

Indiana's Economic Future

Adopting Skills-Based Employment Practices



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Indiana enjoys a thriving economy and is renowned for the products and services that its workforce delivers. As we look to the future, more than one million skilled workers will be needed in the next decade to fill open jobs and ensure continued economic growth. And that's just in Indiana.

Driven by data, automation and machine learning, the nature of work, and therefore the nature of the American workforce, is undergoing an upheaval that in many ways is similar to the Industrial Revolution that began more than 200 years ago. New skills were required as the country's economy began to shift from farms to factories and mass production.

Today, we are in the midst of another revolution – this one digital – and as with the Industrial Revolution, new skills and abilities are required. Many skills that were valuable 20, 10 or even just five years ago are no longer in demand. As a result, increasing numbers of people feel left behind or anxious in the new digital economy.

This is especially true of the nearly 70% of American adults without a four-year college degree; in just 10 years, automation has taken away six million jobs in the U.S. and many millions more have been changed dramatically. For example, today's mechanics (who are finding that it's no longer enough to know how to fix an engine that won't start) need to understand the software and apps built into today's cars.

Employers are also struggling with the rapid pace of change, and the need to not only implement new technology but find the talent needed to put it to work. The U.S. currently has seven million open jobs. The unprecedented rate of innovation is generating extraordinary business opportunities, and yet employers in every sector – from manufacturing to retail – cannot find the talent and skills they need to best take advantage. With record low unemployment, the talent pool can appear shallow and the competition to retain employees fierce.

New opportunities

The hiring and retention challenges businesses face are exacerbated at least in part because traditional strategies for finding and developing talent rely too heavily on individuals' degrees, past job titles and subjective evaluation. In this digital era, these approaches are no longer enough, leaving positions vacant when there are capable candidates available. In short, the unintended consequence of solely focusing on degrees rather than needed skills is that organizations close off opportunities that should be accessible to middle-skill job seekers.

In today's economy, skills-based employment practices expand opportunity for all workers and help employers build a stronger workforce, thereby increasing their competitive advantage. Skills-based practices have been shown to deepen the talent pool,

reduce time to hire, increase diversity and improve employee engagement.

At Skillful, we're working to address the skills gap by engaging employers, educators, policymakers and workforce development organizations to create a labor market in which skills are valued and people can more easily access the information and education they need to secure good jobs. We launched Skillful Indiana in October 2018, and together with our partners – including Microsoft Philanthropies, LinkedIn, Walmart, Lumina Foundation, Purdue University and Purdue Extension with the Governor's Workforce Cabinet and local workforce development boards – we are helping create better pathways to good jobs for Hoosiers.

Specific initiatives

We are working with Indiana businesses and the state's innovative educational community to advance the adoption of skills-based practices and equip Hoosiers with marketable skills that are the new currency of the digital economy.

We are launching two of Skillful's signature initiatives. First, the Skillful Governor's Coaching Corps, in partnership with Gov. Holcomb. This free eight-month training program is designed to strengthen exceptional career coaching professionals so that they are best equipped to connect people to effective training opportunities and quality jobs.

As a complement to the Corps, later in 2019 we will also be rolling out an online Skillful Coaching Community of Practice, which creates opportunities for coaches to network, share and learn from each other while they explore new resources and methods for helping job seekers and incumbent workers. In both, coaches will learn how to adopt a skills-based mindset and methods, including new approaches to skills assessment, resumé building, and evaluating and matching employers to talent.

We are also introducing Society for Human Resource Management-certified Skillful Skill Works training for employers, working in close collaboration with the executive directors of regional workforce boards. The training and resources are designed to help employers adopt more effective hiring and training practices.

Business leaders across Indiana stand to benefit from a skilled workforce that is highly productive today and also has the ability to adapt as work changes. It's simply a good business strategy. Employers have both an opportunity and a pressing need to help create a labor market that works for all Hoosiers by embracing and adopting skills-based employment practices.

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