

BRIDGING MILLENNIALS' SKILLS GAP IN GLOBAL ORGANIZATIONS

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Today's global workplace is changing: Baby Boomers are retiring, Generation Xers are assuming leadership positions, and Millennials are entering the workplace. By 2020, Millennials, people born between the mid-1980s and the early 2000s, will comprise 50% of the global workforce.¹ Yet many corporate leaders are concerned that Millennials lack the hard and soft skills needed to meet the challenges of today's global business environment.

Global companies are concerned that a shortage of skilled workers could hinder their ability to execute business strategies.² The demand for STEM skills — advanced knowledge of science, technology, engineering and mathematics — is projected to explode in the next few years.³ At the other end of the work spectrum, 38% of global manufacturers report difficulties in filling vacancies for skilled trades due to the talent shortage. Even college-educated Millennials often lack the technical and soft skills required for 21st-century careers.

The skills gap is particularly problematic in the United States, where Millennials have achieved the highest levels of education of any generation, yet they consistently score far behind their international peers in literacy, the ability to understand and work with numbers, and technical problem solving.⁴ A study by the Educational Testing Service noted that many members of this generation have graduated

high school and post-secondary educational programs without acquiring adequate job skills.⁵

Employers also are concerned about losing corporate knowledge, experience and skills as Baby Boomers retire. Corporate human resource departments now are considering how best to transfer institutional knowledge and experience before it walks out the door.

TAKE THE FIRST STEPS

Global organizations are addressing the skills gap in a variety of ways with the hope that Millennials can acquire the skills they need and also benefit from mentoring and knowledge transfer. Some of these steps include:

- **Apprenticeship programs** — The Dow Chemical Company launched its U.S. Apprenticeship Program as a pilot for the Advanced Manufacturing Partnership that seeks to secure U.S. leadership in emerging technologies and enhance America's global competitiveness. Dow's three-year, fully-paid program offers participants world-class training and on-the-job experience. The program was developed to ensure that Dow maintains a highly skilled workforce to support its business growth and address the challenges of technical development in manufacturing and engineering.⁶
- **Certification programs** — Trade organizations and educational institutions have developed certification programs to strengthen the talent supply chain. The Manufacturing Institute has been active in creating certification programs that help workers build needed skills in a wide



range of manufacturing processes. Program participants are trained and tested to achieve a certified skill level.⁷

- **Intergenerational partnerships** — The “generation gap” is being addressed by pairing younger and older workers. The pairings enable Boomer workers to share corporate knowledge, insights and experience, while Millennial workers can seek guidance and support. The programs have provided global companies with added benefits by promoting greater diversity, improving ongoing learning, and providing experiences that build skills.⁸
- **Soft skills development** — Many Millennials enter the workplace with strong technical and academic credentials, yet they fall short on written and oral communication, professionalism, the ability to engage and motivate, and business etiquette.⁹

Many global corporations are retooling their corporate development and onboarding programs to address these gaps and provide training for soft skills that once were taken for granted.

- **Part-time mentors** — As Baby Boomers move into retirement, many global companies are bridging the generations by establishing dedicated part-time mentoring and coaching programs so Boomers can share their experience, skills and personal insights.¹⁰ The programs enable the transfer and retention of knowledge with the next generation of corporate managers and leaders.

To discuss these topics in more detail, please contact your PNC Relationship Manager.

¹ “Millennials at work: Reshaping the workplace,” a report by PWC, 2011. Available at: <https://www.pwc.com/m1/en/services/consulting/documents/millennials-at-work.pdf>

² Deloitte 2015 Human Capital Trends Report, Deloitte University Press. Available for download at: <http://www2.deloitte.com/us/en/pages/human-capital/articles/developing-leaders-perennial-issue-human-capital-trends-2015.html>

³ “No Shortage of Talent: How the Global Market is Producing the STEM Skills Needed for Growth,” research report by Accenture, September 2011. Available at: <http://www.holconsultingservices.com/wp-content/uploads/2014/07/Accenture-No-Shortage-of-Talent.pdf>

⁴ “America’s Skills Challenge: Millennials and the Future,” report on an ETS study, written by Madeline J. Goodman, Anita M. Sands and Richard J. Coley, Educational Testing Service, 2015. Available at: <http://www.ets.org/s/research/30079/overview.html>

⁵ “America’s Skills Challenge: Millennials and the Future,” report on an ETS study, written by Madeline J. Goodman, Anita M. Sands and Richard J. Coley, Educational Testing Service, 2015. Available at: <http://www.ets.org/s/research/30079/overview.html>

⁶ “Dow Announces U.S. Apprenticeship Program,” press release issued by Dow Chemical Company on Oct. 6, 2014. Available at: <http://www.dow.com/news/press-releases/dow%20announces%20us%20apprenticeship%20program>

⁷ “Accenture 2014 manufacturing skills and training study,” Accenture. Available at: <https://www.accenture.com/us-en/insight-manufacturing-skills-training-study-2014.aspx>

⁸ “As Baby Boomers Retire, It’s Time to Replenish Talent,” by Brandon Rigoni and Amy Adkins, The Gallup Organization, Jan. 28, 2015. Available at: <http://www.gallup.com/businessjournal/181295/baby-boomers-retire-time-replenish-talent.aspx>

⁹ “How to Help Millennials Fill the Soft Skills Gap,” by John Rossheim at Monster.com. Available at: <http://hiring.monster.com/hr/hr-best-practices/workforce-management/employee-performance-management/millennial-soft-skills.aspx>

¹⁰ “Part-Time Work Can Benefit Baby Boomers and Their Employers,” by Brandon Rigoni and Amy Adkins, The Gallup Organization, Jan. 27, 2015. Available at: http://www.gallup.com/businessjournal/181286/part-time-work-benefit-baby-boomers-employers.aspx?utm_source=WWWV7HP&utm_medium=topic&utm_campaign=tiles

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