

Education vs work skills: what do employers really want?

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Every year, approximately 5,300 colleges and universities in the U.S. busily churn out thousands of graduates. And American higher education remains a sought-after commodity worldwide, as evidenced by the million-plus (according to U.S. Immigration and Customs Enforcement) international students flocking to the U.S. to study.

Given the apparent abundance of available talent, why do many industry leaders and other employers continue to complain about a “skills gap,” asserting that they can’t find qualified candidates to fill positions? And why, according to the Economic Policy Institute, are more than 7% of U.S. college graduates unemployed and nearly 15% under-employed?

At a recent Wharton Reimagine Education conference in Philadelphia, representatives from Google, EY, IE Business School and others tackled the question, “What do employers want?”

Nunzio Quacquarelli, founder and managing director of Quacquarelli Symonds, a global provider of specialist higher education and career information and solutions, moderated the discussion. He asked the panelists if they thought today’s higher education institutions were developing graduates with the skills employers need.

“That may not be the right question,” said Jake Schwartz, the CEO of General Assembly, a New York-based global educational institution that Schwartz described as “the largest coding boot camp in the world” and which runs courses in design, marketing, technology and data.

“Is it higher education’s mission to prepare people for the skills they need in an up-to-date fashion for the 21st century?”—Jake Schwartz

“Is it higher education’s mission to prepare people for the skills they need in an up-to-date fashion for the 21st century?” he asked. “I would posit that most people involved with higher education institutions would say no, or not in a direct sense.” He called that “problem number one” in the disconnect between academia and the working world.

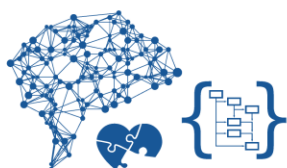
Top 10 skills

in 2020

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgment and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

in 2015

1. Complex Problem Solving
2. Coordinating with Others
3. People Management
4. Critical Thinking
5. Negotiation
6. Quality Control
7. Service Orientation
8. Judgment and Decision Making
9. Active Listening
10. Creativity



Source: Future of Jobs Report, World Economic Forum

However, there is “absolutely a role” for a broad-based liberal arts education, he said. “It’s the foundation of our American educational system, and in a lot of ways that’s a good thing.... We should not abandon that. I also believe that there is a huge role for research universities in our society that none of us would want to give up.”

Santiago Iniguez, dean of IE Business School in Madrid, Spain, agreed that a liberal arts education has value. He views the role of universities “not just in terms of preparing graduates for the labor market, but also in terms of developing the full, integrated personality of [an individual].... The liberal arts curriculum, which is prevalent here in the U.S., has done a fantastic job, and should be one of the experiences that can be exported elsewhere.” While Europe’s academic tradition has been much more profession-oriented, he added, it has not succeeded in training more work-ready graduates — especially in Europe’s current environment of high unemployment.

What Employers Value

Robert Lytle, managing director and co-head of education at Parthenon-EY, a global education consultancy, said that a liberal arts background is actually what most employers are seeking in job candidates, although they don't always realize it. "Often, they can't really articulate what they're looking for, but they will come back to you and say critical problem-solving skills, group ability, communication skills.... That kind of reads 'liberal arts,' front and center."

Although employers may value those capabilities, they have two big issues with a liberal arts education, in Lytle's view. For one, liberal arts has a "brand trust issue" that has arisen in the last ten years or so — not with the concept or the curriculum, he emphasized, but with the quality of the education actually delivered. And employers may have cause to feel that way, Lytle said. "There's a lot of empirical evidence that suggests students who go into a liberal arts program actually do not advance in their critical thinking skills over time. [Combine that] with the fact that they don't get a lot of what [employers] are pointing at, which is real-world experience, soft skills and the ability to work in a group."

Another objection is that a liberal arts education doesn't prepare candidates sufficiently with job-specific skills. According to Lytle, employers will often say: "I need a little more depth on specific entry-level capabilities. If you're going to come to me as an accountant, you actually need to know accounting."

"What [employers] want is for someone to hit the ground running," agreed Rya Conrad Bradshaw. Bradshaw is the U.S. vice president and managing director of Fullbridge, a global educational technology company that tries to close the workplace skills gap for young adults. "What the research says time and time again ... is that because people are staying a much shorter time, especially in their early years, [companies] won't invest in them."

She added that while firms may be willing to supply some on-the-job technical training, they expect entry-level hires to arrive with their soft skills mastered. Bradshaw said one of Fullbridge's goals is not only to nurture these capabilities among students, but also to create a different observation and communication method with employers so that "you are proving out that you're developing —measurably developing — those skills within the undergraduate curriculum."

"There's a lot of empirical evidence that suggests students who go into a liberal arts program actually do not advance in their critical thinking skills over time."—Robert Lytle

But what if students are not aspiring to traditional jobs in conventional firms? This point was raised by Jaime Casap, chief education evangelist at Google. "The idea that we're preparing kids to work as cogs inside of an organization might not be as realistic as it was in the past," he noted. "If you look at Generation Z, 42% of them want to start their own business.... Today, five kids with laptops and some server space on Google or Amazon can start whatever they want."

Given a situation in which many young people will be entrepreneurs, education should prepare them to be lifelong learners, he argued. A broad liberal arts background would be useful. But in addition, today's students are looking for a more competency-based experience, he said.

“When I went to college, when most of us went, we changed our major four or five times, and we just knew that if we got a degree we would be OK on the other side,” noted Casap. However, “kids today are watching their parents struggle with two or three different jobs; they are watching their siblings graduate from college and live in the basement.” He asserted that education, whether it is K-12, higher education or supplemental education, should be delivering outcome-based solutions.

“Let's not just think about millennials and Generation Z,” said Iniguez, noting that much of the opportunity for new educational courses and programs lies in targeting the adult population. This is true across both developed and developing nations, he added. “The big challenge for educators is how to keep the senior population entrepreneurial and up to date with their skills.”

Are MBA Programs the Solution?

Should students get an MBA right after college so they can — presumably — acquire the job skills employers are looking for? Most of the panel thought that it was better to gain a few years of work experience first.

“I think the arms race to degrees for undergraduate students is very worrying,” Bradshaw observed. “The idea that you have to get a master's degree right after your undergraduate degree or you're not competitive ... is not fair to the learner.” She also predicted that consumers would begin to revolt against such a large debt burden.

Both Bradshaw and Schwartz questioned whether MBA programs need to last as long or cost as much as they do. Bradshaw explained that the idea behind Fullbridge — founded by Harvard Business School lecturer and former Random House CEO Peter Olson — was that the skills learned in business school could be taught faster, more effectively, and in a way that was more focused on job requirements. “[That way] you're not spending \$250,000, but you're spending \$5,000 or \$10,000 and getting much more quickly into the workforce.”

“What happens when a company like Google or any other company can do its own assessment to determine your knowledge, skills and abilities?”—Jaime Casap

Schwartz described his own experience going through an elite two-year MBA program. “There's a lot of fat in there, a lot of bloat.” He said that after the first twelve weeks, which consisted of students engaging in “intensive learning, really grinding, applying [problems] to the real world ... it transitioned surprisingly quickly into job-hunting and heavy drinking, and maybe some travel.”

Realizing how much money and time people were shelling out to be in the program inspired Schwartz to found a company with a different paradigm. General Assembly's programs, he said,

“are three months in length. We focus on very specific skills; you can piece them together. You don’t necessarily need five years of work experience to get the most out of it.”

Casap noted that Google and many other companies are trying to find novel ways to evaluate job candidates. He reported that once someone has worked at Google for two years, “we see no correlation between your GPA, your degree and how you do at Google.

“So that raises the question of the whole idea of degree completion, and class completion and certifications,” he continued. “What happens when a company like Google or any other company can do its own assessment to determine your knowledge, skills and abilities — and not care where you went to school, whether you went to Kellogg or you did General Assembly? ... There are a number of organizations, a lot of startups right now that are focused on that.”

However, the panel agreed that the top traditional business schools currently do one thing very successfully: They use their cachet and brand name to place graduates with top employers. Lytle noted that in the world of MBA programs, the business schools in the shakiest position these days may be mid-tier ones that are still following the costly two-year model but cannot promise a plum job at the end.

“There’s a tremendous amount that MBA programs do extremely well in bringing that pathway to career, right at the very beginning,” said Bradshaw. She commented that undergraduate programs should learn from MBA programs about how to connect with employers early on.

Schwartz recalled that companies were “clamoring over me, competing” once he got his MBA. “Before I went to business school, I’m not sure I knew that much less, but I couldn’t get into anybody’s recruiting pipeline.”