

Emergency plan to counter the youth unemployment crisis

Some 83% of large companies in Spain have trouble filling their local job vacancies because they aren't finding the required competencies in candidates. That's according to a new report by María Luisa Blázquez, Roger Masclans and Jordi Canals.



July 20, 2020

- **More than three-fourths (77%) of companies in Spain believe there's a mismatch between the skills they need and what the university system provides.**
- **Jobs requiring knowledge of big data, artificial intelligence, robotics and digital marketing are the hardest to fill.**
- **Companies are asking for more emphasis on dual vocational training and work placements.**

Despite high and rising unemployment, companies in Spain are finding it increasingly difficult to hire the talent they need locally. A 2020 study offering an "action plan for youth unemployment post-COVID-19" reports that 83% of the companies surveyed are having a hard time filling certain positions -- 11 percentage points higher than [last year's findings](#). Moreover, 77% of companies hiring feel that there's a mismatch between the skills they need and those being provided by the university system.

Some economic and social trends are exacerbating this mismatch in the market. Specifically, the study points to the digital revolution and evolving client needs as the main drivers of change, followed by internationalization and automation.

Causes of profile changes: level of impact



The report, prepared by IESE's María Luisa Blázquez, Roger Masclans and professor [Jordi Canals](#), highlights that the changes not only affect the knowledge that companies need. New business models and ways of working also require a change in the required skills -- from analytics to communication -- and in attitudes -- including initiative, autonomy and a sense of commitment.

The crisis caused by COVID-19 has aggravated uncertainty surrounding the future of employment, already thrown into doubt by recent trends. The authors include a section with recommendations to promote the employability of young people by developing the right professional skills.

Four areas with deficiencies

The technical knowledge of job candidates is falling short of market demands. For example, around nine out of 10 companies report having problems finding candidates with the necessary knowledge in areas such as big data, artificial intelligence, robotics and digital marketing.

In the specific case of candidates who have completed vocational education and training, 92% of companies reported that candidates lack the language skills they require.

In order not to widen the gap in technological knowledge, the authors propose promoting STEM (i.e., science, technology, engineering and math) degrees and programs, particularly to

women, who tend to be underrepresented in them. The report also recommends promoting a pre-professional orientation to enhance knowledge of technical careers, and a higher concentration of specialized science and math teachers in the early years of schooling.

Communication problems

Meanwhile, the companies surveyed believe that education centers aren't devoting enough attention to basic professional skills. For example, "communication" is a notable deficiency, with more than half of companies claiming they can't find skilled communicators to hire.

Among university graduates, the other problem areas are entrepreneurship (50% of companies cannot find what they need), leadership (48%) and negotiation (48%). For their part, vocational-training graduates are said to lack commercial (42%), analytical (41%), entrepreneurial (41%) and leadership (40%) skills.

Given these shortcomings, the authors of the report believe that universities and vocational-training centers should work on developing teamwork, organization, communication, leadership and other skills. New organizational forms and working methodologies, such as the agile method and design thinking, increasingly require these qualities.

Lastly, the report finds a significant gap between the attitudes that companies *hope to find* and those they discover in their candidates. Strikingly, 72% of companies feel that university graduates are unprepared for working life in terms of adaptability and resilience. Almost half report finding that young candidates are lacking in initiative, vision, commitment and autonomy.

Government and companies have roles to play

The authors call for companies to play a role in filling existing gaps through internal training and adapting talent-development policies to the needs and values of new generations. This includes reviewing youth-recruitment activities, career plans, promotions, compensation and flexibility.

And, for their part, companies would like to be consulted to help define study plans and improve the professional advice students receive. Companies surveyed view initiatives such as dual vocational training and work placements positively.

The study indicates the need for a stable, collaborative framework between the government and companies, universities and other educational centers to define clear objectives with

regard to future professional skills. All parties should work together to promote common goals, measures and indicators, allowing them to better define future needs, close the gap between need and reality, and improve young people's employability.

Methodology, very briefly

The report was put together with the participation of senior managers from 118 large companies relevant to the Spanish economy. The survey was administered to 53 companies between July 2018 and January 2019 and to 65 companies between July 2019 and January 2020.

The report is part of the [Education for Jobs Initiative](#), a multidisciplinary project from IESE that aims to understand the professional skills that companies will require in the coming years.

www.iese.edu/insight