



American Workforce Policy Advisory Board

Working Group: Measuring and Encouraging Employer-led Training Investments

The size, scope, and impacts of education and skills training investments are still not fully understood. There is a lack of consistent data on company balance sheets and in federal statistics. Business leaders and policy makers need to know how much organizations spend on training, the types of workers receiving training, and the long-term value of training investments for employees and organizations.

The Employer-led Training Working Group prepared three recommendations for increasing awareness of and providing better information about corporate training investments.

Goal

1. Expand the scope and functionality of the Pledge to America's Workers

Creating an enhanced Pledge to America's Workers website would help American workers understand the range of multiple training pathways that companies offer and help companies communicate about existing and future training opportunities through the Pledge.

Background

The White House launched the Pledge to America's Workers in July 2018, coinciding with the creation (through Executive Order 13845) of the National Council for the American Worker, which is tasked with creating a national workforce strategy. Through the Pledge, the White House asks companies and trade groups throughout the country to commit to expanding programs that educate, train, and reskill American workers. Since July 2018, more than 350 companies and trade associations, including organizations on the American Workforce Policy Advisory Board, have pledged to create 13.8 million training opportunities. Interest in the Pledge has exceeded the White House's expectations, and this Working Group considers that interest to reflect the considerable, yet often hidden, investment in training that companies make. The Working Group has considered how to make the Pledge an even stronger platform for highlighting the role of companies in increasing the skills of the American workforce and for communicating these opportunities to American workers. Specifically, the Working Group has

discussed the need to make the website more user friendly with additional information about what training is being delivered and at what location.

The Working Group continues to consider the future sustainability of the Pledge for many years to come. Its view is that a private sector organization, either on its own or in partnership with a federal agency, could support the Pledge in the long term, including the enhancements outlined in the recommendations below. In the future, the Working Group will likely make a more formal recommendation for ensuring the sustainability of the Pledge.

Recommendation to be submitted to the National Council for the American Worker

Therefore, the Working Group recommends the following:

- **Enhance the scope and functionality of the Pledge to America’s Workers website** to make the initiative a true worker- and employer-focused campaign by:
 - Adding content about the training programs, including the type of Pledges based on categories of skills-based training (i.e. initial skill training; job maintenance training; up-skilling training; and employee development);
 - Showcasing the conversion of the Pledges into realized training opportunities through company video storytelling that includes employees who have benefitted and that uses a standard set of questions so that they offer consistent information while preserving the personality of the company;
 - Hyper-linking, as appropriate, to the Pledge company website landing page where the skill-based training is discussed.
 - Incorporating a map of the United States that indicates the location of the main types of training taking place across the country;

Goal

2. Create a common framework for classifying training investments

Defining skill-based training as distinct from other types of training offered by employers will facilitate the measurement of this critical corporate investment and facilitate the inclusion of skill-based training in the National Council for the American Worker's national workforce strategy.

Background

A 2019 survey conducted by the Society for Human Resource Management on behalf of the American Workforce Policy Advisory Board found that the vast majority of employers offer skills training programs and, regardless of company size, track employee participation. More than half also track the direct financial cost and indirect cost for all types of skills training and development programs. At the same time, the survey suggested that employers lack a cohesive framework for categorizing the types of training they provide. This impedes on the ability of companies, trade associations, statistical agencies, and other interested groups to accurately and comprehensively measure and track the scope and impact of corporate training programs. Although employers offer many types of training that are essential to employers and employees (e.g., compliance training, onboarding training), this Working Group focuses specifically on training programs intended to increase workers' skills in their current jobs or for future jobs.

As the National Council for American Worker develops a national workforce strategy, including policies to promote measurement of employer training investments and participation and policies to encourage increased employer-led training efforts, the National Council should clearly distinguish between skill-based training and other types of training offered by employers.

Recommendation to be submitted to the National Council for the American Worker

Therefore, the Working Group recommends the following:

- **The National Council should adopt the American Workforce Policy Advisory Board's definition of skill-based training and promote its adoption by federal government agencies and industry.**

Skill-Based Training: Activities, programs, or events offered by employers that provide employees with the necessary knowledge, technical skills, and professional skills 1) to perform and stay up-to-date in their current job roles and 2) to be able to perform future job roles or enter other professions

Specific Categorization of Skill-Based Training^{1,2}

- **Initial skill training:** Activities, programs, or events that provide employees with the knowledge or skills necessary to do the job into which they were hired, promoted, or transferred. Examples may include job shadowing and job rotation.
- **Job maintenance training:** Activities, programs, or events that ensure employees continue to be fully productive and able to succeed in their current job. Examples may include new product/services training and technology training.
- **Up-skilling training:** Activities, programs, or events that help employees gain new knowledge, skills, or tools that can enable them to perform new jobs roles or enter other future professions and fields. Examples may include cross-functional training, certification programs, educational courses, and apprenticeship programs.
- **Employee development:** Activities, programs, or events designed as processes to help employees expand individual capacity and enhance career-related professional skills, other than technical proficiency in their professions and fields. Examples may include formal mentoring, coaching, leadership development, and professional development programs.

Other Types of Essential Employer Training

For the purpose of facilitating skill-based training, we do not encompass the following other types of essential training that employers offer:

- **Compliance training:** training provided to educate employees on laws, regulations, and company policies that are applicable to their job function, organization, or industry.
- **Onboarding training:** training provided to new employees as part of their onboarding process as they enter the organization or assume new job roles.
- **Informal learning:** self-directed learning aimed at acquiring work-oriented knowledge or skills outside of a formal training program such as experimentation, on-the-job learning, or observational learning.

¹ References:

Noe, R. A., Clarke, A. D. & Klein, H. J. (2014). Learning in the twenty-first-century workplace. *Annual Review of Organizational Psychology and Organizational Behavior*, 1, 245-275.

SHRM. Toolkit: Developing Employees. Retrieved from <https://www.shrm.org/resourcesandtools/tools-and-samples/toolkits/pages/developingemployees.aspx>.

Wolfson, M. A., Tannenbaum, S. I., Mathieu, J. E., & Maynard, M. T. (2018) A cross-level investigation of informal field-based learning and performance improvements. *Journal of Applied Psychology*, 103, 14-36.

² A learning offering may fall into multiple categories.

Goal

3. **Prioritize the collection of national data on employer-provided skill-based training**

National data on skill-based training would elevate the employer’s role in the education and training ecosystem and would inform business decision-making and public policy-making regarding training investments.

Background

Because training is a strategic decision for businesses and, for many, offers a competitive advantage, voluntary, self-reported metrics may not give an accurate picture of economy-wide training efforts. This Working Group has been examining different mechanisms to collect such data nationally, including through the federal statistical system, which has implemented training-related surveys in the past. The Working Group continues to explore the specific mechanism through which data could be collected. It will offer specific recommendations in future meetings, likely proposing limited expansions of specific, existing surveys in order to acquire each of the five data elements on an ongoing basis at least biennially.

Ahead of those specific recommendations, the Working Group has reached a consensus on a list of data needs that seek to balance the burden on survey respondents with the need to address the complete lack of data on the size, scope, and impacts of employers’ investments in “skill-based training” as defined by the Working Group.

Recommendations to be submitted to the National Council for the American Worker

Therefore, the Working Group recommends the following:

- **Federal statistical agencies—principally the Census Bureau and Bureau of Labor Statistics—and industry and trade groups should prioritize the collection of five major categories of data on employer-provided skill-based training:**
 1. Incidence of skill-based training
 2. Intensity of skill-based training
 3. Key demographics of workers trained, ideally in conjunction with employer characteristics
 4. Financial metrics of firms, to be correlated with skill-based training investments
 5. Productivity gains for trained workers/training firms or alternative measures of training effectiveness not captured by the financial metrics of firms in (4)