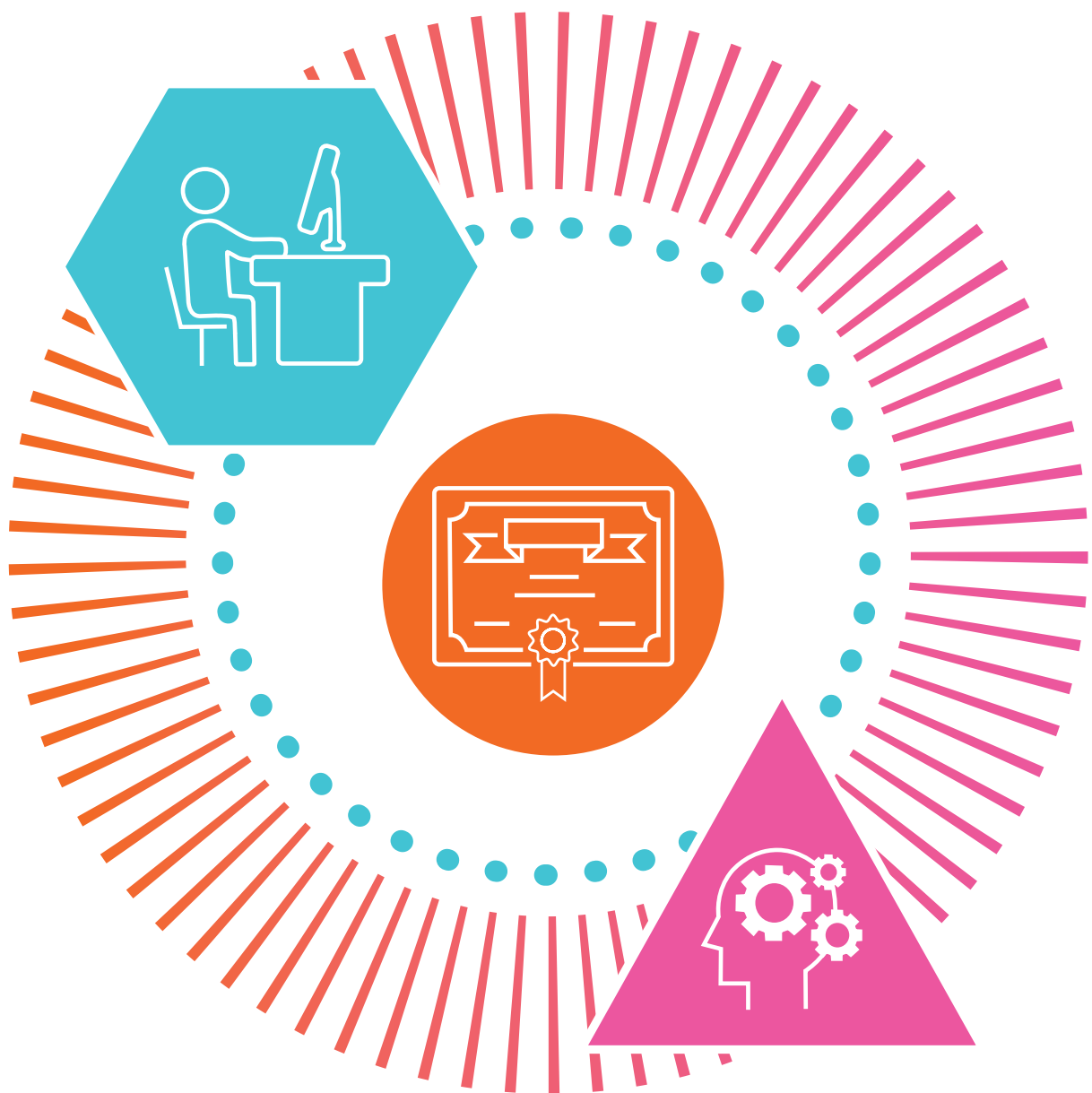


# Spring Skills Bulletin 2021

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Skills Mismatch in Ireland's  
Labour Market



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# WHY DO CLERICAL SUPPORT WORKERS APPEAR TO BE SIGNIFICANTLY OVER-QUALIFIED?

## 1. Introduction

Until relatively recently, examining the balance between skills demand and supply in the labour market was primarily focused on the identification of skills shortages and skills surpluses, summarised each year in the National Skills Bulletin (demand) and the Monitoring Ireland Skills Supply (potential supply) reports. However, the topic of skills mismatch<sup>1</sup> has been gaining increasing amounts of attention amongst education and labour market policy makers, especially since 2017 when the OECD reported that almost half (44%) of Ireland's workforce was mismatched. This estimate was based largely on the qualification level (frequently used as a proxy for skills) of those in employment,<sup>2</sup> with over-qualification (or under-qualification) in the labour market identified in situations where workers held a higher (or lower) qualification than their job was deemed to require.

Research undertaken by the SLMRU in Summer 2020<sup>3</sup> found that of the almost 900,000 workers who held level 8-10 qualifications<sup>4</sup> in Ireland, more than a quarter were employed in low and medium skilled occupations, highlighting the issue of a possible misalignment, in terms of number and/or field, of third level graduates in the labour market. Although skills mismatches appear to occur across all occupational groups, the extent of the mismatch is particularly striking for those employed as clerical workers in Ireland. According to data obtained from Eurostat, when compared to other EU countries, Ireland had one of the highest shares of clerical workers who were third level graduates; only Spain, Lithuania and Cyprus had higher shares in quarter 1 2020.

This paper further explores the issue of over-qualification amongst workers in Ireland, with a focus on clerical workers since they represent a significant share of the Irish workforce (about 10%). It also examines the extent to which employers require third level graduates to fill clerical roles.

## 2. Over-qualification in Ireland's labour market

Following a brief summary of over-qualification across the main occupational groups in Ireland's workforce, this paper provides a profile of clerical workers in general before examining those clerical workers who hold qualifications beyond what is deemed necessary for their role. In addition, we examine online job vacancy adverts to establish the extent to which employers seek to recruit candidates with third level qualifications for the clerical vacancies they wish to fill.

In this paper, over-qualification is measured using the normative approach where, following the classification set out by the ILO (2018), a worker is considered to be over-qualified if their education level is above the educational requirements specified for their occupational group. Appendix A outlines the ILO's formal education requirements by occupational group.

Figure 1 shows the share of persons in each broad occupational group<sup>5</sup> who are under-qualified, matched or over-qualified. On average, approximately one quarter of Ireland's workforce holds qualifications that are higher than the job requires.

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1 The ILO define skills mismatch as a discrepancy between the skills that are sought by employers and the skills that are possessed by individuals (ILO April 2020). *What is skills mismatch and why should we care?*

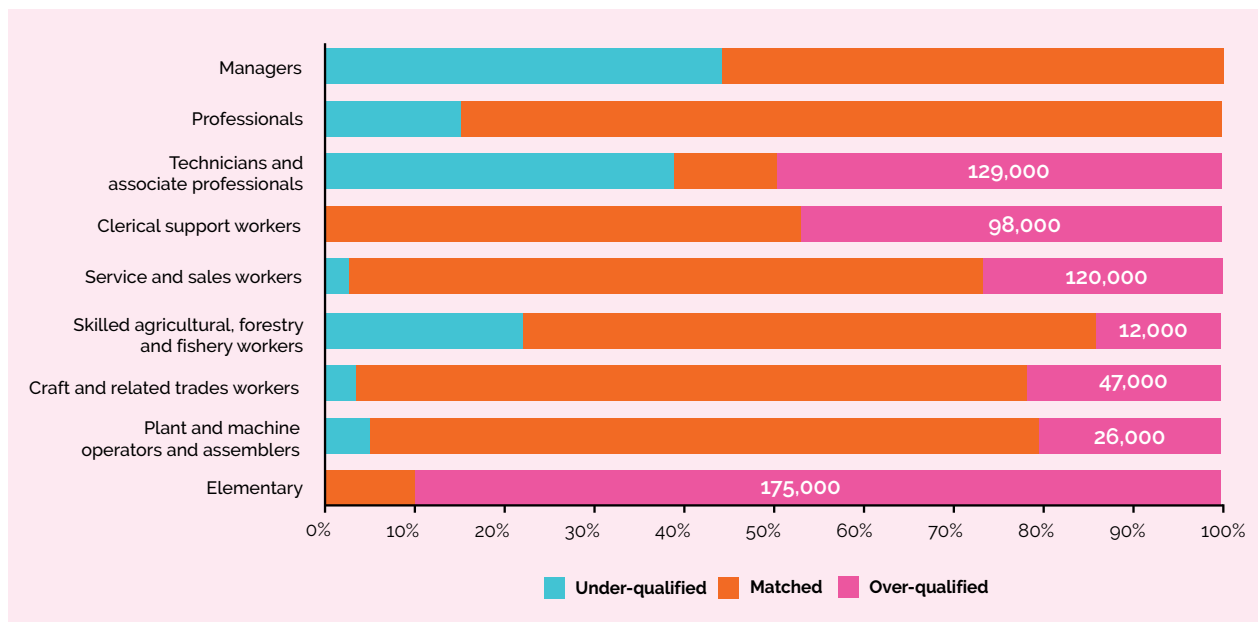
2 (OECD (2017). *Getting Skills Right: Skills for Jobs Indicators*.

3 SOLAS (2020). *Summer Skills Bulletin 2020. Employment Profile of Persons with Post-Secondary Qualifications, Q4 2019*.

4 Equivalent to honours bachelor degrees and postgraduate qualifications.

5 In this analysis, occupations are categorised according to the International Standard Classification of Occupations (ISCO), since the methodology used to identify skills mismatch in the labour market (ILO 2018) and jobs vacancy data analysed in this report are each based on ISCO. This classification is slightly different, but nonetheless broadly comparable, to the Standard Occupation Classification (SOC) more typically used in SLMRU, and many CSO, publications.

**Figure 1:** Employment by occupation and level of skills mismatch, Q1 2020



Source: SLMRU analysis of CSO (LFS) data

\*Excludes those who did not state their level of education

At 85%, elementary occupations have the highest share of persons employed who are classified as over-qualified. This is inevitable for Ireland, as the ILO's classification considers anyone in an elementary occupation with more than a primary qualification as over-qualified. However, there have been considerable advancements in the educational attainment of Ireland's workforce over the last 15 years.<sup>6</sup> As a result, only 3% of persons employed in Ireland hold at most a primary level qualification; furthermore, lower qualification holders are concentrated in the older age cohorts and consequently occupations with younger age profiles, such as elementary occupations (including food preparation assistants), also tend to be those with higher levels of education attainment.

Those employed as technicians and associate professionals have the second highest share of persons classified as over-qualified, at 49%. However, the gap between those matched and over-qualified in this occupation is likely to be small in terms of educational attainment. The classification of "matched" for this occupation is very narrow and refers to those who have attained a higher certificate or undergraduate diploma (equivalent to NFQ levels 6 or 7) qualification. Many technicians and associate professionals, however, have attained either an ordinary or honours degree (equivalent to NFQ 7 or NFQ 8) and are therefore deemed to be over-qualified for their jobs. Compared to their matched counterparts, the over-qualification may typically be an additional year (or at most two years) of higher education.

As detailed in Appendix A, people working in clerical occupations are deemed to be overqualified if they hold higher education, matched if they hold upper secondary/FET qualifications, and under-qualified if they hold at most lower secondary qualifications (e.g. a Junior Cert). In other words, the difference between matched and over-qualified clerical support workers could be as much as four years additional education. Almost half of those employed as clerical support workers are classified as over-qualified representing almost 100,000 persons.

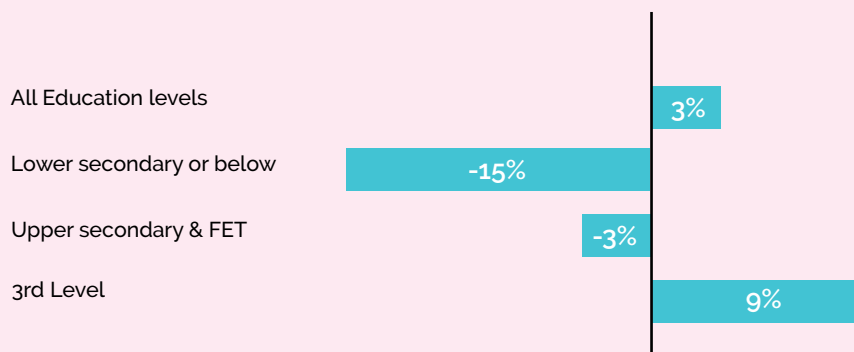
### 3. Profile of clerical support workers

There were 212,000 persons employed as clerical support workers in quarter 1 2020. Analysis of the data (detailed in Appendix B) shows that clerical support workers

- were predominantly female (74%)
- had high shares in part-time employment (especially amongst females)
- were well educated (especially females and younger age groups)
- tended to be in slightly older age cohorts, with more than half aged 40 years or more.

**Impact of COVID-19:** the number of clerical workers in employment grew between quarter 1 2020 and quarter 3 2020 by approximately 3% (Figure 2). The growth however was confined to clerical workers with third level qualifications, as it fell for both those with, at most, lower secondary education and upper secondary or FET education.

**Figure 2:** Percentage change in employment of clerical workers, Q1 2020-Q3 2020



Source: Eurostat

### 4. Profile of overqualified clerical workers

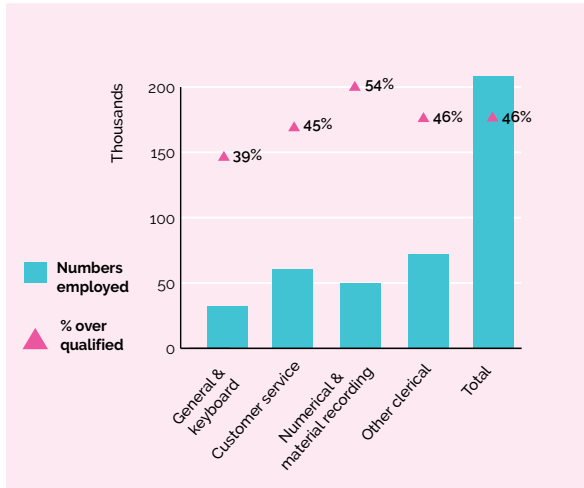
As indicated earlier in Figure 1 almost half (46%) of those employed as clerical support workers were over-qualified in quarter 1 2020, representing almost 100,000 persons. Figures 3a-f provide a profile of the clerical workers holding third level qualifications (i.e. who are overqualified). Of those employed as clerical support workers, numerical and material recording clerks had the highest share classified as overeducated at 54%. (See Appendix C for further details of occupations included in each of these categories.)

Findings for overqualified clerical workers show that

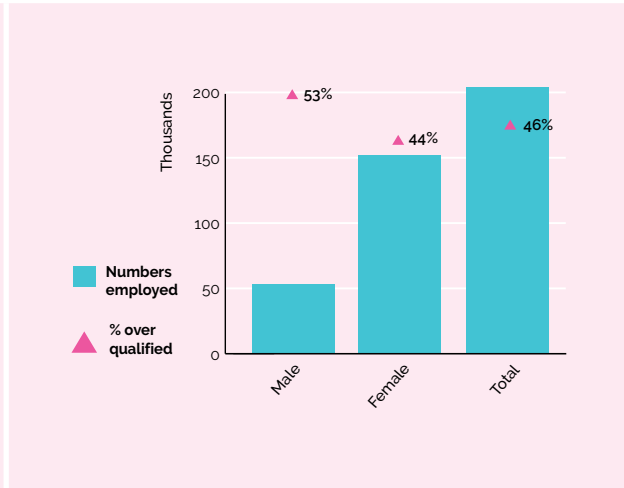
- **males compared to females** (53% v 44%) had higher shares of overqualified workers, although males accounted for only 26% of those employed in these occupations
- those **working full-time** had a higher share of over-qualified workers compared to their part-time counterparts (51% v 34%)
- older workers had the lowest share of over-qualification, at 32%
- although they account for just 13% of employment in this occupation, **non-Irish clerical workers, at 59%, had a higher share of over-qualified workers** compared to Irish (44%)
- the over-qualification rates for clerical workers **depended on the sector**, with those employed in sectors such as financial and professional activities and IT, having a particularly high share (at least 59%) of over-qualified workers.

**Figure 3:** Profile of clerical support workers: employment and % overqualified, quarter 1 2020

**Figure 3a:** Clerks by detailed occupational group and % over-qualified



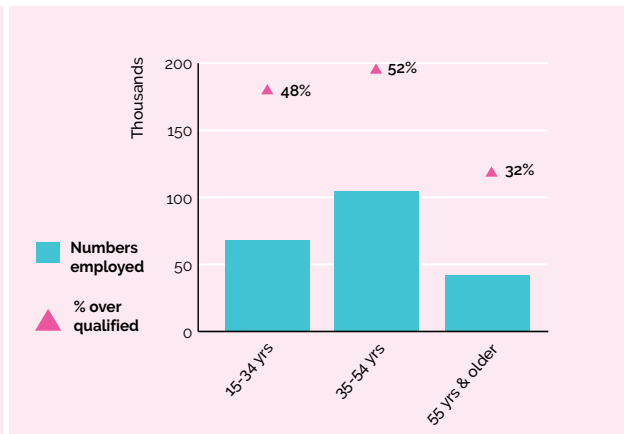
**Figure 3b:** Clerks by gender and % over-qualified



**Figure 3c:** Clerks by full-/part-time and % over-qualified



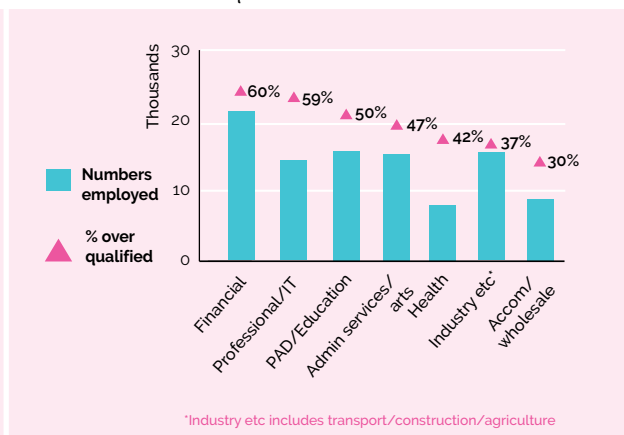
**Figure 3d:** Clerks by age group and % over-qualified



**Figure 3e:** Irish and non-Irish clerical workers and % over-qualified, Q1 2020



**Figure 3f:** Irish and non-Irish clerical workers by sector and % over-qualified, Q1 2020



Source: SLMRU analysis of CSO LFS data

The data also suggests that the year in which clerical workers either began their job or gained their third level qualification also has a bearing on the extent of overqualification in the occupation (Figures 4a and 4b).

- The over-qualification rate was highest for those who had been **recently recruited and those who commenced their employment in the role between 2008 and 2013** (i.e. during the recession)
- Possibly related to this, the over-qualification rate was also highest for those who were **recent graduates** (i.e. between 2017 and 2019) or who had **obtained their qualifications during the recession**.

While the high rates for recent recruits or graduates may be due to the fact that clerical roles can serve as entry level positions for graduates, the data suggests that those qualifying or gaining their clerical roles during the recession failed to progress to higher skilled roles, possibly due to lack of opportunity in a loose labour market at that time.

**Figure 4a:** Clerical workers by year started work & % over-qualified, Q1 2020



**Figure 4b:** Clerical workers by year in which highest level of education was achieved & % over-qualified, Q1 2020



Source: SLMRU analysis of CSO LFS data

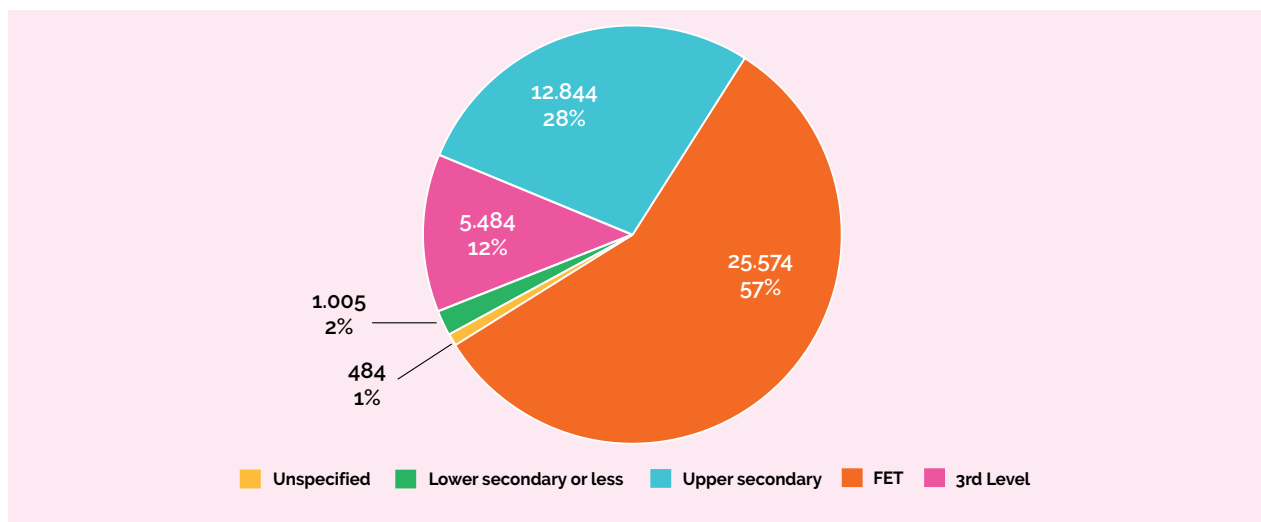
## 5. Analysis of OVATE data: do employers seek third-level qualifications for clerical positions?

In recent years CEDEFOP has developed Skills-OVATE (online vacancy analysis tool for Europe), a pan-European system for online job vacancy (OJV) analysis.<sup>7</sup> It collects data relating to vacancies advertised across a range of public (e.g. jobsireland.ie) and private (irishjobs.ie, irishtimes.ie) online recruitment portals as well as job search engines (e.g. monster), where OJVs are compiled from those advertised on various other sites. To minimize the occurrence of duplication, where the same job vacancy may be advertised on more than one portal, CEDEFOP removes duplicate OJV entries.

In this section, we examine the job vacancies for clerical support workers in Ireland. In 2019, there were almost 561,000 online vacancy advertisements for jobs in Ireland in the Skills-OVATE database, including over 45,000 for clerical support workers. Of these, the vast majority (99%) stated an education level.

Figure 5 shows that of the vacancies for clerical support workers, most (57%) required a post-secondary level education (e.g. FET at NFQ levels 4 to 6), followed by upper secondary education (i.e. a Leaving Certificate), at 28%. Comparatively few vacancies (12%) stated that third level qualifications were required. Within clerical occupations, customer service clerks had the highest shares of vacancies seeking a FET qualification (63%), and the smallest seeking third level (10%).

**Figure 5:** Job vacancies in Ireland (2019) for **clerical and support workers** by education level, 2019



Source: Skills-OVATE (CEDEFOP)

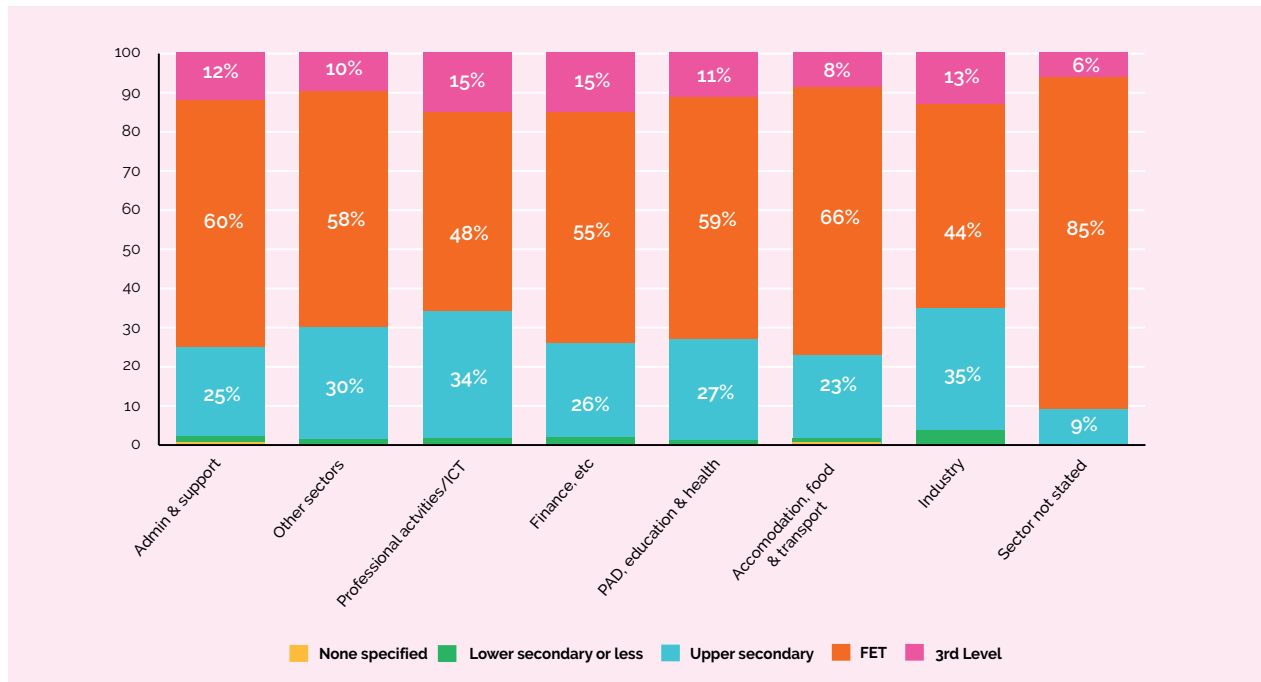
The level of education required across clerical worker vacancies varied somewhat by sector (Figure 6); while the largest share of vacancies in each sector required FET level qualifications, it was higher than the 57% average for

- the accommodation/food and transport sectors (66%)
- the administration and support services sector (60%)
- public sector related vacancies (i.e. PAD, education and health) at 59%
- and other sectors (including retail, construction, arts, agriculture) at 58%

7 <https://www.cedefop.europa.eu/en/data-visualisations/skills-online-vacancies>

In contrast, however, the finance and professional services/ICT sectors (at 15%) had slightly higher than the 12% average share requiring third level. This is in line with the analysis in Section 4 which showed that these sectors had the highest share of persons who were considered overqualified.

**Figure 6:** Job vacancies for clerical workers by sector and education level, 2019

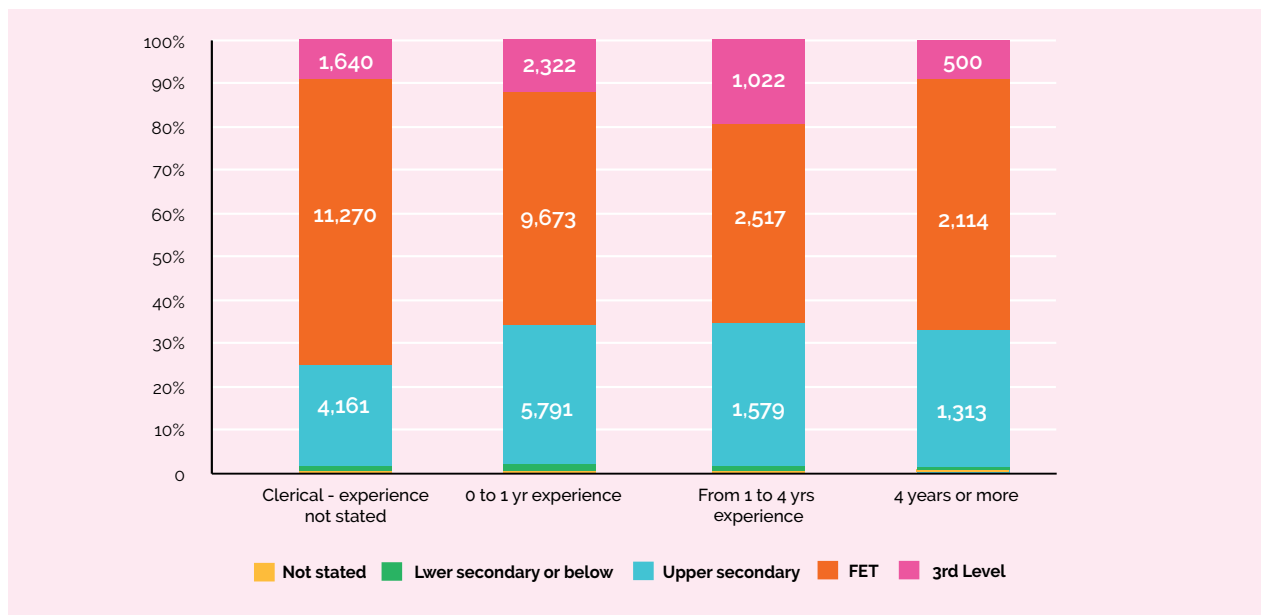


Source: Skills-OVATE (CEDEFOP)

Figure 7 shows clerical online job vacancies by the level of experience and education required. For more than 18,000 OJVs (representing 39% of the total for clerical roles) a level of experience was not indicated. However, for those where experience was required, OJVs with higher levels of experience tended to also have an increased share requiring third level qualifications, with the exception of those where experience of 4 years or more was required.



**Figure 7:** Clerical job vacancies by level of education and experience required, 2019



Source: Skills-OVATE (CEDEFOP)

## 6. Conclusion

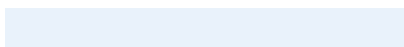
The analysis in this paper has estimated that there are close to 100,000 clerical workers in Ireland who may be over-qualified for their roles. Although employers consider FET qualifications to be sufficient (based on OJV data), almost half of clerical workers in quarter 1 2020 were third level graduates, with even higher shares amongst the younger cohorts. This raises a number of issues:

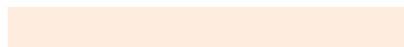
- Some third level graduates may **choose to work** in occupations for which they are over-qualified for a variety of reasons including better work-life balance and flexibility to manage family duties. This is particularly the case for females who make up nearly three quarters of the clerical workforce in Ireland. **Flexible options in the workplace may allow the labour market to make the best use possible of its human capital** and facilitate highly skilled individuals to follow careers in higher skilled occupations, if they choose.
- Some third level graduates may work in a clerical occupation on entry to the labour market and then progress their careers; however, the data suggests that some graduates may need additional support in order to progress in their careers, especially those who obtained their highest level of education during the financial crisis (2008-2013). **Improved career guidance regarding progression and pathways, as well as engagement in lifelong learning** may facilitate those in employment in these occupations to gain the right balance between education level, skill and experience that would allow them to participate in the labour market in more highly skilled roles.
- Nonetheless, third level graduates' skills may be more resilient in challenging labour market conditions, such as those arising as a result of COVID-19; this can be seen in the growth in clerical employment for those with third level qualifications, while declining for those at all other education levels. **FET options (such as Skills to Compete)** may offer those who lost their jobs during COVID a way of upskilling and reskilling to re-engage with the labour market.
- Further exploration of **the reason employers recruit third level graduates despite not initially seeking this level** of qualification would provide insights that may better inform future education and training provision for these occupations.

## Appendix A

|                      |  | Educational level (ISCED-11) |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|----------------------|--|------------------------------|------------------------------|----------------------|------------------------------|------------------------------|--|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|
|                      |  | X. No schooling              | 0. Early childhood education | 1. Primary education | 2. Lower secondary education | 3. Upper secondary education | 4. Post-secondary non-tertiary education | 5. Short-cycle tertiary education | 6. Bachelor's or equivalent level | 7. Master's or equivalent level | 8. Doctoral or equivalent level |
| Occupation (ISCO-08) | Managers   |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|                      | Professionals                                    |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|                      | Technicians & associate professionals            |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|                      | Clerical support workers                         |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|                      | Service & sales workers                          |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|                      | Skilled agricultural, forestry & fishery workers |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|                      | Craft & related trades workers                   |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|                      | Plant & machine operators & assemblers           |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |
|                      | Elementary occupations                           |                              |                              |                      |                              |                              |  |                                   |                                   |                                 |                                 |

 Under-qualified

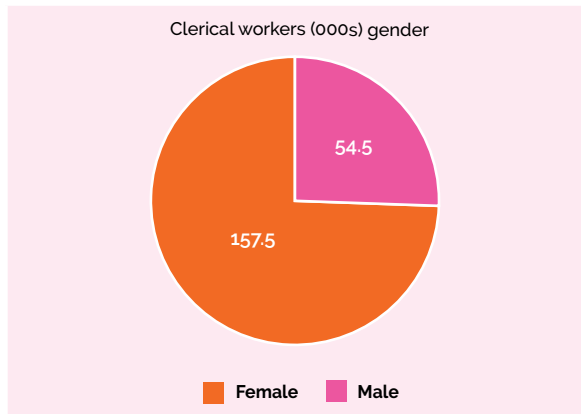
 Matched

 Over-qualified

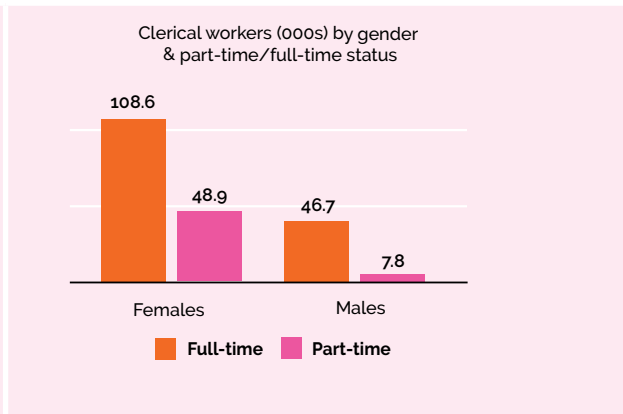
Source: ILO

## Appendix B – Profile of Persons Employed in Clerical Support Workers Occupations

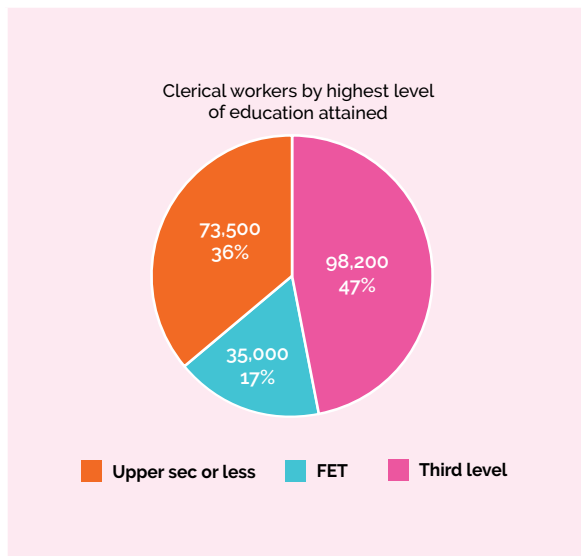
**Figure A1:** Profile of clerical workers in Ireland by gender, age, work status, education and age group, quarter 1 2020



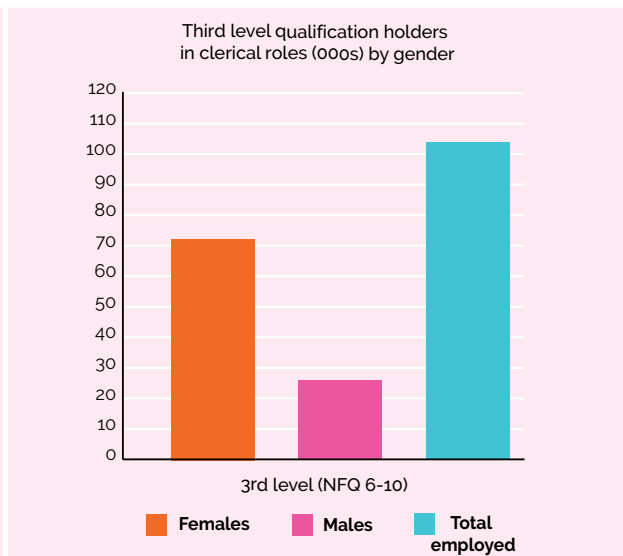
Source: Eurostat



Source: Eurostat



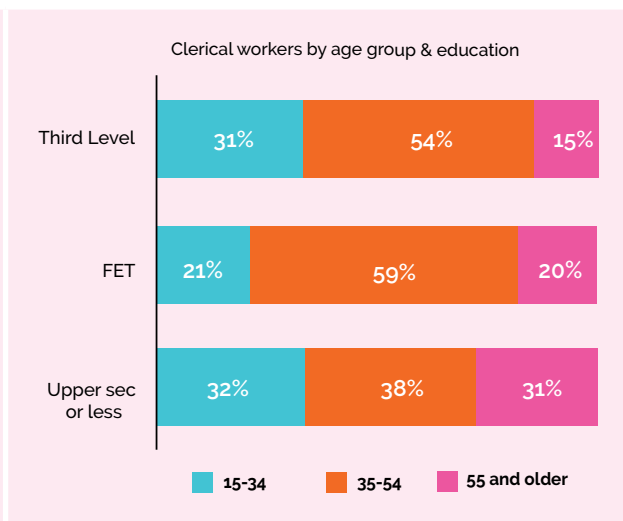
Source: SLMRU analysis of CSO data



Source: SLMRU analysis of CSO data



Source: Eurostat



Source: SLMRU analysis of CSO data

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## Appendix C – ISCO Clerical Support Workers Occupations

### General and Keyboard Clerks

General office clerks

Secretaries (general)

Keyboard Operators

### Customer Services Clerks

Bank Tellers and Related Clerks

Bookmakers, Croupiers and Related Gaming Workers

Travel Consultants and Clerks

Contact Centre Information Clerks

Telephone Switchboard Operators

Receptionists (general)

Survey and Market Research Interviewers

Client Information Workers Not Elsewhere Classified

### Numerical and Material Recording Clerks

Accounting and Bookkeeping Clerks

Statistical, Finance and Insurance Clerks

Stock Clerks

Production Clerks

Transport Clerks

### Other Clerical Support Workers

Library Clerks

Mail Carriers and Sorting Clerks

Coding, Proofreading and Related Clerks

Scribes and Related Workers

Filing and Copying Clerks

Personnel Clerks

Clerical Support Workers nec



**SOLAS**

For further information, contact. [annemarie.hogan@solas.ie](mailto:annemarie.hogan@solas.ie)

Skills and Labour Market Research Unit, SOLAS

**An tSeirbhis Oideachais Leanúnaigh agus Scileanna**

**Further Education and Training Authority**

Block 1, Castleforbes House, Castleforbes Road, Dublin D01 A8N0

+ 353 (0) 1 533 2500 / [www.solas.ie](http://www.solas.ie) / [info@solas.ie](mailto:info@solas.ie)