Fresh Perspectives

Teachable Fit:

A New Approach for Easing the Talent Mismatch

Manpower®

In This Article

- Manpower research reveals that talent is elusive—it's everywhere and nowhere. Despite high unemployment, companies worldwide continue to have difficulty filling key positions, and millions of jobs are currently unfilled. The skills distribution of available workers doesn't match global demand.
- To mitigate this situation, employers should broaden their search for candidates to include industry migrants, location migrants, internal role changers and workforce entrants.
- Employers must also recalibrate their mindsets to consider candidates who may not have all the specific skills a job requires. This is especially true for systemic shortages of in-demand roles: Employers cannot address these shortages one hire at a time.
- They must refine job descriptions and candidate evaluations to identify people with a "teachable fit" based on adjacent skills rather than a traditional fit. At the same time, they must also commit to reskilling and upskilling employees, new hires and even potential candidates by partnering with governments and other stakeholders.

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Manpower Inc. (NYSE:MAN), ranked number 143 on the *Fortune 500* list, provides innovative workforce solutions to organizations of all sizes via its network of 4,000 offices in 82 countries and territories. For more information visit www.manpower.com.

Introduction

This recession has cast a new light on talent supply and management around the world. Unemployment is persistently high in developed and even in many developing countries, yet organizations worldwide report difficulty filling key positions *(see Figure 1)*. So the immediate problem is not the *number* of potential candidates. Rather, it's a *talent mismatch*: There are not enough sufficiently skilled people in the right places at the right times. Simultaneously, employers are seeking ever more specific skill sets and combinations of skills—not just technical capabilities alone but perhaps in combination with critical thinking skills or other qualities that will help drive the organization forward. As a result, the "right" person for a particular job is becoming much harder to find. Talent is elusive. It is everywhere and nowhere, and the problem shows no signs of easing.

Figure 1: Top 10 Jobs Employers Have Difficulty Filling Worldwide

1| Skilled Trades
2| Sales Representatives
3| Technicians
4| Engineers
5| Accounting & Finance Staff
6| Production Operators
7| Administrative Support Staff
8| Management/Executives
9| Drivers
10| Laborers

For complete *2010 Talent Shortage Survey* results from each of the 36 countries and territories participating, visit: www.manpower.com/researchcenter.

Source: Manpower Inc. Talent Shortage Survey, 2010

Furthermore, employers facing ongoing, systemic talent shortages—such as those in the healthcare and energy industries—are not going to fill the gaps one hire at a time. Instead, they must recalibrate their mindsets to consider candidates who may not meet all of the job specifications, but whose capability gaps can be filled in a timely and cost-effective way. Training is vital. A commitment to reskilling and upskilling current and potential employees will enable organizations to expand the available pools of talent, ensure that their workforces continue to be appropriately skilled and keep employees engaged in their work.

The key to success with this new mindset is the ability to identify a "teachable fit." "Teachable fit" is a concept that focuses on four questions:

- What capabilities are essential to performing the job?
- Which of these are teachable in an efficient way?
- Is there adequate time and money to develop these capabilities in the candidate?
- And do candidates have the capacity (both motivation and capability) to develop them?

Smart organizations are already adopting this approach, but typically in a limited and non-systematic way. As economies recover and more Baby Boomers retire, the challenges of building a sustainable talent pipeline are only going to increase.

The Talent Mismatch

The global unemployment rate rose to 6.6 percent in 2009, jumping to 8.4 percent in the Developed Economies and European Union.[I] And despite recent positive economic signals, many labor markets around the globe have yet to gain real traction since the global recession. Yet, Manpower's *2010 Talent Shortage Survey* shows that 31 percent of employers worldwide report difficulty filling key positions, slightly up from 2009. Employers having the most difficulty finding the right people to fill jobs are those in Japan (76 percent), Brazil (64 percent), Argentina and Singapore (both at 53 percent) and Poland (51 percent).[II] At the same time, millions of jobs are currently unfilled across the Americas, Asia Pacific and Europe.[III, IV] Indeed, the global demand for highly skilled labor continues to grow, and the skills distribution of available workers can't easily match that demand *(see Figure 2)*.

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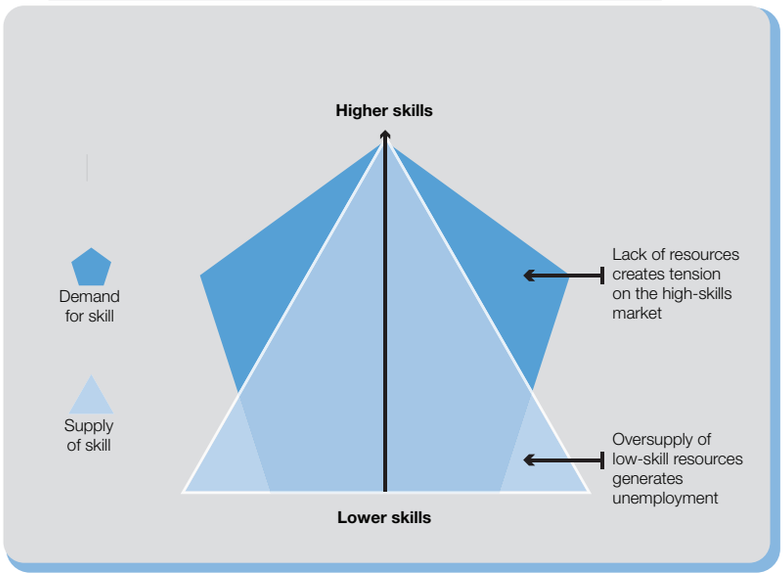
Figure 2: The Talent Supply/Demand Disconnect

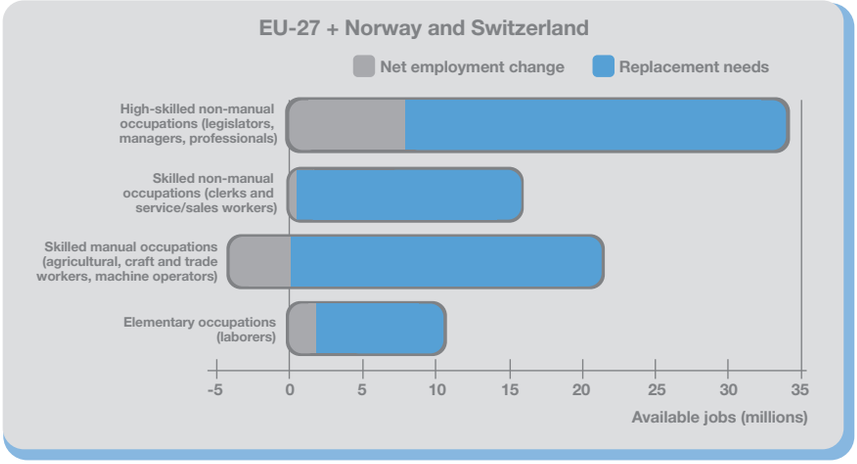


Furthermore, the occupations with the highest qualifications show the greatest projected increases in demand, and this is not a short-term problem. A World Economic Forum projection of the high-skills labor market from 2020 to 2030 sees many nations facing very high skills gaps across 12 major industry sectors.[V] For example, in the engineering and construction sector, serious skills gaps are forecast for the U.S., Russia, Korea and Japan. In the manufacturing sector, the outlook is bleak in Turkey and Japan. In Japan, Korea, Turkey, Russia, Germany and the U.S., the healthcare sector is set to face a dire shortage of talent. The picture is similar in other industry sectors, with many countries facing high to very high gaps in talent supply.

Lack of available talent will not be confined to highly skilled occupations. As one EU projection shows *(see Figure 3)*, low- and negative-growth occupations will still have large replacement needs as the Baby Boom generation exits the workforce. And related low-growth industries will not be free of shortages: The U.S. utility industry workforce is projected to shrink, yet the industry already faces shortages in key technical and engineering roles. These shortages could become increasingly severe as the industry develops. For example, even more highly skilled engineers will be needed if nuclear plant construction resumes. The same is true of the skilled manual trades jobs, such as electricians, plumbers and cabinetmakers, which for years have been among the most difficult to fill globally.[VI] Lack of talent in skilled trades areas is exacerbating the challenge of job creation. Many of these skilled trade positions can lead to the establishment of small businesses, which in turn create new jobs.

Figure 3: EU Job Opportunities by Occupational Groups, 2010-2020

In the next 10 years, the European labor market will need millions of workers to meet demand, specifically in highly skilled, non-manual occupations.



Source: CEDEFOP, 2010 [VII]

The United States Workforce Picture

On February 26, 2010, Jeffrey Joerres, Chairman and CEO of Manpower, testified before the Joint Economic Committee of the U.S. Congress on the state of the labor market and job creation. Here are some of the key points from his testimony:

- The recovery from this recession will again be "jobless" because companies have become more sophisticated in assessing their workforce needs and less willing to engage in anticipatory hiring.
- Recent increases in hiring and in the national temporary worker penetration rate signal that we seem to be coming out of this recession. The existence of a strong temporary labor market provides a critical bridge for companies and individuals.
- A major trend in this recovery is the number of "industry migrants"—workers forced to find jobs outside their industries. But their mobility is constrained by the housing crisis.
- Despite high levels of unemployment, many employers are still unable to find people with the right skills, and three million jobs remain unfilled in the U.S.
- Workforce development programs should train the unemployed on the softer skills that make them more adaptable and better equipped to learn.
- An investment program should be developed to support entrepreneurs to establish new businesses because new businesses create jobs. Offering companies direct incentives subsidizes their growth but does not drive job creation. Over time, money should be redirected to retraining and development efforts.

Expand the Pool

In any problem of supply-demand imbalance, there are two basic responses: reduce demand or increase supply. The focus here is on increasing the supply by changing the employer's mindset regarding sources of available talent. To fill large and systemic talent gaps, four potential labor pools are promising: location migrants, industry migrants, internal role changers and workforce entrants.

Location migrants. The global workforce is on the move, and candidates may be willing to relocate for work—especially when the recession eases. However, employers are still learning to capitalize on this trend, while many governments are still unsure about whether or how to facilitate productive work migration. As detailed in Manpower's 2008 *Borderless Workforce Survey* and *Relocating for Work Survey*, about three percent of people live outside their countries of origin, and that proportion is rising. Three-fourths of workers said they'd consider relocating for a better job opportunity, one-third said they'd be willing to consider relocating anywhere in the world, and 40 percent said they'd consider moving permanently. Of course, not all migrations cross borders. Manpower assists an automotive brake system manufacturer located in the north of Italy (where qualified workers are scarce), in recruiting and training technicians from the south (where qualified workers are in surplus).

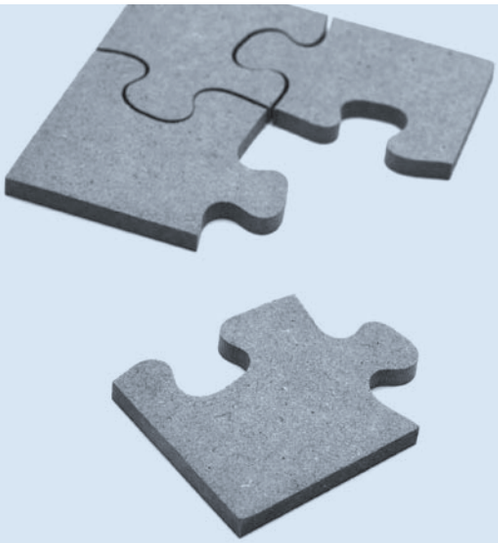
Industry migrants. Some industries are cutting their workforces, while others are growing faster than the talent supply *(see Figure 4)*. Consider the talent available in low-growth industries that can migrate into new fields. Some of these people may have highly valued skills—such as those in sales, finance and management—that need translation to a new industry. Others may have skills adjacent to growing needs—such as technicians and field support—and require more extensive training to bridge skills gaps. Be opportunistic in response to significant changes in local labor markets, such as businesses closing or relocating and leaving capable employees behind *(see sidebar The United States Workforce Picture).*

Figure 4: Growth Here, Shrinkage There

Projected industry growth in the U.S. between 2008 and 2018.

Source: U.S. Bureau of Labor Statistics, "Employment Projections: 2008-2018 Summary," December 10, 2009

Internal role changers. Often the best source of "new" talent is the people already in your company—if your organization has the foresight and ability to redeploy them into different roles or even careers. For example, LPC Belgium, a major paper manufacturer, recently turned to Manpower Belgium when it deployed new logistics technology in its warehouse



Partnerships at Work

Manpower is orchestrating an innovative workforce partnership in the Austin, Texas, area in collaboration with Austin Community College and a host of local high-tech employers.

The Certified Production Technician Program provides training and certification to entry-level manufacturing workers so they are more employable across local advanced technology industries, while employers gain a steady pipeline of the qualified technical workers they need to remain competitive.

Based on Manpower's Advanced Technology Manufacturing Workforce Development Model, the training includes required course work in four disciplines: safety, quality practices and measurements, manufacturing processes and production, and maintenance awareness. But the heart of this six-month program is the "externship" experience, when students work at two different partner companies at the same time. Participants accelerate their learning through exposure to different operations in different industries. They can master a transferable set of skills that help them gain experience and better weather the normal cyclical nature of the Austin area's high-tech manufacturing environment.

Since the program's inception in 2005, approximately 500 people have participated in the program, providing a vital source of talent to the area's technology manufacturing workforce.

facilities. LPC Belgium needed employees with the skills to use the new technology—skills not found in its current workforce. Working with Manpower, the company looked first at its internal talent pool. It assessed its employees on their abilities to master the skills required for their potential new roles. Then it trained those who showed aptitude at the Manpower Logistics Academy. The result: 16 employees were reskilled to work in the upgraded operation, saving the company external recruiting costs and, in the process, enhancing employee engagement.

Workforce entrants. The underemployed and under-skilled are another potential pool, especially as local governmental agencies and others move to help them with training and other programs to enable their transition into the workforce. Women, for example, are underrepresented in many labor markets. In Finland, they hold fewer than one in five technical positions in the important Information and Communications Technology (ICT) industry.[VIII] To expand its talent supply, Elan IT (a Manpower Professional company) has developed a training and apprenticeship program that helps women earn an Information Systems Examinations Board (ISEB) certificate providing accreditation for entry-level positions as well as the foundation for training in more specialized areas of ICT. In just one year, the program trained 25 women who are now more employable and have new career opportunities. Meanwhile, employers in the ICT industry, where the shortage of qualified workers has been a real challenge, gain access to additional qualified workers.

Training and development are the keys to successfully tapping into the talent pools listed above, especially among the last three groups. At the same time, a commitment to training and development is central to building a sustainable talent strategy. But employers shouldn't be the only ones to bear the burden of compensating for inefficiencies in the labor market and shortfalls in the educational system. Local and national governments and NGOs, academic institutions, labor unions and other regional employers all have vested interest in keeping people employable and employed, especially given that local job markets are increasingly subject to upheaval in the globalized economy. Partnering with them adds funding, expertise and other resources to reskilling initiatives *(see sidebar Partnerships at Work)*.

Find a "Teachable Fit"

Not all skills gaps are easily bridged. And individuals respond differently to training, depending not only on their existing skills but on their ability and desire to learn. How can employers efficiently and effectively close the gap between their needs and the abilities of candidates and employees?

This is where the concept of "teachable fit" comes in. When employers can't find candidates with the full range of skills needed for particular positions, they can recruit candidates, perhaps from outside their industries, who possess adjacent skills with an eye toward filling the gaps in their capabilities. The important point here is to understand how *fillable* those gaps are—both in terms of technical skills and candidate mindsets—and at what cost. "Teachable fit" is a practical framework that can predict how successfully a candidate's skills gaps can be filled. It can help employers understand their talent needs better and make training and development investments that are more likely to pay off.

The framework is an analytical tool that maps the capabilities needed for a given role against an individual's likelihood of meeting those needs. The capabilities are divided into four standard groups:

Knowledge of business or academic disciplines or industries. Formal or explicit knowledge comes through study and is confirmed by academic degrees and business certifications. Informal or tacit knowledge comes through experience and association with knowledgeable colleagues. The key here is to recognize the importance of tacit knowledge and the means of attaining it.

Skills including both "hard" skills (e.g., technical or administrative skills) and "soft" skills (e.g., conflict resolution or strategic thinking). Skills tend to be applied and pragmatic. They are acquired through practice and grow with experience. Hard skills can be confirmed by certification or apprenticeship. It is vital to recognize the importance of soft skills, rather than focusing only on candidate assessments on the easier-to-measure hard skills.

Values and Mindset represent what an individual seeks in life and on the job—one's attitude toward work. These are revealed through both conversation and behavior and are relatively difficult to shape. They are also capabilities associated with jobs. Some jobs—sales, for example—require more day-in-day-out initiative and self-management than others. Some jobs depend on more continuous learning and adaptation than others. The key here is to recognize these important traits when defining the job requirements.

Personality and Intelligence are basic characteristics. Some people are naturally outgoing and empathetic and thus natural fits for customer service roles; others are the opposite. Some roles rely heavily on analytical intelligence, others on synthesis or creativity, others on emotional intelligence and many on combinations of the above. Again, the idea is to be as precise as possible about what a job or role calls for in terms of these traits.

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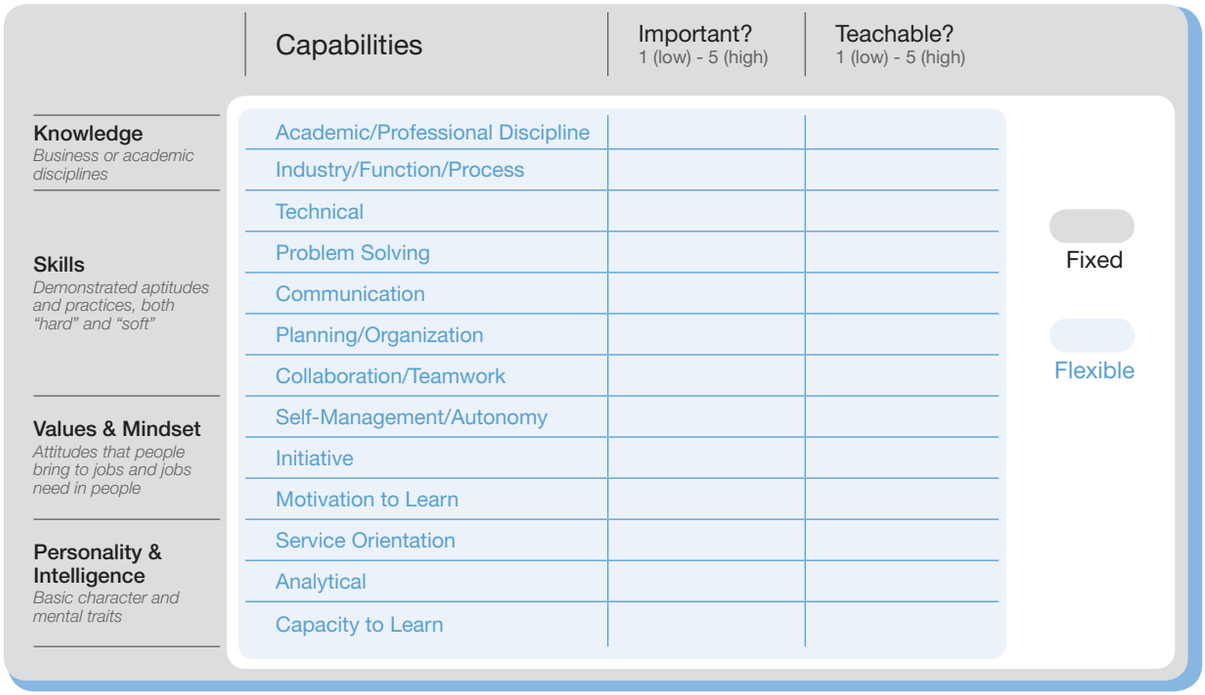
After examining those four areas of capability, the employer then weighs each on two scales:

Is it important? How essential is the capability to performing the work well? The tendency may be to over-emphasize knowledge (e.g., through conventional academic degree requirements) and hard skills, when in fact the knowledge and skills directly required by the job may be basic. Similarly, the tendency may be to under-emphasize soft skills and traits when in fact they are absolutely essential to success in the role and the workplace. Employers should avoid this pitfall. According to research from talent and career management expert Right Management (a Manpower company) the key factors leading to accelerated performance aren't top-notch technical skills or previous experience, but such qualities as cultural fit and interpersonal savvy.[IX]

Is it teachable? To what extent and with what degree of difficulty can the capability be developed? Look first at the available methods—courses, mentors, opportunities to practice, and so on—both inside and outside the organization. Don't assume that because a capability is theoretically teachable, an organization is equipped to teach it. A staff may be experienced, but the question is whether they are willing and able to double as instructors. Carefully consider the time and cost needed to develop the capability. If either is prohibitive, then for practical purposes the capability is not teachable.

Figure 5: Teachable Fit Framework



This approach can help determine what capabilities really matter for success. By dissecting job roles, employers can identify the skills that can migrate across industries or be developed with relative ease. At one end of the spectrum, capabilities that are highly important and not easily teachable are the show-stoppers, the genuine must-haves. Initial screening of candidates can start with these. At the other end, capabilities of low importance may be dropped from the evaluation checklists used with candidates to save effort and avoid distraction.

In developing each job taxonomy for "teachable fit," the idea is not to generalize capabilities or lower standards. Rather, it's to be more detailed and specific about the pragmatic requirements of the job, and more focused on the gaps that can be filled. "Teachable fit" relies less on surrogate measures like educational attainment, and focuses more on matching capabilities. Starting with a more comprehensive job description enables employers

to identify candidates with higher probability of success. In comparing candidates with gaps in important-but-teachable capabilities, those with the fewest and smallest gaps in the important areas are most likely to succeed in the position. The framework also suggests where to begin with the individual's training-and-development plan.

Since the goal is to determine *teachable* fit, the capacity and motivation to learn are vitally important. They should appear on every job's taxonomy and every candidate evaluation checklist. The more gaps that need to be filled, the more important the individual's readiness to learn is, and the more precisely the candidate should be assessed for that readiness. Test for the ability to learn new material quickly and thoroughly. Don't mistake eagerness for intelligence, aptitude or motivation. Probe for the candidate's motivation to learn—is it personal improvement, tangible progress in one's career, contributing to a group's outcome? Is there a match with the learning opportunities associated with the job?

Consider how this framework might be used in a company that needs software engineers. "Teachable fit" analysis *(see Figure 6—note that we list only capabilities of higher importance in our examples)* indicates that a relevant degree or equivalent experience is essential because it would simply take too long to develop all the needed knowledge and background on the job. But some of the knowledge—about new technologies as they emerge—is gathered continuously and thus depends on the inclination to learn. And many important skills can be learned or honed on the job (with varying lead times) if the candidate has the right intellectual profile. But it's a demanding profile, both systematic and inventive, because the heart of the job involves configuring new products or designs and diagnosing new situations.

Figure 6: Teachable Fit Framework – Software Engineer

	Capabilities	Notes	Important? 1 (low) - 5 (high)	Teachable? 1 (low) - 5 (high)
Knowledge *Business or academic disciplines*	Computer Systems	Computer science, engineering or math degree/ experience required	5	1
	Engineering Principles	Takes lots of practice if not schooled	5	3
	Emerging Technology	Learn as you go	4	4
Skills *Demonstrated aptitudes and practices, both "hard" and "soft"*	Technical Design	Can learn a lot from existing configurations	5	3
	Systems Analysis/ Complex Problem-Solving	Takes lots of practice to develop	5	2
	Diagnosis/Testing/ Troubleshooting	Methods can be learned quickly, but they don't cover all cases	5	4
	Active Listening/ Collaboration	Needs to work with customers, vendors and colleagues	4	3
	Programming	Includes operating systems; teachable but some experience is essential	4	5
	Documentation	Precision needed here as well	3	4
Values & Mindset *Attitudes that people bring to jobs and jobs need in people*	Likes to Build		4	2
	Likes to Learn		4	2
Personality & Intelligence *Basic character and mental traits*	Systematic Thinking/ Pattern Recognition		5	2
	Deductive Reasoning		5	2
	Inductive Reasoning		5	1
	Curiosity		4	1

Fixed

Flexible

The best source for candidates may be a company's own programming, information systems, or (depending on its industry) engineering staff who can upskill to software engineering. However, if viable candidates can't be found inside the organization, look outside as there may be well-prepared candidates from the IT organizations of companies and industries that are shedding staff.

Importantly, there may also be strong candidates who don't think of themselves as computer scientists but who bring most of the ingredients. For example, with guidance and the willingness to learn, product or manufacturing engineers who have extensive experience with computer-aided design and group technology systems might make the role or career change easily. If a company needs to hire and develop just a few software engineers, then informal apprenticeships with experienced colleagues can help candidates pick up skills and local methods. If a company needs quite a few software engineers, then it may help to deliver accelerated courses in the technologies, programming languages and diagnostic techniques in local use. Note that new graduates with the right educational degrees will still face a lengthy learning curve to fill a role as varied and demanding as software engineer. And even candidates who are thoroughly qualified on paper should be evaluated carefully for the intellectual profile defined as key to success.

As another example, consider a growing company that installs and maintains wind turbine power generation systems, ranging from individual units to large wind farms. It needs a steady pipeline of candidates for services technician positions. There is lead time to train candidates if needed, because staff needs are pegged to when large, new installations come on line.

For this role, the company also needs people with electro-mechanical skills. Ready candidates may come from equipment manufacturers and energy production companies. However, experienced employees in these industries command higher salaries than the wind turbine company is able to pay. So the company looks to workforce entrants, including recent technical and associate's degree recipients, and other candidates with related skills. And it anticipates the need to train candidates on some of the basics.

"Teachable fit" analysis *(see Figure 7)* tells us that electro-mechanical fundamentals are essential but teachable. The job is really about knowing the company's technology inside-out, and specific techniques around quality, safety, equipment diagnosis and process improvement are all teachable. The job essentials that are less teachable relate to customer interaction and service orientation. The automatic disqualifiers are lack of mechanical aptitude, lack of interpersonal skills and the practical matter of fear of heights. Commitment to learning, both in preparation for and then on the job, is essential.

Figure 7: Teachable Fit Framework – Wind Services Technician

	Capabilities	Notes	Important? 1 (low) - 5 (high)	Teachable? 1 (low) - 5 (high)
Knowledge *Business or academic disciplines*	Electro-Mechanical Fundamentals	Vocational/technical degree preferred	5	5
Skills *Demonstrated aptitudes and practices, both "hard" and "soft"*	Customer Service	Frontline representative of the company, often the only one on site	5	3
	Quality & Safety Procedures	Prime directive on the job	5	4
	Diagnosis/Troubleshooting		5	4
	Reading People & Situations	Needs to read situations quickly and be decisive, occasionally under stressful and dangerous conditions	5	3
	Computer	Basics—data entry, e-mail, look-up	3	5
	Process Improvement	Needs to continuously recognize and share best practices	4	4
	Communication	Hear and teach the customer	4	3
Values & Mindset *Attitudes that people bring to jobs and jobs need in people*	Self-Management/ Autonomy	Often operates on site independently	4	2
	Likes to Travel	50% of time at a major "home" customer installation; 50% traveling to smaller installations	4	1
	Motivation to Learn	See "process improvement"	4	2
Personality & Intelligence *Basic character and mental traits*	Service Orientation	See "customer service"	5	2
	Mechanical Aptitude		5	2
	No Fear of Heights		5	1
	Capacity to Learn		4	1

Fixed

Flexible

In assessing candidates, the company needs to test directly for mechanical aptitude and evaluate carefully for interpersonal skills and service orientation. It can recruit among junior technicians and field service staff in other industries including telecommunications, avionics and automotive—paying special attention to direct customer service experience. The company could also use social media to test the waters for diagnosticians in other fields, for example, computer programmers who are also technology "tinkerers." It might consider a partnership with a technical school to offer an intensive 12-week course in electro-mechanics that incorporates the company's technology into classroom and field exercises. And the company could launch a recruiting campaign aimed at people with mechanical and interpersonal skills who would rather work outdoors and in a green industry.

"Teachable fit" taxonomies like these can also guide talent management more generally. As patterns in the important-and-teachable capabilities emerge, employers can direct curriculum investment. Equally valuable is the information employers can gather on the less-obvious types of capabilities that can be found in particular industry sectors or among particular groups of underemployed workers. This data can help employers refine their focus on particular industry migrants. And as employers recognize where "teachable fit" still leaves them shorthanded, they can be clear about where to supplement their workforces with contingent employees.

Conclusion

As the global economy continues to improve, today's talent mismatch will become more pronounced. That means more competition for available qualified people, against a backdrop of higher turnover, as less-than-satisfied employees decide it's finally time to jump ship. Therefore, a robust talent strategy is more important than ever before. Employers need to think differently about how they fill their talent needs now and in the future. They must adjust their mindsets to look beyond the usual places for candidates and consider those who are best positioned—thanks to their skills and their personalities—to benefit from training and development. Employers must recognize that the talent imbalance is not something they can fix one position and one well-qualified candidate at a time. As the skills mismatch grows more severe, the "teachable fit" framework becomes foundational to talent strategy. It is a key step in an approach that is more expansive, systematic and sustainable—a talent strategy that not only keeps up with business strategy, but accelerates it.

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