

# Preparing Technicians for the **FUTURE OF WORK**

## Considering the Role of Higher Education in Building the Next-Generation Workforce

Todd McLees, Founder, Pendio Group



Over the past 100 years, significant shifts have occurred in the way organizations build value. In 1920, the world's most valuable companies were primarily a result of extracting value from natural resources, such as oil and steel. By 1970, a shift had occurred to companies building value from the scalable production of human-made assets. These were companies like IBM, AT&T, Kodak, and General Motors.

For today's largest companies, such as Apple, Microsoft, Amazon, and Alphabet (Google), the vast majority of assets are intangible, digital assets.

In 2020, instead of increasing value by accumulating physical assets, leading companies create value by encouraging lifelong learning and adaptability. Today's most valuable companies focus on successfully building a culture of innovation and scalable learning to increase organizational capacity. In the end, improved organizational capacity is what digital transformation is all about.

In previous eras, during the second and third industrial revolutions, industry players partnered with higher education to develop the workforce they needed. While that is seemingly no longer the case, we need to reexamine that opportunity.

### **This Year's Digital Acceleration**

One silver-lining result of the COVID-19 pandemic has been the accelerated adoption of digital technologies across industries, including education.

Microsoft's CEO, Satya Nadella, pronounced in April that, amid the pandemic, they had "seen two years' worth of digital transformation in two months." Nadella's observation quickly became the norm.

In June, Accenture declared that they saw "three years of digital and culture transformation in three months." The next month, Bain noted that "Digital roadmaps once measured in years accelerated rapidly in days."

### **Not All Digital Era Skills Are Technical Skills**

As the adoption of digital technologies has been accelerating, something else is occurring. On the path to digital maturity, companies are discovering that digital skills, while important, are not their most significant challenge.

There are much broader capability issues to deal with—and these types of skills require something more than online learning. The challenges we face today are

related to not only digital and technical skills but Human Capabilities including high cognitive, social, and emotional skills.

Our next-generation workforce reinforces this point. In a recent study, we learned that younger workers are less interested in technical skills than expected. They want to learn skills that offer flexible pathways, such as critical thinking, problem-solving, leadership, social influence, and communication.

Human Capabilities for the Next Era of Innovation  
[Enlargement](#)

2025 Skills Outlook, World Economic Forum  
[Enlargement](#)

Reskilling Programs, Mckinsey & Co., 2020  
[Enlargement](#)

## **We Must Go Beyond Skills—and Build Capabilities**

In October, the World Economic Forum released its outstanding bi-annual [Jobs Report](#). This year's global study's key data point is that 50 percent of the workforce will require significant upskilling or reskilling by 2025. Without new skills, they will more likely be displaced by intelligent technologies and automation. That's around 80 million people in the United States.

To begin addressing that challenge, many employers have turned to digital learning solutions such as LMS and LXP platforms. (The average large employer has 23 LMS platforms in their enterprise.) That reliance on learning from digital content creates a significant gap in the upskilling and reskilling movement.

If executed well, digital training solutions can expand our knowledge by developing fundamental awareness, so we are more knowledgeable in a particular area. But companies can't build capacity based solely on increased knowledge.

That's why industries have turned towards building skills. Skills represent an ability to demonstrate competency by applying knowledge in a targeted context—some view building skills as the ideal scenario for digital and technical competencies.

But collections of skills fall short in today's environment and require us to strive for building capabilities throughout our organization—capabilities are skills that can be leveraged in multiple contexts.

We live in the age of VUCA—volatility, uncertainty, complexity, and ambiguity. What times like these call for is agility and adaptability across the organization.

Skills don't scale as well as capabilities do. In uncertain times, we need to construct organizations that can apply knowledge and skills in multiple contexts. That capacity makes it exponentially easier for organizations to be adaptive as today's environment and correlating strategies dictate. Capabilities allow us to be more agile as we build organizational capacity. When it comes to building Human Capabilities, we are highly unlikely to develop those by a digital-only approach. It requires more immersive, more social, and more experiential learning.

## **The Role of Higher Education in Building the Next-Generation Workforce**

Today, just 8 percent of companies look to higher education when they think about developing new capabilities for their incumbent workforce. And that is a considerable oversight in a crowded corporate training landscape.

Nobody helps people learn at scale as well as higher education does. Further, no corporate training program stacks up very well to higher education when it comes to creating rich learning experiences that genuinely lead to developing a valuable set of capabilities that can be used across multiple industries and business environments. Higher education must factor into the equation beyond the traditional front-loaded approach to one focused on building a talent pipeline for our next-generation workforce. To position themselves as a training provider of choice, colleges must demonstrate to local employers that they have the ingenuity, capacity, and flexibility to serve as trusted partners in the upskilling and reskilling of their current labor force.

For more information, contact the author at [todd.mclees@pendio.io](mailto:todd.mclees@pendio.io).