Workday and Bloomberg Next Study Reveals Need for Greater Collaboration Between Academia and Business to Close the Skills Gap

Only 35 Percent of Corporations Feel Employees Are Well-Prepared with Hard and Soft Skills, Yet Just 41 Percent Currently Invest in Reskilling

PLEASANTON, Calif., June 28, 2018 (GLOBE NEWSWIRE) --Workday, Inc. (NASDAQ:WDAY), a leader in enterprise cloud applications for finance and human resources, and Bloomberg Next, today announced the results of"Building Tomorrow's Talent: Collaboration Can Close Emerging Skills Gap," a study that highlights how skills needs have changed due to new technologies and the evolving nature of work. The research also uncovers what barriers exist to ensuring that new graduates and existing workers are prepared for today's and tomorrow's workplace. Survey outcomes were announced at Bloomberg Next's Tomorrow's Talent forum, an event that brings together business and higher education leaders to discuss the future of education and talent.

The study, which includes responses from 100 U.S. academic institutions and 100 U.S. corporations, found that while progress is being made, the majority of new hires are not well prepared to perform at a high level in a professional environment, primarily because of insufficient skills. In addition, the absence of tightly aligned collaboration between academia and business, as well as planning and budget constraints, are impeding efforts to effectively prepare students for employment and to reskill existing workers.

Findings include:

- **Skills Preparedness Lacking:** Only 35 percent of corporations feel new recruits and students are well prepared with both hard and soft skills to perform at a high level in a professional environment.
- **Opportunity for Greater Collaboration:** Only 30 percent of corporations and 39 percent of educators say they are collaborating to help reskill and retrain employees.
- **Plans to Invest in Reskilling**: Roughly four in 10 corporate respondents plan to invest in reskilling current employees.
- **Adapting to New Technology:** More than 50 percent of corporate respondents plan to evolve job responsibilities to reflect future needs and improve their recruitment of diverse talent to address the impact new technology has on their workforce.
- **Budget Constraints a Challenge:** Approximately half of corporate respondents anticipate facing budget resource constraints when deploying a plan to address the impact of emerging technologies on the workforce; 84 percent of academic respondents say budget limitations will be their biggest anticipated challenge in deploying plans to better prepare students for the future workforce.

"Millions of jobs go unfilled every year because willing workers lack the proper training and skills to land these opportunities," said Leighanne Levensaler, senior vice president of corporate strategy, Workday, and managing director and co-head, Workday Ventures. "There is a clear disconnect in what it takes to successfully equip new graduates and existing workers with the skills they need to be successful in the workforce—and businesses are suffering. Now is the time to rethink how we truly put reskilling our people at the center of corporate talent strategies, while building stronger bridges to the academic world so we can establish a clear path forward."

Addressing the Soft Skills Gap

Ensuring new graduates and existing workers have the necessary skills to succeed in the workforce is increasingly becoming a top priority, given shifting business demands and the impact of emerging technologies on job roles and responsibilities.

While a majority of corporate and academic respondents—69 percent and 88 percent respectively—feel their new recruits and students are prepared with hard skills, more than 40 percent of corporations and almost 50 percent of academic institutions said new hires lack the soft skills to perform at a high level in a professional environment. The top four soft skills that companies and academics say are needed include, team work, analytical reasoning, complex problem-solving, and agility and adaptability. Just 35 percent of corporations feel new recruits and students are well prepared with both hard and soft skills.

A Disconnect in Collaboration

To effectively address the skills gap, academia and businesses must partner together to identify education and reskilling strategies that will best prepare the workforce for ongoing change. The reality, however, is different with a clear disconnect between a willingness to collaborate and the actuality of working together.

Most survey respondents—60 percent of businesses and 67 percent of academia—hold a high amount of confidence in their counterparts' willingness to collaborate. However, the results show that while both parties have trust in one another to cooperate, it appears academia is more likely to initiate collaboration, with 66 percent of academic institutions partnering with corporations to establish education-to-work pipelines and help shape curriculum. Meanwhile, the survey shows only 38 percent of corporations collaborate with academia on the same issues, and only 30 percent of corporations and 39 percent of educators said they are collaborating to help reskill and retrain employees.

The Path Forward
While leaders in academia and business are well aware that workplace skills requirements are changing, more can be done to invest in curriculum and reskilling programs to ensure the preparedness of tomorrow's talent. The survey, however, shows that only half of businesses have formal plans in place to address the impact of emerging technologies.

In addition, approximately only four in 10 corporate respondents plan to invest in reskilling current employees. A majority 85 percent of companies said their top way to reskill employees is to provide internal, in-person training, while 62 percent noted self-service or online training. In addition, more than half plan to evolve job responsibilities to reflect future needs and improve their recruitment of diverse talent to address the impact new technology has on their workplace.

And while 41 percent of businesses plan to invest in reskilling, approximately half of corporate respondents anticipate facing budget constraints in order to do so. Academia faces the biggest investment crisis of all, with 84 percent of academic respondents saying budget resource constraints will be their biggest anticipated challenge in deploying plans to better prepare students for the future workforce.

Methodology
The research team surveyed 200 senior-level individuals—100 each in academia and business—focusing on four primary themes: preparedness, skills, collaboration, and planning. Surveys were completed online by participants who work for professional services firms, including law and accounting firms, corporations or commercial organizations, nonprofits, and academic institutions.

Corporate, professional services, and nonprofit respondents came from organizations with at least 500 employees based in the U.S. They were at the president, C-suite, director/vice president, or executive vice president/senior vice president levels, and work in talent management and development, hiring and/or recruiting, developing or acquiring technology, or corporate or workforce strategy.

Qualified higher education academic respondents worked for institutions with a main campus in the U.S. and at least 1,000 students, and were involved in curriculum or partnership development, accreditation, credential and/or certification programs, or strategic direction.

Additional Information

- Download a copy of the survey white paperhere.
- Please visit the Workday blog for additional perspective:
    - Preparing Tomorrow's Talent: It's Time to Take Action
    - Upskilling the Workforce: Q&A with Jaime Fall, Director, UpSkill America at The Aspen Institute
    - Rethinking the Future of Higher Education: Interview with ASU President Michael Crow
    - The Adobe Digital Academy: An Apprenticeship for Today's World

About Workday
Workday is a leading provider of enterprise cloud applications forfinance and human resources. Founded in 2005, Workday delivers financial management, human capital management, and analytics applications designed for the world's largest companies, educational institutions, and government agencies. Organizations ranging from medium-sized businesses to Fortune 50 enterprises have selected Workday.

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