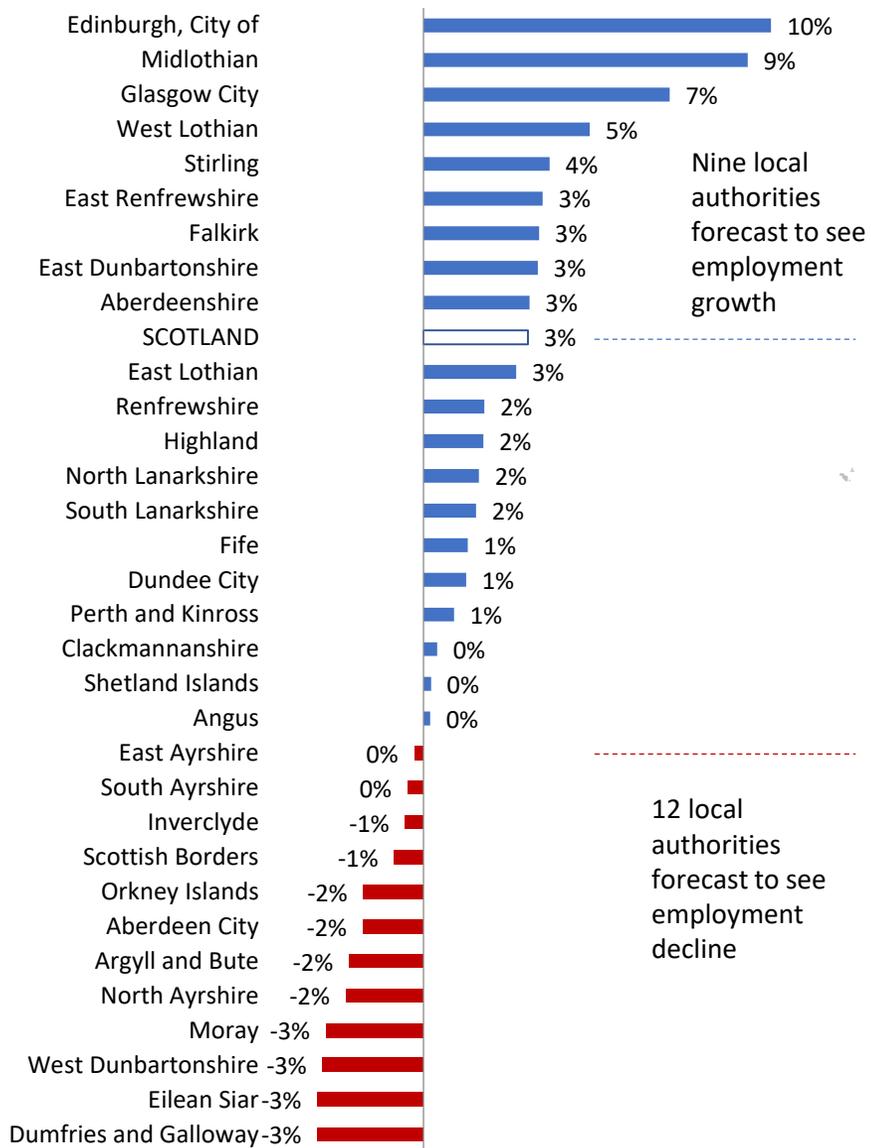


White = Scotland Average (11%)



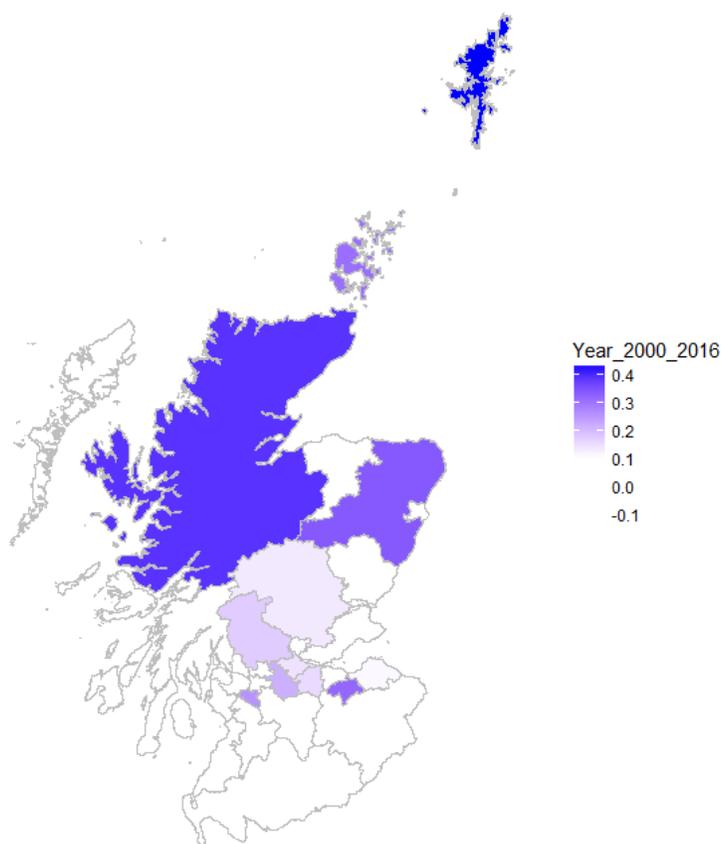
Future employment growth forecast to largely be in urban centres...

Employment (% change) 2017-2027

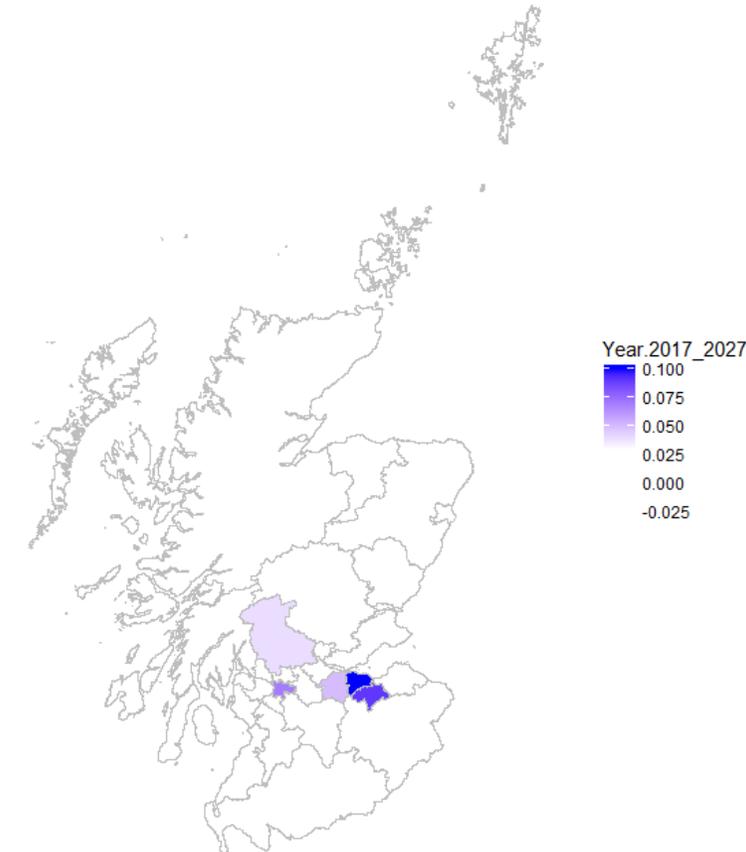


Inclusive Growth and Regional Cohesion?

2000-2016



2017-2027



Note: white set to national per cent average in given forecast period.

Scotland's largest urban centres will lead job creation. **Together, Edinburgh and Glasgow are forecast to account for 3 in every 4 new jobs created.** *Employment is forecast to fall in around a third of Scottish council areas over the next decade.*

Looking to the future...

Jobs of the Future

Utopian

High skilled economy:

- Flexible working
- “Most new jobs not even been created yet.”
- Automation 4.0

Reality?

Urban areas:

- Higher skilled jobs (for some);
- Mass services (lower skilled/paid)

Rural and non-urban areas:

- Decline in mainstay industries like manufacturing and public sector –and many intermediate roles

Wider Issues

Expansion of lower skilled work: non-standard jobs

Productivity

Changing World of Work

Increasing flexibilization?



Inclusive Growth

Lower wages

Issues for career guidance



**Careers Guidance and the Labour Market:
Is flexibilization being written into career
guidance models?**

Approaches to careers education and guidance

Core focus on society



Core focus on individual



Careers advice

Interface of individual and labour market

Source: Mignott et al.

Approaches to careers education and guidance

Core focus on society



Matching people to jobs



Policy makers see CIAG as labour market tool, matching people to jobs, helping align supply and demand

“...guidance is seen as a lever for other policy areas. Thus guidance policies are more preoccupied with other policy areas than guidance, but one in which guidance may have a role to play: employment, education... for example.”

“The strong policy focus mirrors policies of seeing guidance as a societal steering instrument, and thus as an instrument of social control...”

Source: Plant & Valgreen, 2014, The flip side: Career guidance policies and social control

Core focus on individual



Narrative techniques



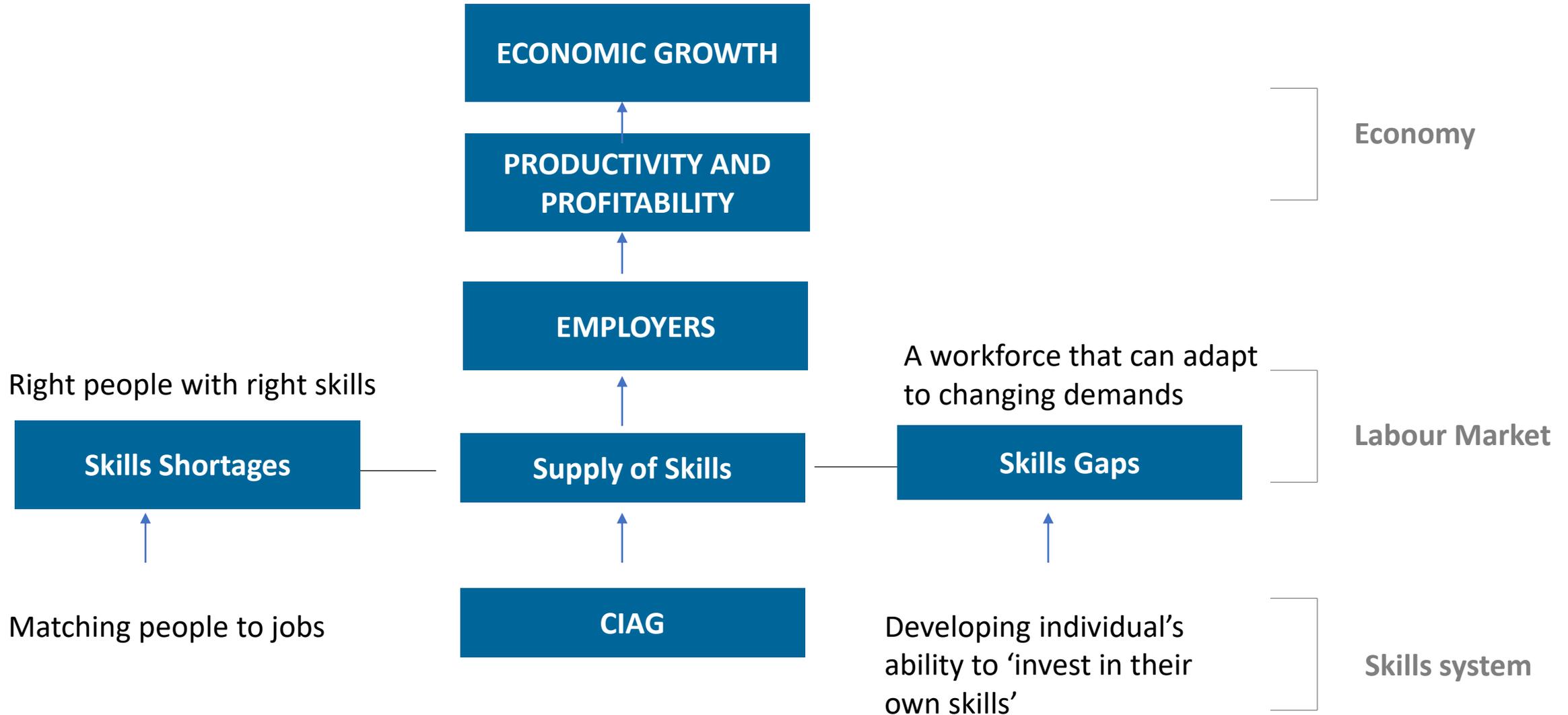
Tend to focus on psychological factors over sociological ones. How aspiration can overcome background.

Structural inequalities individualised into narratives: stories without context

“Raising aspirations is a top priority for all Career IAG providers...We cannot over-estimate the capacity of good Career IAG to enthuse people about their future and to encourage them to aim high when considering and planning further learning and work. “

Source: Career Information, Advice and Guidance in Scotland A Framework for Service Redesign and Improvement, 2011:13

Guidance as Policy Lever: Improving Skills Supply



“Investing in and making effective use of skills at all levels of the workforce is critical to improving productivity and profitability and, in turn, to sustain economic growth.” Source: *Career Information, Advice and Guidance in Scotland: A Framework for Service Redesign and Improvement, 2011:19*

Guidance as Policy Lever

“...Career IAG should better support the needs of employers in their efforts to improve productivity and growth.”

2011: 1

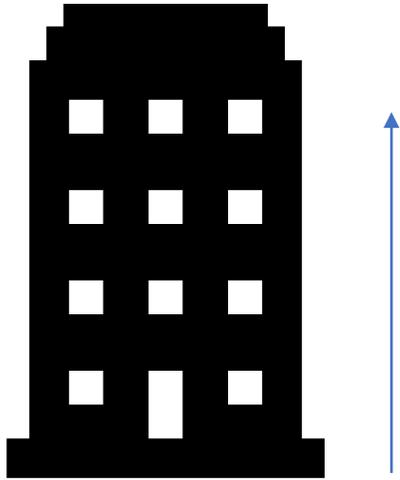
Career IAG makes a significant contribution to delivering the Scottish Government’s priorities, especially that of sustainable economic growth. It will do this by helping people make informed decisions about their learning, job opportunities and career options, ultimately, with a view to helping them get, stay and progress in work.

2011: 3

Paradigm Shift in Career Guidance Models

Old Model of Guidance

Career for Life



Hierarchical

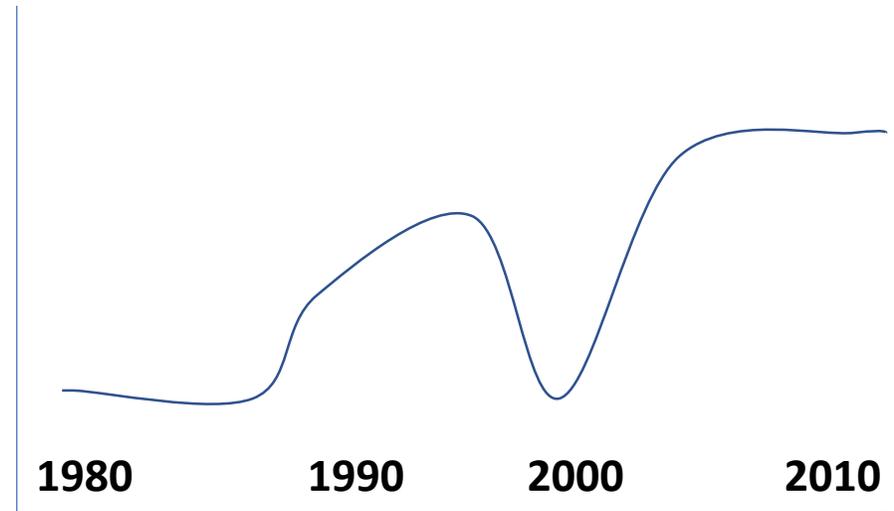
followed a model of career that assumed a linear-hierarchical progression. Most workers were assumed to track a set path from school to work and move, metaphorically speaking, up a career ladder to positions of increasing achievement and responsibility within an organization (Inkson, Dries, & Arnold, 2015)

Matching Approaches

Adapting to fit self to stable work environments (e.g. Holland 1997)

New Narrative Model of Guidance

Career = number of jobs across a lifetime requiring adaptability



Biographical Approaches: Career Adaptability

“readiness to cope with the predictable tasks of preparing for and participating in the work role and with the unpredictable adjustments prompted by changes in work and working conditions”
Savickas (1997: 254)

Narrative Approaches and Labour Market Flexibility

The 4th Industrial Revolution

FLEXIBILISATION OF LABOUR
MARKET AND PACE OF
CHANGE

“Scotland’s workforce needs constantly developing skills, knowledge and capabilities to thrive in this complex, ever-changing environment”

Source: Professor Tom Devine, *Skills 4.0*

Meta skills

INDIVIDUALS NEED TO ‘ADAPT,
BE ‘RESILIENT, ‘AGILE’, FLEXIBLE

Uses human adjectives to individualise wider, structural processes.

Adaptability

CAREER ADAPTIBILITY

Logic of flexible labour markets translated into career guidance models

Flexible labour markets incorporated into CIAG models:

- No career for life;
- Need to be “flexible”;
- Need skills to manage multiple transitions.

Move to career *management*.

Similarities?

Core focus on society



Matching people to jobs



“Career IAG has an important role in raising aspirations, helping people to understand and adapt to the changing jobs market and to acquire new skills. “

Source: Career Information, Advice and Guidance in Scotland A Framework for Service Redesign and Improvement, 2011:4

Core focus on individual



Narrative techniques

“... readiness to cope with the predictable tasks of preparing for and participating in the work role and with the unpredictable adjustments prompted by changes in work and working conditions”

Savickas (1997: 254)

Is flexibilization being written into career guidance models?

Narrative Approaches: Frames within Frames

Structural Narrative

Narrative:
Globalisation as inevitable external constraint that requires flexibility of labour force

COMPETITIVENESS IN GLOBAL MARKETS

PRODUCTIVITY AND PROFITABILITY

EMPLOYERS

Supply of Skills

Globalisation as inevitable external constraint (Hay, 1999)

Economy

Labour Market

Skills system

Individual Narrative

Narrative:
Adaptability of the individual

CIAG

Narrative techniques

Story reinforces Context

Constructing individual stories without awareness of the structural contexts (i.e. non-individual) in which they take place, *replicates that context* because they constrain the way in which those stories can be told.

Alternatives? Four social-political approaches to careers education and guidance

Core focus on society

Core focus on individual

Change

Radical (social change)

Progressive (individual change)

Status Quo

Conservative (social control)

Liberal (non-directive)

Source: Adapted from Watts and Herr (1976)

Four social-political approaches to careers education and guidance

Core focus on society

Change

Radical (social change)

Status Quo

Conservative (social control)

Policy makers view of careers guidance: Matching

Core focus on individual

Progressive (individual change)

Liberal (non-directive)

Narrative technique (Savickas, Peavey etc.): structural inequalities 'biography-ised'

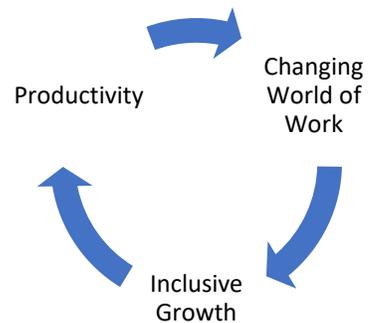
Guidance Models for the Future

Labour Market

Jobs Growth

Unemployment

Flexibilisation



Remit

*Exploring opportunities,
choices to be made*

Matching people to jobs

?

Approach

Liberal, Progressive

Conservative

?

Jobs & Skills in Scotland: Implications for career guidance

JOB QUALITY

1. How should career guidance take into account an increasingly flexible labour market and more insecure, lower skilled and paid employment?
2. Is it really all about choice (individuals) or equally about how choice and lack of choice is socially structured (labour market and society)?
3. Should there be more awareness of the labour market and job quality within guidance?

REGIONAL DISPARITIES

1. How does the careers adviser understand their local labour market and the implications for the future of current trends?
2. How does uneven growth across Scotland exacerbate non-standard employment?
3. How will the new City Deals help or exacerbate the current situation?

THE FUTURE, FLEXIBILISATION & NEW APPROACHES TO GUIDANCE

1. Does guidance need to engage more with the labour market, labour market inequalities and issues of non-standard work and 'flexploitation'?

Questions



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