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**EMPLOYABILITY: DEVELOPING A FRAMEWORK FOR  
POLICY ANALYSIS**

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Employability is central to the current strategic direction of the Department for Education and Employment (DfEE). However, the term is used in a variety of contexts with a range of meanings and it can lack clarity and precision as an operational concept. In early 1998, the DfEE commissioned a review of the relevant literature, supplemented by discussions with DfEE officials and others, to come up with a definition and framework for employability to help inform future policy developments.

The Institute for Employment Studies was asked to carry out the project and the main findings are summarised below.

**Key Findings**

- Employability is about having the capability to gain initial employment, maintain employment and obtain new employment if required.
- For the individual, employability depends on:
  - their assets in terms of the knowledge, skills and attitudes they possess,
  - the way they use and deploy those assets,
  - the way they present them to employers, and
  - crucially, the context (e.g. personal circumstances and labour market environment) within which they see work.
- The balance of importance between and within each element will vary for groups of individuals, depending on their relationship to the labour market.
- Government policy is aimed:
  - more at the development and accreditation of knowledge and vocational skills than at the 'softer' skills and attitudes
  - more on the demonstration of assets than their deployment - particularly for adults (e.g. lack of provision of a careers education and guidance service for adults)
  - more at individuals looking to enter the labour market (e.g. from education or unemployment) than within
  - more on the individual and the supply side, than on employers and the demand side (i.e. the labour market contextual factors).

## Origins of employability

The concept of employability has been in the literature for many years. Current interest has been driven by:

- the changing nature of public employment policy, with increasing emphasis being given to skills-based solutions to economic competition, and work-based solutions to social deprivation
- the supposed end of ‘careers’ and lifetime job security, which have, of course, only ever applied to a minority of the workforce, the greater uncertainty among employers as to the levels and types of jobs they may have in the future, and the need to build new relationships with employers.

## Employability - towards a definition

While there is no singular definition of employability, a review of the literature suggests that employability is about work and the **ability to be employed**; i.e.

- the ability to **gain initial employment**; hence the interest in ensuring that ‘key skills’, carers advice and an understanding about the world of work are embedded in the education system;
- the ability to **maintain employment** and make ‘transitions’ between jobs and roles within the same organisation to meet new job requirements; and
- the ability to **obtain new employment** if required, i.e. to be independent in the labour market by being willing and able to manage their own employment transitions between and within organisations.

It is also, ideally, about

- **the quality of such work or employment.** People may be able to obtain work but it may be below their level of skill, or in low paid, undesirable or unsustainable jobs.

## A definition

In simple terms, employability is about being capable of getting and keeping fulfilling work. More comprehensively employability is the capability to move self-sufficiently within the labour market to realise potential through sustainable employment. For the individual, employability depends on the knowledge, skills and attitudes they possess, the way they use those assets and present them to employers and the context (e.g. personal circumstances and labour market environment) within which they seek work.

## Four components of employability

This suggests that we can separate out four main elements in respect of individuals’ employability: the first three are analogous to the concepts of production, marketing and sales, and the fourth the market place in which they operate.

### Assets

An individual’s ‘employability assets’ comprise their knowledge (i.e. what they know), skills (what they do with what they know) and attitudes (how they do it). There are a number of detailed categorisations in the literature which, for instance, distinguish between:

- **‘baseline assets’** such as basic skills and essential personal attributes (such as reliability and integrity)
- **‘intermediate assets’** such as occupational specific skills (at all levels), generic or key skills (such as communication and problem solving) and key personal attributes (such as motivation and initiative), and
- **‘high level assets’** involving skills which help contribute to organisational performance (such as team working, self management, commercial awareness etc.).

Further key points from the literature include the importance of the transferability of these skills from one occupational or business context to another for employability and the increased attention employers are paying to the softer attitudinal skills in selecting employees.

Merely being in possession of employer-relevant knowledge, skills and attitudes is not enough for an individual to either ‘move self-sufficiently’ in the modern labour market or ‘realise their potential’. People also need the capability to exploit their assets, to market them and sell them.

### Deployment

These are a linked set of abilities which include:

- **Career management skills** - commonly identified as self-awareness (i.e. diagnosing occupational interests and abilities), opportunity awareness (knowing what work opportunities exist and their entry requirements i.e. labour market knowledge), decision-making skills (to develop a strategy of getting from where you are to where you want to be) and transition skills. The latter generally includes:

- **Job search skills** - i.e. finding suitable jobs. Access to formal and informal networks is an important component of job search and employability.
- **Strategic approach** - being adaptable to labour market developments and realistic about labour market opportunities, including the willingness to be occupationally and locationally mobile.

There is obviously an important inter-relationship between assets and deployment. The extent to which an individual is aware of what they possess in terms of knowledge, skills and attitudes and its relevance to the employment opportunities available may affect their willingness to undertake training and other activities designed to upgrade their skills etc.

### Presentation

Another key aspect of employability is being able to get a particular job, once identified - sometimes included under career management skills, but is given prominence as a separate element here due to its crucial importance to securing employment. It centres around the ability to demonstrate 'employability' assets and present them to the market in an accessible way. This includes:

- the presentation of CVs etc., (including Records of Achievement)
- the qualifications individuals possess (both academic and vocational), perhaps accredited through prior learning
- references and testimonies
- interview technique, and, of particular importance
- work experience/track record.

### In the context of personal circumstances and the labour market

Finally and crucially, the ability to realise or actualise 'employability' assets depends on the individual's personal and external circumstances and the inter-relationship between the two. This includes:

- **personal circumstances** - e.g. caring responsibilities, disabilities, and household status can all affect their ability to seek different opportunities and will vary during an individual's life cycle; while
- **external factors** such as macro-economic demand and the pattern and level of job openings in their labour market, be it local or national; labour market regulation and benefit rules; and employer recruitment and selection behaviour.

### Priorities for action

For the **state**, as well as raising the skill profile of the existing workforce, especially at lower levels to boost flexibility and competitiveness, there are a number of potential priority groups including:

- labour market entrants
- labour market re-entrants
- disadvantaged groups
- insecure or under utilised employees

where different policies may need to be targeted according to different circumstances.

For **employers** the priorities might be to help key groups of staff to develop both those assets which have explicit, immediate value to the organisation as well as those transferable ones which have a wider, longer term currency, thereby engendering a sense of security, encouraging commitment, risk taking and flexibility among employees.

For the **individual** the need is to boost those aspects of their employability which will most enhance their opportunities in the light of their circumstances.

### Issues for public policy

The above definition of employability provides a basis for analysing the policies affecting the employability of certain groups (e.g. 16 and 17 year old school leavers), or conversely how major policy initiatives (e.g. the New Deal) impact on employability. A brief review of Government initiatives in this area suggests that policy is aimed:

- more at the development and accreditation of knowledge and vocational skills than at the 'softer' skills and attitudes
- more on the demonstration of assets than their deployment - particularly for adults (e.g. lack of provision of a careers education and guidance service for adults)
- more at individuals looking to enter the labour market (e.g. from education or unemployment) than within
- more on the individual and the supply side, than on employers and the demand side (i.e. the labour market contextual factors).

This policy orientation may reflect a variety of factors such as difficulties in defining, assessing and verifying 'soft skills', and difficulties identifying and accessing specific groups of employees at which to target limited resources.

Thus some key questions for future policy interventions include:

- who are the priority groups;
- where the most serious gaps are for such groups be they related to e.g. which assets, dimensions of deployment or presentational skills;
- how these gaps might best be remedied and
- which of the arms of public policy are best placed to add such value and how through interventions.

Finally whatever the interventions they need to **evaluate** so that lessons can be fed back into further improvements and to the decision to continue with, change or stop such interventions. Potential measures include those relating to **input measures** e.g. possession of vocational qualifications, or the receipt of careers management training; **perception measures** e.g. the views of **employers'** and the workforce of their employability; and **outcome measures** e.g. the speed at which people are able to get jobs or 'measurements of failure' e.g. the numbers or proportion of people with difficulty finding or keeping work, or the number of job changes, however defined. Obviously there is room for some combination of all three. Whatever route is chosen, it is important to take account of the overall state of the labour market and how it is changing to take account of any dead-weight effect and assess true additionality.

### Conclusions and further research

Employability is a two-sided equation and many individuals need various forms of support to overcome the physical and mental barriers to learning and development (i.e. updating their assets). Employability is not just about vocational and academic skills. Individuals need relevant and usable labour market information to help them make informed decisions about the labour market options available to them. They may also need support to realise when such information would be useful and to interpret that information and turn it into intelligence. Finally people also need the opportunities to do things differently, to access relevant training and most crucially employment.

The review of the literature and discussions raised a number of areas of potential interest for further research. These included:

- the balance between the components of employability
- whether there are any minimum levels of employability
- the unskilled labour market, and
- overcoming employability deficits.

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