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## **Leveraging Evidence-Based and Practical Strategies to Reduce Skills Gaps**

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Developing a workforce with the necessary skills for employment in today’s marketplace and the capability to adapt and learn the skills needed for the jobs of the future requires active engagement and participation of employers.

Employers can provide unique insight into needed skills and competencies to perform job tasks as roles evolve. Employers also hold a ready interest in promoting a highly skilled workforce as they stand to face negative consequences if skills shortages occur. The future of their businesses depends on their ability to find employees that can generate the products and services that power their organizations. As Jeanne Meister states in a chapter in this section, “Standing still is not an option” for employers faced with skills shortages in their talent pool and skills gaps in their workforce. Therefore, employers will need to act to address any potential shortages.

Many employers consider learning interventions, employee development, and education as investments rather than merely costs. However, they want the best return on their investment and must decide how to act, what strategies to use, which partners to work with, and how to measure success.

Expanding the quality and breadth of data on the performance of learning, skills, and educational programs will support employers as they invest in closing skills gaps.

With that in mind, we asked a range of experts to share areas of potential focus for employers as they build a twenty-first-century workforce, as well as skill-building strategies that—through their successes

and lessons learned—can actively engage employers in finding solutions to skills deficits. While the following essays cover various issues, a number of common themes emerged.

## **THE NEED FOR ACTION IS URGENT**

Representatives from employers, training organizations, and educational institutions note the need for urgent action on skill development and workforce readiness. Organizations across the country report difficulty in finding candidates with the needed skills for key jobs, which has a direct impact on the bottom line. While the ratio of unemployed persons per job opening peaked at 6.6 in July 2009, it has since trended downward. It declined to a historic low of 1.1 in June 2017 and was still 1.1 in January 2018 (Bureau of Labor Statistics 2018). Fewer unemployed job seekers may result in fewer applicants overall. In addition, many available applicants do not have the necessary skills to perform required job tasks successfully. With rapid skills turnover a new constant, industries, communities, and employers must improve their ability to respond to skills gaps quickly and efficiently.

## **EMPLOYERS ARE ESSENTIAL PARTNERS FOR SUCCESSFUL EFFORTS TO BRIDGE SKILLS GAPS**

Any successful effort to reduce skills shortages requires employer engagement. Employers recognize that skills gaps in their existing workforce act as barriers to productivity and business growth. They know which job vacancies are hardest to fill and the skills most needed to succeed in particular jobs. This real-time insight about needs and gaps provides invaluable information for education providers, trainers, policymakers, and even job seekers themselves. Anand Marri and Edison Reyes highlight several examples of employers partnering with postsecondary institutions to develop workforce strategies to meet their labor needs. Workforce readiness data from employers in specific

industries can shape education and training programs to ensure students learn the necessary skills to fill high-demand jobs.

## **EMPLOYERS FACE MANY COMMON CHALLENGES AND BARRIERS**

Data on the effectiveness of programs are not always readily accessible. In the absence of data on its benefits and return on investment, employers may be more reluctant to spend on training. It is also difficult for employers to choose specific training for the broad range of skills needed, especially given the rapid turnover of skills as new technologies develop. In her essay on engaging manufacturers in the promotion of skills development, Katherine McClelland outlines challenges that manufacturers have reported in relation to skills development, including costs or perceived costs of training programs. She also highlights the need to engage the talent pipeline early, as well as the importance of persuading job seekers and potential employees that investing in manufacturing skills is worthwhile.

## **EMPLOYERS BENEFIT FROM COLLABORATION AND SHARING BEST PRACTICES**

Employers, policymakers, educational institutions, students, and workers must collaborate effectively for workforce readiness initiatives to succeed. Bridgett Strickler, Dan Ash, Hadass Sheffer, and Zach Zimmerman argue that many employers do not take full advantage of the resources available to them through local higher education institutions. Small and medium-sized organizations sometimes are not aware of available resources or believe that they do not have a large enough contingent of trainees to invest in building training curriculum. These authors show that most employers remain open to working more closely with local postsecondary schools. McClelland's chapter also indicates that some manufacturers view collaboration with other firms in their industry as beneficial.

## **NEW SKILL NEEDS ARE EMERGING, THOUGH SOME REMAIN CONSTANT**

Hank Jackson discusses the importance of new types of leadership skills and the need to develop the next generation of leaders. Jeanne Meister outlines “new power skills” such as complex problem solving, critical thinking, creativity, people management, and coordination, as well as design thinking and coding. The Bridging the Talent Gap initiative outlined by Bridgett Strickler et al. identifies new skills needed by employers so that local educational providers adapt courses to teach those skills.

## **MEASUREMENT MUST BE A PART OF EMPLOYERS’ SKILLS STRATEGIES**

Up-to-date data are necessary to create an efficient informational loop that includes current and future skills needed by employers, and the training, education, and other learning interventions being developed by schools and training professionals. These data are not always accessible. For instance, Susan Helper, Ryan Noonan, Jessica R. Nicholson, and David Langdon discuss the challenge of evaluating a particular apprenticeship program since different parts of the organization house the data. These authors also note the challenge of tracking success metrics that do not directly relate to production, such as reduced employee turnover and reduced recruiting costs. While challenges exist, metrics—on an organizational, industry, community, even national level—are necessary to show the positive impacts of skills development and make the business case for investment in training programs.

## **EMPLOYERS AND OTHER STAKEHOLDERS SHOULD FOCUS ON WHAT WORKS**

Identifying and replicating successful workforce investments can mean challenging existing wisdom. Strickler et al. argue that while local governments, businesses, and other organizations invest heavily in two core talent strategies—*grow our own* through K–12 education and *import more* through attracting and retaining talent to the community—they might benefit from focusing more attention on helping adults with some college complete their postsecondary degrees and meet their full workforce potential. Meister and Jackson each emphasize the importance of training human capital managers to more accurately identify, measure, and predict the needed skills for their workforce. Anand Marri and Edison Reyes call attention to employers’ ability to work with two-year colleges and four-year universities in various capacities, such as recruiting for corporate training programs and accessing training space. McClelland outlines impactful manufacturing skills programs and gives suggestions for how they can be replicated. Helper et al. demonstrate how carefully managing just one type of skills initiative, apprenticeship programs, can have a measurable impact on business performance.

The following chapters reaffirm the clear need for employer participation in developing a skilled workforce for the future. The evidence-based strategies outlined show how employers can engage in practical and scalable workforce solutions that reduce skills gaps across industries *and* produce strong returns on their investments.

### **Reference**

Bureau of Labor Statistics. 2018. “Job Openings and Labor Turnover Survey Highlights.” Washington, DC: Bureau of Labor Statistics.

