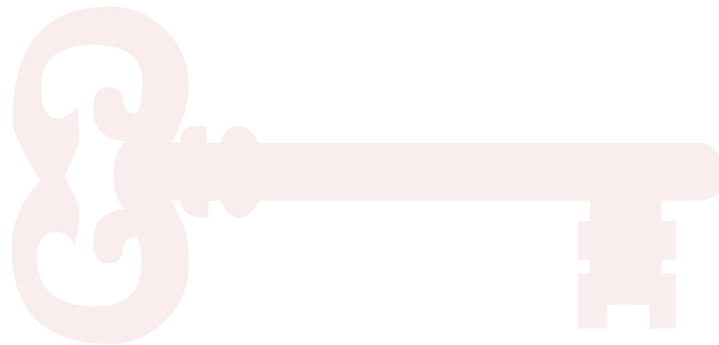


# **Building Human Capital Capacities for a 21<sup>st</sup> Century Workforce And the intersect with Soft Skills**

**A White Paper**

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## Success in the 21<sup>st</sup> Century

In today's knowledge-driven economy, Americans find themselves competing against global talent. Daniel Pink states it best in his book, *A Whole New Mind*:

“To survive in this age, individuals and organizations must examine what they're doing to earn a living and ask themselves three questions: 1) Can someone overseas do it cheaper?; 2) Can a computer do it faster?; 3) Is what I'm offering in demand in an age of abundance?”

For each professional in the U.S., there are four competitors in China and three in India. In order to understand the global marketplace, the unemployed, underemployed, and transitional workforce need a solid foundation and understanding of their transferable skills, knowledge of the global economic environment, and the willingness to become a lifelong learner in order to continually reinvent and transform themselves. Through traditional and emerging knowledge, any person will be able to sustain their employability. In an age where employees seem expendable because of repeated layoffs, outsourcing, and global competition, a major key to employment longevity is career management by continuously learning a multitude of new skills. Unfortunately, according to the Hudson Institute Workforce 2020 report and a recent Department of Commerce study, only 22% of our population has acquired the level of education and skill that about 66% of the jobs in the U.S. require.

Success in the 21<sup>st</sup> century requires basic reading and writing skills, computer skills, socially interactive behavioural skills, career planning skills and a new set of skills appropriate to a different kind of future that is emerging. These skills are often called “soft skills.”

An analysis conducted by the University of Texas concluded that many workers are not acquiring soft skills needed for the 21<sup>st</sup> century. According to the 2005 National Governor's Association report, more than 30 million Americans, (a quarter of the U.S. work force) work in jobs that pay poverty-level wages, with few or no benefits. In other words, they have no health insurance, sick leave, or retirement plans, and due to a lack of soft skills and/or the knowledge of a changing and emerging economy, has no hope or path to escape their condition.

Many workers change jobs on an average of 12-15 times over their lifetime. High employee turnover, absenteeism, low morale, and loss of productivity are the result.

Some 69% of employers surveyed by the National Association of Manufacturer's cite “inadequate basic employability” soft skills as the main reason for rejecting up to one-half of the applicants for all job openings. A 1999 American Management Association report found that 38% of job applicants tested for basic reading and math were deficient in these skills. Manufacturers identify “basic soft skills” as the most serious workforce issue they will confront over the next 10 years. This is compounded with the influx of immigration, diverse cultures, language barriers, and the overall lack of technical skills.

To try to bridge this gap, 52% of the manufacturers surveyed said that they are spending at least 3% of their payroll on training. Most of the training is done in-house. Outside sources include vocational/technical schools (46%), business associations (46%), and community colleges, (45%). Many colleges and universities are partnering with businesses to provide training programs to close the “education” soft skill gap. Businesses across the U.S. are looking at community colleges and foundations to help address this growing gap.

### **Low Income Workers**

Working harder does not cure poverty. According to a 2003 survey, approximately 313,596 low-income families in North Carolina worked the equivalent of 1.2 full-time jobs, but earned less than \$24,537 a year. Due to the combination of stagnating wages, food prices, housing, child care, medical expenses, transportation, increased taxation, and company closings, real income has dropped by 14% over the past 24 years. Many have discovered that the traditional path to a better life, “hard work,” no longer works.

Jobs previously open to people with little formal education have been exported or eliminated. North Carolina is in a state of transition, shifting from manufacturing, to an economy based on service and continuous innovation. This means a creation of jobs where soft skill education is the key and a necessary foundation. Jobs that barely existed a few years ago require a skilled and knowledgeable workforce that utilizes both traditional and emerging knowledge. Education, combined with a foundation of knowing oneself, is the dividing line between poverty and economic success.

### **2006 NC Department of Labor Report**

NC employers are dismayed by the state’s skilled job market. In the technical sector, more than three out of four NC employers (78.5%) have problems finding qualified help that have complementary soft skills. Many of the employers canvassed feel that the problem finding skilled computer literate technical help will accelerate unless aggressively addressed.

The economic prosperity of North Carolina is in a state of flux. The state is aging, and many of its best-educated baby boomers are nearing retirement age. To keep companies and emerging electronic entrepreneurs engaged in the global economy, a sizable proportion of well-educated personnel will have to be replaced in the near future. However, the supply of well-educated workers is dropping, and the current workforce, regardless of income, is not updating skills needed to compete. Current statistics show that three out of ten young adults (18-24) in 2003 were enrolled in programs to upgrade their abilities through continued lifetime learning.

“A dysfunctional U.S. elementary and secondary education system has failed to prepare our students sufficiently rapidly to prevent a shortage of skilled workers and surfeit of lesser skilled ones, expanding the pay gap between the two groups. Unless America’s education system can raise skill levels and new understandings as quickly as technology requires, skilled workers will continue to earn greater wage increases, leading to ever more disturbing extremes of income concentration.” *From The Greenspan Gospel, by Daniel Gross, published in News Week Magazine, September 24, 2007*

Today, workers are in transition, whether due to layoffs, downsizing, a company relocating, or outsourcing. This is due to the speed at which the employment market is changing, globalizing and rapidly advancing beyond current skills or an individual's ability to perform. If the individual is considered disadvantaged due to poverty, a criminal record, health issues, or a disability, the probability for finding meaningful employment at livable wages is often seen as hopeless from their point of view. Making career decisions is complex in this ever changing economy, requiring a learned capacity to be comfortable with ambiguity and uncertainty. Today's identified growth fields are in healthcare, information technology, and continuous adult education, which all require soft skills and a strong knowledge of self. Counter intuitively, many of the next top careers on the horizon are not in existence today.

### **Keys to Success**

According to Alan Greenspan, "American industry is creating jobs that have never existed before." Americans, young and old, who invest in their education, will get a terrific payback. In 2004, 80.2% out of 9,871 adults who successfully completed The Federal Workforce Investment Act (WIA) educational program for today's economy substantially increased their ability to find employment, and gained increased earning potential.

The Annie E. Casey Foundation stated it best: The prominence of hard skill and soft skills learning is recognized as an important part of the Job Initiative. A report prepared for the Los Rios Community College District's Workplace Learning Resource Center concluded, soft skills, basic skills, computer skills, and career decision-making skills are all skills that entry-level, intermediate, or advanced level workers need in order to be consistently job-ready for the 21st century.

### **Defining Soft Skills**

Soft skills refer to a cluster of personality traits, social graces, facility with language, personal habits, friendliness, and optimism that mark people to varying degrees. Soft skills complement hard skills, which are the technical requirements of a job. Some examples of soft skills are listed below.

#### **Personal Qualities:**

Responsibility:

- Self-esteem
- Sociability
- Self-management
- Integrity/honesty

Interpersonal Skills:

- Participates as a member of the team
- Teaches others

- Serves client/customers
- Leadership
- Negotiation
- Works with cultural diversity

Future-Oriented:

- Passion for learning
- Deeper collaboration
- Ability to identify trends and weak signals
- Ability to ask appropriate questions
- Ability to see connections among ideas, people, and processes
- Openness to new ideas

**Soft Skill Literacy**

Employers are looking for employees with hard and soft skills. Every employer seeks a different mix of skills and experience from a prospective employee, but one thing they all look for consistently are the soft skills needed to be able to build connections and relationships. Soft skills can also be an important part of the success of an organization. Organizations, particularly those frequently dealing with customers face-to-face, train their staff to use soft skills. Soft skills are increasingly sought out by employers in addition to standard “hard skill” qualifications. Soft skills are important for any job in any industry. Based on surveys of employers who hire candidates, below are listed the 25 most frequently cited soft skill questions asked during an interview to determine soft skill literacy.

1. Oral/ spoken communication skills: Do you just listen, or get invited to speak to groups?
2. Written communication skills: Are you skilled in printed and online written work, including reports, letters and emails?
3. Honesty: Are you truthful and display integrity?
4. Teamwork/collaboration skills: Do you work well with others?
5. Self-motivation/initiative: Do you perform your duties without being told or persuaded to do so?
6. Work ethic/dependability: Are you thorough and accurate, do employers’ count on you?
7. Critical thinking skills: Do you find new ideas challenging, and do you provide alternate proposals and alternatives for consideration?

8. Risk-taking skills: Do you consider taking a chance on something new, different, or unknown?
9. Flexibility/adaptability: Do you go with the flow and adjust to unforeseen circumstances?
10. Leadership skills: Do you support others and provide leadership to accomplish something?
11. Interpersonal skills: How do you relate with other people and communicate with them everyday?
12. Working under pressure: Can you handle the stress that accompanies deadlines and other limitations or constraints?
13. Questioning skills: Do you ask questions in order to learn or clarify something?
14. Creativity: Do you have the imagination to come up with new or off-the-beaten-path ideas?
15. Influencing skills: Can you persuade others to think about or adopt a different point of view?
16. Research skills: Are you able to gather information in order to study or answer questions?
17. Organization skills: Are you organized and methodical, especially in work-related situations?
18. Problem-solving skills: Are you good at analyzing potential problems and coming up with solutions?
19. Multicultural skills: Do you understand and relate to people who are different from you?
20. Computer skills: Do you have computer word processing, spreadsheet presentation, and Internet software skills? Do you help others with computer operating questions?
21. Academic/learning skills: Can you learn new things quickly and thoroughly, and are you willing to learn new things continuously?
22. Detail orientation: Are you detail oriented? Do you make sure everything is done correctly?
23. Quantitative skills: Are you good at compiling and using numbers?
24. Teaching/training skills: Can you teach people how to do something new?

25. Time management skills: Are you able to use time wisely? Are you always on time, and are you able to stay on schedule and meet deadlines?

### **Soft Skill Literacy Training**

Employers recognize the benefits of communication and soft skill training. According to a report published in 2005 by Dr. Allen Manning at the request of ProLiteracy America, employers benefited in a multitude of ways as a result of employees attending these programs. This included improved employee moral/self esteem, increased quality of work, improved capacity to solve problems, better team performance, improved capacity to cope with constant change in the workplace, and improved capacity to use new technologies. In addition, they stated that the employees were more likely to continue to participate in job-specific training programs.

Of course, education reform will take years. We need to address the inequality of soft and hard skills now. Pursuing a better life and the economic rewards it can offer is predicated on education and job skill enhancement. Today's job market continues to grow on a global scale, requiring ever-greater skills as new technologies come online at an accelerating pace unparalleled in human history. Acquiring the necessary soft and hard skills can take several paths, by traditional methods (e.g., the public school system), or that connect through a transformative approach with organizations directly servicing the workforce community. The Avadon Group was created to provide relevant soft skill training to members of our community for the 21<sup>st</sup> century.

Avadon's goals in conjunction with the business and local community include implementing job training, mentoring, guidance, and support for underemployed, unemployed, and transitional workers, as well as in the new field of transformative learning. The Avadon Advance! Workforce Training Program's objectives are to provide workers with the tools to obtain a competitive edge, and have a foundation of soft skills, coupled with positive motivation that will provide them with the ability to compete in today's global economy. To accomplish the Avadon mission, a series of workforce programs, as well as training & coaching seminars and curriculum, have been developed to help individuals assess current skills, and develop the new skills needed for today's global economy.

### **The Avadon Group**

Incorporated in 2003 as a North Carolina Limited Liability Corporation, Avadon is a well-recognized, highly experienced workforce and community development organization. The Avadon mission is to provide a place where individuals who have suffered a life-altering career or job loss can acquire the skills needed to find gainful employment. Students also receive ongoing support in the pursuit of their career paths, and local businesses benefit from workers educated in current employability and workplace skills.

The Avadon Group was developed in response to the U.S. Chamber of Commerce workplace initiative. The Avadon Advance! Training Program is considered an excellent strategy model to engage displaced workers into the business world through leadership, computer literacy training (based on assessed need and in cooperation with the Today's Office Program), and the incorporation of workplace skills necessary for success. The model includes extensive assessments

and classroom instruction incorporating interactive hands-on and simulation-based curriculum. The Avadon Workforce program is taught by professional facilitators, local business owners, coaches and mentors. They bring their combined experience in market development, business acumen, computer technology, soft skill training, and real world experience to the classroom to give students access to relevant and real world stories from today's global market.

To help guide job seekers into promising career paths, Avadon has built and continues to foster longstanding and long-term relationships with the Center for Communities of the Future, the Capital Area Workforce Development Board Joblink Career Centers, and the Raleigh and Cary Employment Security Commission Offices (ESC) located in Wake County, N.C. Avadon also enjoys a tremendous working relationship with the Human Resource Development department at Wake Technical Community College. It also has strong ties to numerous local businesses and to the National Association of Women Business Owners Greater Raleigh Chapter. Avadon's collaborative efforts with non-profit groups seeking to advance their clientele economically have worked successfully in North Carolina for more than 5 years.

Avadon brings together business, government, education and community-based organizations to create a powerful network of change and growth. It also has a diverse group of facilitators and coaches whose experience is more than 200 years combined and spans across many of the key organizations within a community. In addition to their respective expertise and commitment to human capital development, each facilitator was handpicked because of their understanding of how to make key connections and build alliances between business, government, education, and non-profits for the betterment of citizens within the community.

## **Founder**

Armed with over 20 years of management, human relations, people development and business development experience; Norma Owen founded Avadon in 2002. Norma brings a wealth of innovation, understanding, and experience to her audiences and clients. Combining this real world achievement with a passion for learning and teaching others, she is a pioneer in the field of eLearning, and has taught at the community college and university levels to help further the foundation for success for anyone looking to succeed. Norma is known for her unique talents in devising strategic solutions based on current technology, to create a whole new style of workforce soft skill training solutions for today's world.

As a recognized speaker, facilitator, consultant, and workplace developer, Norma was recognized and honored as a Woman Extraordinaire by Business Leader Magazine in 2005 for her community and business initiatives. She is actively involved in the community through programs that focus on emerging untapped workforce and workplace initiatives. Since 1999, she has been involved in workforce development initiatives for those in transition.

Norma currently serves as a Team Leader for the Raleigh 10-Year Plan to End Homelessness, is Community Relations Chair for the National Association of Women Business Owners, and was recently appointed to the Capital Area Workforce Development Board. Norma also serves as Secretary on the board for the Apex Sports Authority, recognizing that community sports programs provide a strong basis for leadership and team working skills.