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BLAME EMPLOYERS, NOT WORKERS, FOR ANY SKILLS GAP, ECONOMIST SAYS

By Josh Zumbrun
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Ever since the recession, job openings have far outpaced the number of people being hired. A common refrain from employers is that workers lack proper training and education for the available jobs—in other words, that a “skills gap” is to blame.

But the fault rest with employers, not workers, says a new working paper from Peter Cappelli, the director of the Center for Human Resources at the University of Pennsylvania’s Wharton School.

“These complaints about skills are driving much of the debate around labor force and education policy, yet they have not been examined carefully,” writes Mr. Cappelli.

To quickly recap, the number of job openings has climbed quickly in the past five years. But many of these jobs are going unfilled, and the number of hires each month has not risen as fast as openings.

Studies from consulting firms like Deloitte and McKinsey have looked at whether too few workers have the technological skills that modern manufacturers need and whether this skills gap will widen even further. The staffing firm ManpowerGroup MAN 0.00% has said 36% of global employers report difficulty finding candidates with the right skills.

And, to be sure, employers are filling jobs more slowly than in the past. One index showing this is the Dice-DFH Vacancy Duration Measure, which uses Labor Department data to calculate how long job vacancies sit before being filled. In June, the latest month available, the average opening lingered for 24.9 working days before being filled, up from 15 days in 2009.

But does this result from employees with the wrong skills? Mr. Cappelli looks at major studies claiming a skills gap and criticizes their evidence. For example, the questions used in surveys where employers say they cannot find employees have often been badly written. Mr. Cappelli writes:

Questions that ask “Are you having difficulty finding the candidates you need to fill your vacancies?” are maddeningly ambiguous. It could be that simply following the many steps and issues to consider in textbook descriptions of recruiting and selection processes could constitute difficult. We also know that self-serving biases should inflate complaints: It is much easier to assert that there is something wrong with the candidates than to acknowledge that our own practices are at fault.

Mr. Cappelli says a better explanation of the inability to fill certain jobs rests with employers themselves. The “obvious solution” to “virtually all the skill problems reported by employers is to increase training and produce the skilled workers they want themselves.”

Much of the evidence in support of a skills gap could be explained by employers who are no longer willing to train their employees or raise salaries, and instead want to be able to hire people with exactly the right skills—and on the cheap. Mr. Cappelli points to data showing apprenticeship programs are being abandoned. The number of apprentice programs registered with the Department of Labor declined to 21,000 in 2012 from 33,000 in 2002, and the number of apprentices has plunged from 280,000 to 500,000 a decade ago. If employers really faced a damaging shortage of workers, this would be an odd time to abandon programs to train employees.

Rather than facing an insurmountable skills gap, some employers may have a different agenda, he concludes: “No doubt some component of the complaints is simply an effort to secure policy changes that lower labor costs.”