Closing the SKILLS GAP 2019
AGENDA

+ SURVEY SAMPLE
+ THE SKILLS GAP IS WIDENING
+ HIRING PRACTICES DESIGNED TO CLOSE SKILLS GAPS
+ IN-DEMAND SKILLS AND WAYS TO ACQUIRE THEM
+ UPSKILLING EMPLOYEES TO CLOSE SKILLS GAPS
+ COLLABORATING WITH HIGHER EDUCATION TO CREATE SKILLED GRADUATES
+ FINAL THOUGHTS
WHAT IS THE SKILLS GAP?

The difference between the skills that employers want and those that are available from workers looking for a job.
THE CURRENT SKILLS GAP

The number of unfilled U.S. jobs as of February 2020.


6.8 MILLION
THE CURRENT SKILLS GAP

40 MILLION

The number of unemployed in the US as of June 2020

SECTION 1: THE SKILLS GAP IS WIDENING
SURVEY SAMPLE

600 HR leaders

10+ sectors

35% C or VP level leaders

48% Millennials and Gen Z

74% with least a bachelor’s

94% with some college

39% had 10,000+ employees
THE SKILLS GAP IS WIDENING

Is there a skills gap in your organization right now?

- 2018: 52%
- 2019: 64%

Has closing your skills gap been harder this year compared to last?

- 2018: 35%
- 2019: 44%
CAUSES OF THE SKILLS GAP

1. Pace of change in technology
2. Not enough skilled talent capable of moving into positions of greater responsibility
3. When hiring for certain jobs, there aren’t enough qualified candidates in the workforce
4. Skills of the current workforce don’t match needs of the company
5. Lack of leadership support or awareness around the skills gap
BUSINESS IMPACTS OF THE GAP

1. Recruitment challenges
2. Less efficient
3. Missed opportunities
4. Harder to compete
5. Less profitable
Top 3 Barriers to Filling Open Positions

- **Pace of change in technology** 37%
- **Not enough skilled talent capable of moving into positions of greater responsibility** 31%
- **When hiring for certain jobs, there aren’t enough qualified candidates in the workforce** 30%
Amazon’s Upskilling Program

The amount Amazon is investing to upskill 100,000 employees.

$700 million

Amazon’s Upskilling Program

**technical academy**
*equips non-technical employees with the skills to transition into software engineering careers*

**associate2tech**
*trains fulfillment center associates to move into technical roles*

**career choice**
*pre-paid tuition program designed to train fulfillment center associates in high-demand occupations of their choice*

SECTION 2: HIRING PRACTICES DESIGNED TO CLOSE SKILLS GAPS
CREDENTIALS USED TO VALIDATE HARD SKILLS

<table>
<thead>
<tr>
<th>Credential</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>College degree</td>
<td>68%</td>
<td>77%</td>
</tr>
<tr>
<td>Industry certifications</td>
<td>47%</td>
<td>80%</td>
</tr>
<tr>
<td>Skills bootcamps</td>
<td>23%</td>
<td>36%</td>
</tr>
<tr>
<td>Project portfolios</td>
<td>17%</td>
<td>53%</td>
</tr>
<tr>
<td>Badging</td>
<td>14%</td>
<td>24%</td>
</tr>
<tr>
<td>MOOC</td>
<td>13%</td>
<td>25%</td>
</tr>
</tbody>
</table>
HOW COMPANIES ARE CLOSING THE SKILLS GAP

Your company prefers to: (Somewhat or strongly agree)

- Rely on AI to close skills gaps: 55%
- Hire employees instead of upskilling/reskilling current employees: 50%
- Hire gig workers instead of full-time employees: 47%
- Outsource to vendors instead of hiring/upskilling employees: 46%
- Invest in AI to perform work instead of hiring/upskilling employees: 40%
THE “NON-TRADITIONAL” WORKER

How open are you to hiring a candidate who has one of the following in place of a college degree?

- Higher education coursework but no degree: 53%
- Industry certification: 52%
- Higher education certificate: 39%
- Non-higher education certificate: 22%
- Digital badge: 20%
- Would not hire without a college degree: 10%
How often do you extend job offers to:

- **Non-college graduates**
  - Often: 55%
  - Rarely: 41%
  - Never: 4%

- **U.S. military veterans**
  - Often: 61%
  - Rarely: 36%
  - Never: 3%

- **Former prison inmates**
  - Often: 15%
  - Rarely: 45%
  - Never: 40%

- **Non-Americans**
  - Often: 46%
  - Rarely: 42%
  - Never: 12%
HIRING BOOMERS & RETIREES

2/3 of companies have hired a retiree. 20% said they have never hired a retiree.

People aged 55+ expected to have the fastest growing labor force participation rate over the next 5 years.

Within this age group, those aged 65+ are expected to see the fastest expansion.

SECTION 3: IN-DEMAND SKILLS
MOST IN-DEMAND MAJORS

1. Computers & IT
2. Business
3. STEM
4. Health & Medicine
5. Education & Teaching
MOST IN-DEMAND SKILLS

HARD SKILLS

1. Strategic thinking
2. Computer skills
3. Project management
4. Language skills
5. Engineering

SOFT SKILLS

1. Leadership
2. Adaptability
3. Communication
4. Positive attitude
5. Teamwork
SECTION 4: UPSKILLING EMPLOYEES TO CLOSE SKILLS GAPS
OBSTACLES TO UPSKILLING

1. Lack of budget
2. Don’t have talent in-house to train
3. Hard to find external talent to train employees
4. Outdated job descriptions
5. Unaware of relevant skills
HOW MUCH COMPANIES ARE INVESTING

Share of Employers Who Spend More Than $500 Annually to Train Each Employee

52% Overall learning and development
48% Upskilling
46% Reskilling

#SkillsGapReport19
## COMPANIES ARE INVESTING IN...

**What types of programs are your company investing in to upskill or reskill your workforce?**

<table>
<thead>
<tr>
<th>Program</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition reimbursement</td>
<td>52%</td>
</tr>
<tr>
<td>Mentoring/reverse mentoring</td>
<td>37%</td>
</tr>
<tr>
<td>Access of online educational platforms</td>
<td>35%</td>
</tr>
<tr>
<td>Apprenticeships</td>
<td>25%</td>
</tr>
<tr>
<td>University-sponsored tuition discounts</td>
<td>24%</td>
</tr>
<tr>
<td>Company-sponsored scholarships</td>
<td>23%</td>
</tr>
<tr>
<td>Paid leave for training</td>
<td>17%</td>
</tr>
<tr>
<td><strong>My company doesn't invest in upskilling or reskilling</strong></td>
<td><strong>9%</strong></td>
</tr>
</tbody>
</table>

*This study found 88% of employers cover at least some costs for upskilling or reskilling programs.*
The amount of money AT&T is investing to upskill 125,000 employees.

Source: www.cnbc.com/2018/03/13/atts-1-billion-gambit-retraining-nearly-half-its-workforce
AT&T’s “FUTURE READY”

- Online courses
- Collaborations with vendors and universities
- “Career Intelligence” portal to see what jobs are available, skills required for each, and prospective salaries
- Digital badges on internal career profile pages

Source: www.cnbc.com/2018/03/13/atts-1-billion-gambit-retraining-nearly-half-its-workforce
AT&T’s “FUTURE READY”

RESULTS

Accelerated time to revenue by 32%
Reduced product development lifecycle by 40%
Cut development cost by 50%

Source: www.cnbc.com/2018/03/13/atts-1-billion-gambit-retraining-nearly-half-its-workforce
SECTION 5: COLLABORATING WITH HIGHER EDUCATION TO CREATE SKILLED GRADUATES
WORKFORCE READINESS

46% of HR professionals believe college prepares students to join the workforce.

64% of employers say their organization has collaborated with schools to make the curriculum more responsive to workforce needs

+ 14% increase from 2018
What types of institutions have you partnered with to make the curriculum more responsive to workplace needs?

- Four-year college or university: 79%
- Community college: 53%
- Vocational school: 30%
- For-profit institution: 23%
Launched education program $1 a day

Identified Logistics Management as a key program

Selected the right university partners to offer the program

Within the first year 7,500 employees start the program

OUTCOMES Programs like this have been shown to

- Improve Retention
- Lower Recruitment Cost
- Increase Promotion Rates
FINAL THOUGHTS
FINAL THOUGHTS

BARRIERS TO CLOSING SKILLS GAPS

Skills gaps are complex and require innovative approaches to solve:

EMPLOYERS ARE CHANGING HOW THEY CLOSE SKILLS GAPS

In many cases solving the skills gap should be directly connected to recruitment & retention strategies

CLOSING SKILLS GAPS THROUGH TRAINING

Building your own talent pool versus buying talent is becoming more important than ever

CLOSING SKILLS GAPS THROUGH PARTNERSHIPS

Partnering with the right education partners can have a dramatic impact on skills gaps, recruiting, and retention
NEED A GUIDE?

More questions? Email us at edservices@wiley.com

Download the full report at edservices.wiley.com/closing-the-skills-gap-report-19