

White Paper

The Rise of the Middle Skills Gap

(What Every Recruiter Needs To Know)



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A skills gap is defined as the difference between the skills an organization needs to meet customer demands and their current capabilities. Obviously, organizations do not want a gap to exist. But sadly, it does. Companies are turning away business because they can't find talent, according to a study from the Association for Talent Development (ATD) Public Policy Council.¹

For years, the focus of the skills gap has been on science, technology, engineering, and math (also known as STEM). However, a "middle gap" has emerged highlighting challenges in areas such as communications, problem-solving, critical thinking, and management.

Does the Skills Gap Really Exist?

Yes, it does. There are management gurus and economists that say the skills gap is a figment of our imagination. The numbers tell a very different story. Thirty-eight percent of employers are having difficulty filling jobs, according to the Manpower Group 2015 Talent Shortage Survey, the highest percentage since 2007.² The same survey cites lack of applicants (35 percent) and lack of candidates with hard/soft skills (51 percent) as the reasons.

Whether people believe in the skills gap or not, the perception of a skills gap exists. It's getting tougher to find qualified candidates. And qualified means different things within each organization.

Over the past decade, we've seen new technologies disrupt business. Things we now take for granted like Google Maps, crowdfunding, Uber, social media and wearables have changed the way we live and work. This also means organizations must have workers who are skilled in developing, maintaining and growing with the demand for these products.

It's true that emerging technologies require STEM skills. However, not every job will. Many of the jobs needed to support our new economy are called middle skills jobs. They require postsecondary education and training, but not always advanced degrees. Although the U.S. Bureau of Labor Statistics doesn't publish job openings by skill category, estimates are that as many as half of all new job openings fall in the middle skills range.³

The middle skills gap isn't replacing STEM. It's adding to the recruiting challenges that already exist.

1. <https://www.td.org/Publications/Blogs/ATD-Blog/2015/10/ATD-Public-Policy-Council-Updates-Skills-Gap-Whitepaper>

2. http://www.manpowergroup.com/wps/wcm/connect/408f7067-ba9c-4c98-b0ec-dca74403a802/2015_Talent_Shortage_Survey-lo_res.pdf?MOD=AJPERES&ContentCache=NONE

3. <https://hbr.org/2012/12/who-can-fix-the-middle-skills-gap>

Recruiting Strategies and the Skills Gap

In an effort to bridge the skills gap, organizations have been stepping up their talent acquisition efforts. CNN Money reported that U.S. companies are hiring with 5.6 million job openings.⁴ The question becomes: are current recruiting strategies working and are they keeping pace with the recruiting landscape? Here are a few examples that point to challenges:

The contingent workforce Freelancers are a growing part of today's talent landscape. There are approximately 54 million Americans freelancing, representing one-third of the workforce.⁵ While some freelancers are seeking full-time employment, many have chosen the freelancer lifestyle because it provides freedom and flexibility.

Having a contingent workforce strategy is smart. Organizations need to identify talent that will be available to them on-demand. From a skills gap perspective, recruiters must ask themselves if their on-demand talent has the skills they need now and in the future. In addition, how will freelancers keep their skills up-to-date so they can continue to provide high quality work for the organization?

Staffing needs analysis If organizations can find the talent they need, the next question to ask is: can they find it in a timely fashion? According to iCIMS U.S. 2015 Hiring Trends Report, the average time to fill was 44 calendar days.⁶

Turnover is costly to business. Not only does the organization lose a valued employee and their knowledge, but there's a timeframe where the business has no one doing the work. Or they have employees temporarily handling the work. The skills gap is changing job requirements before positions can get filled. In a fast-paced business environment, a staffing needs analysis must be a fluid document.

Replacement and succession planning Pew Research Center reports that roughly 10,000 baby boomers will reach retirement age every day for the next decade.⁷ While all of them will not leave the workforce at the same time, organizations do have to be prepared for their departure.

When it's a challenge to find qualified candidates, the company must have a strategy to develop talent from within. It's easy to promote the most technically competent person when someone resigns or retires. Unfortunately, the growing middle skills gap is having an impact on employee relations, engagement and retention. Learning and development must be a priority.

Organizations will continue to refine these strategies to keep pace with job growth. The staffing needs analysis is still a valuable document and will grow to be a dynamic model. Contingent workforce strategies will be an essential component of any staffing plan. Learning and development activities will help replacement and succession planning efforts grow talent from within.

But when it comes specifically to the middle skills gap, the gap centered around people-centric skills such as communications, problem-solving, and supervision, there are some other strategies we can employ.

4. <http://money.cnn.com/2016/02/09/news/economy/america-5-6-million-record-job-openings/>

5. <http://www.fastcompany.com/3051686/the-future-of-work/the-state-of-freelancing-in-the-us-in-2015>

6. https://www.icims.com/sites/www.icims.com/files/public/iCIMS%20Quarterly%20Report%20Q4%202015%20Final2_1.pdf

7. <http://www.pewresearch.org/daily-number/baby-boomers-retire/>

How to Calculate Time to Fill

Time to fill measures the difference (in days) between when the job requisition is received and when the job offer is accepted. In the book, "How to Measure Human Resource Management," author Jac Fitz-enz shows the calculation as follows:

Time to Fill = RR – OD, where RR = date the requisition is received (i.e., January 4) and OD = date the offer is accepted (i.e., February 20.)

Example: Time to Fill = January 4 – February 20 = 47 days

A variation on this calculation would be "time to start." If the employee started work on March 10, then Time to Start = January 4 – March 10 = 65 days. This metric offers insight into how long it takes to actually have the employee at the company, not just when the offer is accepted.

4 Strategies for Bridging the Middle Skills Gap

Strategy #1 – Create a single, unified brand for customers, candidates and employees.

One of the biggest soft skills gaps is communication and interpersonal skills. When it comes to recruiting and the candidate experience, lack of communication or mixed messages can hurt the process. By creating a single brand, the organization tells one story about the company and what they stand for. Everyone is on the same page and the brand message is very clear.

A single brand message is also valuable from a resource perspective. HR and marketing are able to form a partnership that combines talents and resources, saving time and expenses.

iCIMS' Onboarding Program Showcases Unified Brand

iCIMS' comprehensive onboarding program provides new hires with a strong foundation on the corporate culture, mission, vision, values, solutions, and customer service commitment, and was forged by a partnership between marketing and human resources.

iCIMS Chief Marketing Officer Susan Vitale talks about the benefits of collaboration. "Our marketing team partnered closely with HR to create the content that is shared and the end result is sessions that are informative yet fun, visually appealing, and engaging. In fact, following the rollout of our new onboarding materials, we have experienced an uptick in employee referrals from new hires that we are in part attributing to the success of this collaboration."

Strategy #2 – Leverage social media for learning.

Another strategy that offers marketing and human resources the chance to collaborate is social media. Pew Research Center reports that 65 percent of adults now use social networking sites.⁸ Social media can be used for communication as well as problem-solving.

Candidates are increasingly demonstrating analytical skills in their job search. According to the CareerBuilder 2015 Candidate Behavior Study, job seekers use an average of 18 different sources when searching for a job, reinforcing the idea of the consumer candidate.⁹ Once hired, employees are finding information via blogs and asking questions on social media communities (for example, LinkedIn Groups.)

Not only does social media help employees develop their critical thinking and problem solving skills, but it improves technical skills as well. Recruiters can build social recruiting strategies that engage candidates and offer them the ability to improve their social media skills through interaction.

Strategy #3 – Offer a workplace user experience that mirrors what happens outside work.

The ATD survey reported that 50 percent of respondents felt a middle skills gap existed within project management and process improvement.¹⁰ These are skills needed to streamline processes and accomplish goals within the business. Here's an example of how organizations can bridge the middle skills gap in process improvement: use mobile and social together for the greatest impact.

Nearly two-thirds (64%) of U.S. adults own a smartphone.¹¹ A mobile user experience goes in tandem with social media and technical skills. Individuals are sharing job openings with friends and colleagues. They can use apps for notetaking, thought mapping, and goal setting. A great recruiting example is Indeed.com, candidates can create a mobile resume, search for jobs, review employers, and apply for a position.

Organizations can provide employees with mobile tools that resemble the resources they're using in their personal lives. This enhances their skills both on and off the job.

Strategy #4 – Use technology strategically, so the focus can remain on the “human” side.

In the Harvard Business Review report, “The Changing Role of the CHRO”, seventy-five percent of companies surveyed said their number one challenge was attracting, developing and retaining talent.¹²

This is a clear indicator that people are a key differentiator in organizations.

That's the reason organizations should use technology solutions strategically. It frees up administrative time and resources, allowing more time to focus on the human side of the business.

- Recruiters can source and identify the best talent.
- Managers can onboard and develop employees for future opportunities.
- Employees can collaborate to achieve goals and delight customers.

8. <http://www.pewinternet.org/2015/10/08/social-networking-usage-2005-2015/>

9. <http://www.careerbuildercommunications.com/candidatebehavior/>

10. <https://www.td.org/Publications/Blogs/ATD-Blog/2015/10/ATD-Public-Policy-Council-Updates-Skills-Gap-Whitepaper>

11. <http://www.pewresearch.org/fact-tank/2015/04/01/6-facts-about-americans-and-their-smartphones/>

12. https://hbr.org/resources/pdfs/comm/visier/Changing_Role_of_the_CHRO_April_2015.pdf

The Middle Skills Gap Can Be Bridged

The skills gap doesn't have to hold the organization back. Creating a single unified brand message helps customers, candidates and employees learn about the organization. Recruiters, hiring managers, and employees can tell the company's story succinctly and effectively. Focus on the mobile, social and personal experience. Use technology solutions to create scale, consistency and compliance — for your candidates, employees and customers.

The key to bridging the skills gap is for organizations to create big picture strategies before designing niche recruiting strategies. Then focus employee efforts toward setting the business apart from the competition.

ADDENDUM: Measuring the Success of Your Efforts

Once strategies have been planned and implemented, the last step is to evaluate your progress. Here are two types of metrics that can be used to monitor effectiveness.

Search Engine Optimization (SEO) metrics

SEO refers to the practice of improving visibility of a website during searches. The theory is, the better the SEO, the more visitors to the website. This is important when it comes to getting candidates to your career site. And if the company's recruiting strategy relies heavily on referrals, it's equally important for employees to visit the site. SEO metrics that can be valuable include:

Traffic sources – Where are your visitors coming from? This can be helpful in establishing a recruiting plan or deciding where to spend advertising dollars.

Top performing pages – Once visitors are on the site, where do they go? Knowing the site's most popular pages can provide insight into what visitors find interesting or useful.

Bounce rate – How long are visitors staying on a page? And where do they exit the site? Bounce rate is a mixed bag. A high bounce rate isn't necessarily a bad thing, but it does merit understanding.

The purpose of SEO is to make sure that the right people find the site, get the information they need, and take the appropriate action.

Human Resources metrics

The second type of metrics to monitor are related to the results of website visitors (in this case, candidates and employees) taking action. If the site gets a lot of traffic, but no action is taken, then unfortunately, the goal isn't being accomplished. Time to fill was mentioned earlier in the white paper, here are two other metrics to consider:

Cost per hire (CPH) – The Society for Human Resource Management (SHRM) has developed a universally accepted calculation for cost per hire:

$CPH = (EC + IC) / THP$, where EC = external costs for all sources of spending outside the organization including third-party agencies, advertising, job fairs, travel, drug testing, background checks, signing bonuses, etc., IC

= internal costs such as recruiting staff salary and benefits, time cost for hiring manager, infrastructure fixed cost, government compliance, referral bonuses, etc., and THP = total number of hires for the time period being evaluated.

Recruiting teams can use a metric like bounce rate to identify the best way to communicate recruitment messaging. Better messaging means that candidates will have the ability to opt-out if the position or the company doesn't fit their needs. This can positively impact time to fill and cost per hire.

Quality of hire – The ultimate metric to measure the impact of recruiting effort is quality of hire. Bridging the middle skills gap in conjunction with recruiting strategy should improve the quality of candidates. The metric is tricky and the best way to calculate is using pre-hire metrics like the ones already mentioned and post-hire metrics such as new hire performance ratings and attrition.

About Sharlyn Lauby

Sharlyn Lauby is an author, writer, speaker and consultant. She has been named a Top HR Digital Influencer and is best-known for her work on [HR Bartender](#), a friendly place to talk about workplace issues. HR Bartender has been recognized as one of the Top 5 Blogs read by human resources professionals by the Society for Human Resource Management (SHRM) and best business blog by the Stevie Awards.

Publications such as Mashable, Reuters, The New York Times, ABC News, TODAY, and The Wall Street Journal have sought out her expertise on topics related to human resources and the workplace. Sharlyn recently published her first book, "[Essential Meeting Blueprints for Managers](#)," which is available on Amazon. And her personal goal in life is to find the best cheeseburger on the planet.

About iCIMS

iCIMS is a leading provider of innovative Software-as-a-Service (SaaS) talent acquisition solutions that help businesses win the war for top talent. Scalable, easy to use, and backed by award-winning customer service, iCIMS enables organizations to manage their entire talent acquisition lifecycle from building talent pools, to recruiting, to onboarding, all within a single cloud-based platform that is connected to the largest partner ecosystem of HR technologies in the industry. Supporting more than 3,200 contracted customers, iCIMS is one of the largest and fastest-growing talent acquisition solution providers.

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