

You need to know where higher education is failing

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Higher education institutions are not well preparing students for jobs.

In a far more-discussed 2013 interview (Adam Bryant, 2013, 'In Head-Hunting, Big Data May Not Be Such a Big Deal'), Laszlo Bock, the head of people operations at Google, said the organization had discovered that "G.P.A.'s are worthless as a criteria for hiring, and test scores are worthless," and Google was starting to hire more and more people without college degrees.

Quite frequently, employers and business leaders discuss the unfortunate gap between what college students learn and what they are expected to know to be ready for work. This becomes worrisome given the huge and still rising number of university graduates: above 40% of 25 to 34-year-olds in OECD countries, and nearly 50% of 25 to 34-year-olds in America. (Going to university is more important than ever for young people: The Economist)

Statistics from The Economist say that a college degree's return on investment has never been higher for young people; as the number of graduates rises, the value-added from a college degree decreases. This is why a college degree will boost earnings by over 20% in sub-saharan Africa (where degrees are relatively rare), but only 9% in Scandinavia (where 40% of adults have degrees) {(Going to university is more important than ever for young people: The Economist)}. Simultaneously, as university credentials become more prevalent, they will be constantly requested by recruiters and employers, regardless of whether they are necessarily needed for a particular job. And, while tertiary degrees can still lead to higher-paid jobs, by restricting their applicant pool to college graduates, the same employers who allocate these jobs are damaging themselves and young people. In an era of omnipresent instability and unpredictable work change, it is hard to argue that the acquisition of information historically connected to a university degree is still important.

There are several arguments guided by data which question the actual value of a college degree, rather than the perceived value. Frank L. Schmidt, 1998, in his article 'The Validity and Utility of Selection Methods in Personnel Psychology' has established that the correlation between education level and job performance is weak. The research shows that intelligence scores are a much better indicator of job potential. Academic grades are indicative of how much a candidate has studied, but their performance on an intelligence test reflects their actual ability to learn, reason, and think logically.

College degrees are mistaken for social status and play a role in raising social mobility and increasing inequality (Nicole M. Stephens, MarYam G. Hamedani, Mesmin Destin, 2014, 'Closing the Social-Class Achievement Gap: A Difference-Education Intervention Improves First-Generation Students' Academic Performance and All Students' College Transition'). With meritocratic purposes, many colleges accept candidates, but even merit-based selection is mixed with variables that decrease the diversity of accepted applicants. There is a high degree of assortative mating in many cultures that are based on income and

status (Marital choices are exacerbating household income inequality: The Economist). In the United States, wealthy people are more likely to get married to other wealthy people, and families with more money can afford to pay for schools, tutors, extracurriculars and other privileges that increase their child's likelihood of accessing elite college education (Benjamin W. Domingue, Jason Fletcher, Dalton Conley, and Jason D. Boardman, 2014 'Genetic and educational assortative mating among US adults'). It, in effect, impacts the entire course of the child's life, including their potential career opportunities providing others with a clear advantage and others with a clear disadvantage (Jeremy Greenwood, Nezhir Guner, Georgi Kocharkov and Cezar Santos, 2014, 'Marry Your Like: Assortative Mating and Income Inequality').

If employers add importance to college credentials, it is mostly because they see them as a valid measure of the academic skill of an applicant. If that's their emphasis, why not use psychological tests instead, which are far more predictive (Tomas Chamorro-Premuzic, 2017, 'The Talent Delusion: Why Data, Not Intuition, Is the Key to Unlocking Human Potential') of potential work success, and less concerned by social status and demographic variables? (Brent W. Roberts, Nathan R. Kuncel, Rebecca Shiner, Avshalom Caspi, Lewis R. Goldberg, 2007, 'The Power of Personality: The Comparative Validity of Personality Traits, Socioeconomic Status, and Cognitive Ability for Predicting Important Life Outcomes')

Universities could however substantially increase the value of the college degree if they spent more time teaching their students critical soft skills. Hiring managers and employers are unlikely to be impressed by candidates unless they can demonstrate a certain degree of people-skills. This is perhaps one of the biggest differences between what universities and employers look for in applicants. While employers want candidates with higher levels of EQ, resilience, empathy, and integrity, those rarely attribute that universities nurture or select for in admissions. As the impact of AI and disruptive technology grows, candidates who can perform tasks that machines cannot are becoming more valuable — and that underscores the growing importance of soft skills, which are hard for machines to emulate.

In a recent ManpowerGroup survey of 2,000 employers, over 50% of organizations listed problem-solving, collaboration, customer service, and communication as the most valued skills. Likewise, a recent report by Josh Bersin noted that employers today are as likely to select candidates for their adaptability, culture fit, and growth potential as for in-demand technical skills (e.g. python, analytics, cloud computing). Additionally, employers like Google, Amazon, and Microsoft, have highlighted the importance of learnability — being curious and having a hungry mind — as a key indicator of career potential. This is likely a result of the growing focus on employee training — one report shows U.S. companies spent over \$90 billion on it in 2017. Hiring people with curiosity is likely to maximize the ROI of these programs.

Colleges do have a tremendous opportunity to reclaim their value by helping to fill the learning gap that many managers face after being promoted to a leadership position. Many people today assume leadership positions without any formal experience in management. Sometimes, even if they have not acquired the skills required to lead a team, the best individual members are promoted into management. Perhaps if more schools had invested in developing those skills, organisations would have a greater number of applicants with future leadership.

Clearly, the market demands a paradigm shift.

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