Does Higher Education Still Prepare People for Jobs?

By Tomas Chamorro-Premuzic, Becky Franckiwicz, *Harvard Business Review*, January 7, 2019

We often hear employers and business leaders lament the unfortunate gap between what students learn in college and what they are actually expected to know in order to be job-ready. This is particularly alarming in light of the large number of people graduating from university: above 40% of 25 to 34-year-olds in OECD countries, and nearly 50% of 25 to 34-year-olds in America.

Although there is a clear premium on education — reports from *The Economist* suggest that the ROI[1] of a college degree has never been higher for young people — the value added from a college degree decreases as the number of graduates increases. At the same time, as university qualifications become more commonplace, recruiters and employers will increasingly demand them, regardless of whether they are actually required for a specific job. So, while tertiary degrees may still lead to higher-paying jobs, the same employers handing out these jobs are hurting themselves — and young people — by limiting their candidate pool to college graduates.

There are several data-driven arguments that question the actual, rather than the perceived, value of a college degree. First, meta-analytic reviews have long-established that the correlation between education level and job performance is weak. In fact, 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.

When employers attach value to university qualifications, it's often because they see them as a reliable indicator of a candidate's intellectual competence. If that is their focus, why not just use psychological assessments instead, which are much more predictive of future job performance, and less confounded with socioeconomic status and demographic variables?

Having said that, universities could substantially increase the value of the college degree if they spent more time teaching their students critical soft skills. While employers want candidates with higher levels of EQ[2], resilience, empathy, and integrity, those are rarely attributes 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).

In short, we believe that market demands clearly call for a paradigm change. More and more students are spending more and more money on higher education, and their main goal is largely pragmatic: to boost their employability and be a valuable contributor to the economy. Even if the value attached to a university degree is beneficial to those who obtain it, companies can help change the narrative by putting less weight on "higher education" as a measure of intellectual competence and job potential, and instead, approach hiring with more open-mindedness.

1 – *ROI = Return On Investment* 2 – *EQ = Emotional Quotient*