

What the Skills Gap Means in Today's Employment Marketplace

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Nine years later, the Great Recession seems like a distant memory for many people. One of the best illustrations of this is that job openings in the United States recently hit an all-time high.

According to data released by the Department of Labor, there were **6 million job openings** in the country in the month of April. That represents the most ever in the United States.

To put that number in perspective, there were as little as **2.2 million** job openings during the depths of the Great Recession in 2009. So there are nearly three times as many job openings now than there were then, quite an increase.

In addition, the unemployment rate is the lowest that it's been in **16 years**. However, let's look at the flip side of that equation. Although the unemployment rate is low, there are still people out of work. In fact, there are **6.8 million** people in the U.S. who are unemployed.

So what does all of this information mean?

It means that there is a **serious skills gap** in our country right now, one that is severely impacting the nature of the job market.

If there are 6 million job openings and 6.8 million unemployed people, the conclusion that we can draw is that the unemployed do not have the necessary skills to fill existing job openings. It's not that companies don't want to hire them because they're unemployed. They don't want to hire them because they're **not qualified to do the job**.

So now that we've set the stage, exactly how is this skills gap currently affecting today's employment marketplace? Let's look at the issue from both the employer side and the candidate side.

The employer side

What employers are seeing is a candidates' market and everything that comes along with that. Organizations have job openings to fill and not enough qualified candidates to fill them. While this sounds like a single problem, it's actually many different problems all rolled into one.

A situation like this one presents **unique hiring challenges** for organizations. Those challenges can be summarized as follows:

- Due to the skills gap, top candidates are not readily available.
- Many sourcing methods for finding top candidates do not work well, including online job advertisements, because top candidates are not actively looking for jobs.

- Attracting quality candidates once you find them is not easy because they're content in their current roles.
- If your hiring process is too long, you'll lose top candidates due to disinterest and/or an offer from another company.
- It's more difficult to convince a candidate to accept an offer of employment because they have more options available to them.

As a result of all of this, it takes **more time, energy, and effort** for organizations to find and hire the people that they want. It's not as easy to hire as it was five or six years ago. It's not even as easy as it was two or three years ago.

The candidate side

As you might expect, candidates (especially top candidates with the right skills) have **more options** available to them. That's because the law of supply and demand most definitely applies. The less there is of something, the more valuable it is. If there are fewer candidates with the right skills in the marketplace, then those candidates are *more valuable*.

Since this is the case, professionals should be **open to considering new opportunities**. While it's true that top candidates are not actively looking for a new job, they should be open to hearing about opportunities that are better than the one they already have. A top candidate rarely, if ever, makes what is known as a "lateral move" from one company to another. However, it's been my experience after more than 20 years in recruiting that those professionals who are open to at least hearing about new opportunities are ultimately **more successful** in the long run.

This type of market also rewards those professionals who engage in **continuous training and education**. If there is a skills gap in the country, then those people who hone their existing skills and add new ones will position themselves better within the marketplace.

The bottom line

The bottom line is that while the economy is good, unemployment is low, and there are plenty of job openings, that **doesn't mean that hiring is easy**. In fact, successfully hiring the best people can be very difficult, especially if an organization doesn't have the proper resources to devote to the task.

It's important to remember that regardless of the state of the economy—good or bad—there are **challenges** associated with it. Those challenges may be different in nature, but they *do exist*. In the current marketplace, those challenges are multi-layered and interrelated. And those organizations and professionals who are aware of those challenges are the ones who are better able to tackle them, overcome them, and even benefit from them.