

# Close the Skills Gap — Once and for All

BY DONNA WELLS

Companies are to blame for the perpetual, pervasive skills gap. But changing recruitment strategies and investing in onboarding and ongoing training can help.

Businesses from large, global enterprises to mom-and-pop shops all complain about the lack of skilled candidates. “Where’s the talent?” they say. But people are tired of hearing about the skills gap. There are 5 million job openings and close to 9 million people who need those jobs, according to the May Bureau of Labor Statistics Employment Situation Summary and Alternative Measures of Labor Underutilization reports.

What is prohibiting corporate America from finding talent in such a large pool? There are three major causes and three short-term fixes.

## 1. Change organizational recruiting practices now.

According to the 2014 Job Preparedness Indicator, an annual survey from the Career Advisory Board, only 7 percent of respondents say their new hires have skills they listed in the job description.

Meanwhile, the time required to fill roles is double what it once was. Peter Cappelli, the George W. Taylor Professor of Management at The Wharton School and director of Wharton’s Center for Human Resources, wrote in his book “Why People Can’t Get Good Jobs” that recruiting issues can be attributed to

the LinkedIn effect. The network makes it possible for hiring managers and recruiters to search for specific hard skills, so they do, but they may fail to consider softer skills as well.

There is a perfect storm of concurrent, negative factors widening the gap between skills desired and skills hired. Deficient reading and math skills, the disappearance of vocational training and unrealistic expectations all contribute compounded by the fact that most colleges can’t keep their curriculum up to date with rapidly evolving technologies.

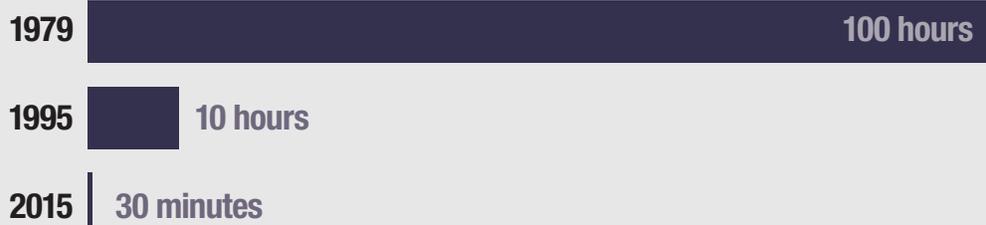
President Barack Obama is doing his part to help with his free community college initiative and the new Teach Tech initiative. Corporate America is also pitching in to help solve this problem. In 2014, corporations gave close to \$6 billion to higher education — up from \$5.4 billion according to a 2014 survey from the Council for Aid to Education.

But in the short term, companies can shift their recruiting strategies to “hire for attitude, train for skill” as a first step to close the skills gap. This approach to recruiting prioritizes hiring talent who align closely with a company’s culture, vision and attitude above finding hires with the perfect set of pre-existing skills.

According to the Association for Talent Devel-

**FIGURE 1: NEW HIRES NEED TRAINING**

Over the past 36 years, time spent in onboarding skills training has declined to 30 minutes from 100 hours.



Source: Mindflash, 2015

opment, businesses are increasingly prioritizing right brain, or soft, skills because a new hire's attitude is a better predictor of long-term performance than hard skills.

Consider this: Candidates who have experience in high-traffic restaurants have gained great people management and communications skills that could be a potential fit for open customer support roles.

Or, extroverts could be great salespeople for non-profits, associations and communities. Modern hiring managers in this market need to look at candidate's life skills, soft skills and temperament first and view direct skills as secondary.

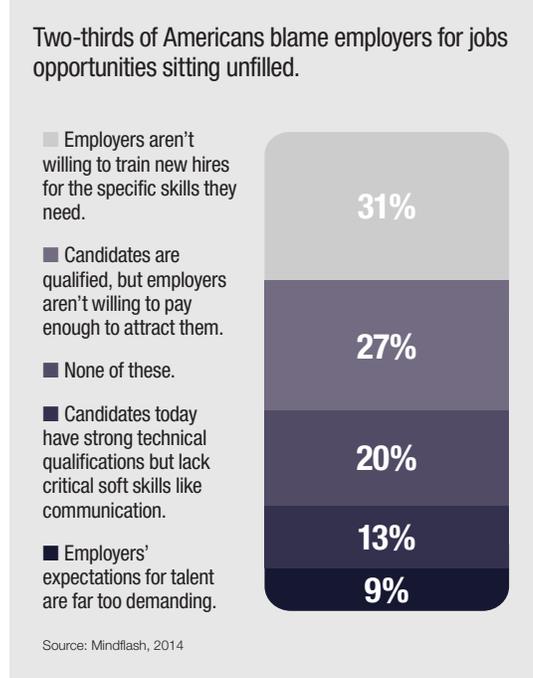
Using recruiting technologies other than LinkedIn also can aid the search for strong culture fits. For example, HireVue, an interactive platform for recruiting, screening and hiring job candidates, improves the way companies assess potential talent. It gives job seekers more of a voice while providing companies with a more consistent, convenient and data-driven way to run the process. Sourcing and recruiting tool Entelo allows hiring managers to keep track of candidates, and store and categorize résumés for a variety of skill sets and job titles.

## 2. Invest in onboarding to set new hires up for success.

Companies seem to believe that having spent months searching for talent — which is a huge opportunity cost — and potentially thousands of dollars with recruiters, they don't need to train new employees.

Data collected by Mindflash (Editor's note: The author works for the company) for a 2014 study from Cappelli matched data from an 2011 Accenture study, showing a sharp decline in time spent in onboarding skills training over the past 36 years to a short 30 minutes, in some cases, from 100 hours (Figure 1).

**FIGURE 2: BLAME GAME**



Hiring managers need to accept that 85 percent of new hires won't have the hard skills required for a job on day one. Companies need to reinvest some of the savings from hiring faster and eliminating third-party recruiting expenses into skills training required for success in a role.

According to 2014 research by HR software company BambooHR, 31 percent of people have quit a job within their first six months, and a lack of preparation is likely part of the reason why.

Further, are companies conducting skills training for an increasingly remote workforce? If not, they should, and technology can help. Live, instructor-led training can be slow, infrequent and potentially not long lasting with staff. A distributed

online training platform can get the right training to new staff quickly and efficiently.

Hybrid training — live and online — gets new hires up to speed faster. According to the Bersin by Deloitte 2014 Corporate Learning Fact book, General Electric Co., Motorola Mobility and Philips have made incremental expansions in their hybrid training budgets to reach two to three times the training audience and keep their workforces fully staffed.

Bob Smith, director of training and development at health and human services company The Mentor Network, said he recognized the need to invest in hybrid onboarding training as well as the corresponding returns.

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“We are a \$24 million company that spends less than 1 percent of our revenue on our training system,” he said. “We cut onboarding from 26 weeks to 6 weeks and saved \$1.2 million on training costs by implementing an online training platform and coupling it with our live ride-along and on-site training.”

Companies that deploy a thoughtful, hybrid learning program to onboard new hires also can reduce time-to-productivity. Further, the improved employee satisfaction and retention that result often help to maintain higher average tenure and skills over time vs. the few companies that might find the relatively low percentage of new recruits with the perfect skill set.

### 3. Provide ongoing training to offset the market's rapidly depreciating skill sets.

Once a company starts hiring for attitude and has an effective hybrid onboarding process in place, they should invest in training beyond initial onboarding.

Ongoing education is key. According to a study called “The Economics of Skills Obsolescence” by Andries De Grip and Jasper Van Loo, skills are depreciating at three times the rate they were a decade ago because of technological advancements, lower graduation

rates and changing skill needs in specific verticals.

However, ongoing training isn't happening despite these disturbing trends. More than 40 percent of employed workers did not obtain any skills training on the job over the past two years, according to 2014 Mindflash data.

When it comes to continuing education, “cramming simply doesn't work for the amount of information retention we require of our employees,” said Travis Haggin, inside sales manager at GoEngineer Inc. “We [need] a tool that offers continuous development.”

The Mindflash survey also showed that 27 percent of employed Americans and 26 percent of unemployed Americans would be willing to spend up to \$1,000 of their own money each year for training to gain the skills they need for current and/or future jobs. In the short term, however, the investment required for ongoing training mostly falls to employers.

There are nontraditional solutions. Recently, Starbucks Corp. attempted to bolster retention rates by upgrading its existing Arizona State University online learning tuition program to four years from two years. This move is clearly intended to develop qualified talent and create long-term loyalty for existing employees.

Organizations such as Philips and Motorola are going more traditional routes: building an ongoing process to identify new skills needed as older skills depreciate, buying necessary tools and investing in course content to create and deliver training to existing employees.

When companies do invest in ongoing training, employees indicate it works. The Mindflash Harris study on the skills gap showed 71 percent of those polled feel effectively trained when placed in their current positions. Further, some 70 percent of currently employed Americans agreed their employer's training is relevant to their day-to-day jobs.

Companies' behavior over the past 20 years has contributed to the current skills gap: seeking skills perfection, and eliminating onboarding and ongoing training. By reversing those three key behaviors — hiring for soft skills first, onboarding quickly and effectively with hybrid training, and delivering customized ongoing training and certification programs — companies can trigger a virtuous circle of faster hiring at lower cost, and enjoy cost savings from greater employee retention.

That will start narrowing the skills gap now, and help us end the skills gap conversation altogether. **CL**

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