

The Educational Mismatch

There's a missing link between education and employers' needs BY JOSH BERSIN



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There are many reasons to get an education. It gives you perspective on the world, makes you a complete person and most importantly, helps you build a career. Unfortunately, consulting firm McKinsey's Education to Employment study illustrates a major mismatch between our educational system and the job skills employers need. Let me highlight a few findings.

The paradox of high unemployment and a war for talent continues. We don't have a jobs crisis; we have a skills crisis. According to the McKinsey study:

- 45 percent of U.S. employers say lack of skills is the main reason for entry-level vacancies.
- Only 42 percent of worldwide employers believe new graduates are adequately prepared for work.

research shows 72 percent of business managers say the same thing.

Bersin research shows corporate learning managers regularly blend lectures with a variety of informal learning techniques. Today corporations spend less than 60 percent of training budgets on instructor-led training.

Vocational training has less perceived value than academic degrees. The research compared student perceptions of value between traditional education and vocational education. Students in every country value traditional education over vocational education except for Germany, where 49 percent of respondents say academic education is more valuable. Germany is filled with apprentice-based programs and has an unemployment rate among the lowest in Europe. We clearly need more focus on these kinds of programs.

Students have weak understanding of the skills and degrees that will best help them find a job. There is another gap in the system. The study points out that most students are not sure what educational program will help them find a good job. Even when colleges and universities have great job-related programs, students are not coached on what these programs will mean for their career.

There are many lessons here, some of which apply directly to you as a learning leader.

1. Educational institutions need and want closer relationships with business to drive their own transformation. You, as an employer, should meet with local universities and schools, and help them understand your workforce needs.

2. Massive open online courses will transform education. You, as a corporate learning leader, can access these courses at little to no cost.

3. We can't wait for schools and universities to build the skills we need. Learning investments are more important than ever, and this means a strong focus on talent-driven learning programs, talent management, assessment and developing a total corporate learning culture.

4. Skill development expertise is the new arsenal for business success. If you don't take the time, spend the money or learn how to build world-class development programs, you will not be able to compete. There is no real war for talent; there is a war for skills, and there's no better way to win the war than to build your arsenal internally. [CLO](#)

There is no real war for talent; there is a war for skills.

Companies understand this and they have increased their investment in training. Our research from Bersin & Associates' 2013 "Corporate Learning Factbook" shows that spending on corporate training grew 12 percent in 2012, the highest increase in nine years.

Skills gaps are costing companies money. Employers who responded to the McKinsey study stated they would be willing to pay new workers 22 percent higher salaries if they had entry-level skills the employers wanted — often basic reading, writing, math and problem solving skills.

Educational institutions are out of sync with employer needs. While 72 percent of educational leaders think newly educated workers are ready for work, only 42 percent of employers do. This is a big mismatch. Primary and secondary educational institutions are not in touch with corporate recruiters' needs.

Our research validates this. Most of our clients are investing heavily in new corporate universities, on-boarding programs and continuous learning programs.

Students agree that traditional education methods don't drive skills development. Asked to rank the educational methods that drive their greatest improvement in skills, students cited on-the-job training as No. 1 in the McKinsey study. Lectures, the primary mode of education in schools, was rated 12th. Our