



Closing the Skills Gap with David Capranos

Leading Learning Podcast Transcript for Episode 352

David Capranos: [00:00:00] I think we've been experiencing a long-term trend here where learning and development has been pushed onto the employee. I think that it's become your responsibility to educate yourself throughout your career.

Celisa Steele: [00:00:16] I'm Celisa Steele.

Jeff Cobb: [00:00:17] I'm Jeff Cobb, and this is the Leading Learning Podcast.

Celisa Steele: [00:00:26] Providing practical and valuable education and credentials is critical to the role learning businesses can play in creating and maintaining a skilled workforce. In this episode, number 352, we dig into the causes and solutions to the skills gap in a conversation with David Capranos, director of market strategy and research at Wiley University Services. Jeff and David talk about the report David coauthored titled "Closing the Skills Gap: Employer Perspectives on Educating the Post-Pandemic Workforce," and they get into related topics such as the growing relevance and appeal of alternative credentials to both learners and employers, the rising demand for softer skills, the role of learning in employee retention, empathy, partnerships to support career-connected education, and educational tourism. Jeff and David spoke in March 2023.

Jeff Cobb: [00:01:34] The main focus of our discussion today is a report recently released that you coauthored with Andrew Magda, and that's titled "Closing the Skills Gap: Employer Perspectives on Educating the Post-Pandemic Workforce." Could you give us a little bit of background on that report—how it came about and why you were seeing the particular need to do research on the skills gap right now?

David Capranos: [00:01:59] We see ourselves in this space in between employers, educators, and those that need to be educated—the learners out there. And one thing that we were seeing as a theme from a lot of our employers is just this acknowledgement of a gap in the skills that they would like to have in their organizations versus the ones that they either currently have or

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see in the open market. And so a few years ago we did our first survey, back in 2019, pre-pandemic days, and then, of course, through seeing a lot of the shifts and changes just in the global marketplace and the workforce out there, we decided it was important to do another one towards the end of the pandemic to just see what's happening in the market today.

Jeff Cobb: [00:02:37] And I definitely want to get to the post-pandemic aspect of that because it does seem like a lot changed because of the pandemic, and I want to home in on that. But just on the skills gap in general, I'd love to get more perspective on that. We've been hearing about a skills gap for many years. As you indicated, you've done some research in the past around this. But I do occasionally come across people who say, "Well, there is no skills gap. This is a fiction of the employers." It does seem to be based a good bit on employer perception, so what's your sense of how employers arrive at that perception? Is it just what they feel like they're experiencing, or is there data that they tend to be drawing on? I don't know if that's assessments that they're giving their employees or prospective employees, but how are they really determining that, yes, there is in fact a skills gap here?

David Capranos: [00:03:24] As any good social scientist, I'll probably say it's a bit of both. There's a mix of things that are happening. I think there is the intensity around it that probably does wax and wane with what kind of a market we're facing on the employment side of things. I think we were in a pretty tight labor market a year ago when this survey was conducted, or it's loosening a little bit now with some layoffs. You just get that sense out there, but you can really see it in the data too. You can see jobs staying open longer. It's harder to fill certain positions. Things along those lines are actual mathematical signals that we're getting on top of the more feelings part of it. It was interesting for us to see actually in the data, and in the report you can see that we asked this question back in 2021 of a number of different levels throughout the organization: "Are you experiencing a skills gap right now?" And the C-suite was saying, "Definitely, yes." We had a pretty big response in that group, but among front-level managers, not so much. During and post-pandemic, everybody's on the same page now; everybody's bubbled up to that idea that there is a skills gap out there. So that's another interesting factor too. I think, depending on where you sit in an organization, you see it or feel it earlier than in other places.

Jeff Cobb: [00:04:36] And why do these skill gaps emerge in the first place? I guess this may be at the root of the connection to higher education, but is it purely an education thing that the people just aren't trained to do these jobs? Or what else is going on that causes a skills gap to emerge?

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David Capranos: [00:04:52] I don't know if education is the only thing that's out there. It's interesting, when we thought about this a few years ago, the big concern was baby boomers exiting the workforce, so we had this—let's call it a knowledge drain or skills drain—on the horizon where you get a lot of these people aging out of professions, and the thought was that the average age or average experience in a profession would really be declining in the next few years. And so that was the cause of the potential skills gap. I think with education you get these attitudes out there that it's like, "Oh, the folks coming out of college are underprepared." That's a pretty common article that we see written out there in the media. But, when you do some of this survey work, and you actually ask the folks that are hiring and training these people, we don't see that quite as much from them, that attitude.

Jeff Cobb: [00:05:35] Yes, it seems like retirement would be an issue. And I know that during the pandemic too we had this whole concept of the Great Resignation happening, and people exiting jobs that they didn't want to be in in the first place and saw the door open for that. The title of your report does specifically reference the pandemic, and one of your key findings is that the skills gap did in fact spread to more organizations during the pandemic. Can you talk a little bit more about the impact that the pandemic had, why it made the skills gap spread? Did it make it deeper or different at the same time?

David Capranos: [00:06:10] I think you're right to call out that Great Resignation piece of it. I think we had something on the order of 50 million people leave their jobs willingly, willingly disconnect from their jobs over the last few years as they're redefining what's important to them. We see a lot of different reasons for that. People are doing it for higher pay. They're doing it for quality-of-life issues and things along those lines. And so this realignment is obviously going to cause potential pain points for some organizations as they lose folks that would have been highly skilled. They're going to turn to newer, younger employees, and they're obviously not going to have the same tenure as those. That's where you get some of that misalignment, some of that friction in the market, and that's where I think a lot of the skills gap can be created.

Jeff Cobb: [00:06:50] Can you say a bit more about the difference between what are typically called soft skills in this versus hard skills? I noticed that there's been, according to the report, a big jump in demand for softer skills. I thought it was interesting that there's also been a drop in the demand for harder skills. How is that dynamic playing out?

David Capranos: [00:07:10] It's interesting that we're still even talking about this hard-and-soft-skill dynamic. I think that was something that some of the folks that read the report might see as an older frame. Now we're often talking about things like "human-centered skills,"

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“business-enablement skills,” or some of these new frames to think about this type of skilling. What we did, though, was we asked these questions over a period of two or three years, and it was interesting that the intensity level on some of those harder skills waned while the intensity level on some of these softer skills grew during the pandemic or post-pandemic period. Our thinking around it is that especially there are a few different things that are happening. One is collectively and socially. I think we’re a lot more interested in empathy than we have been in previous times, so it’s not just a buzzword. It’s something that’s finding its way into a lot of our decision-making. It’s something that we’re seeing happen in the corporate space—a lot more focus on empathy.

David Capranos: [00:08:03] I think, beyond that, you’ve got some real structural things that are happening, where, for example, moving a team to remote work. When you’ve got a distributed team, things like keeping that team together and keeping them engaged are going to be a little bit more tricky, a little bit more of a softer skill, a longer-term durable skill that’s going to be needed rather than only focusing on the project management or the time management element of it. And so a lot of organizations are understanding this. Another theme that’s out there is retention. Because of the Great Resignation, like we just mentioned, there are a lot of folks exiting the workforce. There are a lot of people leaving for better work, things along those lines. And so companies are really concerned with “How do we retain folks?,” and a lot of that comes from the soft-skill side of the ledger.

Jeff Cobb: [00:08:47] I guess it would make sense, particularly if you have a concern with getting younger employees and new entrants into the workforce at the level that you would want. Not that younger people don’t have those sorts of soft skills but usually develop those over time in the workforce for a while and figure out how to navigate and negotiate the space. It’s to be expected. I guess that somebody coming straight in from university might be a little more lacking in those types of skills than somebody who’s been in the workforce for quite a while.

David Capranos: [00:09:16] I think that’s an interesting perspective. One of the things that we’ve been very focused on is how do you validate those softer skills? And, in turn, the question becomes how do you build them? A lot of us think it’s skills that are definitely honed over the length of a career, but I think it’s also important to realize that there are a lot of educational opportunities out there that might be focused on how to do better brainstorming, how to communicate better, how to do things like this that are soft skills that you can learn, that you can be taught. A lot of the companies that we’re looking at and asking are more open to using alternative ways of validating those skills than just looking at experience alone. We

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actually found this in the report. We asked a question: “With around five years of work experience, is that the equivalent to, let’s say, a university-sponsored certificate or a stack of microcredentials?” And a lot of companies are now saying, “Yes, we will consider those as equivalents to each other.”

Celisa Steele: [00:10:22] We’re grateful to Thinkific for sponsoring the Leading Learning Podcast. As a Leading Learning listener, you know the importance we place on reach, revenue, and impact for learning businesses. Thinkific Plus is a new-generation platform purpose-built to help growing businesses scale revenue. With Thinkific Plus, you can generate monthly recurring revenue through course subscriptions and membership programs, sell multiple seats for your learning products to a single buyer, suggest additional products in the learning flow to increase sales, and go global with zero percent transaction fees and payments accepted in over 100 countries. As one quick example, entrepreneur and business coach Ellie Diop uses Thinkific Plus for her Ellie Talks Money academy. She’s generated over seven figures in revenue, and nearly 50,000 people purchased courses in her first year alone. Right now, Thinkific Plus is offering Leading Learning listeners one month free for a limited time. But that offer is only available if you go to our special URL. So go to thinkific.com/learning to learn more and to try out the platform. That’s think-i-f-i-c.com/learning.

Jeff Cobb: [00:11:38] You mentioned retention and have touched on recruiting just a little bit. And I want to resurface this again because one of the things I got from the report—to be honest, I hadn’t really thought about it myself so much before—is that there’s more to a skills gap than just the idea that a person coming to a job doesn’t quite have the skill set they need at that point in time to do the work that’s needed. That’s the obvious understanding of what a skill gap could be. But, as the report brought out, there’s really something of almost a vicious cycle there that, once you have that, it does start to feed into recruiting and retention. It almost feels like a skill gap can have the potential to spiral out of control. Can you talk about that dynamic a little bit?

David Capranos: [00:12:24] I think that was something too that we’d been wondering about and wanted to test as a question out there. This idea that, if you have an existing skills gap, does that make you a less desirable place to work? And I think that, now more than ever, there’s transparency on what it’s like to work for places. We have the emergence of things like Glassdoor and all these other Web sites out there that’ll do ratings on employers. And so some of the HR professionals out there have an awareness of this and think that, “Hey, if we’ve already got these existing challenges, maybe that makes us less desirable,” and that, like you said, creates a bit of a vicious cycle.

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Jeff Cobb: [00:12:57] I'm thoroughly convinced that there is an issue out there. Even having raised the question about whether the skills gap exists, I think it does. We see it ourselves, as an employer. It can be hard to fit the people to the job in all sorts of ways. Can you talk a little bit about then what we do to address it, whether you're an employer or an education and credentialing provider? And I will give a call out to that, throughout the report, at the end of each section, you make some suggestions, and then you have a nice checklist for employers at the end, and a nice checklist for educators at the end. But maybe you could cover a little bit of that here. What do you do if you're an employer? What do you do if you're an education or credentialing provider?

David Capranos: [00:13:41] Thanks for that. We tried to build this report in such a way that it made sense for both audiences because I think a lot of how we see ourselves is as sitting in between those two audiences. We see them both as potential partners with us to think through career-connected education. Part of that, on the university side, is a very retail-type experience—so adult learning, and there's an online shopping cart, and you come in, and you take your certificate, and you leave, those sorts of operations. I think on the employer side too it can be things where we bring someone in for a three-day seminar. You learn in the building, and you keep that all siloed. What we think is the best opportunity, though, is to connect those groups better. So let's find ways to bring groups of employees to the university. Let's find ways for the university to offer content that is leveraging a case study for a local employer or connecting to different employers. I think there's a lot of opportunity for these groups to be interacting, and we actually found that half the companies out there said that they did partner with some sort of university, college, or school to get this work done—but it was 75 percent that had done it in the past. So it seems like there was a little bit of pulling back. Maybe it's an every-few-years sort of thing. We think that could be ratcheted up quite a bit, and there's a lot of opportunity there.

Jeff Cobb: [00:14:57] We definitely see a lot of room for more partnerships and deeper, more meaningful partnerships than we've been seeing so far. And, as you indicated, it does seem like it can be a sporadic thing rather than a truly strategic thing that organizations are pursuing over time. I want to focus in on something you mentioned a little bit already, and this is around the different ways to validate that an employee might be job-ready, might have the skill set, or at least be approaching the skill set that's needed. Traditionally, a degree has been the big thing, and it's clear that employers still look at degrees. Obviously, in spite of the fire that higher education has come under for cost and everything else, it's still an important thing. But it does seem like we're finding other types of experience and other types of credentials emerge as being

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more important than they have been in the past. Can you talk a little bit about the willingness of employers to consider candidates who've earned other types of credentials?

David Capranos: [00:15:57] One of the questions that we asked specifically was just “What credential are you most open to using to validate a skill?” So this might not specifically be to hire someone, but it might be just to validate a specific skill that you're looking for. And it was interesting for us to find that, actually, industry certification trumped a college degree in a lot of places. And so what that could be is anything, from some obvious ones, like I would rather have a certified public accountant than just someone with an accounting degree. I would definitely rather have a licensed nurse than just someone that happened to have taken some nursing classes. Or things along those lines. There are some obvious ones that are out there, but even, you could imagine, maybe I'd prefer a PMP professional to someone with just a project management degree. And going down from there. I will say, though, that a college degree is still very high and still probably the best way to signal a well-rounded candidate in a lot of spaces. But we were seeing things like college certificates, boot camps, badges, MOOCs, project portfolios, and things along those lines not only competing a little bit with other validation tools but growing too, over time. So the interest in these things is shifting, and HR professionals are getting much more comfortable with using something like a certificate or boot camp experience or things like that to validate a skill than they would have been a few years ago.

Jeff Cobb: [00:17:20] I'm glad you brought up that point too about industry certifications actually having a little bit of an edge over college degrees. I actually have that in my notes. I think it was 51 percent to 45 percent in terms of what HR professionals would look at when assessing skills and employability. And I know a lot of our listeners' ears will perk up when they hear that because a lot of them are offering different types of certifications. Also, I noted down a quote that says, “During the last three years, more employers have become open to interviewing candidates with specific experience or credentials instead of a college degree.” And, of course, that last three years marks the pandemic. Was that just the pandemic that helped to pry open that openness to those alternate experiences?

David Capranos: [00:18:06] It has to be part of what we consider when we're evaluating this, that it's a really tight labor market like we mentioned before, that the workforce participation rate is down, that we get people exiting good jobs to get even better jobs, and things along those lines. It was an employee market versus an employer market. But these are long-term trends—the strength of digital badges, microcredentials, certificates, and things along those lines has been on an upward trajectory. Maybe it spikes a little bit during this pandemic/post-pandemic

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period, but it looks like it's something that's going to continue to see some strength in the years to come.

Jeff Cobb: [00:18:49] As you rightly note, these are long-term trends we're talking about. You're obviously taking a snapshot of a point in time now, but you've done research in the past, and I'm sure you will return to doing this type of research in the future to reexamine this landscape. If you look three to five years out just based on the trajectory you're seeing right now, what would you expect to be the same or to be different when you do this research a few years out?

David Capranos: [00:19:15] I think we've been experiencing a long-term trend here where learning and development has been pushed onto the employee. I think that it's become your responsibility to educate yourself throughout your career. There are a lot of reasons why that might be a better model. People have more fluidity. They move between jobs more. There's easier access to these tools, especially through online learning. There are a lot of things swirling together to make that a trend. But I think, moving forward, what we're going to get is more sophistication around actually evaluating these things. I know myself I've taken a number of adult learning classes. They're not all created equal, but they all look equal on my LinkedIn profile. So it's one of those things where I think we're going to get professionals, even companies are stepping in and getting better ways of evaluating that learning and really getting to some more standardization where we understand this is what a certificate is. This is what a microcredential is. And this is the actual skills validation that came from it rather than just a black box of they did some adult learning.

Jeff Cobb: [00:20:18] I think that is very true. In fact, we've had some organizations represented on the show, like 1EdTech, for instance, that used to be IMS Global, where they're really working around standards around digital credentials and have some common language around that for employers, for the issuers, and for the learners. I know it wasn't explicit. I don't think it was anywhere buried in there explicitly as part of this report, but I imagine it's probably something you've seen or thought about, that whole idea of the employee really being responsible for ongoing learning/education at this point. I know I've read in the past (I believe probably Google and Microsoft) that some of the big tech companies are actually trying to assess that in their job candidates can we see evidence that this person is a lifelong learner, that they are invested in continuing to learn and grow, and that's actually something they're looking for? Have you had any conversations or seen any evidence around that in working with employers?

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David Capranos: [00:21:10] Obviously, you see it with employers, but it's interesting that I see it with the students too. Some of the work that I do is surveying learners in online bachelor's and master's programs, things along those lines, and in a survey that we do every year called the "Voice of the Online Learner." In that survey, we ask a lot of questions about how are you approaching your learning throughout your career, and what are your plans moving forward? And these are folks that are mid-master's degree, and they're already telling us, "We're open to getting more. I'll probably be back in a few years and get another certificate." A lot of them actually say they really want to come back to the same source of education and be almost repeat customers, for lack of a better term. I think what we're seeing is an emergence of an educated class—a group of people that just know that they need to readdress these skills over time.

David Capranos: [00:21:58] And when I connect that to some of the skills gap research that we did around what's the shelf life of a given skill, how long can you have a given skill before having the need to train or retrain it, we see that those lifetimes are pretty short. And a lot of the employers only think that it's maybe three to five years for a given skill. It's something where we're seeing that there's always going to be a place for this four to five years of education at the beginning of your adulthood, but it's something that you're going to have to continue and maintain throughout your life just because the pace of change in society and technology and everything else is moving so quickly. There's no way that you can learn it all in your 20s and not recalibrate throughout your career.

Jeff Cobb: [00:22:38] And that does seem to be a strong message that comes out of the report. I think it's just a strong message in the work and learning landscape. I know that for educators, for example, in your checklist at the end, the imperatives that you gave them—there was something similar for employers—to repeat process again and again because people have to keep coming back to this stuff. The skills change. The education and training necessary for the skills change. And obviously that goes to the educators, it goes to the employers, and, most of all, it goes to the learners themselves.

David Capranos: [00:23:09] Something that's so important in the learning design consultation that we do, we speak to our university partners and learning partners and tell them, "Plan this with the idea that you're going to have to update it." Historically, you would get content that would sit on the shelf for years, like a comparative literature program that doesn't even have to change much over a 10-year period. But, if you're going to be doing something in strategic analysis or something dealing with data, the tools change, the techniques change, and there's a need for a refresh pretty often. So build that in, have that adaptability, understand those refresh

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rates, and, most of all probably, plan for it. Plan for it fiscally, plan for it with staffing, and be ready to make those updates.

Jeff Cobb: [00:23:53] And it does seem to be a strong argument for, and probably a driver of, one of the key trends out there towards smaller chunks of content, smaller learning experiences so that they can be updated more readily. They're more digestible—you can get at the specific bit of learning that you need at a particular moment or that you need to upgrade rather than, as you're saying, having this monolithic program of learning that you can't possibly go back and repeat again.

David Capranos: [00:24:19] Yes, that's such a good point, that smaller, leaner approach. And I think that's where we get this conversation around stackable so often, and I think the idea that, classically, it's stackable within a degree, so maybe it's your core plus electives, but, also, stackable in terms of what we've seen emerge in the larger MOOC and microcredential space, where, in order to get this, you get these three smaller products, and they evolve into a larger product. I think that type of thinking is really important, and thinking about that over stretches of time is what's going to be interesting because today those cycles are very condensed, and they still end up being pretty large educational opportunities. But I think folks are going to have to think about what's my 30-year curriculum? How am I going to engage with this person? One of the things that often comes up for me is that, as someone with an MBA, early in my career, I'm managing my own work; in the middle of my career, I'm managing other people's work; and, later in my career, I hope to manage the work of other people managing other people's work. Those are very different leadership skills, and so maybe I needed three different leadership courses throughout my life rather than the one that I took 10 years ago.

Jeff Cobb: [00:25:23] That's a good point. I think increasingly people do have to really consciously look at their life as a trajectory and their work and career as a trajectory and what types of learning are going to have to happen across that trajectory if you are going to be successful and, just frankly, achieve the fulfillment and satisfaction that you want out of life and work. Arguably, that's always been the case, but it just feels so much more urgent these days with everything feeling so fast-paced.

David Capranos: [00:25:52] Well, there's a lot more opportunity for validation too, so maybe you do that on your own. There have always been folks that are going to engage with material and learn and take books and stuff, but I think now there are more formalized ways of showing other people that you've done it. It is something that becomes more important as we have careers change a lot more dynamically than they did historically. When you look at someone

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from my generation, they're going to change employers and careers many more times than people from the baby boomers and Gen Xers. It's going to continue to see more of that dynamism at play, and you're going to have to validate what you've done more than you have in the past.

Jeff Cobb: [00:26:25] Well, we've obviously been talking about what employers and educators need to do, but also what learners and individuals need to do throughout careers and throughout life. I'd be interested—and it's always interesting to hear from our guests—what you, yourself, are doing as you think about your own life and career trajectory and how you approach lifelong learning. We're talking about skills here, so maintaining and updating your own skills, how do you approach all of that? What are some of your habits, practices, and things that you do?

David Capranos: [00:26:56] Thanks for the question. It's really a blend of things. In my role, data is really important, so, over time, I've refreshed my skills on data analysis, statistical methods, and things along those lines. Technology is an important part of it, so I've taken classes in things like Tableau, for example, as data visualization became more important to us, and I was noticing people on my team were a lot more effective with certain tools than I was. "Hey, I've got to go out, and I've got to do some learning in these spaces." I think, for me, something that I try to balance is a mix of looking at formal education—taking classes at universities—then also informal education—a lot of YouTube and things along those lines. And even in myself, I say, "Wow, I wish I could validate what I just learned over the last few months," and so I look more and more for those educational products. One thing that I've been playing around with too is the idea (I haven't done it yet) of education tourism. And so what I've seen is that in a lot of big cities, there'll be big universities that'll offer education programs that are three to five days in length, and it's in a city that I'd love to travel to, like New York or London, and I think that's something that's on the roadmap for me—that is, how can I go do some learning but maybe a little bit of touring as well?

Celisa Steele: [00:28:14] David Capranos is director of market strategy and research at Wiley University Services and co-author of the report "Closing the Skills Gap: Employer Perspectives on Educating the Post-Pandemic Workforce." You'll find links to the "Closing the Skills Gap" report, the Wiley University Services Web site, and David on Twitter in the show notes for this episode at leadinglearning.com/episode352.

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Jeff Cobb: [00:28:40] David welcomes you to reach out to him, especially if you have a request for what his team's future market research might cover, and the thought leadership area of the Wiley University Services site offers a number of resources beyond the skills gap report.

Celisa Steele: [00:28:54] Jeff and I would be grateful if you would rate the Leading Learning Podcast on Apple Podcasts or wherever you listen, especially if you find the show valuable, because those ratings help us show up when people search for content on leading a learning business. Just go to leadinglearning.com/apple to leave a rating, hopefully five stars.

Jeff Cobb: [00:29:12] And please spread the word about Leading Learning. You can do that in a one-on-one conversation with a colleague or a personal note, or you can do it through social media. In the show notes at leadinglearning.com/episode352, you'll find links to connect with us on Twitter, LinkedIn, and Facebook.

Celisa Steele: [00:29:30] Thanks for listening, and see you next time on the Leading Learning Podcast.

[music for this episode by DanoSongs, www.danosongs.com]

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