

Inside the Data

00 02 03 01 THE STATE OF **SUPPLY AND** COVID-19 IS **IT'S NOT JUST SKILLS 2021:** DEMAND **ENDANGERING SKILLS AT RISK ENDANGERED WORKFORCE FOR SKILLS** - IT'S PEOPLE, **SKILLS** COMMUNITIES, **AND BUSINESSES** Do you know the skills Mental health and It's accelerating the need for new skills wellness are at risk you need? Do you know the It's reducing Productivity and skills you have? performance are at risk opportunities for upskilling and reskilling There is no system of Retention and recovery It's making the record for skills workforce feel are at risk vulnerable

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Employer brands and

trust are at risk

RESEARCH

The State of Skills 2021:

ENDANGERED

"The future spreads like cold butter."1

Mule Design co-founder and Director of Strategy, Erika Hall

COVID-19 is changing everything. Many of the organizations that survive, emerge, and thrive will be different than they were before all the unpleasantness. Their workforces will have to be, too.

We've already seen an unprecedented number of workers displaced all around the world. And the redeployments, furloughs, and layoffs will likely continue throughout 2021. That's forcing countless workers to refresh their current skills, and more importantly, build new ones.

But few of us know where to start — and both time and money are in short supply.

That's why we created The State of Skills.

Degreed surveyed over 5,200 people around the world to assess the effects of recent global events on workforce skills and to gauge their readiness to adapt to new challenges.

We segmented our data by identifying the countries, industries, and job roles where skills are most at-risk of becoming obsolete. We hope this will help workers, team managers, and business leaders focus their limited energy and investments on developing the skills they need most.

Pay close attention to the data on your country, industry, and role throughout the report.

Those who act quickly have a game-changing opportunity to get ahead of the competition.

1. Mule Design, Design In the Age of Anxiety, 9/2017



Supply and demand for skills

Everyone — business executives, HR, talent and learning leaders, people managers, and individual workers — seems to be asking the same question right now: "What skills do we need for the future?" The answer is, "it depends." It depends on who you are, where you work, and what you do.

"I ask managers to imagine a documentary about what their team is accomplishing six months from now. What specific results do they see? How is the work different from what the team is doing today? Next, I ask them to think about the skills needed to make the images in the movie become reality."

Netflix former Chief Talent Officer, Patty McCord



Everyone needs technology skills

Most of the forecasts we've seen say the fastest percentage growth in global demand for skills over the next decade will be in technology and programming as well as basic digital fluency. But many jobs, like sales, only require people to use those skills in small doses or at basic levels.



Everyone needs human skills

And in absolute terms (the total number of hours that skills are required each year) those same forecasts predict the biggest growth will be in demand for cognitive skills like creativity or problem solving, and social skills like communication, entrepreneurship, or leadership.



You need to see supply and demand for your skills

It's hard to use forecasts like these if you're a business executive, HR leader, people manager, or worker. You need to see the supply and demand for skills on a more granular level. You need to know which skills are growing (or declining) in value in your country, in your business, or your role.

1. Harvard Business Review, How Netflix Reinvented HR, 2/2014

Do you know the skills you need?

A Driven by demand

Among the 5,000+ workers, team managers, and business leaders we surveyed, demand is strongest for technological skills. However, they are also looking to develop their social and cognitive skills.

We asked people to select up to five skills they'd most like to develop from a taxonomy of 25 skills developed by McKinsey Global Institute for their 2018 study, *Skill shift: Automation and the future of the workforce*.

Overall

In-Demand Skills in 2021

RANK	SKILLS	CATEGORY
1	Advanced IT and programming skills	TECHNOLOGICAL
2	Leadership and management skills	SOCIAL
3	Communication and negotiation skills	SOCIAL
4	Entrepreneurship and initiative-taking skills	SOCIAL
5	Project management skills	COGNITIVE
6	Creativity skills	COGNITIVE
7	Advanced data analysis and mathematics skills	TECHNOLOGICAL
8	Critical thinking and decision making skills	COGNITIVE
9	Adaptability and continuous learning skills	SOCIAL
10	Technology design and engineering skills	TECHNOLOGICAL

Look closer, though. There are some important differences in the most indemand skills when you look at the data by country, by industry, and by job role.

By your country

In-Demand Skills in 2021

RANK	OVERALL	US	MEXICO	BRAZIL	UK	FRANCE	GERMANY	INDIA	AUSTRALIA
1	Advanced IT and programming	Advanced IT and programming	Leadership and managing others	Leadership and managing others	Leadership and managing others				
2	Leadership and managing others	Leadership and managing others	Leadership and managing others	Entrepreneurship and initiative-taking	Leadership and managing others	Advanced communication and negotiation	Advanced communication and negotiation	Advanced IT and programming	Advanced IT and programming
3	Advanced communication and negotiation	Advanced data analysis and mathematics	Technology design and engineering	Leadership and managing others	Project management	Creativity	Advanced IT and programming	Entrepreneurship and initiative-taking	Entrepreneurship and initiative-taking
4	Entrepreneurship and initiative-taking	Project management	Entrepreneurship and initiative-taking	Advanced communication and negotiation	Advanced data analysis and mathematics	Leadership and managing others	Creativity	Advanced data analysis and mathematics	Advanced communication and negotiation
5	Project management	Adaptability and continuous learning	Advanced communication and negotiation	Project management	Creativity	Teaching and training others	Project management	Creativity	Adaptability and continuous learning
6	Creativity	Technology design and engineering	Basic digital software skills	Creativity	Critical thinking and decision making	Project management	Critical thinking and decision making	Critical thinking and decision making	Advanced data analysis and mathematics
7	Advanced data analysis and mathematics	Critical thinking and decision making	Project management	Technology design and engineering	Adaptability and continuous learning	Critical thinking and decision making	Complex information processing and analysis	Adaptability and continuous learning	Project management
8	Critical thinking and decision making	Advanced communication and negotiation	Scientific research and development	Scientific research and development	Advanced communication and negotiation	Interpersonal skills and empathy	Advanced data analysis and mathematics	Advanced communication and negotiation	Critical thinking and decision making
9	Adaptability and continuous learning	Entrepreneurship and initiative-taking	Teaching and training others	Complex information processing and analysis	Teaching and training others	Adaptability and continuous learning	Interpersonal skills and empathy	Scientific research and development	Creativity
10	Technology design and engineering	Teaching and training others	Adaptability and continuous learning	Quantitative and statistical analysis	Basic digital software skills	Complex information processing and analysis	Adaptability and continuous learning	Technology design and engineering	Teaching and training others

TECHNOLOGICAL

SOCIAL

COGNITIVE

By your industry

TECHNOLOGICAL

SOCIAL

COGNITIVE

By your role

TECHNOLOGICAL

SOCIAL

COGNITIVE

In-Demand Skills in 2021

RANK	OVERALL	FINANCIAL SERVICES	TECHNOLOGY AND TELECOMMUNICATIONS	CONSUMER AND RETAIL	INDUSTRIAL MANUFACTURING	BUSINESS SERVICES	HEALTHCARE
1	Advanced IT and programming	Leadership and managing others					
2	Leadership and managing others	Advanced IT and programming					
3	Advanced communication and negotiation	Critical thinking and decision making	Technology design and engineering	Creativity	Advanced communication and negotiation	Advanced communication and negotiation	Creativity
4	Entrepreneurship and initiative-taking	Advanced communication and negotiation	Project management	Adaptability and continuous learning	Entrepreneurship and initiative-taking	Entrepreneurship and initiative-taking	Teaching and training others
5	Project management	Entrepreneurship and initiative-taking	Advanced data analysis and mathematics	Basic digital software skills	Technology design and engineering	Project management	Critical thinking and decision making
6	Creativity	Project management	Entrepreneurship and initiative-taking	Project management	Advanced data analysis and mathematics	Critical thinking and decision making	Adaptability and continuous learning
7	Advanced data analysis and mathematics	Complex information processing and analysis	Scientific research and development	Teaching and training others	Scientific research and development	Adaptability and continuous learning	Project management
8	Critical thinking and decision making	Advanced data analysis and mathematics	Advanced communication and negotiation	Technology design and engineering	Complex information processing and analysis	Technology design and engineering	Advanced communication and negotiation
9	Adaptability and continuous learning	Adaptability and continuous learning	Creativity	Entrepreneurship and initiative-taking	Critical thinking and decision making	Advanced data analysis and mathematics	Entrepreneurship and initiative-taking
10	Technology design and engineering	Quantitative and statistical analysis	Quantitative and statistical analysis	Advanced data analysis and mathematics	Project management	Scientific research and development	Advanced data analysis and mathematics

In-Demand Skills in 2021

RANK	OVERALL	HR	FINANCE	IT	OPERATIONS	MARKETING	SALES
1	Advanced IT and programming	Leadership and managing others	Leadership and managing others				
2	Leadership and managing others	Leadership and managing others	Leadership and managing others	Technology design and engineering	Leadership and managing others	Technology design and engineering	Advanced IT and programming
3	Advanced communication and negotiation	Entrepreneurship and initiative-taking	Advanced communication and negotiation	Leadership and managing others	Project management	Advanced IT and programming	Advanced communication and negotiation
4	Entrepreneurship and initiative-taking	Advanced communication and negotiation	Critical thinking and decision making	Project management	Adaptability and continuous learning	Entrepreneurship and initiative-taking	Entrepreneurship and initiative-taking
5	Project management	Project management	Entrepreneurship and initiative-taking	Advanced data analysis and mathematics	Entrepreneurship and initiative-taking	Advanced data analysis and mathematics	Adaptability and continuous learning
6	Creativity	Teaching and training others	Advanced data analysis and mathematics	Complex information processing and analysis	Advanced communication and negotiation	Basic digital software skills	Creativity
7	Advanced data analysis and mathematics	Creativity	Project management	Advanced communication and negotiation	Complex information processing and analysis	Adaptability and continuous learning	Teaching and training others
8	Critical thinking and decision making	Scientific research and development	Complex information processing and analysis	Entrepreneurship and initiative-taking	Creativity	Creativity	Project management
9	Adaptability and continuous learning	Advanced data analysis and mathematics	Quantitative and statistical analysis	Scientific research and development	Teaching and training others	Advanced communication and negotiation	Critical thinking and decision making
10	Technology design and engineering	Basic digital software skills	Creativity	Quantitative and statistical analysis	Basic digital software skills	General equipment operation	Advanced data analysis and mathematics

Do you know the skills you have?

↑ Good news

LinkedIn may not actually know more about your people than you do. Only 21% of workers believe the most up-to-date data about their skills exists in online networks and communities like Linkedin, Twitter, Dribbble, or GitHub; 34% think it's in their employers' HR systems.

⚠ Bad news

There's still a lot that HR systems don't (and can't) know. More than a quarter (27%) of workers believe the most up-to-date data on their skills is hidden inside documents like resumes and CVs. Another 18% say real-time information on their skills doesn't exist anywhere.

Overall

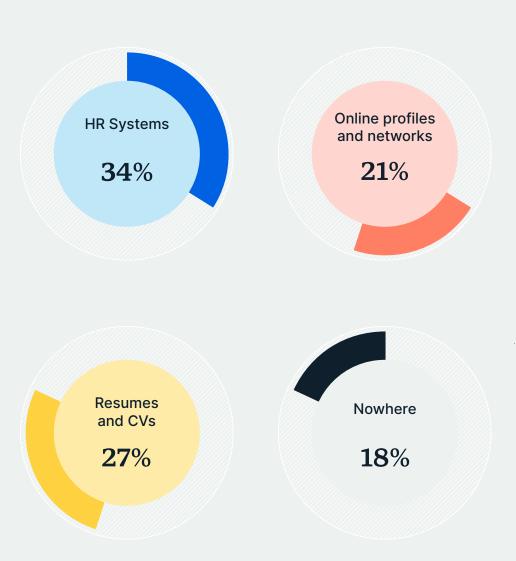
Where do you think the most up-to-date data about your skills exist, if anywhere?

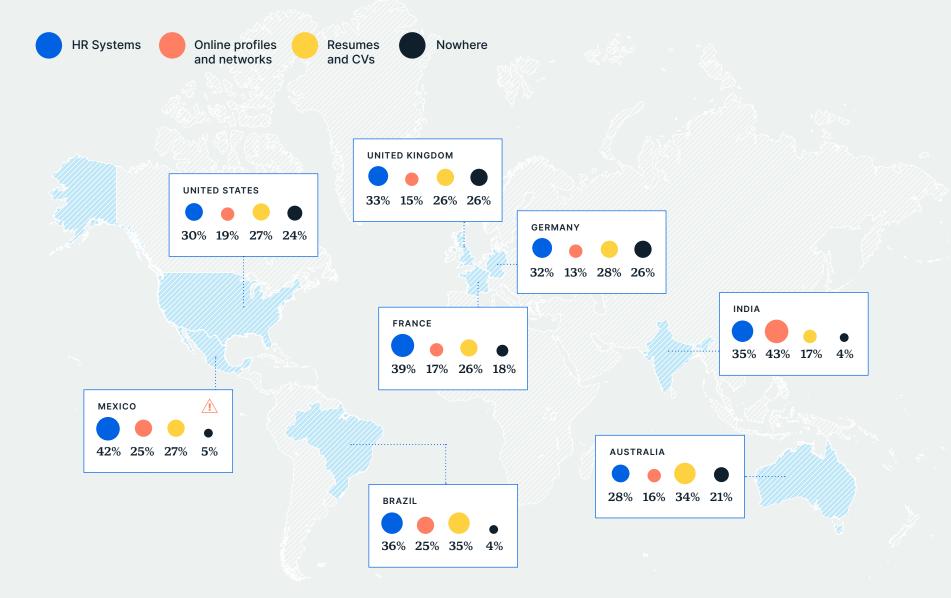
In your country

Where do you think the most up-to-date data about your skills exist, if anywhere?



Mexican workers are most confident in the skills data in their company's HR systems. Australians are the least confident.





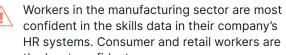
Where do you think the most up-to-date data about your skills exist, if anywhere?

Resumes

and CVs

Online profiles

and networks



confident in the skills data in their company's HR systems. Consumer and retail workers are the least confident.

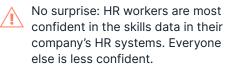
In your role

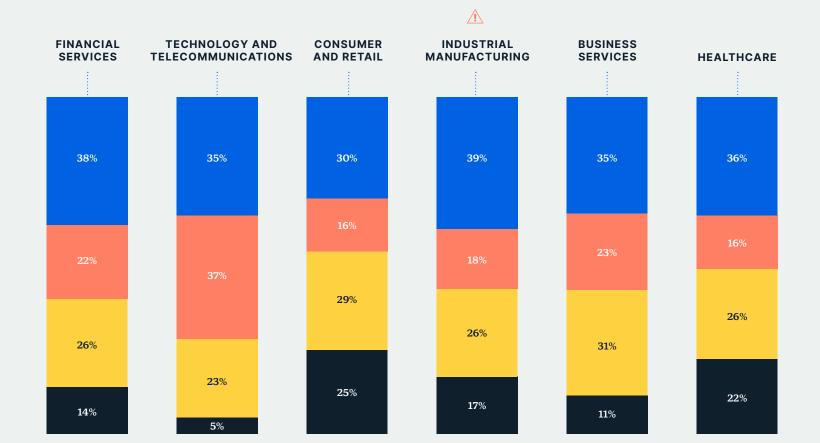
Where do you think the most up-to-date data about your skills exist, if anywhere?

Resumes

and CVs

Online profiles







Nowhere

There is no system of record for skills.

Technology can now do wonders to illuminate people's skills. But the data indicates that efficient data architectures and advanced AI are not enough to fill in all the gaps in conventional HR processes.

CEO:

"Do we have the skills we need for the future?"

CHRO:



How data on people's skills gets into HR systems (and how it doesn't).

Skill data is captured through job applications or internal talent profiles Skill data is updated via periodic reviews, development plans, or assessments

Skill data is inferred from job descriptions, competency models, or other organizational data

Skill data is inferred from credentials, online profiles, or other publicly available data

But

75% • 61% • 40% • 21%

to 80% of workers

of workers do not get don't complete their HR regular feedback on their system's talent profile1 performance or skills²

But

But

But only

of employees say they frequently complete tasks outside their job description³

of workers say the most up-to-date data about their skills is in online profiles⁴

- 1. Human Resource Executive, Focusing HR-tech development in the time of the virus, 04/2020
- 2. Degreed and Harvard Business School Publishing, How the Workforce Learns, 03/2019
- 3. Gartner, Workforce Planning for Competitive Advantage Post-COVID-19, 06/2020
- 4. Degreed, The State of Skills: Endangered Skills 2021, 10/2020



COVID-19 is endangering workforce skills

"I need to tell you something about all your skills. As of right now, they mean precisely #!*%."

Men in Black Agent, K (as played by Tommy Lee Jones)

The global health and economic crisis has had three big impacts on the state of skills:



It's accelerating the need for new skills



It's reducing opportunities for upskilling and reskilling

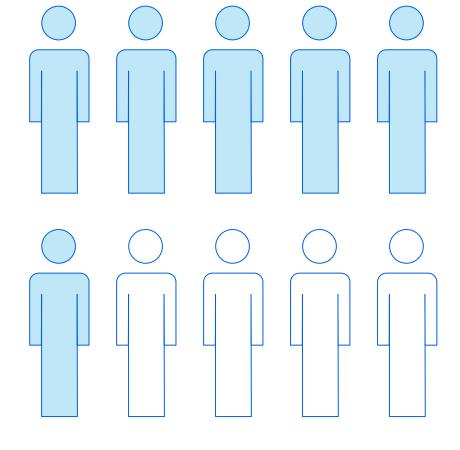


It's making the workforce more stressed and vulnerable

1. Tommy Lee Jones, Men in Black, 1997

It's accelerating the need for new skills.

Workers, managers, and business leaders are all feeling the pressure to upskill and reskill. **Six-in-ten** say COVID-19 and the resulting economic crisis have accelerated their need to acquire new skills.

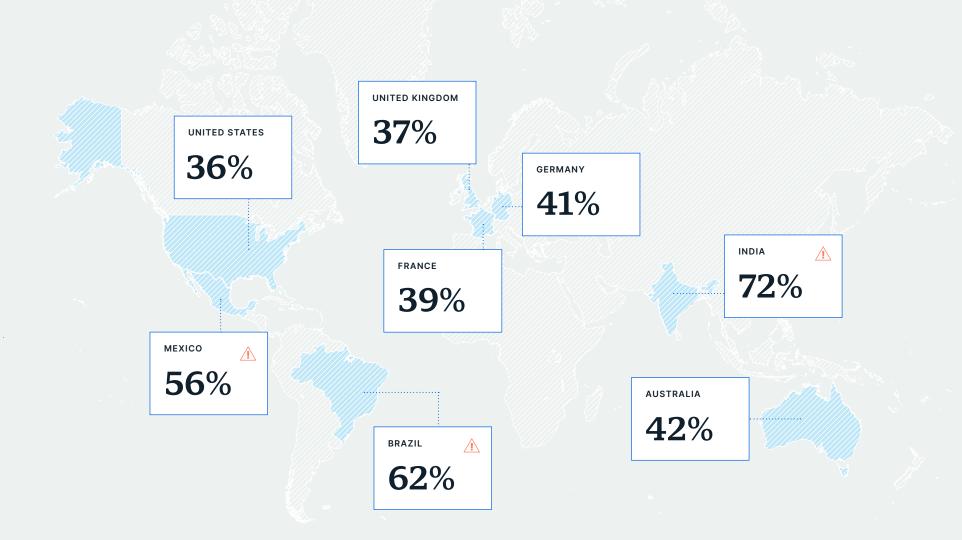


In your country

I agree that COVID has accelerated the need for me to acquire new skills.



This pressure to develop new skills is strongest in India, Mexico, and Brazil. But many European and North American workers also sense the urgent need for retooling.



I agree that COVID has accelerated the need for me to acquire new skills.



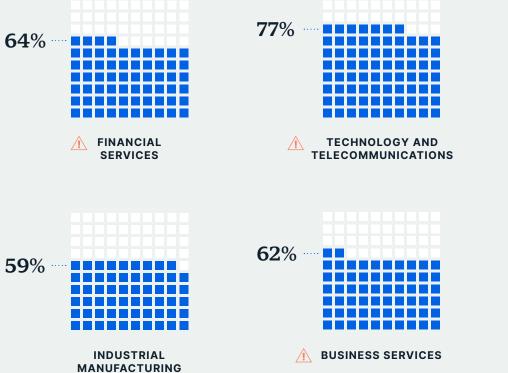
Workers in the technology and telecommunications sector feel the greatest demand for new skills, followed by those in the business and financial services sectors.

In your role

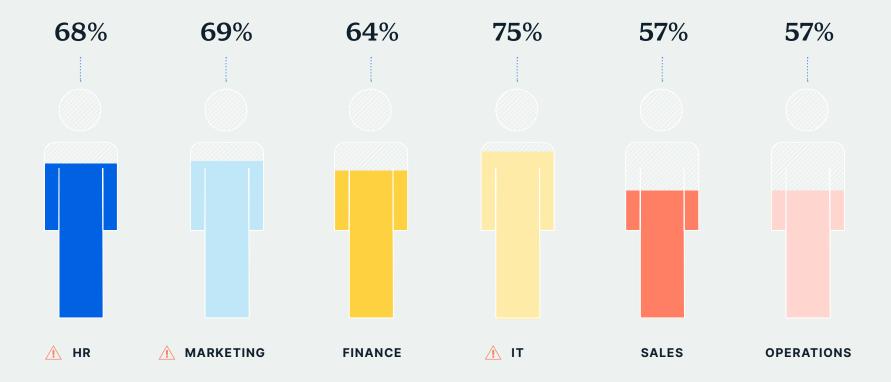
I agree that COVID has accelerated the need for me to acquire new skills.



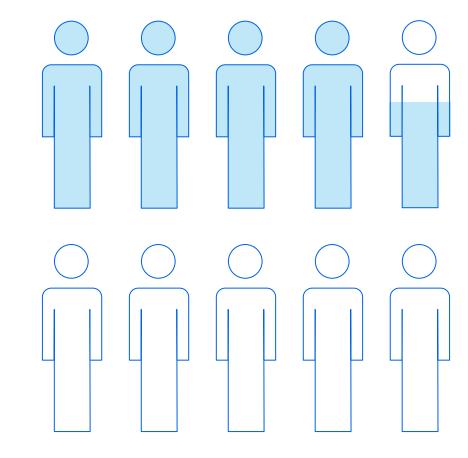
IT, marketing, and HR workers, many of them facing sudden, substantial changes in the demands of their roles, are feeling the most acute pressure to upskill and reskill.







It's reducing opportunities for upskilling and reskilling.

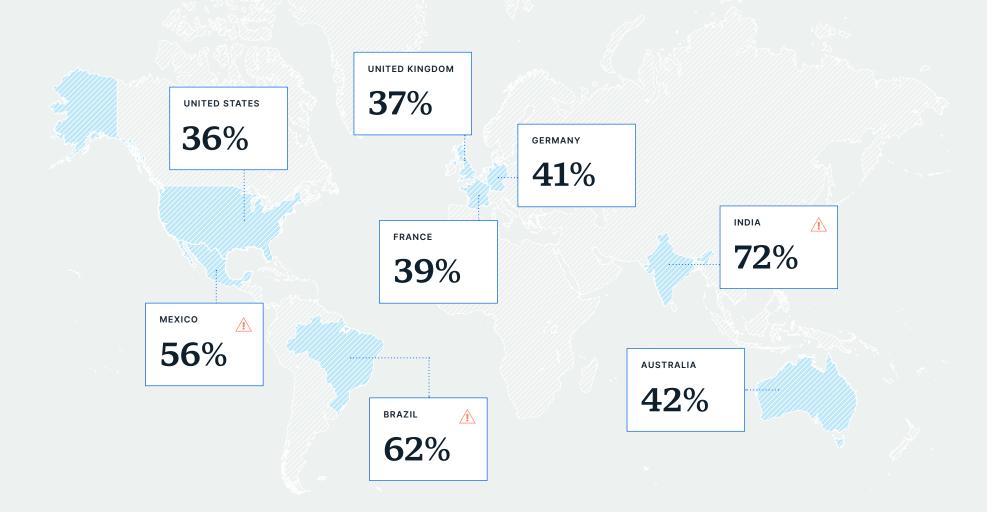


Development opportunities are harder to find at work amid the global health and economic crisis. Nearly half of workers (46%) say their employers have reduced upskilling and reskilling opportunities during the pandemic.

In your country

My employer has reduced upskilling (e.g. training and development) opportunities compared to pre-COVID levels.

The lack of opportunities is especially serious in emerging markets (like India, Brazil, and Mexico), which are essential to many companies' operations and growth prospects.



My employer has reduced upskilling (e.g. training and development) opportunities compared to pre-Covid levels.



Cuts to upskilling and reskilling opportunities have been felt most deeply in the technology and telecommunications, and business and financial services sectors.

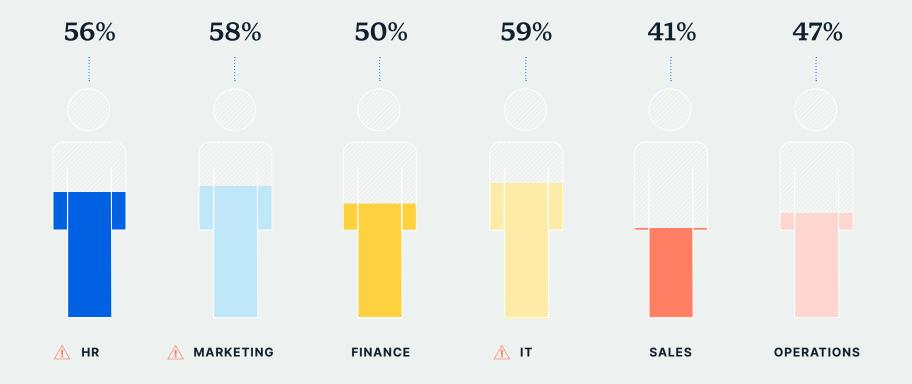
In your role

My employer has reduced upskilling (e.g. training and development) opportunities compared to pre-Covid levels.



IT, marketing, and HR professionals, the people most impacted by the sudden shifts in work and consumer habits, have felt the cuts to opportunities most deeply.





It's making the workforce feel vulnerable.

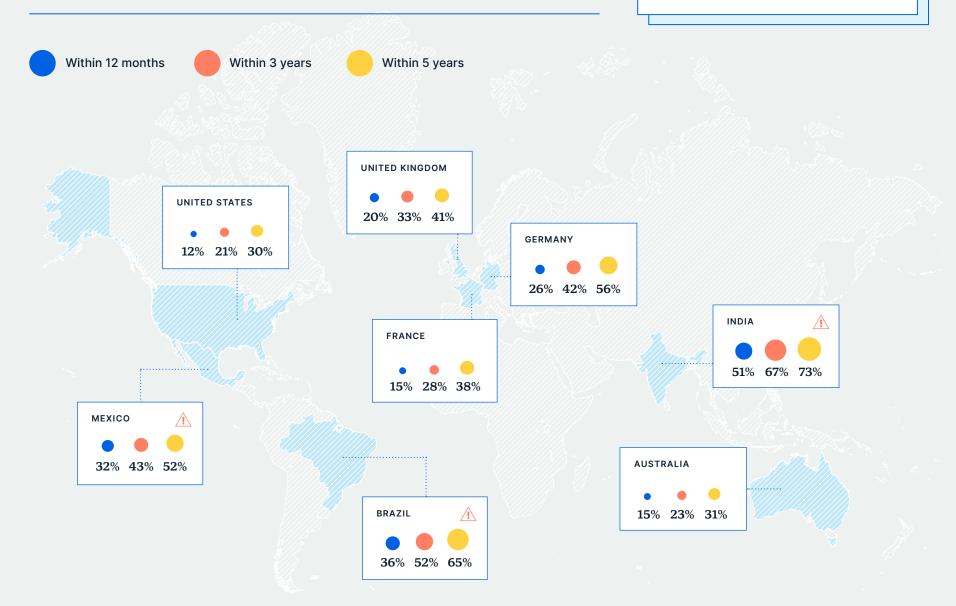
Nearly half (46%) of workers, managers, and business leaders believe their core job skills will be obsolete within five years. More than 36% expect their core job skills to decay within three years.

In your country

When, if at all, do you believe your core job skills will be obsolete?



The risks of obsolete skills are most acutely felt by workers in emerging markets like India, Brazil, and Mexico, as well as in Germany.



When, if at all, do you believe your core job skills will be obsolete?



The risks of obsolete skills are most pronounced in the financial services, technology and telecommunications, and business services sectors.

In your role

Within 12 months

When, if at all, do you believe your core job skills will be obsolete?

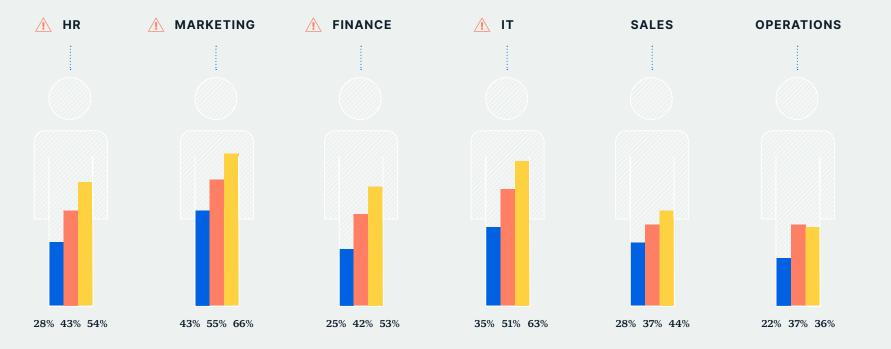
Within 3 years



The risks of obsolete skills within the next few years are felt most severely among workers in IT, marketing, HR, and finance roles.







Within 5 years



It's not just skills at risk—it's people, communities, and businesses

"When we looked at our labor force through the skills lens, we found that we had twothirds of our skills wrong. We were headed for disaster."

Head of Talent Management, Financial Institution

There's much more at stake here than just skills.



People are at risk



Communities are at risk



Businesses are at risk

 Gartner, Use Labor Market Insights to Manage People-Related Costs, 3/2020

It's not just skills at risk, it's...

People

The livelihoods and prospects of tens of millions of workers have already been damaged. And more than half of workers globally (55%) say that as confidence in their skills decreases, their stress levels increase.

- Livelihoods
- Future prospects
- Anxiety and stress

Communities

That stress doesn't just affect those people and their families. It compounds into weaker consumer demand and adds new pressures on already strained communities and local governments.

- Consumer demand
- Economic activity
- Government finances

Businesses

Anxiety and stress over skills can also impede workers' productivity and performance, and intensify "people costs" like wellness, absences, and turnover. And that's bad for business.

- Mental health and wellness
- Productivity and performance
- Retention and resilience
 - Employer brands and trust

Mental health and wellness are at risk.

Anxiety about skills is becoming a mental health and wellness issue. Nearly 6-in-10 (55%) workers, managers, and business leaders said a lack of confidence in their skills makes their job more stressful. Nearly 4-in-10 (38%) say their mental health suffers.

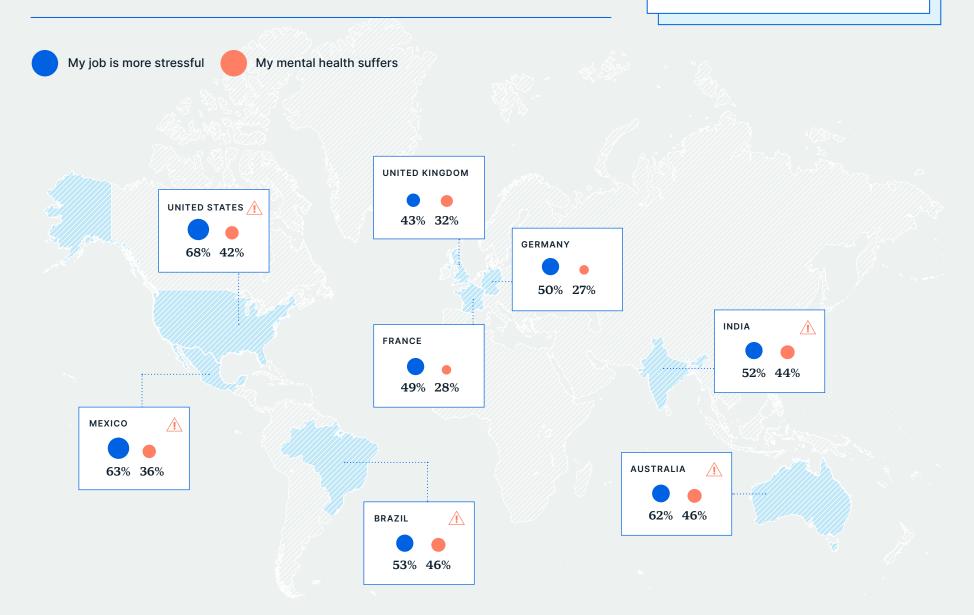


In your country

When you don't feel confident in your skills, how, if at all, does this impact you?

⚠ W aı

Workers in the United States, Mexico, and Australia are most at risk of stress. Mental health is most at risk with workers in Brazil, Australia, India, and the US.



When you don't feel confident in your skills, how, if at all, does this impact you?



Workers in the healthcare, financial services, and retail industries are most prone to stress. Mental health is most at risk in the healthcare and business services sectors.

In your role

My job is more stressful

When you don't feel confident in your skills, how, if at all, does this impact you?

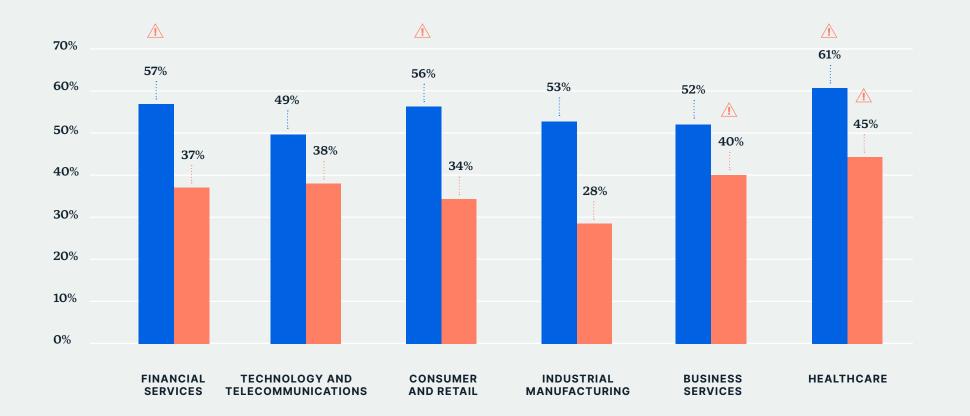
My mental health suffers

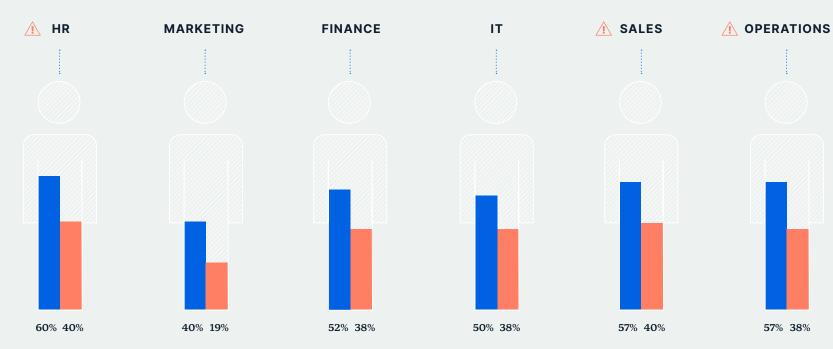


People who work in HR, sales, and operations roles are most likely to be stressed. The mental health of those working in those same roles is also most at risk.

57% 38%







Productivity and performance are at risk.

410/6

Instability of skills is a significant risk to workers' productivity and performance. More than 4-in-10 (41%) people told us that a lack of confidence in their skills means tasks take longer to complete.

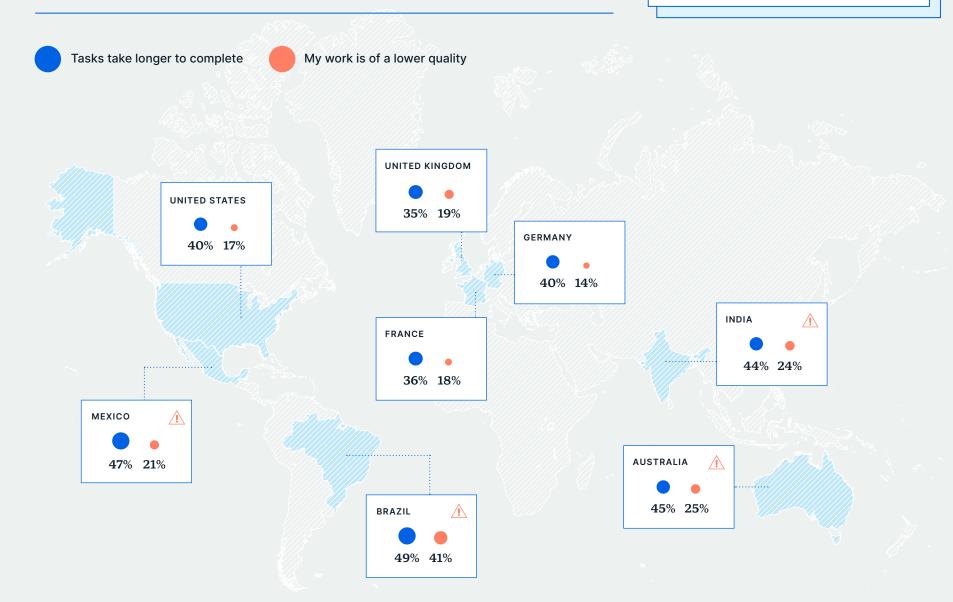
More than one-in-five (22%) say their work is a lower quality.



In your country

When you don't feel confident in your skills, how, if at all, does this impact you?

Australian, Indian, Brazilian, and Mexican workers are most likely to say tasks take longer to complete, and that work is a lower quality when they're not confident in their skills.



When you don't feel confident in your skills, how, if at all, does this impact you?



Workers in technology and telecommunications, and business services are most likely to say insecurity in skills leads to slower task completion and lower quality work.

In your role

Tasks take longer to complete

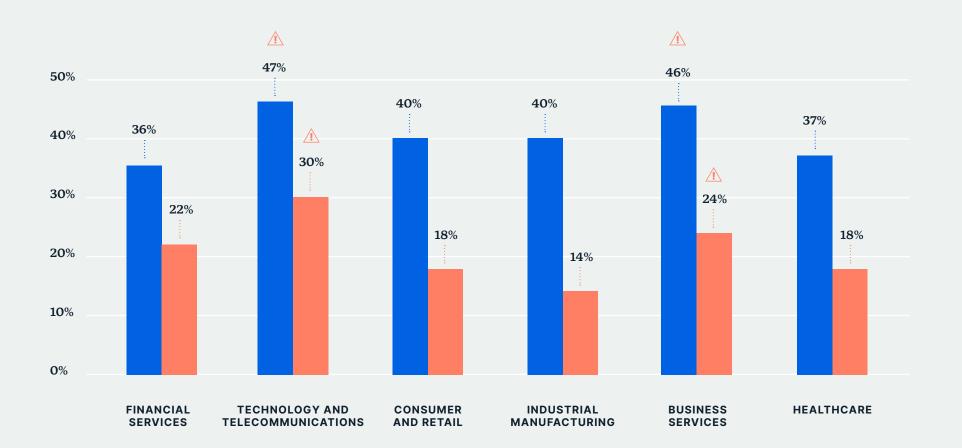
When you don't feel confident in your skills, how, if at all, does this impact you?

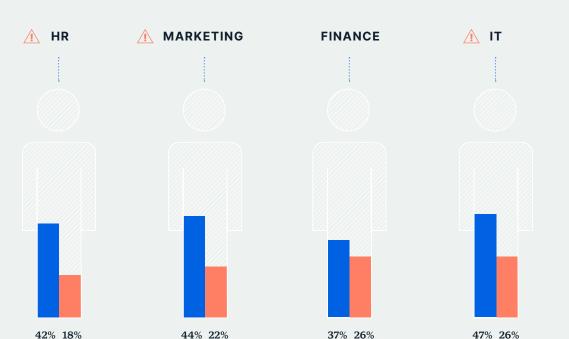
My work is of a lower quality

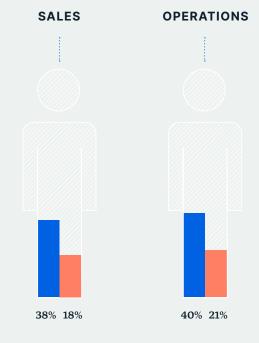


People working in IT, marketing, and HR roles are most likely to say tasks take longer to complete, and their work is a lower quality when they feel anxious about their skills.

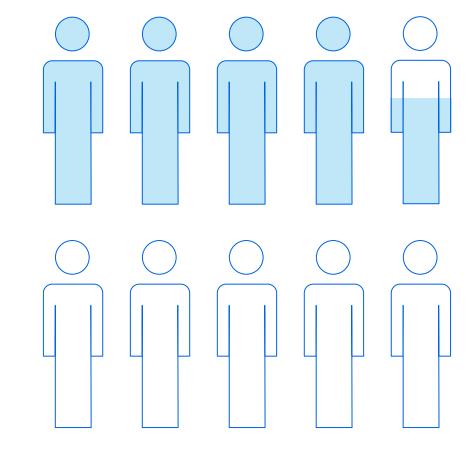








Retention and recovery are at risk.



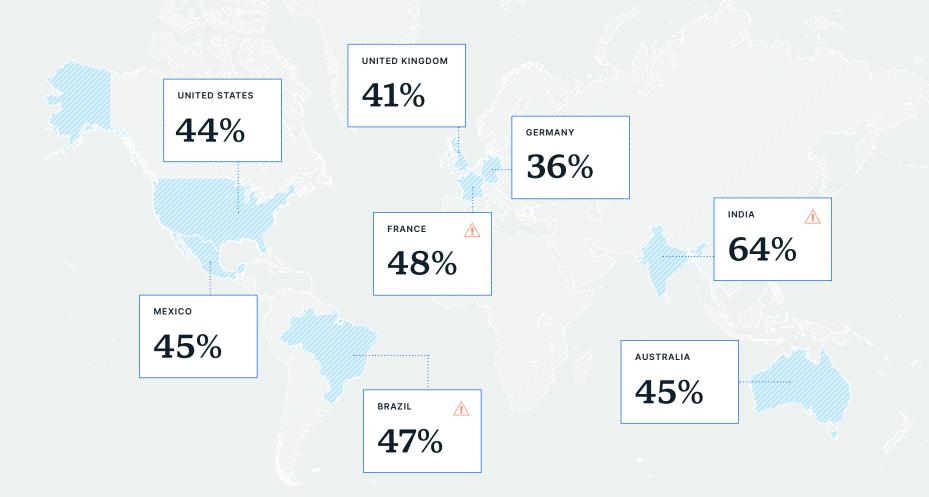
The declining availability of upskilling and reskilling opportunities could lead to increased voluntary turnover, which puts business resilience and recovery at risk when the economic climate improves. Nearly half (46%) of workers around the world now say they are more likely to leave their employer if they don't see a commitment to upskilling and reskilling.

In your country

If my employer doesn't invest in me and the development of my skills, I will be more likely to leave my job.



Indian and Brazilian workers, who have felt some of the biggest gaps in support from employers, are most inclined to leave for a better opportunity. So are French workers.



If my employer doesn't invest in me and the development of my skills, I will be more likely to leave my job.



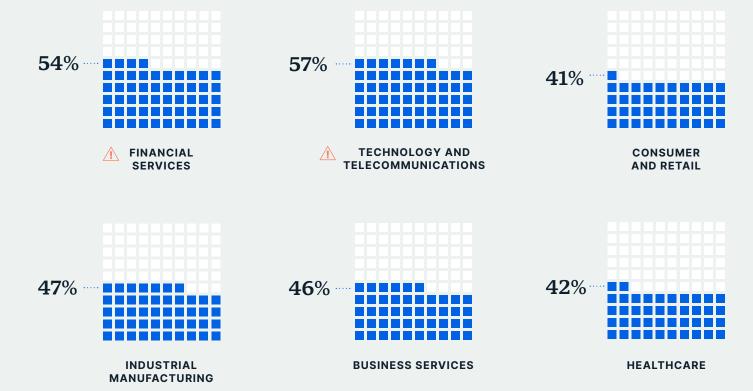
Workers in the financial services and technology and telecommunications sectors are most likely to consider leaving their employer if they don't see a commitment to upskilling.

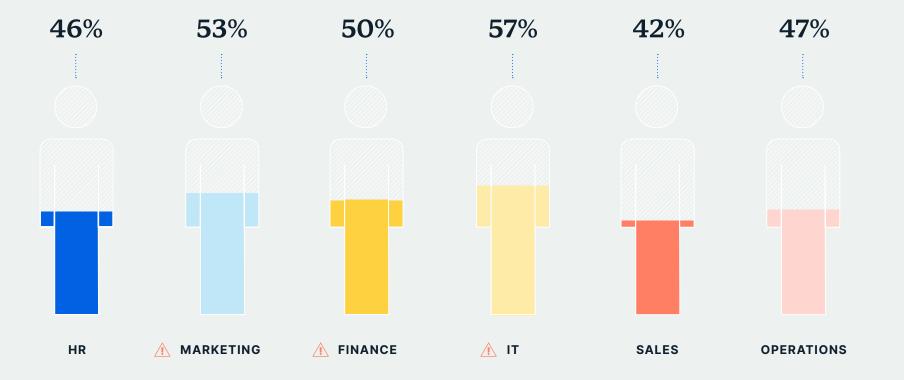
In your role

If my employer doesn't invest in me and the development of my skills, I will be more likely to leave my job.

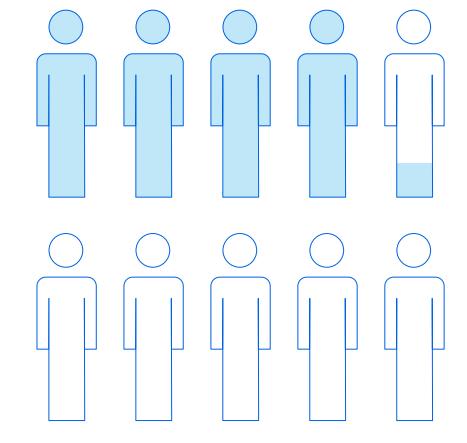


People in IT, marketing, and finance roles are most likely to leave their employer for a new opportunity if they don't feel an investment in developing future-ready skills.





Employer brands and trust are at risk.

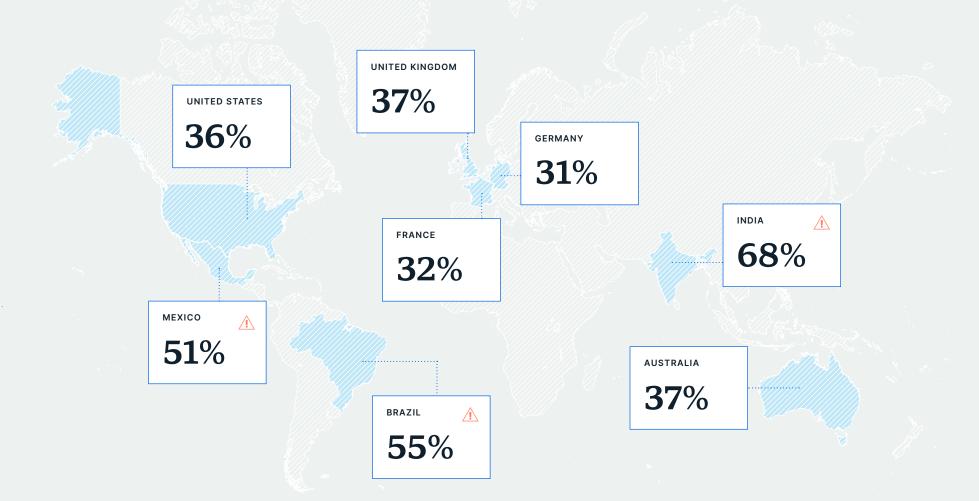


The declining availability of upskilling and reskilling opportunities is damaging people's confidence in employers' commitment to their growth — a core part of many companies' employer value proposition. More than four-in-10 (42%) workers believe their company is more likely to lay workers off than to reskill them or move them into another role.

In your country

My employer is more likely to make redundancies than reskill workers or move them to another department.

Workers in emerging markets, like India, Brazil, and Mexico are especially skeptical of companies' commitment to investing in growing their skills and developing their careers.



My employer is more likely to make redundancies than reskill workers or move them to another department.



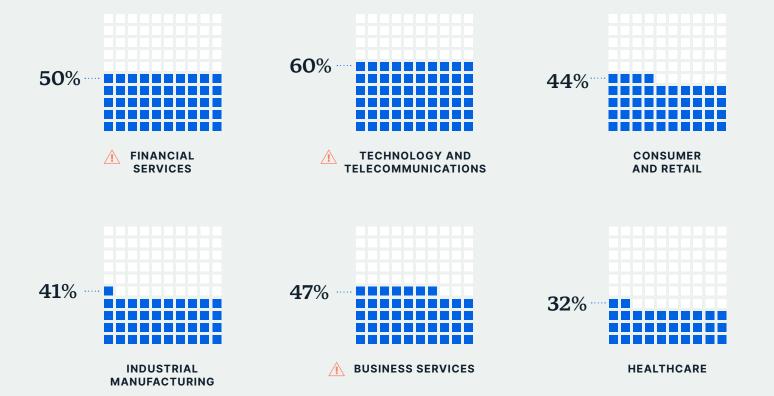
Workers in the technology and telecommunications, financial services, and business services sectors are most skeptical of companies' commitment to their careers.

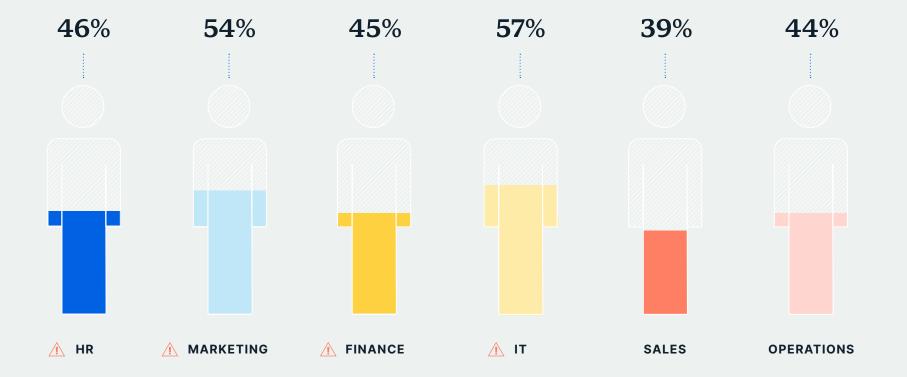
In your role

My employer is more likely to make redundancies than reskill workers or move them to another department.



IT, marketing, HR, and finance workers have the strongest doubts about their companies' commitment to investing in developing their skills and advancing their careers.

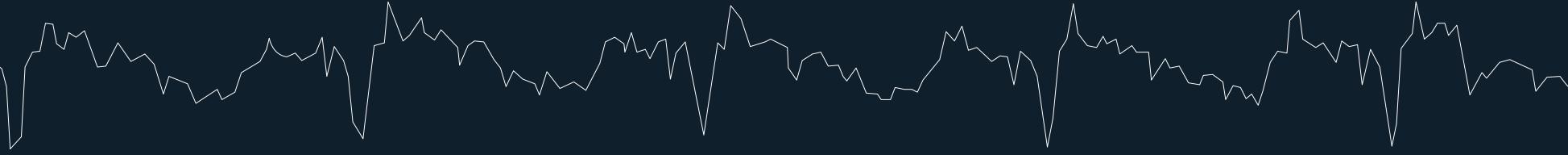




Hands can't hit what eyes can't see

The skills we need, and the ones we have, change constantly.
Because things change constantly.

- ⚠ Our jobs change and our careers grow
- \triangle Rules and regulations get implemented
- ⚠ Customers' values and behaviors evolve
- ⚠ New technologies create new possibilities
- \triangle Business strategies shift and priorities shuffle
- ⚠ Innovative thinking leads to new practices and processes
- A Pandemics turn the whole world upside down at the drop of a hat



Google Search for "skills" since 2015

"Float like a butterfly, sting like a bee. His hands can't hit what his eyes can't see."

Muhammad Ali

These things happen every day. As they do, some skills decay in value while others grow and new ones emerge. And that means we all need to pay closer attention to the skills we have and the ones we need next.

These insights are increasingly valuable to workers and managers because they can help keep skills and careers aligned to growth opportunities. And they've become essential to business executives and HR talent and learning leaders because they can inform smarter, more impactful decisions about how we invest in our most valuable assets — our people.

About the research

The Data

We gathered data from 5,208 workers, team managers, and business leaders.

The data was collected in July and August 2020 by independent, international market research agency, Censuswide.

COUNTRIES		JOB ROLES		INDUSTRIES	
United States	1,078	IT	1,153	Financial Services	425
Brazil	536	Finance	550	IT and Telecommunications	884
Mexico	538	HR	352	Consumer and Retail	729
UK	1,002	Operations	645	Industrial Manufacturing	465
France	521	Marketing	206	Business Services	669
Germany	509	Sales	534	Healthcare	459
India	523	Other	1,768	Other Industries	1,577
Australia	501				

The Team

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