

BRIDGING THE INFORMATION GAP

A private sector initiative that enables young people to access information on skills that employers demand

Felix W. Ortiz III, Viridis Learning

Viridis Learning

Viridis is a human capital technology solution offering training to individuals that lead to industry recognized credentials and job placement for those looking to enter, sustain or grow within the middle-skill workforce. Viridis aims to make labor market-matching more efficient by bridging the information gap between young people and employers. Viridis was founded in 2010. Its platform is currently available for users in the United States, but the company plans to expand globally.

Viridis Learning is a guest contributor to this report.

USA

17/148

JustJobs Index Ranking



62.9%
Labor Force
Participation



50.5%
Youth Labor Force
Participation



8.1%
Unemployment



16.5%
Youth
Unemployment

Source: These data are ILO modeled estimates provided by the World Bank. Individual authors may use national estimates.

Challenge

An existing information gap impedes youth, specifically those projected to enter the United States middle-skills workforce, from acquiring the foundational skills, necessary resources, credentials, and superintendence from educational institutions to realize their full employment potential.

Strategy

Viridis Learning is a unique educational and job-matching program aimed at fostering a labor market-matching infrastructure through a technology platform, that includes features such as an employability score, a lifelong "Skill Passport" with stackable credentials and employer access to a real-time database of qualified job candidates.

BRIDGING THE INFORMATION GAP

A private sector initiative that enables young people to access information on skills that employers demand

Felix W. Ortiz III, Viridis Learning

Globalization, propelled by technological change, is fueling a restructuring of economic activity that is changing the demand for skills in labor markets around the world. In the United States as in many other countries, this has led to a mismatch between the skills that the labor market demands and the available supply of trained individuals. A lack of information on the changing needs of the labor market, and how and where people can obtain the relevant skills is partly to blame.

These challenges have inspired government to expand training and apprenticeship programs to close the skill gap, especially for young people

that are facing some of the worst employment prospects in recent history. But given scale of the challenge and the types of valuable market

“Better information on the dynamic needs of the labor market can aid young people in obtaining relevant skills, finding jobs and ultimately improving their long-term career prospects.”

information they possess, private sector stakeholders can also play a key role. Offering young people a platform to access information on the skills that employers demand and find relevant training opportunities is one way the private sector can help. Better information on the dynamic needs of the labor market can aid young people in obtaining relevant skills, finding jobs and ultimately improving their long-term career prospects.

First, this chapter explores how the information gap impedes youth from acquiring the foundational skills, necessary resources and credentials from educational institutions to realize their full employment potential. As a result, individuals are frequently denied access to

available jobs that could maximize and leverage their vocational potential. Next, this chapter discusses an innovative approach by a private sector company – Viridis Learning – that helps bridge this critical information gap.

The skills and information gap

Of the many factors at play in the global youth employment crisis, one of the most critical is the information gap between youth, educational institutions, and employers. Constantly evolving technologies and innovations change the skills that are demanded by sectors such as STEM,ⁱ energy, manufacturing, healthcare, and information and communication technology (ICT). The middle class jobs of the 21st century are really “blue tech” as opposed to blue collar.

These new types of employment opportunities offer the potential to increase productivity and boost earnings. But many young people are not aware of what these job opportunities are and/or are not given the proper resources, information or pathways to prepare and qualify themselves for these “blue tech” positions.

This lack of awareness is partly responsible for the high levels of unemployment among American

youth. As of July 2014, 3.4 million young people between the ages of 16 and 24 were unemployed. At 14.3 percent, the youth unemployment rate is more than double the national rate.¹ This figure does not account for the many discouraged youth that want and are available for work but drop out of the labor force because they are unable to find jobs, or those that are involuntary part-time workers. Among young high school graduates ages 17 to 20 who are not enrolled in further schooling, the unemployment rate is nearly 23 percent, but their underemployment rate is above 40 percent.²

These dismal numbers come with many adverse implications. Being unemployed for six months or more diminishes a young person’s earnings over the next decade. One estimate suggests that the loss in earnings could be as much as US \$22,000.³ Long spells of unemployment make it hard for young people to find good jobs in the future,

ⁱ Science, Technology, Engineering and Mathematics.

and fewer employed young people means fewer contributions into social welfare schemes. Young people that are unemployed, underemployed, or in other forms of irregular employment are also more likely to engage in illegal activities.

But these discouraging numbers are not just the result of a lack of employment opportunities. A shortage of the skills that match the demands of existing job openings is part of the problem. The U.S. Department of Education estimates that in 2012, 600,000 manufacturing jobs in the United States went unfilled due to the skills shortage.⁴

Recently, in July 2014, the Wall Street Journal and Vistage International found that 33 percent of 848 small business owners and chief executives said they had unfilled job openings the month before because they could not identify qualified applicants. This was up from 31 percent of 811 owners nearly two years ago. In the survey, 35 percent of businesses in the service sector said they could not identify qualified candidates, versus 12 percent of manufacturing firms and 8 percent of wholesale trade businesses. Overall, 43 percent of small business owners said unfilled jobs were impeding their business's growth or expansion, compared with 39 percent in 2012.⁵

What is keeping students and job seekers from becoming qualified to fill these jobs? Training programs do exist: 90 percent of high school graduates take at least one occupational course, and about 40 percent of students take at least three full-year occupational courses.⁶ However, too many vocational programs lack rigor, relevance, and/or updated equipment. Moreover, many programs fail to align educational credentials

“A shortage of the skills that match the demands of existing job openings is part of the problem. The U.S. Department of Education estimates that in 2012, 600,000 manufacturing jobs in the United States went unfilled due to the skills shortage.”

with industry-based certifications, impeding what could be a smooth school-to-work transition.

Other countries face a similar challenge. McKinsey & Company's 2014 Education to

Employment Survey surveyed youth, employers, and postsecondary education providers across eight European countries, which combined are home to nearly 73 percent of Europe's 5.6 million jobless youth. The survey found that employers are dissatisfied with applicants' skills; 27 percent were leaving a vacancy open because they were unable to find anyone with the right skills, and a third said lack of skills is causing major business problems in terms of cost, quality, or time.⁷

Addressing the youth unemployment and underemployment challenges calls for

interventions that not only create more jobs, but create career pathways for young people, providing them with sufficient information on available job and training opportunities. Governments around the world have taken measures to enhance vocational education and training opportunities, such as the U.S. Workforce and Innovation Opportunity Act, and

have deployed strategies to create jobs, such as the youth employment guarantee in Europe and South Africa. But there still remains a gap when it comes to disseminating information to youth about available job and training opportunities. Bridging this gap is vital to empowering young people to think more strategically and make informed decisions about their careers.

An innovative strategy to connect job seekers and employers

This need has spawned opportunities for private sector players to complement the measures taken by governments. One such example is Viridis Learning – a unique educational and job-matching program aimed at fostering a labor market-matching infrastructure through a technology platform.

This section describes the Viridis Learning model and outlines how a diverse demographic of job seekers can benefit from it. These tools include: an employability score; a lifelong “Skill Passport” with stackable credentials that focus on industry and workplace competencies; a customized career pathway; a comprehensive tracking system for educational professionals to monitor the progress of each individual student; and employer access to a real-time database of qualified job candidates.ⁱⁱ

A skill passport and employability score

A Viridis Learning user, once enrolled, completes a detailed online assessment that determines employability across a broad spectrum of characteristics. These include attributes ranging from personality and work style, geographic location and educational background to prior vocational certifications and experience. The assessment yields a highly personalized “Skill Passport,” which serves as a user’s online professional profile. The Skill Passport also can be used and referenced throughout an individual’s career, where additional credentials – workplace competencies and industry-wide proficiencies and technical skills – can be earned and “stacked” within the online tool.

ⁱⁱ *These tools are all proprietary and owned exclusively by Viridis Learning.*

Along with the Skill Passport, Viridis Learning offers users an employability score that quantifies an individual's professional value in the labor market. The score provides an incentive to individuals to build their credentials to improve their score. This score makes it easier for employers to find and hire workers that are compatible with open positions.

Charting a career pathway

But obtaining a skill passport and employability score alone are not enough. Young people need to acquire the skills needed to meet labor market demand. Therefore, Viridis provides an online community college program to help its users develop the "blue tech" skills in demand.

The integration of the Skill Passport, the employability score and the enrollment in the community college program allows for the development of a customized career pathway – or roadmap – for each user. This is then matched with job openings within a job seeker's geographic region. Users are also encouraged to review a variety of job vacancies – their requirements, prerequisites, associated salary and benefits – that are compatible with their profile.

Partnerships with strong community colleges, vocational programs, and workforce organizations are key to the Viridis model as they enable the platform to grow quickly and adapt to new geographies. The system is customizable based on the needs and desires of the organizations utilizing its service. While the model may vary based on the coursework, curriculum, and certifications offered by partnering educational institutions, these can be adapted to also meet the needs of specific industries in localized areas needing qualified workers. Whenever a particular

“Partnerships with strong community colleges, vocational programs, and workforce organizations are key to the Viridis model as they enable the platform to grow quickly and adapt to new geographies.”

city, country or geographic region has identified the sectors it seeks to support, a technology model such as this can help to curate a local qualified workforce.

Helping mentors stay connected

This innovative platform also enables education professionals and career counselors affiliated with community college partners to measure and interact with students in real time. This comprehensive monitoring system enables educators to follow and assist a student through the entirety of their education and career trajectory, from initial course enrollment to successful employment and job retention.

Helping employers find the right candidates

A critical component of the Viridis model is a network of more than sixty work partners, including big companies like the Comcast Corporation, and multinationals like The Coca-Cola Company, who can evaluate certified and verified job candidates efficiently based on the employability score and Skill Passport. This standardized measure allows recruiters and hiring managers to quickly identify ideal job candidates

looking to enter or shift positions within the workforce.

Like job seekers, employers register and create a customized profile on the Viridis platform, where they are matched with well suited candidates based on their requirements. The tool has the potential to save employers the time and costs associated with recruitment and internal training, and it helps to decrease turnover rates.

The potential of tech-enabled labor market matching

As the employment landscape changes with advancements in technology and trade, there is a need to, (i) gather information on the changing needs of employers (ii) design robust strategies for workforce-development that are attuned to labor market demand, (iii) ensure that young people are aware of these training and ensuing job opportunities, and (iv) match youth with open and compatible employment opportunities.

Providing young people with an integrated online platform – which allows them to track their skills, gauge their employability relative to others in the economy, garner information on skills training and job opportunities, and understand

what employers are looking for – can enable a smoother school-to-work transition.

Pilot studies of the Viridis Learning model have shown that 93 percent of users complete their Skill Passport, 70 percent are placed in jobs, and 65 percent remain in those jobs for at least one year. Data suggests that the model performs best in the sectors currently facing an exceptionally large skills gap. These include manufacturing, information technology, and energy, due to their rapid expansion and ever-changing utilization of new technologies. Additional sectors of focus for Viridis Learning are the logistics industry, which represented 8.5 percent of annual GDP for

the United States in 2012,⁸ and the hospitality industry, which was expected to grow by 17 percent in wage and salary employment between 2004 and 2014.⁹

An online portal that creates guided pathways for job seekers offers the potential to improve the employment outcomes not just for youth, but a range of individuals in diverse circumstances. Adult learners, transitional workers, military veterans, those classified as underemployed, as well as low-skilled, low-income individuals seeking to enhance credentials and enter middle class can all benefit

“Pilot studies of the Viridis Learning model have shown that 93 percent of users complete their Skill Passport, 70 percent are placed in jobs, and 65 percent remain in those jobs for at least one year.”

from such an online platform that serves the aforementioned functions. This platform can also serve as a resource to populations reentering the workforce after incarceration.

In the future, data on the users of systems like Viridis Learning’s can be aggregated and interpreted on a macro-level to identify key trends and shifts in employment across cities and geographic regions. This will enable government to assess the performance of training programs and their impact on employability and economic mobility, and the private sector to anticipate and plan for the future labor market landscape.

Conclusion

A great deal of attention is given to skills development to improve the supply of labor, and to growing labor-intensive sectors to create more jobs that can absorb young workers. But this chapter highlights the information gap that young job seekers and employers both face in the job matching process. It is equally important to overcome this challenge to improve youth employment outcomes.

Innovative private sector approaches like that of Viridis Learning can complement government

“Technology platforms like Viridis have access to a growing database of information on job seekers and employers that can help inform public investments in skill development.”

policies to bridge this information gap. Technology platforms like Viridis have access to a growing database of information on job seekers and employers that can help inform public investments in skill development. And by helping policymakers understand the dynamics of a rapidly changing labor market, the Viridis model also benefits, as it relies on publicly funded training providers like community colleges. If public and private stakeholders combine their efforts in this way, the result could be an effective job-creating and job-matching ecosystem.

Felix W. Ortiz III is Founder, Chairman and CEO of Viridis Learning.

Endnotes

¹ Bureau of Labor Statistics. 2014. Current Population Survey. (Washington, DC: U.S. Department of Labor).

² Heidi Shierholz. 2014. Dreams Deferred: Young Workers and Recent Graduates in the U.S. Economy. Accessed on September 26, 2014. http://www.banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=c09e7a5f-600e-4f89-9e14-d25e90696173

³ Sarah Ayres Steinberg. 2013. The High Cost of Youth Unemployment. Accessed on September 26, 2014. <http://www.americanprogress.org/issues/labor/report/2013/04/05/59428/the-high-cost-of-youth-unemployment/>

⁴ US Department of Education. 2012. Remarks of U.S. Secretary of Education Arne Duncan to the Inter-American Development Bank. Accessed on September 26, 2014. <http://www.ed.gov/news/speeches/remarks-us-secretary-education-arne-duncan-inter-american-development-bank>

⁵ Sarah E. Needleman. 2014. "Skills Shortage Means Many Jobs Go Unfilled." *The Wall Street Journal*, July 9,

2014. Accessed on September 26, 2014. <http://online.wsj.com/articles/small-business-owners-work-to-fill-job-openings-1404940118>

⁶ US Department of Education, *ibid*.

⁷ Mona Mourshed, Jigar Patel, and Katrin Suder. 2014. Education to employment: Getting Europe's youth into work. Accessed on September 26, 2014. <http://www.mckinsey.com/~media/McKinsey/dotcom/Insights/Social%20Sector/Education%20to%20employment%20Getting%20Europes%20youth%20into%20work/Education%20to%20employment%20Getting%20Europes%20youth%20into%20work.ashx>

⁸ Select USA. The U.S. Logistics and Transportation Industry. Accessed on September 26, 2014. <http://selectusa.commerce.gov/industry-snapshots/logistics-and-transportation-industry-united-states>

⁹ Bureau of Labor Statistics. High Growth Industry Profile: Hospitality. Accessed on September 26, 2014. http://www.doleta.gov/brg/indprof/hospitality_profile.cfm