



## Building the Resilient Workforce: Why Mindset Trumps Skillset

Late in November 2008, I attended a business breakfast that was hosted by the accountancy firm PricewaterhouseCoopers at their offices beside the Thames in London. The meeting had been organised by the CBI and was billed as an HR Forum. The subject for discussion was the 'London Skills and Employment Board' (LSEB).

I was intrigued. What, I wondered, should be done? The collapse of the investment bank Lehman Brothers in September had triggered an unprecedented sequence of events in global financial markets. In effect, the world's old economic order had come tumbling down and we had all entered an altogether more dangerous phase. London, which just a year before had been competing with New York for the title of global financial capital, was looking distinctly tarnished and the UK economy was clearly headed for a very difficult period.

The news from the LSEB did little to lift the mood. London, we were told, has the lowest employment rate in the country and the highest number of employers reporting poor skills available. In London, 30% of working age residents are not in work and 600,000 Londoners have no qualifications. Add to this a cluttered and confused provision of skills and employment services and the picture is darker still.

If this was the situation after 16 years of uninterrupted economic growth, what, I wondered, would it be like in the future? The speaker had moved on. She said that the Board had set a target to move the London-wide employment rate from 70.5% to 72% by 2013, an increase of 75,000 people in work.

This target had been set before the September crisis but in any case it seemed rather arbitrary. Why shouldn't the future employment rate be 72.5% or 80% or 90%? She went on to say that the Board was going to ensure that London received a fully integrated customer focused skills and employment service. She then said something that really stuck in my mind: "The trouble is," she said, "we don't know which skills will be most in demand in ten years time."

No, we cannot know that, I thought. Spot on.

It was then that I had a sudden insight. Obviously, I cannot second guess which skills will be most in demand in ten years time, **but I do know exactly what sort of people I will want to hire in ten years time.** I was thinking of the young people in my office. Bright, able, flexible people with a strong work ethic and a determination to get things done. I was thinking of the people I meet across our business who are passionate about what they do and approach every day with energy and commitment. I was thinking of the people we place into work every day who are positive and open minded and prepared to engage with the common cause. People who are persistent and resilient. In short, I was thinking of people with the right mindset.

The right mindset. In a strange sense, my insight seemed so glaringly obvious that it was not worth a second thought. And yet the more I thought about it and the more I shared it with others and received a positive reaction,

the more it struck me that its implications could be very large indeed.

This concept of the right mindset just raised more questions. What does the right mindset look like? How is it constructed? How much work is done in schools and colleges to develop the right mindset? And how could this be incorporated with other key aspects of education and personal development to improve every individual's prospects, not to mention the prospects of the economy as a whole?

Before going further down this road, I thought it best to test my hypothesis. Fortunately, I had a ready-made sounding board in our website, reed.co.uk. Since its inception in 1995, reed.co.uk has grown into the largest private sector jobsite in Europe. It receives over two million unique visitors every month and over 10,000 different employers use the service. I would start by asking these employers, all of whom are active recruiters, a simple question:

My instinct was that more employers would

"Please answer the following question by choosing either a) or b)

*When making an employment decision and choosing between the final two shortlisted candidates, which one of the following would you be most likely to hire?\**

a) the individual with the desired mindset who lacks the complete skillset for the job

b) the individual with the complete skillset who lacks the desired mindset for the job"

\* Mindset refers to an individual's habitual mental attitude displaying characteristics such as curiosity, perseverance, determination, energy and drive. Skillset refers to the skills required to perform a specific task such as leadership skills, project management, financial skills or ICT knowledge.

choose mindset over skillset. For this reason I gave special emphasis to skillset by stressing 'complete' skillset versus 'desired' mindset. We received 1,263 responses. How do you think they responded? Take a moment to think about what your answer would be before you read on.

#### **The result surprised me:**

- The individual with the desired mindset who lacks the complete skillset for the job was chosen by 1,212 respondents.
- The individual with the complete skillset who lacks the desired mindset for the job was chosen by 51 respondents.

This means that a staggering 96% of employers in this substantial sample chose mindset over skillset. I must admit that even after a lifetime in recruitment, this was a lot more than I had expected. What's more, it is an especially striking response at a time when businesses are under considerable pressure and the impact of recession is being widely felt.

This is what some of the respondents had to say:

"What's the point in having an individual with the complete skills if they haven't got the right mindset in which to use them? Someone with the right mindset will be more than willing to learn and develop the skills required, giving you the perfect candidate!"

"Mindset is so important. I had a very skilled employee here last year who came very well recommended and had a great list of skills but despite being very impressive at interview, she just didn't want to work, had no enthusiasm, curiosity, entrepreneurship - big mistake that I was fooled in the interview into thinking that the skills were so important."

"My choice was made simply because if the person has the correct mental attitude coupled with the desire to work you can train them to the levels required within your industry. I personally started in the catering industry by collecting glasses and cleaning up vomit in a nightclub whilst attending college. Thankfully I have now risen through the ranks to my current position because I have been fortunate enough to have been taught by my peers whilst on the job with no real qualifications for my industry, just a good old fashioned work ethic that has pulled me through 16 hour shifts five days a week in an industry that I love and feel appreciated in."

"You can't beat enthusiasm and drive, and I personally would like to take someone who has the desire to succeed, and gain the skillset, as opposed to someone who had the skillset but not the enthusiasm. Ideally we'd be offering the role to the person who displayed both."

The last comment states the obvious: "Ideally we'd be offering the role to the person who displayed both." This is the key message for the London Skills and Employment Board and indeed for anyone who is interested in improving the prospects of individual workers and of the economy as a whole. The strongest candidates will have the desired mindset AND the complete skillset. The question then is how do we ensure that as many people as possible approach the labour market from such a position of strength? And my concern is that much of what is currently on offer is facing the wrong way.

One common misconception is that mindset is somehow given and cannot be learnt or developed. This came over from a number of our respondents' comments:

"You can teach specific tasks, however you cannot teach attitude - something that is

sadly lacking from the majority of candidates I interview."

"Each individual is assessed on their own merit. Training can be provided where needed; attitudes can prove harder to change."

"Skills can be acquired through training and work experience. It is much easier to teach than trying to change someone's mind."

In my experience, mindset is not some form of innate condition, far from it. Mindset is something that is developed over time and is greatly affected by education and experience. An individual's mindset can be worked on, honed and developed. Life experiences can make people more resourceful and more resilient or they can have the opposite effect. And it is certainly possible to learn from people who have turned adversity to their advantage, just as they in turn have learnt from the adversity itself.

This has certainly been our experience at Reed in Partnership, which is a business that helps people who have been long term unemployed, known as Members, move off benefits and into work. Since we opened our doors to welcome our first Members in East London in April 1998, Reed in Partnership has helped over 85,000 individuals make the journey from welfare dependency into work. For every individual that journey has been different. Each had their own different barriers to overcome. There is, however, a common theme. When they first come to see us, the vast majority of our Members lack confidence and suffer from low self esteem. This is a perfectly normal consequence of long-term unemployment. To return them to work, we have to first change their mindset. To do this, our Personal Advisers work closely with the Members on a one to one basis and they are also referred to group

sessions. The results are striking. Reed in Partnership has placed people into work who have been unemployed for more than twenty years, people who have spent the bulk of their adult life in prison and people who have been utterly convinced that they would never work again. How? By changing their mindset.

I recently met one such Member at the opening of a new Reed in Partnership office in South London. Michael had been out of work for four years. He had previously worked for eighteen years as a Prison Officer. He had been forced to stop work because of an acute heart condition that led him to have a quadruple heart bypass. He had been claiming incapacity benefit ever since. When Michael registered with Reed in Partnership he was assigned a Personal Adviser. At the time, he was disillusioned and demoralised about his job prospects and thought he had little hope of returning to work. Michael had, however, volunteered for the new Pathways programme because he wanted to put his life back on track.

Michael's Personal Adviser, Anna, met with him on a regular basis. Anna probed him about his work as a Prison Officer and about the skills that it required. It eventually became apparent that far from having a narrow, out of date, prison based skillset, Michael had a good number of very relevant customer service skills. When Michael realised that he had customer service skills his mind was opened to a whole new world of opportunities. This single insight moved his mindset from the default "I can't" to "I can". Michael is now working at a major London hospital as a 'Sterile Services Assistant'.

During his time as a Member at Reed in Partnership, Michael showed great resilience. He did not give up. Resilience is in fact the key to developing the right mindset.

Resilience must be present if energy, optimism, determination, creativity and curiosity are to thrive and develop. And resilience is more important today than ever.

Resilience is the single quality that is prerequisite to developing the desired mindset. Rather than asking which is more likely, A) that a person with the complete skillset will develop the desired mindset or B) the other way round, we might instead ask which is more likely, that 1) a person who is curious, creative, determined, optimistic and energetic will as a result be resilient or 2) the other way round? While not necessarily intuitive to everyone, the answer that is more likely will be 2). This is because you cannot sustain the first five qualities without resilience.

It is often said that we are now living in "unprecedented times". This is not an exaggeration. There is a strong sense that national governments are relatively powerless in the face of global economic forces and there is very little clarity or certainty as to what might happen next. Our ability to respond constructively and to dig deep into our reserves of resilience is especially valuable at such a time. And with change and uncertainty becoming the only certainties in the new global economy, resilience will be especially important.

Clearly, our capacity to respond constructively to adversity is critical to our prospects, both individually and as a society. Resilience is the single quality that drives the desired mindset. The other qualities such as optimism, determination, energy, creativity and curiosity ultimately depend upon it. Encouragingly, recent work by Harvard Business School and PEAK Learning, Inc. in the United States indicates that resilience can not only be taught but can also be strengthened and developed. Harvard

Business School selected 'Resilience' as the new, vital element of its curriculum in answer to the question, what must people have now and in the future in order to succeed? They chose 'Resilience', rather than any of the other mindset characteristics, because it is the engine of the desired mindset. This has certainly been our experience at Reed in Partnership here in the UK.

If it is possible to work with adults to develop personal resilience and to achieve the desired mindset, what must it be possible to achieve with children?

When I think of my own children and the qualities I would like them to take into adulthood, I would obviously like them to be mentally tough and resilient people so that they can not merely cope with change and uncertainty but flourish in a world in which change and uncertainty look likely to be the defining characteristics. Five other qualities then usually come to mind. I would like them to be curious, creative, compassionate, courageous and of course optimistic. My feeling is that they will then be well equipped for the world and also in a position to contribute to it. But how much of a child's time at school is devoted to nurturing and developing such qualities? My suspicion is that the answer is not nearly enough.

This suspicion is borne out by a passage in Daniel Pink's excellent book 'A Whole New Mind'. He tells the story of Gordon MacKenzie whom he describes as 'a longtime creative force at Hallmark Cards': "MacKenzie was a public spirited fellow who often visited schools to talk about his profession. He'd open up each talk by telling students he was an artist. Then he'd look around the classroom, notice the artwork on the walls and wonder aloud who created the masterpieces.

How many artists are there in the room? MacKenzie would ask. Would you please raise your hands? The responses always followed the same pattern. In Kindergarten and first grade classes every kid thrust a hand in the air. In second grade classes, about three fourths of the kids raised their hands, though less eagerly. In third grade only a few children held up their hands. And by sixth grade not a single hand went up. The kids just looked around to see if anybody in the class would admit to what they'd now learnt was deviant behaviour."

This sad tale from America also resonates here in the UK. Add to it the scandalous fact that far too many children leave our schools without even the most basic numeracy and literacy skills and we have every reason to be concerned. No one should be allowed to leave school before they have mastered the basic skills of literacy and numeracy. Children should be made to stay at school until they have. And clearly more needs to be done at school to encourage and develop resilience and those characteristics such as curiosity, creativity, compassion, courage and optimism that make up the desired mindset. In fact every school should make it a fundamental part of its mission to imbue young people with a winning mindset, which in itself will help them to acquire basic skills. They will then be ready to go on and learn the professional and vocational skills that will give them the complete skillset.

A young person going into secondary education with a sound grounding in basic skills and a winning mindset will then have to decide which skills they should acquire for their future working life. But clearly, if the London Skills and Employment Board does not know which skills will be in demand in ten years time it is unreasonable to expect young people to make well informed, rational decisions about what they should be

studying, at least beyond broad brush strokes as to which areas look most promising. That said, it is safe to assume that medics, teachers and civil engineers will always be in demand as will plumbers, electricians and plasterers. This is because these jobs cannot be exported readily and they are unlikely to be rendered redundant by technological advances. More broadly speaking, computer science, environmental science, biotechnology and alternative energy now all look to be sectors that are rich with potential for the first half of the Twenty First Century.

Another obvious area of rapid development is e-commerce. Commercial applications of the internet are still very much in their infancy and as more business services go online, more opportunities will continue to open up in this exciting sector. So what prepares you for a career online? I carried out a quick straw poll of our very successful team at reed.co.uk. This is what it looks like: 60% of our team are graduates and 40% were either in or had been in our graduate training programme, which is effectively a three year on the job apprenticeship scheme for recent graduates. And what had our graduates studied? The answer is a very broad range of subjects, but the two words that came up most in the degree descriptions were 'business' and 'science'. The prize for foresight goes to the individual who chose to study e-commerce and digital business back in 1999 and of course to the University, which was Nottingham, that chose to offer it. However, I should stress that the team at reed.co.uk has primarily learned their skills by doing the job and we have invested in training to enable them to do this.

To conclude, the clear message from the labour market and from the world of business and enterprise is that the bedrock of personal success is to acquire the desired mindset.

The key characteristic of the desired mindset is 'Resilience' and it is important to understand that resilience can be developed. The other important characteristics of the desired mindset, which for ease of reference I will call 'Personal Skills', will obviously need to be supplemented by 'Basic Skills' (it is clearly constricting if you are resilient, creative and optimistic but cannot read or write). Only when the desired mindset and basic skills have been developed will an individual be truly ready to learn the 'Professional and Vocational Skills' that are appropriate to the career they wish to choose and the life they wish to lead. Obviously, our resilience, and our personal, professional and vocational skills will all continue to change and develop over our lifetimes. Our basic skills might even improve too. But approaching individual development in this logical way does provide a series of very clear steps along the pathway that leads to personal and professional fulfillment.

If you agree with this conclusion, and the evidence is certainly compelling, its logic should lead you to a radical reassessment of the status quo in education and skills. The three most obvious conclusions are as follows:

1. More must be done in the education system to develop resilience and the important personal skills that characterise the desired mindset.
2. More must be done in the education system to ensure basic skills are embedded.
3. More assistance must be given to employers to train and develop their employees with the type of professional and vocational skills they require.

The early years curriculum could be greatly simplified to achieve the first two objectives. The current environment for skills provision, in which there is considerable public

investment, could also be streamlined in a very compelling way to achieve the third objective.

I do not see these conclusions as being additional to what is now available. Instead, they offer a simple, attractive, and absolutely necessary alternative.

**James Reed, 3rd February 2009.**