THE PROJECT ON
WORKFORCE

SUPPORTING EARNERS AS LEARNERS

Recommendations for Education Design Lab

SUMMER FELLOWSHIP SERIES

Contents

Executive Summary

For decades, companies have continued to underinvest in providing their employees the opportunity to develop and grow their skills. This has driven a skills gap in foundational and digital skills across the U.S. economy, hindering system-wide productivity and employee career development. Employer-based upskilling programs seek to close this gap, providing continuous learning opportunities to expand worker competencies and serving as critical talent retention tools.

The Education Design Lab aims to bridge the gap between education and employment, and catalyze a transformation toward a skills-based economy. Through interviews with employers, thought leaders, and Lab employees, our team has identified best practices and challenges in upskilling for the Lab to consider in its strategy design. Effective upskilling programs incorporate comprehensive offerings, employee-centered design, and continuous monitoring. However, limited resources, lack of guidance, and difficulty in generating buy-in may hinder employers' upskilling efforts.

To support employers in improving upskilling practices, we offer the Lab five priority recommendations, including focusing on the needs of small to medium-sized employers, building diverse partnerships, centering employees' needs, supporting communities of practice, and offering comprehensive services tailored to employers. By implementing these recommendations, the Lab can support employers with upskilling initiatives for employees, fostering a more skilled and adaptable workforce.

Background

Upskilling

The U.S. labor landscape is changing. Since 2015, skill sets for jobs have changed by ~25%. By 2027, this is expected to double.[1] Technological advancements, including digital innovations stemming from the COVID-era and the rise of artificial intelligence, are major driving forces behind this transformation. To stay competitive in this rapidly evolving environment, companies must invest in providing their employees with opportunities to acquire new skills.

For the purpose of this report, we will define upskilling as: "promoting continuous learning by offering training and development opportunities to expand the skills, knowledge, and competencies of your current employees".[2]

Unfortunately, there has been a systematic lack of historical investment in upskilling workers, which has resulted in an "invisible drag" on the U.S. economy.[3] Workers are forced to develop "costly coping mechanisms" to compensate for their skills gaps.[3] Many U.S. workers lack basic skills such as literacy and numeracy, and an estimated 31% have limited to no digital skills.[3] Providing workers with opportunities to gain new skills would increase productivity both at the company level and system-wide.

Upskilling programs also serve as valuable retention tools for companies, particularly in tight and uncertain labor markets. According to LinkedIn's 2023 Workplace Learning Report, 93% of companies are concerned about employee attrition.[4] For employees, career development is the number one reason why they choose to stay with a company.[5] Upskilling initiatives, by offering employees chances to learn and advance in their careers, serve as critical career development and, thus, retention, tools. Training employees for upward or lateral moves also benefits companies, as external hires cost 20% more than internal hires and tend to underperform during their first two years.[5]

> *There's a lot of 'we can't find the right talent' and it's interesting because you can also see that* **there are a lot of companies who aren't willing to invest in teaching people.** *— Learning & Development Consultant*

Recognizing these advantages, many companies have begun implementing upskilling initiatives for their workforce.[6][7][8][9][10] However, progress has been slow, as the majority of employees still report a lack of growth opportunities (see Chart 1), and some companies continue to prioritize external hiring.[4][11]

Chart 1: Employee Growth Opportunities
Source: 2023 LinkedIn Workplace Learning Report
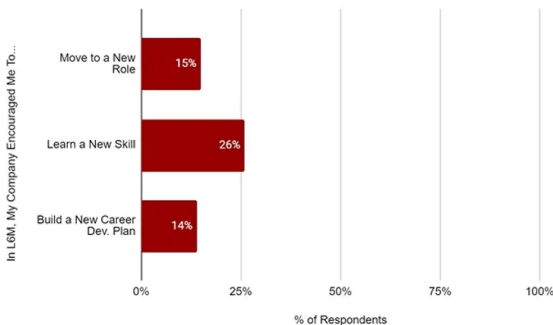
Education Design Lab

Education Design Lab (the Lab) is a nonprofit organization based in Washington, D.C., dedicated to driving a transformative shift toward an equitable, skills-based economy. Historically, the Lab has collaborated with higher education institutions to create, test, and implement programs aimed at advancing economic mobility for the "new majority": nontraditional students and workers for whom these systems were not designed.

> *From an employer perspective, our goal is to **make life easier for them**
> by utilizing the ecosystem, partners, and services that are available in
> their communities to enhance their business practices. — Senior
> Education Designer, Education Design Lab*

As part of its strategic vision, the Lab is exploring opportunities to bring its human- and equity-centered design process, which has transformed how its institutional partners respond to learners' needs, to employers. During our research partnership with the Lab, we sought to understand how the Lab can best position itself in facilitating employer progress toward equitable upskilling practices and engaging employers in a meaningful way that leverages the Lab's unique co-design approach.

Methodology

To inform the findings of this project and guide our recommendations to the Lab, we conducted a total of 25 interviews, encompassing various stakeholders:

- 13 employers from a diverse set of industries, representing different workforce sizes and stages of progress around upskilling initiatives.

- 5 thought leaders in the skills-based talent ecosystem.

- 7 Lab employees from different departments.

These interviews were instrumental in gaining valuable insights into the current skills-based talent landscape and identifying best practices and various stakeholder perspectives to inform how the Lab can best support employers.

During the employer interviews, our discussions were centered around the upskilling opportunities offered by the employers, the key challenges they faced in initiating and sustaining such programs, and where they could have benefited from external support. We primarily engaged with senior Human Resources and/or Learning and Development representatives from these organizations. For the thought leaders, we focused on gathering best practices across upskilling initiatives, understanding employer sentiment towards upskilling across industries, and identifying gaps in the current organizations serving employers in this market. In addition to the external interviews, we also conducted internal Lab interviews to gather employer insights from the Lab's existing employer relationships through its community college projects. Furthermore, we sought Lab employee recommendations on how the Lab should most effectively support employers.

In addition to these interviews, we conducted a literature review of articles, essays, and papers by experts in the skills-based talent and workforce field, with a specific focus on employer-based upskilling initiatives.

Lastly, we would like to acknowledge a significant limitation of our research. As noted above, we primarily interviewed senior HR leaders and skills-based talent experts to draw our conclusions. However, we understand that the voice of the individual employee is critical in understanding upskilling best practices and designing human-centered solutions, and our research lacks this representation. As a result, we recommend that the Lab undertakes further research to incorporate the employee perspective and make necessary adjustments to our findings accordingly.

Key Findings

Based on our analysis of qualitative research interviews and existing publications, we have identified **best practices** for upskilling programs and **key challenges** employers face when developing and running them.

Best Practices

Our research finds that an ideal upskilling program, defined as one that effectively and equitably trains employees in the desired areas, incorporates the following elements:

- **Comprehensive Program Offerings:** The upskilling program should provide instructor-led training covering both technical and foundational skills at various competency levels.[5][12] Training sessions should include opportunities for intentional skills practice and regular assessment and feedback for trainees.[5][13]

- **Employee-Centered Design:** A crucial aspect of the program design is placing the employee perspective at the core. Recognizing that employee needs may vary across employers, this can involve measures such as offering pre-committance to specific career advancements upon completion of training, providing wrap-around services like transportation and childcare support, and eliminating costs for employees through program reimbursement and compensation for time spent in training.[3][5][13][14]

- **Continued Monitoring and Adjustment:** Continuous assessment of trainees' skills is essential. This evaluation should occur before, during, and after the program to measure skills progression and demonstrate the return on investment in training.[5][13] To showcase the business impact of the training, assessments should include relevant employee performance metrics. Based on assessment results, the program should be adjusted and refined accordingly.

> *It does take a **significant business investment**. And needless to say, business leaders really want to understand: for this level of investment, **what am I going to get?"***
> *— Learning & Development Director, Multinational Employer*

These best practices can support employers in establishing effective and inclusive upskilling programs that benefit both the employees and the business.

Engagement Barriers

Through our literature review and interviews with employers, we gained key insights into the challenges employers face when attempting to implement upskilling initiatives. These barriers include:

- **Limited resources:** Allocating sufficient time, staff capacity, and funds can be a substantial obstacle for employers, especially amidst the need to maintain existing operations.

- **A lack of implementation guidance:** Many employers struggle with understanding what skills gaps exist, what resources are at their disposal, and how to consistently implement new practices. This uncertainty and lack of clarity can make the journey to upskill employees seem too daunting to begin.

- **Difficulty shifting mindsets to create buy-in:** Persuading key stakeholders to embrace change can be a significant challenge. This is especially true when managers and executives believe that the status quo is adequate and doubt employees are interested and/or capable of acquiring new skills. This may hinder interest in adopting new practices.

These pain points can make employers cautious about investing in upskilling. However, these challenges also underscore the need for additional support and guidance to encourage employers to recognize the benefits of upskilling their workforce.

> ***Capacity, capacity, capacity**… That's the number one thing that we hear from participants: 'We are so busy. **We cannot possibly make the time**.'*
> *— Learning & Development Manager, Multinational Employer*

Recommendations

Utilizing its human-centered design approach, the Lab is uniquely positioned to support employers' efforts to improve upskilling practices, effectively addressing both worker interests and employer needs. Below are five priority recommendations outlining how the Lab can best leverage its strengths to support employers with upskilling initiatives.

1. **Engage small- to medium-sized employers (SMEs).** SMEs often have limited capacity to launch upskilling initiatives independently, making them ideal candidates for external support. Moreover, accessibility to leadership is more straightforward in SMEs compared to larger organizations, streamlining decision-making processes.

2. **Build diverse partnerships.** To ensure a holistic implementation of upskilling practices that benefit both specific employers and their industries, the Lab should collaborate with various stakeholders. This coalition should include academic institutions, industry associations, state and local workforce development boards, and community-based organizations, effectively addressing regional needs and the unique demands of local workforces.

3. **Center employees.** Placing worker needs and lived experiences at the core of upskilling offerings will encourage their active interest and participation in learning opportunities.

4. **Support communities of practice.** Facilitating spaces for employers to interact, learn from each other, share best practices, and seek advice fosters collaboration within and across industries. These networks can act as catalysts, promoting the widespread adoption of upskilling initiatives.

5. **Offer comprehensive support services.** Recognizing that employer and employee needs vary, the Lab should offer a range of support services for upskilling, allowing employers to tailor solutions to their specific requirements. This approach ensures that upskilling practices become seamlessly integrated into an employer's workforce experience.

By implementing these recommendations, the Lab will be poised to effectively assist employers with their upskilling efforts, ultimately contributing to a more skilled and adaptable workforce.

Conclusion

Upskilling plays a crucial role in both an employee's career development and an employer's overall growth. It ensures that workers are equipped with the necessary knowledge and skills to perform their roles effectively while enabling employers to have a highly efficient workforce. However, for many employers, acknowledging the need to improve current upskilling practices and knowing where to begin can be a daunting task.

With Education Design Lab's existing relationship with employers and training/learning providers, combined with their human-centered design approach, they have a unique opportunity to expand its role in supporting employers - and, by extension, workers - in revitalizing upskilling initiatives throughout their organizations.

In addition to the previously mentioned recommendations, we strongly suggest that the Lab actively engage with and interview employees to gain valuable insights into their firsthand experiences with upskilling practices. By understanding employee perspectives, the Lab can identify additional areas for enhancing learning opportunities and promoting upward career mobility.

About the Authors

Laney Umland was a 2023 Summer Fellow at the Project on Workforce at the Malcolm Wiener Center for Social Policy at the Harvard Kennedy School. Laney is a 2023 graduate of the Harvard Graduate School of Education.

Jennifer Walker was a 2023 Summer Fellow at the Project on Workforce at the Malcolm Wiener Center for Social Policy at the Harvard Kennedy School. Jennifer is a 2024 MBA Candidate at the Harvard Business School.

Eliazar Chacha was a 2023 Summer Fellow at the Project on Workforce at the Malcolm Wiener Center for Social Policy at the Harvard Kennedy School. Eliazar is a 2023 graduate of the Harvard Kennedy School.

Acknowledgments

their support for the Summer Fellows program. The views expressed in this paper are the sole responsibility of the authors and not meant to represent the views of the Harvard Kennedy School, Harvard University, or Education Design Lab.

Please direct inquiries to:
Laney Umland, laney_umland@gse.harvard.edu
Jennifer Walker, jwalker@mba2024.hbs.edu
Eliazar Chacha, eliazarchacha@hks.harvard.edu

Suggested citation: Chacha, E., Umland, L., and Walker, J. (August 2023). "Supporting Earners as Learners: Recommendations for Education Design Lab." Published by Harvard Kennedy School.

About the Project on Workforce at Harvard

The Project on Workforce is an interdisciplinary, collaborative project between the Harvard Kennedy School's Malcolm Wiener Center for Social Policy, the Harvard Business School Managing the Future of Work Project, and the Harvard Graduate School of Education. The Project produces and catalyzes basic and applied research at the intersection of education and labor markets for leaders in business, education, and policy. The Project's research aims to help shape a postsecondary system of the future that creates more and better pathways to economic mobility and forges smoother transitions between education and careers. Learn more at www.pw.hks.harvard.edu/our-work.

Endnotes

[1] Poeppelman, Tiffany. "A Skills-First State of Mind." Association for Talent Development. June 2023. https://www.td.org/magazines/td-magazine/a-skills-first-state-of-mind

[2] "What is Upskilling and Why is it Important for your Team?" University of Pennsylvania Liberal and Professional Studies Online. December 2022. https://lpsonline.sas.upenn.edu/features/what-upskilling-and-why-it-important-your-team.

[3] Bergson-Shilcock, Amanda. "Funding Resilience: How Public Policies Can Support Businesses in Upskilling Workers for a Changing Economy." National Skills Coalition. August 2020. https://eric.ed.gov/?id=ED607393.

[4] "2023 LinkedIn Workplace Learning Report: Building the Agile Future." LinkedIn Learning. 2023. https://learning.linkedin.com/resources/workplace-learning-report.

[5] Eubanks, Ben. "Everything You Need to Know About Reskilling." Training and Development Excellence Essentials. May 2020.

[6] Fuller, Joseph, and Langer, Christina, and Sigelman, Matt. "Skills-Based Hiring is on the Rise." Harvard Business Review. February 2022. https://hbr.org/2022/02/skills-based-hiring-is-on-the-rise.

[7] Ammerman, Colleen, and Groysberg, Boris, and Rometty, Ginni. "The New Collar Workforce." Harvard Business Review. March-April 2023. https://hbr.org/2023/03/the-new-collar-workforce.

[8] "For U.S. Bank, Investing in Workers Without a Degree Yields High Returns." The American Opportunity Index. October 2022. https://americanopportunityindex.com/newsroom/1.

[9] "How a Big-Box Retailer and an Insurer Succeed at Growing Their Own Talent." The American Opportunity Index. October 2022. https://americanopportunityindex.com/newsroom/6.

[10] "How a Great Place to Fly Away Became a Great Place to Stay." The American Opportunity Index. October 2022. https://americanopportunityindex.com/newsroom/5.

[11] Fuller, Joseph, and Raman, Manjari. "The Partnership Imperative: Community Colleges, Employers, & America's Chronic Skills Gap." Harvard Business School Project on Managing the Future of Work. December 2022. https://www.hbs.edu/faculty/Pages/item.aspx?num=63379.

[12] Godin, Seth. "Soft Skills and Real Skills." TED. June 2023. https://ideas.ted.com/soft-skills-and-real-skills/.

[13] "Job Quality Toolkit." U.S. Department of Commerce. August 2022. https://www.commerce.gov/work-us/job-quality-toolkit.

[14] "Job Quality Playbook." Results for America. Accessed July 21, 2023. https://jobquality.results4america.org/.