

# JOB SKILLS TRAINING NETWORK

A PRACTITIONER'S GUIDE



**U.S. CHAMBER OF COMMERCE FOUNDATION**

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## Objective

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The purpose of this document is to provide corporate responsibility professionals interested in job skills education and training with relevant facts he or she needs to understand and address the issue.

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## The Issue

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### The Issue

“Job skills training” refers to training or certification of skills to meet employer needs. It is about building human capital through education in discrete skills or trades that can be transferred between companies in an industry. It can serve as an alternative to traditional education or as a supplement, providing training to those who seek to “skill up” or move to a new industry. Ultimately, the focus is on providing current and prospective workers with the skills that employers need.

From the perspective of corporate responsibility, job skills training encompasses the following:

- Retraining unemployed workers to find new jobs
- Increasing job creation domestically and internationally through skills training programs
- Implementing skills training programs in schools

A better prepared job applicant pool will help meet evolving employer needs. Much potential for synergy exists between this and other BCLC Networks, such as women’s economic empowerment and STEM educational development.

### The Elevator Pitch

**For your company:** Our company must promote job skills training because it will result in a more effectively and efficiently-run company. Providing current and prospective employees with the necessary training to do their jobs well can increase company loyalty and improve the quality of our deliverables.

**For the public:** There are more than 3 million jobs that American businesses cannot fill in part because they cannot find workers with the necessary skills. This gap persists—even though approximately 11.7 million people are unemployed. This is indicative of an education system that is in desperate need of improvement. If we do not direct our efforts to providing job skills training, this gap will continue to make it challenging for our economy, employees, and workforce to grow.

## Talking Points

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### Skills Gap

- Although unemployment rates in late 2012 and the middle of 2009 were similar (between 7.5% and 8.5%), the job opening rate was 20% higher in 2012 and 2013 than in 2009. With the same number of people looking for work, employers were less able to fill advertised positions.<sup>1</sup>
- 15-year-olds from the United States placed 18th of 33 Organisation of Economic Co-operation and Development (OECD) countries on their math scores.<sup>2</sup>
- More than 80% of respondents in the 2005 National Association of Manufacturers Skills Gap Report indicated they experience a shortage of qualified workers.<sup>3</sup>
- Evidence suggests that job applicants do not always lack knowledge, but instead lack experience.<sup>4</sup>

### Career Technical Education (CTE)

- From 1990 to 2009, high school students earned 25% fewer credits in CTE or Occupational Education courses.<sup>5</sup>
- Construction and health care are two of the fastest growing industries, and both require skills, such as plumbing, carpentry, and drafting for construction and medical billing, nursing, and therapy for health care, not learned in standard educational settings.<sup>6</sup>
- Of all the high schools in the United States, only 3.7% were considered CTE or vocational schools in 2008.<sup>7</sup>

### College- and Career-Ready Education

- Nearly 80% of all jobs in the United States require postsecondary education or training.<sup>8</sup>
- Only 45% of the students who took the ACT scored “college ready” in mathematics, and only 53% of students scored “college ready” in reading.<sup>9</sup>

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1. BLS Data available at <http://data.bls.gov/timeseries/LNS14000000>

2. National Science Board. Science and Engineering Indicators 2012. Arlington, VA: National Science Foundation (NSB 12-01) (2012). <http://www.nsf.gov/statistics/seind12/pdfstart.htm>

3. National Association of Manufacturers and Deloitte Consulting LLP, 2005 Skills Gap.

Report: A Survey of the American Manufacturing Workforce (2005). <https://www.acteonline.org/WorkArea/DownloadAsset.aspx?id=1910>

For more survey data, see Manpower Group's 2012 Talent Shortage Survey <http://www.manpowergroup.us/campaigns/talent-shortage-2012/>

4. Cappelli, Peter, Why Good People Can't Get Jobs, (2012). Excerpted at <http://business.time.com/2012/06/04/the-skills-gap-myth-why-companies-cant-find-good-people/>

5. Institute of Education Services Table H125 data at <http://nces.ed.gov/surveys/ctes/tables/h125.asp>. The proportion of CTE credits earned by high schoolers decreased from 29.4% to 22.1% of all credits earned.

6. Bureau of Labor Statistics projections at <http://www.bls.gov/ooh/About/Projections-Overview.htm>

7. Institute of Education Sciences data at <http://nces.ed.gov/surveys/ctes/tables/h01.asp>

8. Holzer, Harry & Robert I. Lerman (2009). The Future of Middle-Skill Jobs. Brookings Institution. [http://www.brookings.edu/papers/2009/02\\_middle\\_skill\\_jobs\\_holzer.aspx](http://www.brookings.edu/papers/2009/02_middle_skill_jobs_holzer.aspx)

9. <http://www.achieve.org/files/InDepth-Common-Core-State-Standards.pdf>. Achieve.org also has materials for getting corporate leadership and employees engaged in improving job and college skill training.

## Why Businesses Engage in this Issue

*We must, as a nation, commit to a strategy for innovation excellence. I believe this strategy must place top priority on achieving the fundamental goal of strengthening educational opportunities.*

*Bill Gates, March 2008 U.S. House of Representatives  
Science and Technology Committee Hearing*

### Responding to Employer Demand for Workers

Employers are increasingly reporting a lack of qualified candidates for their positions, and data shows that there are more advertised jobs being left unfilled now than in the recent past. While there has been a 25% increase in unfilled job openings during the past four years, the unemployment rate is roughly the same now as it was four years ago.<sup>1</sup>

### Impacts/Risks

Risk	How?	Opportunity
National Competitiveness	As other countries do more to attract and encourage quality workers in skilled fields (by spending much more than the United States on training current employees), the United States is being left behind. <sup>2</sup>	There are millions of non working Americans who can learn the skills required to meet the needs of employers. Training in both soft and hard skills can help the United States maintain its history of economic growth.
Firm Competitiveness	In the United States, firms are more likely to look for better candidates by broadening their search geographically, instead of looking within their own ranks. <sup>3</sup> With too few skilled workers in an applicant pool, all firms are forced to compete for skilled workers at higher costs.	By investing in improving the job skills preparedness of America's job seekers, firms can improve their own applicant pool and spend less time training new employees.
Demand for Workers	The high demand for workers is even more pronounced when one looks at the industries with large numbers of unfilled jobs (e.g., skilled labor, medical support, computers and technology).	Laborers looking for work, or advancing to higher-level work, will be helped by training in job fields with high demand. A better-trained and higher-paid workforce will give employers a stronger applicant pool and improve the economic status of local communities.

1. BLS Data available at <http://data.bls.gov/timeseries/LNS14000000>

2. Manpower Group's 2012 Talent Shortage Survey, 15-16.

3. Ibid..

Problem Concentration

Where	What	Why
Industries	Skills Gap	According to the more than 1,300 U.S. employers surveyed, the positions that are most difficult to fill include skilled trades, engineers, and IT staff, all of which have appeared on the list multiple times since the survey began in 2006. <sup>1</sup>
Education	CTE	CTE has declined at a time when employers are reporting a lack of skilled job applicants. The skills covered by CTE are those required by some of the most in-demand positions.

Highest ROI for Social Impact

Lever	Why
CTE	Since there are so few high schools considered CTE institutions, and many of those that exist are at full capacity for student enrollment, opening more CTE programs will enable quality growth in the future job applicant pool.
Industry-Specific Focus	Focusing on rapidly growing industries (e.g., health care, construction, and financial services) allows for a greater impact from the resources dedicated to preparing prospective employees. Applicants are looking for the best quality jobs, and the industries that have the highest percentage of high-quality jobs (as defined by the Census Bureau) are changing. Industries with the highest rate of growth from 1993 to 2002 include administrative positions, construction work, and health care. Industries with slow or negative growth of high-quality jobs are in manufacturing. <sup>2</sup> These trends will likely continue through 2020. <sup>3</sup>
Firm-Specific Training	Employers in the United States are different than their counterparts in other countries in their hesitation to promote or find replacement employees from within their own organizations. <sup>4</sup> Creating programs to systematically train their own employees helps alleviate the problem of finding qualified applicants.
Soldiers and Veterans	During military service, veterans learn important manufacturing skills and the ability to work in a very set and standardized system. Reaching out to veterans to fill specialized roles may save companies significant training time. <sup>5</sup>

1. Manpower Group's 2012 Talent Shortage Survey.

2. Harry Holzer, "Raising Job Quality and Skills for American Workers: Creating More-Effective Education and Workforce Development Systems in the States." [http://www.brookings.edu/~media/research/files/papers/2011/11/workforce%20holzer/11\\_workforce\\_holzer\\_paper.pdf](http://www.brookings.edu/~media/research/files/papers/2011/11/workforce%20holzer/11_workforce_holzer_paper.pdf)

3. Bureau of Labor Statistics projections at <http://www.bls.gov/ooh/About/Projections-Overview.htm>

4. Ibid..

5. Getting veterans to work at Get Skills to Work: [getskillstowork.com](http://getskillstowork.com)

## The Future

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### Emerging Trends

- **Green Jobs and CTE**

Many jobs in the green industries involve newer technologies; hence, fewer workers have experience in the field. The Pew Charitable Trusts found that jobs in the clean energy economy have grown at a faster rate than U.S. jobs overall.<sup>1</sup> Educating workers in these new industries and technologies, either in an academic setting or on the job, will be instrumental in ensuring that the energy technology industry has enough workers.

- **Soft Versus Hard Skills**

Employers claim that their applicants are not learning the skills needed through the current education system. However, it is less clear exactly which skills are missing. While many employers call for more applicants with certain technical skills (e.g., welding, database management, or technical writing), surveys indicate that employers really need applicants with better interpersonal and behavior skills (e.g., problem solving, creative thinking, group dynamics).

### Projections

- **Skills Gap**

By 2018, the United States will need at least 4.7 million new workers with postsecondary certificates.<sup>2</sup> Occupations requiring an associate's degree are projected to grow faster than those requiring a bachelor's degree.<sup>3</sup>

- **Job Growth by Industry**

While many industries are expected to grow in the next 10 years, construction and health care are the ones projected to grow the quickest. Other industries, such as farming, manufacturing, and utilities, are projected to lose jobs over the next 10 years.<sup>4</sup>

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1. Information available at <http://www.careertech.org/>

2. Carnevale et al., *Help Wanted: Projections of Jobs and Education Requirements Through 2018*, Georgetown University Center on Education and the Workforce, 2010.

3. BLS, *Occupational Outlook Handbook, 2012-13 Edition*.

4. Bureau of Labor Statistics projections at <http://www.bls.gov/ooh/About/Projections-Overview.htm>

## Established Action Plans

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### Business Strategies

- Directly fund technical educational programs.
- Volunteer to instruct or develop curriculum for educational programs.
- Establish training programs within their own firms to reach out to current employees, interns, temporary employees, or potential employees.
- Narrow expectations in job postings, or accepting a broader array of education and professional experiences.

### Comprehensive Plans

#### U.S. Chamber of Commerce Foundation's Education and Workforce Program

- In 2012, the U.S. Chamber of Commerce Foundation released *Help Wanted: Addressing the Skills Gap* to bring national attention on the difficulty of employers have in filling open jobs. The report includes white papers from CEOs in various industries, education leaders, and Chamber leaders who address the problem and provide recommendations for improving the education and workforce systems. In addition, *Help Wanted* summarizes several regional roundtables with business and chamber leaders to discuss how the skills gap has impacted their organizations and communities.<sup>1</sup>

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1. U.S. Chamber of Commerce Foundation, <http://education.uschamber.com/publication/help-wanted-2012-addressing-skills-gap>

## Collaborator Analysis

This section scans the types of programs and policies that community stakeholders, broken up by broad commitments, companies, NGOs, and governments, have developed to address job skill preparedness.

### Major Companies

Companies	How Companies Engage the Problem
Microsoft	Training in computer and technical skills. "Elevate America," an ongoing program to help veterans transition to the workforce, helps communities improve their technology capacity and education, and offer voucher programs to states to help build workforce programs. <sup>1</sup>
Walmart	Focus on female employee development through their "Women in Factories Training" program. <sup>2</sup>
Hilton	Hilton's hospitality youth apprenticeship programs focus on in-house training opportunities.
IBM	IBM funds and helps manage the Pathways in Technology Early College High School (P-TECH) program. It is an entire high school dedicated to training students in STEM and other job skills. <sup>3</sup>
Accenture	Through their program "Skills to Succeed," Accenture aims to equip 500,000 people globally by 2015 with workplace and entrepreneurial skills. Also a member of the recent "100,000 Jobs Mission" to hire 100,000 veterans by 2020. <sup>4</sup>
Navistar	Offers Professional Development Programs throughout its different divisions. Allows participants, both new and experienced workers, to gain expanded experience and exposure to different parts of the company. <sup>5</sup>
JetBlue	Trains employees in different aspects of their company on specific campuses, "JetBlue University." Also a member of the recent "100,000 Jobs Mission" to hire 100,000 veterans by 2020. <sup>6</sup>
Apollo Group	Works through their University of Phoenix Foundation to help promote educational access to under-represented groups. <sup>7</sup>
KPMG	Works on educational access and mentoring through RBI for inner city children and First Book to get educational material to children. <sup>8</sup>

1. Elevate America at <http://www.microsoft.com/about/corporatecitizenship/en-us/community-tools/job-skills/elevate-america/>

2. Walmart's Women Training Program at <http://corporate.walmart.com/global-responsibility/womens-economic-empowerment/women-in-factories-training-program>

3. P-TECH at <http://www.ptechnyc.org/site/default.aspx?PageID=1>

4. Skills to Succeed at <http://www.accenture.com/us-en/company/citizenship/Pages/skills-succeed.aspx>

5. Navistar's Career Development programs at <http://www.navistar.com/navistar/careers/developmentprograms>

6. JetBlue's Career Development programs at <http://www.jetblue.com/work-here/>

7. Apollo Group's CSR and Foundation at <http://www.apollo.edu/corporate-responsibility/philanthropy/university-of-phoenix-foundation>

8. KPMG's outreach at <https://www.kpmg.com/Global/en/about/CorporateCitizenship/CorporateCitizenship/Pages/national-priorities.aspx>

## Major NGOs

Organization	How NGOs Engage the Problem
Right Skills Now	Offer quick training (4 months) to run machinery, with specific courses designed by local manufacturers. Started in Minnesota, expanded to Nevada and Michigan. <sup>1</sup>
Year Up	Teach motivated urban students soft job skills and help them connect with corporations through internships. Operates programs in association with community colleges. <sup>2</sup>
Health Occupations Students of America	Support vocational/technical students pursuing health occupations. Promote career opportunities and seek to improve health care. <sup>3</sup>
SkillsUSA	Works with public school districts in all 50 states to prepare students for trades and other job skills. Nearly 11 million participants since 1965. <sup>4</sup>
Association for Career and Technical Education	Advocacy, fundraising, and networking between organizations interested in training job skills. <sup>5</sup>
National Fund for Workforce Solutions	Organizes a national network of regional funding collaborations to assist low-income workers and job seekers and aims to improve opportunities for low-wage workers to advance in their careers. <sup>6</sup>
Center for Employment Training	Uses partnerships with various industries to ensure relevant curriculums for the current job market and employment opportunities for graduates. CET has 17 centers in 5 states and affiliate programs in 4 more states. <sup>7</sup>
Golden LEAF Foundation	Provides job retraining and employment assistance for tobacco farmers interested in other types of farming, production, and sales. <sup>8</sup>

1. Rights Skills Now at <http://rightskillsnow.org/>

2. Year Up at <http://www.yearup.org/>

3. Health Occupation Services of America at [www.hosa.org](http://www.hosa.org)

4. SkillsUSA at <http://www.skillsusa.org/index.shtml>

5. ACTE at [www.acteonline.org](http://www.acteonline.org)

6. National Fund for Workforce Solutions at <http://www.nfwsolutions.org/about-us/goals>

7. Center for Employment Training <http://cetweb.org/about-us/mission-and-history/>

8. Golden Leaf International at <http://www.goldenleaf.org/charter.html>

## Major Government

Organization	How Government Engages the Problem
Job Corps	Organizes and funds training and CTE programs around the country. Expanded by the American Recovery and Reinvestment Act of 2009. <sup>1</sup>
State of Washington	I-BEST (Integrated Basic Education and Skills Training), developed by Washington's Department of Education. Operates through the community college system to reach recent high school graduates and older students who are left out of other forms of higher education. <sup>2</sup>
Department of Labor / Department of Education	Trade Adjustment Assistance Community College and Career Training (TAACCCCT) grant program. Provides community colleges and other eligible institutions of higher education with funds to improve their education and career training programs that can be completed in two years or less, are suited for workers eligible for training under the TAA for Workers program, and prepare program participants for employment in high-wage, high-skilled occupations. President Obama signed the Health Care and Education Reconciliation Act in March 2010, which included \$2 billion over four years to fund the TAACCCCT program. <sup>3</sup>
Federal Government	"Community College to Career" intends to forge new partnerships between community colleges and businesses to facilitate more precise training for job applicants. The program's goal is to incorporate a "pay for performance" structure (where educational programs get funding based on how many students get credentials and find jobs), bring jobs back to America, and train the next generation of entrepreneurs. <sup>4</sup>

1. US Job Corps at <http://www.jobcorps.gov>

2. Robert Fox, Mitchell Williams, "The Integrated Basic Education and Skills Training (I-BEST) Program: Equipping All Adults for the Global Economy," (2011) <http://opensiuc.lib.siu.edu/ojwed/vol5/iss2/1/>

3. Department of Labor at <http://www.doleta.gov/taaccct/>

4. White House's Job Skills plans at <http://www.whitehouse.gov/the-press-office/2012/02/13/fact-sheet-blueprint-train-two-million-workers-high-demand-industries-th>

## Important Terms

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**Behavioral and Interpersonal Skills** - A general skill set required to be successful at all tasks, e.g., problem solving, creative thinking, interpersonal skills

**CTE** - An acronym for Career Technical Education. This educational experience is specifically oriented to a career. Occupations and career specialties are grouped into "career clusters." Each cluster is based on a set of common knowledge and skills that prepare learners for a full range of opportunities in that cluster.

**STEM** - An acronym for Science, Technology, Engineering, and Mathematics.

**Job Openings Rate (from the Job Openings and Labor Turnover Survey)** - The number of job openings on the last business day of the month divided by the sum of the number of employees who worked during or received pay for the pay period that includes the 12th of the month and the number of job openings on the last business day of the month. Can be expressed by:

$$\frac{\text{Job Openings on Last Day of Month}}{\text{Number of Employees Paid on the 12th of the Month} + \text{Job Openings on Last Day of Month}}$$

**Technical Skills** - The specific skill set required to complete a certain task, e.g., welding, carpentry, or informational technology

## Learn More

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Harry Holzer, "Raising Job Quality and Skills for American Workers: Creating More-Effective Education and Workforce Development Systems in the States." (2011)

*A short description of what companies are doing around the world to help solve the training and skills deficiencies of the applicant pool. Illustrative discussion of what the United States does inefficiently.*

Manpower Group's 2012 Talent Shortage Survey (2012).

*Survey material on what employers see as their biggest problems in finding qualified applicants.*

## Infographics



Sources: AACU, American Society for Training and Development, Bureau of Labor Statistics, Committee Encouraging Corporate Philanthropy, Institute for a Competitive Workforce, National Governors Association



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## About the Authors

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**Jeff Lundy, PhD**

Jeff Lundy joined the Business Civic Leadership Center in February 2012 to oversee and advance its research agenda. Lundy works with BCLC's network of companies to create their Business for Good Map presence. He also manages BCLC's thematic maps (e.g. disaster aid, environmental innovation). As a key member of BCLC's content team, Jeff also provides analysis and reporting on a broad range of issues on corporate citizenship.

Previously, Lundy served as a consultant for Empower Partners LLC, a social enterprise developing marketing models to help underserved inner-city businesses tailor their product lines to local consumers. Before that, he was an intern at the U.S. Bureau of Labor Statistics (BLS), where he selected new technologies for a test run in order to improve BLS's capture of respondent data.

Lundy earned his PhD in Economic Sociology from the University of California, San Diego and completed a research assistantship at the University of Michigan. He also holds an MA in Sociology from UCSD and a BA in Sociology from New College of Florida.



**Lawrence Bowdish, PhD**

Lawrence Bowdish started consulting BCLC on its Issue Network research in May 2013. He works closely with the research and issue network managers to help create briefings, reports, and other research products.

In addition to his work with BCLC, he is a Professor for the American Military University. Previously, he was a managing editor for the history journal "Origins," where he worked with authors who used history to illustrate current events. He also worked as a consultant for county health departments that were instituting public health initiatives in the state of Florida. There, he developed curriculum, wrote grant proposals, and organized health program trainings.

Lawrence holds a Ph.D. in Modern American and Economic History from the Ohio State University, where he wrote a dissertation on consumer credit. He has a B.A. in History and Economics from New College of Florida.