

The skills gap controversy

By Dr. Amanda N. Gibson, DBA

Recent studies find about **39** percent of US young work force either under-employed or unemployed, and forecast a likely increase of this percentage. In same time, according to Growth 2012 Talent Shortage Survey, **49** percent of employers struggle to fill jobs. The issue is by no means a local one: A recent Canadian Council of Chief Executives report said the country is falling behind in the global skills race. The Canadian Chamber of Commerce estimates that, by 2016, there will be 550,000 people unable to find work and at least as many postsecondary graduates working in low skills jobs. At the same time, there will be 1.5 million vacancies for skilled jobs, and from there the gap will continue to widen (<http://www.theglobeandmail.com/report-on-business/employers-need-to-step-up-to-fill-skills-gap/article14181068/>).

In UK there are also worries about decreased economic growth. Askar Sheibani, CEO of Comtek, chairman of the Deeside Industrial Park, and Entrepreneurship Champion for Wales, warns: "The UK is suffering a severe mismatch in the skills required by employers and those held by potential employees leaving education.... This skills shortage is particularly acute in the manufacturing sector: students aren't being incentivized to take up technical subjects and businesses are failing to provide suitable training to bring employees up to standard.... Failing to do so has the potential to cripple UK economic growth." (<http://www.dailypost.co.uk/incoming/skills-gap-putting-growth-risk-5908431>)

In Ireland, organizations are aware that they need to develop or up-skill their current employees to remain competitive but half of the employees surveyed stated that

their organization does not have, or they are not aware of, a learning and development agenda.

Accenture's study for Ireland found that

- Over 70% of employers are concerned the skills gap will impact their ability to grow business.
- The main occupations experiencing skills shortages include software developers, project managers and engineers (electronic, mechanical and design).
- 17% of people cite lack of qualifications as a barrier to re-employment while 16% cite their skills are not required in the marketplace.
- 40% intend on taking training to develop their skills.
- 56% of employers cite technology as a skill needed for the future.
- 32% of employers believe they are responsible for employee skill development.

(http://www.accenture.com/SiteCollectionDocuments/Local_Ireland/PDF/Accenture-Closing-the-Skills-Gap-in-Ireland.pdf?/)

One source of this problem is the disconnection between how educators and employers perceive it: 72 percent of educational institutions consider their graduates ready for work, while only 42 percent of employers agree, according to a McKinsey study. Similarly, employers and the government differ on the dimensions of this gap, and who bears responsibility for it (<http://www.usnews.com/news/articles/2013/06/19/is-there-really-a-skills-gap>).

Organizations and employees alike conclude that the lifetime of skills is extremely short these days. To stay relevant, workers must train non-stop. A number of leading companies stepped in and established innovative training programs, choosing

graduates for their aptitudes and addressing their missing skills

(<http://www.forbes.com/sites/groupthink/2013/08/02/can-we-fix-the-skills-gap/>). As SurveyMonkey CEO, Dave Goldberg, points out, training less experienced employees can be less costly than hiring more experienced employees. Companies should also include in job definition the courses required to prepare for it. Such approach would help equally students trying to choose an educational path and employed, experienced individuals looking to advance in their organizations.

Finally, a short-list for organizations, compiled by Accenture, of skill-building levers:

1. Identify your organization's skills gaps now and in the future through rigorous skills analysis.
2. Clearly define career paths and succession plans to manage and mine talent within your organization.
3. Create a learning and development strategy that underpins and supports your growth strategy.
4. Tap into learning innovations such as employee swapping, academies and collaboration.
5. Help line managers become effective talent managers.

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