



Aligning Higher Education to Strengthen Workforce Readiness

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As the workforce transforms at an unprecedented pace, higher education must adapt to meet its demands. The World Economic Forum's 2025 *Future of Jobs report* underscores a persistent challenge: the skills gap is widening, and institutions must act to prepare students for a dynamic labor market. An estimated 70% of employers plan to prioritize hiring for new and emerging skills. Additionally, 85% of employers pledge to focus on upskilling so that employees could be redeployed to growing roles.

The landscape of hiring is shifting. Traditional degree qualifications, while still relevant, are no longer the priority of recruitment. When it comes to hiring, while credentials may still matter to employers, the report points out a growing shift toward a skills-first approach. Employers are increasingly prioritizing work experience and cognitive abilities as measured by psychometric tests that examine problem-solving and analytical skills. These findings carry profound implications on fresh graduates as they emphasize the urgent need to align their skills to the modern workforce to foster their professional development and long-term growth.

To help reimagine higher education to better align with the evolving labor market, institutional leaders can draw on key insights from past and ongoing research on workforce readiness as well as recent findings from the *Future of Jobs* report. Strategies discussed at the 2024 Association for the Study of Higher Education (ASHE) conference panel further emphasize the importance of aligning higher education with workforce demands and improving student outcomes. The core strategies include establishing work-based learning (WBL) offices, designing interdisciplinary degree programs, and embed agile thinking as a priority across disciplines to equip students with the skills needed to thrive in a dynamic and evolving economy.

Partnerships to Increase Work-Based Learning

To increase the relevance of degrees to careers, institutions must become strongly connected to local, national and international industries. Institutions can achieve this by implementing dedicated work-based learning offices that offer centralized support to students **across all disciplines** to connect with employers for prospective opportunities. These WBL offices can be thought of as playing a critical role in building college to workforce training systems needed to close skill gaps and respond to labor market trends. While traditional career centers often limit their scope to resume reviews and interview workshops, these offices would focus on:

- Building and maintaining **partnerships with companies** across industries
- Facilitating paid internships and other experiential learning opportunities across disciplines
- Connecting students with subsidies to offset the 'start-up costs' associated with participating in an internship as a student

- Facilitate partnerships between government bodies and companies across industries by sharing grant or funding knowledge to enhance students' career opportunities

Work-based learning opportunities give students a glimpse into professional environments while showcasing the fundamental skills required of them in a specific career. These opportunities can also play a vital role in addressing the persistent issue of **underemployment**—defined as the number of college graduates working in jobs that do not require a 4-year degree or are working **part-time** when they prefer to work full-time. Underutilized labor is highest in industries such as retail, leisure and hospitality and **disproportionately impacts workers of color**.

Often, underemployment gaps can be explained by the disconnect between the skills students acquire in higher education and the needs of the labor market. By providing hands-on, practical experiences directly aligned with industry demands, work-based learning opportunities have the potential to not only reduce underemployment rates but also improve **long-term career outcomes** and workforce productivity. By establishing WBL centers, institutions create legitimate frameworks that build beyond college pathways for students. These centers should also prioritize paid or credit-bearing internships as mandatory components of a degree to ensure greater degree relevance to the workforce.

Disrupting Siloed Thinking

As graduates enter today's workforce, they are challenged to develop innovative solutions for modern problems such as global public health crises, climate change, technological innovations, and other critical issues facing the world. One effective approach is that institutions could offer degree programs that **disrupt siloed thinking** and encourage an **interdisciplinary** approach to tackling modern problems. Given the complexity and reach of **modern problems** such as geopolitical tensions, environmental and ecological damage or technological disruptions, solutions are often found through integrating knowledge from more than one field of study or perspective. Institutions need to provide degrees that enhance students' ability to **think critically** as they work on real-world problems that often extend beyond the confines of a single discipline.

One example of an interdisciplinary degree could be where students are trained to integrate knowledge from biomedical sciences and engineering to develop a broader skillset to allow for innovation in developing modern healthcare solutions. Another cross-disciplinary example prioritizes **combining computer science technologies with humanities** to develop digital tools to analyze cultural and historical data. Students who experience **combining knowledge** gained from different disciplines to develop solutions to complex problems often bring unique perspectives and skillsets that could enhance their employability.

Fostering Agile Thinkers

While educators have long encouraged gaining **transferable skills** such as critical thinking development and communication, today's workforce demands that prospective candidates go beyond hard and soft skills. Instead, they must demonstrate adaptability within fast-changing environments by developing **durable problem-solving skills** such as agile-critical thinking. **Durable skills** can help organizations streamline problem solving in different areas. Today's workforce needs employees who can quickly switch between projects and who have both the technical capacity and creativity to deploy unconventional solutions. Understanding that

employees are expected to contribute to an organization across disciplines, institutions of higher education must become spaces that cultivate and prioritize agile thinking rather than rigid specialization.

In addition to embracing new ideas, supporting innovation, and aligning their goals with fostering creativity, institutions should provide safe spaces for experimentation, where affordable risks can be taken. This empowers students to explore and implement innovative solutions without the burden of unclear expectations.

To continue to serve the **public good** and ensure equitable pathways to the workforce, higher education institutions must align degree programs to the needs of the labor market, cultivating practical skills needed for students to enter the workforce. University leaders should adopt bold and innovative program designs that integrate mandatory work-based learning across all disciplines, prioritize interdisciplinary degrees, and embed agile thinking habits so students increase their chances of employability and are equipped to tackle the critical challenges of the modern global workforce.