



FEATURE

Closing the employability skills gap

The answer is simpler than you may think

Jennifer Radin, Steve Hatfield, Jeff Schwartz, Colleen Bordeaux

Advances in AI, cognitive computing, and automation mean employers should equip workers with more than technical skills. Skills such as creativity, leadership, and critical thinking might be more important than ever.

MOST ORGANIZATIONS ARE well aware of what economists are calling the Fourth Industrial Revolution¹ and what it could mean for the future of work.² Up to an estimated 47 percent of US jobs face potential automation over the next 20 years, driven primarily by rapid advances in AI, cognitive computing, and automation of repetitive, rule-based tasks.³ Other disruptive forces seem to be shaping the future of work as well—many organizations are shifting to more team-based structures; workplaces are increasingly virtual, flexible, and geographically agnostic; the overall workforce is becoming more diverse, multigenerational, and dispersed; and most careers are morphing from following predictable road maps to constant reinvention. In the face of this, various leaders across industries are reimagining their workforce models to explore how they can use technology, expanded work settings, and alternative talent to address these disruptive forces. In addition, many are reevaluating their talent profiles, including how they measure the skill sets required for success in the future.

Now, possibly more than ever, there appears to be an impetus for employees to bring their “soft” skills—such as creativity, leadership, and critical thinking—to work. While traditionally referred to as “soft skills,” in reality these capabilities are critical to delivering business value and adapting hard skills as workforce needs change. However, many employers continue to overemphasize digital fluency and skills such as coding as a reliable way to futureproof our workforce, when in reality, even coding is not immune to automation.⁴ The value proposition of humans in the workforce is shifting to essentially “human capabilities,” such as



curiosity and empathy.⁵ In this scenario, employers would also need to consider not only how to attract top talent, but also potentially rethink learning and development and better cultivate the social and emotional skills that their workforce needs to add value in the future.

Enduring human capabilities: Critical yet overlooked

According to the World Economic Forum, there is an urgent need for humans to develop social and emotional capabilities to not only close the current workforce gap—data indicates a continued massive deficit of social and emotional capabilities in today’s workforce—but also for individuals and organizations to survive in the Fourth Industrial Revolution.⁶ The crux of the argument is that in addition to adapting to technological change, humans need to cultivate the capabilities that will enable us to add value where machines fall short.

Years ago, Nobel Prize–winning economist James Heckman noted that US competitiveness in the global economy of the future depends on a workforce that has acquired both the specific technical knowledge needed for specific occupations, as well as a set of broader “employability skills” required to succeed in all jobs,⁷ which, according to the US Department of Education, are defined as “general skills that are necessary for success in the labor market at all employment levels and in all sectors.”⁸

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Certain thought leaders in education recognized the growing divide between the “employability skills” many employers are seeking and applicants’ abilities, underscored by a Chronicle of Higher Education 2013 survey of 704 employers across industries; half of those surveyed said they had trouble filling vacancies in their companies, noting that even though most applicants had the technical skills to do the job, many lacked the communication, adaptability, decision-making, and problem-solving capabilities needed to be successful.⁹ Identifying the need to better define the concrete capabilities and skills needed to close this “employability skills” gap, a 2015 study by David J. Deming of the National Bureau of Economic Research found that human workers’ success and productivity depended on both cognitive and social and emotional skills, noting that outdated models of education were over-indexing on cognitive learning, and not developing the social and emotional capabilities required for the future.¹⁰

How organizations can help their workforce develop enduring human capabilities

In recent years, psychological, educational, and economic research has focused heavily on better understanding how to effectively develop these skills in children through education for improved career and life outcomes.¹¹ Yet the discussion may not be getting the right level of focus, as the employability skills gap continues to grow when

it comes to how these same concepts apply to adults despite the fact that there is a drought of workers with these capabilities that is contributing to the growing employability gap.¹²

Some educational and academic institutions have been researching this traditionally overlooked body of social and emotional capabilities for

years. Collaborative for Academic, Social, and Emotional Learning (CASEL), an organization focused on advancing the development of academic, social, and emotional competence (led by a board of industry and academic organizations including Yale, NYU, University of Virginia, and the University of Chicago), has been working for two decades to make evidence-based social and emotional learning an integral part of education from preschool through high school. CASEL defines social and emotional learning as “the process through which children and adults acquire and effectively apply the knowledge, attitudes, and skills they need to understand and manage emotions, set and accomplish positive goals, feel and show empathy for others, establish and maintain positive relationships, and make responsible decisions.”¹³ CASEL has developed a number of evidence-based programs based on decades of case studies that schools can tailor to meet their own community’s needs.

Most organizations, however, lack a focused approach to helping their professionals develop social and emotional capabilities. One reason may be that these types of capabilities are commonly thought to be innate or locked in during childhood. But research suggests just the opposite. According to Harvard University's Center on the Developing Child, social and emotional capabilities are malleable into adulthood and can be developed with the right resources, environment, and incentives.¹⁴ For instance, psychologist Angela Duckworth, known for her research on "grit" (a combination of perseverance and passion¹⁵), believes that this quality can be cultivated regardless of innate talent or intelligence. An MIT study recently tested this theory, and found that a 12-month workforce training program focused on improving communication, problem-solving and decision-making, time and stress management, financial literacy, legal literacy and social entitlements, and execution excellence significantly impacted productivity.¹⁶ The program delivered a 250 percent return on investment (ROI) within eight months of completion, with much of the gain being attributed to a jump in productivity.

Some market leaders are attempting to actively cultivate these human capabilities within their workforce. For example, Google conducted a research study on its most effective managers and produced a list of 10 key traits they all share.¹⁷ Many of these traits align with CASEL's set of social and emotional capabilities, including communication, collaboration, and empathy. Google has also revisited its hiring strategy in recent years to screen for these same nontechnical capabilities, such as critical thinking, empathy, and

emotional intelligence. Other companies also focus on cultivating human capabilities in their workforce. For example, Bank of America rolled out a national training program focused on building empathy to help employees better connect with and advise clients.¹⁸ Walmart also leverages VR technology to train in-store employees in soft skills needed to better interact with customers.¹⁹

Get started

Expectations for corporations to meaningfully invest in and develop these enduring human capabilities for the future are typically tied to a larger business need for change. The dawn of the

So how can organizations get started? They should begin by thinking about their business strategy and the impact that future of work disruptors could have on it.

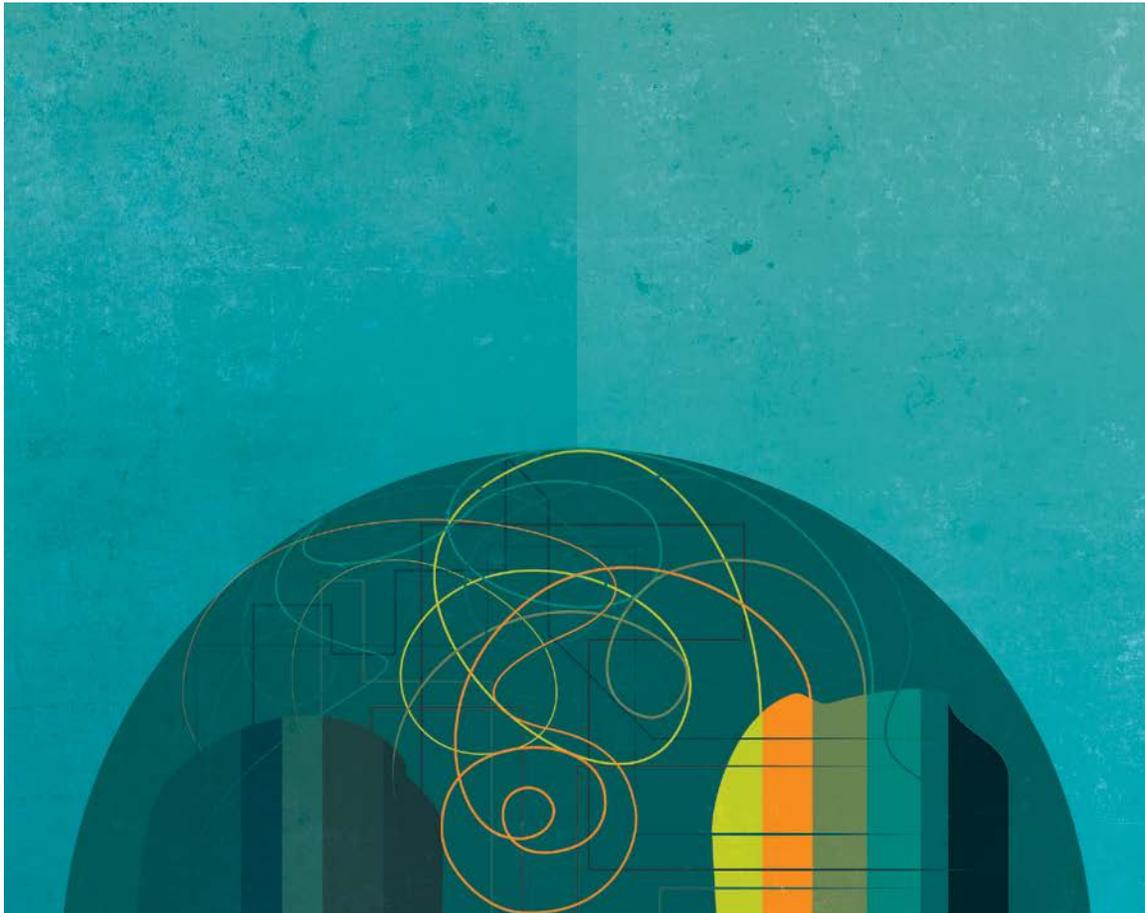
"social enterprise" generally means that organizations can likely no longer focus solely on revenue growth and profits, and should turn more of their attention to respecting and supporting their environment, the communities they touch, and their

stakeholder network. The changing role of businesses in society coupled with preparing our workforce, especially those most vulnerable to possible negative impacts of automation,²⁰ could put forth a new mandate for businesses. Organizations may have to "move beyond mission statements and philanthropy to learn to lead the social enterprise—and reinvent themselves around a human focus." Better preparing their workforces for the rapidly changing world of work could become an important part of businesses' increased responsibility toward their workers and communities.

So how can organizations get started? They should begin by thinking about their business strategy and the impact that future of work disruptors could

have on it. This can help organizations identify potential capability gaps and design interventions that can prepare their employees for the future. In parallel, organizations should take a “zoomed-out” approach and consider the larger responsibility they have to their employees that goes beyond providing them with standard technical skills. This is often made even more urgent by the rapidly diminishing half-life of skills.²¹ Specifically, organizations should be considering how their businesses’ learning and development efforts could be enhanced or redesigned to cultivate human capabilities, such as creativity and critical thinking. Prioritizing enduring human capabilities is commonly the first step toward fostering a culture that equally values technical skills and human capabilities, and often best positions employees for long-term professional success. To do so, they

might need to rethink key moments in the talent life cycle—development, performance management, career mobility. Where in that life cycle can you better cultivate, assess, and reward human capabilities? For example, consider screening for soft skills in the hiring process through targeted interview feedback, online assessments, or even more advanced programs that use advanced technologies such as AI to assess soft skills. In performance management and promotion discussions, consider mastery of soft skills such as communication, collaboration, teaming, and empathy—especially for leadership roles. Perhaps shift L&D initiatives to focus not just on hard technical skills, but also develop the soft skills that can be most instrumental to the success of your business. It’s a conversation that is expected to be ongoing, but it should begin today.



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