

Reimagining Business Involvement

▶ A new frontier for postsecondary education

Businesses crave certainty and continuity. The attainment of a college degree, certificate, or diploma should certify graduates' work readiness. Surveys from the HR Policy Association, Society of Human Resource Management, Chronicle of Higher Education, and others, however, suggest that employers are dissatisfied with the readiness of graduates for entry-level positions.

The business and higher education communities are aware of work-readiness challenges, but direct collaboration is often lacking. Imagine two people standing on either side of a street amid loud, rush hour traffic. Even though these people shout at the top of their lungs, little substantive interaction takes place.

It is possible, however, for these two entities—shouting loudly with the bustling street between them—to create better options. In fact, numerous local examples have transformed the relationship between postsecondary education and critical industry groups by reframing involvement of the private sector in the development of academic programs, assessment of student learning, and validation of college credentials.

What's Inside

- ▶ The impact of collaboration on graduates' workforce readiness
- ▶ Recent legislation that facilitates greater business involvement
- ▶ A robust discussion of the state economic benefits of stronger coordination

This issue of *The Progress of Education Reform* sketches out new models of business involvement for creating certainty and continuity via greater guarantees of workforce readiness and the rigor and quality of the credentials awarded by postsecondary institutions. When implemented collaboratively, these programs and strategies could substantially decrease private sector costs of training and retraining employees.

This issue also presents emerging research on several business engagement models and highlights specific local and regional examples. What's more, it focuses on how state education and workforce leaders integrate these efforts into a coherent local or statewide engagement strategy.



20
13
JUNE

Vol. 14, No. 3

THE PROGRESS OF
Education Reform



Education Commission
of the States

Lessons from the Field

A gap exists between what we expect from employees and what graduates bring to the table in terms of skills.

- ▶ The private sector spent an estimated \$53 billion on workforce training and retraining in 2010, more than all local, state, and federal agencies combined.¹ Even with these expenditures, Fortune 300 executives still observe a substantial gap between graduates' skills and what is required in a knowledge economy.²
- ▶ College credentials help businesses to sort job applicants, but they could mean more if professional associations evaluated programs of study and student learning. A 2012 survey by the Chronicle of Higher Education found that 31% of employers are dissatisfied with the average skills of their workers.³

Collaborative approaches work because they account for business and economic drivers.

- ▶ Employer bottom lines benefit from involvement with postsecondary institutions, especially those interactions that redesign programs, credential experience, and give students thorough work experience before graduating.
- ▶ Earn and Learn models make college more affordable by providing students with an income source and with practical work experience. This approach is popular among private sector executives because they build a concrete career and education pathway for workers. Greater engagement could improve the talent pool while more intentionally anticipating workforce needs.⁴

Close engagement can legitimize postsecondary programs by providing ongoing vetting from professional communities and industry clusters.

- ▶ Engagement between Toyota's Automotive Manufacturing Collaborative and the Kentucky Community and Technical College System has increased the number of institutions offering advanced technician programs and has standardized learning outcomes across all campuses.
- ▶ The Manufacturing Institute, a nationwide organization, works with business and higher education communities to certify skills. When embedded in postsecondary programs, their multi-tier certification system⁵ can serve as a proxy for student learning. Completion of a credential and the certifications for basic, core technical, and specialized skills can provide industry with greater assurance that graduates are work ready.
- ▶ Experiential learning can strengthen college graduates' work readiness. Experiential learning can refer to current experiences, such as internships, externships, or cooperative education opportunities, as well as formal assessments of prior learning. In both cases, colleges award credit for completion of practical learning opportunities. These programs can benefit employers also, because they can assess student ability and program quality based on student performance in the workplace.

The private sector spent an estimated \$53 billion on workforce training and retraining in 2010, more than all local, state, and federal agencies combined.

Dollars and Cents

\$14.72

The dollars that the private sector spends on workforce training for every \$1 that the federal government provides institutions through the Workforce Investment Act.

\$6.50

The state and national return on investment for every dollar invested in higher education. The return could grow if the business community offset part of the cost of educating students.⁶

51% and 31%

According to a 2012 Society for Human Resources Management (SHRM) survey, 51% of organizations cited an increase in the number of jobs with specific technical competencies and 31% of organizations reported hiring fewer people without these technical skills.⁷

Methods of Engagement

The business community can engage postsecondary systems in a variety of ways and at different scales. While specific industry sectors have experienced success by auditing learning outcomes and working with program developers to redesign curricula, the community has also been active in building local partnerships and supporting career pathways that transcend the focus on a few occupational categories.

Weighing in on Programs of Study

Advisory Boards

Members of industry sectors can and do recommend measures, criteria, and methods to evaluate students' skills and knowledge. Creating advisory boards composed of sector representatives is an innovative way of redesigning programs and incorporating new technology into the student learning process. Board members engage colleagues to increase opportunity for work-based opportunities, including internships and apprenticeships.

Program Quality

Arguably, the primary outcome for graduates is to receive gainful employment. Employers act as judges of program quality based on the work histories of the graduates that they hire. The civil engineering graduate who understands nothing of working with contractors in the field, for example, can be frustrating for the employer. It makes sense for the local business community to become directly involved in evaluations of program quality and of student learning. Tighter collaboration can provide businesses with a more robust pipeline of future graduates while benefiting institutions by intentionally articulating skill needs of specific industries.

Stronger Local and Regional Partnerships

Metropolitan College

Local partnerships can promote a more educated, responsive workforce. An instructive example is Metropolitan College in Louisville, Kentucky. The local cooperative composed of government, postsecondary, and regional industry entities combines employer tax credits and customized employer training opportunities as a concrete incentive for inviting transportation and healthcare businesses to improve the skills of incumbent workers.

Skill Roundtables

Skill roundtables bring together state policymakers, education leaders, and business representatives to discuss how to support effective practices implemented at the local level through state policy action. These roundtables operate similarly to advisory boards, but the broader stakeholder base allows for a more systemic discussion of what it will take to propel state economic growth. Indiana's Education Roundtable assembles local business leaders, elected officials, and education experts to deliver guidance to the Department of Education, Commission for Higher Education, and General Assembly on how to integrate student learning and employer needs.

Rigorous and Relevant Career Pathways

Experiential Learning

Experiential learning takes two forms: 1) application of knowledge and skills in a relevant, often workplace, setting and 2) student reflection on their experience.⁸ Postsecondary programs produce a clinical setting for building skills and applying knowledge, but students and employers benefit from making this study concrete through authentic workplace experiences. Experiential learning can take many forms, including internships, apprenticeships, problem-based instruction, and job shadows (also called externships). The focus of recent state policy in this area is developing ways to assess experiential learning and award college credit for prior work experience and military training.

Earn and Learn Models

Earn and Learn strategies provide students with an income source while they pursue a degree, certificate, or license. Earn and Learn strategies complement industry sector-postsecondary partnerships by empowering local employers to find capable workers before they graduate. The [Iron Range Engineering program](#) in the northern regions of Minnesota, for instance, engages students in actual work early on in the student's major course of study.⁹

The Role of State Policy

Often, state and local workforce efforts operate in parallel. To scale efforts statewide, policymakers could develop an education-workforce agenda. Such an agenda would frame local efforts by articulating clear goals and performance targets. Strong frameworks may also include financial and program incentives, which align local and state programs. Support from state leaders provides the support necessary to ensure the sustainability of local partnerships and consequently economic growth. The policy levers contained in the table below are the critical elements that policymakers can use to develop a statewide partnership plan. Below the table are three state examples, one for each policy lever.

Strategies that States Can Use to Develop an Integrated Education-Workforce Agenda	
Policy Levers	Sample Policy Elements
Financial	Business tax credits Student financial aid Institutional incentives
Programmatic	Customized training, including for adult learners One year, focused certificate programs Program input and approval
Pathway-related	Use of certification models adopted by professional associations Increased access to related certifications Use of certifications as exit point for program of study, proxy of instructional quality

Businesses as financial partner: West Virginia's Earn and Learn Program

West Virginians enrolled in EarnMoreWV programs receive up to \$40,000 over five semesters for working in a cooperative education setting. DuPont collaborated with West Virginia University at Parkersburg to create an opportunity for students pursuing certificates in chemical and polymer operator technology. The State of West Virginia and DuPont share program costs equally. While this is the best known example of the EarnMoreWV campaign, the program sponsors 41 programs at 10 community and technical colleges.

Programmatic Change: Tennessee Technology Centers

The 27 Tennessee Technology Centers enroll mostly low-income adults in one- and two-year certificate and technical diploma programs. Each center graduates 70% to 100% of program enrollees. A recent Complete College America report¹⁰ concluded that student success was attributable to the fact that the centers' mission was to place adults into gainful employment and deliver a curriculum based on self-pacing and mastery of specific competencies. What's more, the combination of state appropriations and financial aid from state and federal sources covers the full cost of attendance for most students.

Industry groups encourage credential-certification combos (pathways?): the Manufacturing Institute Model

The Manufacturing Institute has created a Skills Certification Model in which postsecondary programs can offer a three-step certification for students. The first two tests assess basic literacy and numeracy skills (i.e., the National Career Readiness Certification Test) and cross-cutting technical skills. Once students demonstrate skill mastery on these two assessments, they can complete specific occupational certifications. While these certifications also are offered outside of postsecondary programs, these evaluations of student learning and, indirectly, program quality, could revolutionize the business-education relationship by laying the groundwork for closer engagement on how to improve student learning.

Why Now? The State Economic Benefits of a More Engaged Business Community

- ▶ Businesses vet curricula and student learning in real time, diminishing the skill gap.
- ▶ Businesses save by using lower cost, public programs for incumbent workers, instead of more expensive, proprietary programs. States and institutions benefit from this patronage.
- ▶ Businesses become a more involved partner in funding institutional programs and keeping college affordable for students.
- ▶ Businesses produce concrete career pathways by allowing students to enter into internships, externships, and apprenticeships.
- ▶ Business and higher education are not on opposite sides of a busy street—shouting at each other.



ECS Resources

Producing Quality Credentials

This issue of *The Progress of Education Reform* presents emerging research on the value of credentials and highlights ways that states can leverage data and accompanying strategies to strengthen the fit between the production of postsecondary credentials and workforce demand. (Matthew Smith, ECS, October 2012)

<http://www.ecs.org/clearinghouse/01/04/52/10452.pdf>

Recent Economic and Workforce Development Policies

This slice of the ECS State Policy Database contains summaries and links to enacted legislation and state rules from across the states. Staff update the database weekly.

<http://www.ecs.org/ecs/ecscat.nsf/>

[WebTopicView?OpenView&count=-](http://www.ecs.org/ecs/ecscat.nsf/WebTopicView?OpenView&count=-1&RestrictToCategory=Economic/Workforce+Development)

[1&RestrictToCategory=Economic/Workforce+Development](http://www.ecs.org/ecs/ecscat.nsf/WebTopicView?OpenView&count=-1&RestrictToCategory=Economic/Workforce+Development)

Other Recommended Resources

Business and Community College Partnerships: A Blueprint

This brief shows how evolving relationships between the business and postsecondary communities has led to collaborative effort to redesign programs and improve graduates' workforce preparedness. (Corporate Voices for Working Families, 2012).

<http://www.corporatevoices.org/system/files/Learn-Earn-Blueprint-Updated.pdf>

National and Regional Workforce Solutions

This booklet highlights 12 regional workforce pilot projects. The brief announces that the business and higher education communities have to get to work because “admiring the problem” has not led to the outcomes that propel economic growth (Business and Higher Education Forum, 2012)

http://www.bhef.com/solutions/documents/BHEF-National-and-Regional-Workforce-Projects_Booklet.pdf

Endnotes

- 1 D. Mark Wilson, *Employers Spend up to 12 Times More on Job Training than Federal and State Governments* (Washington: Applied Economic Strategies, 2010), <http://www.hrpolicy.org/downloads/2010/AES%20Employer%20Spending%2000%20Training.pdf>, (accessed May 17, 2013).
- 2 HR Policy Association, *Blueprint for Jobs in the 21st Century*, (Washington: HR Policy Association, 2011), <http://www.hrpolicy.org/downloads/blueprint/Blueprint%20for%20Jobs%20Report.pdf>, (accessed May 14, 2013).
- 3 Chronicle of Higher Education and American Public Media, *Role of Higher Education in Career Development: Employer Perceptions* (Washington: Chronicle of Higher Education, 2012), <http://chronicle.com/items/biz/pdf/Employers%20Survey.pdf>, (accessed May 17, 2013).
- 4 Corporate Voices for Working Families, *A Talent Development Solution: Exploring Business Drivers in Learn and Earn Partnerships* (Washington: Corporate Voices for Working Families, 2012), <http://corporatevoices.org/publication-toolkits/talent-development-solution-exploring-business-drivers-and-returns-learn-and-e-o>, (accessed May 1, 2013).
- 5 Manufacturing Institute, *NAM-Endorsed Manufacturing Skills Certification System* (Washington: Manufacturing Institute, n.d.), <http://www.themanufacturinginstitute.org/Skills-Certification/Skills-Certification.aspx>, (accessed May 17, 2013).
- 6 Philip A. Trostel, *Fiscal Impacts of College Attainment* (Boston: New England Public Policy Center, 2007), <http://www.bos.frb.org/economic/neppc/wp/2007/neppcwp0702.pdf>, (accessed May 17, 2013).
- 7 Society for Human Resource Management, *Changing Employee Skills and Education Requirements: Changes in the Workforce* (Alexandria: Society for Human Resource Management, 2012), <http://www.shrm.org/Research/SurveyFindings/Articles/Pages/SHRM-Achieve-Future-Changes-Workforce.aspx>, (accessed May 1, 2013).
- 8 Robert Clark, Mark Threeton, and John Ewing, "Potential of Experiential Learning Models and Practices in Career and Technical Education & Career and Technical Teacher Education," *Journal of Career and Technical Education*, Vol. 25, No. 2. (Winter 2010): 46-62. <http://scholar.lib.vt.edu/ejournals/JCTE/v25n2/pdf/clark.pdf>, (accessed May 17, 2013).
- 9 Mesabi Range Community College, Iron Range Engineering Ribbon Cutting Ceremony (Virginia, Minnesota: Mesabi Range Community College), http://www.mesabirange.edu/assets/files/depts/press_releases/IRERibbonCutting.pdf, (accessed May 15, 2013).
- 10 Complete College America, *Working Model for Student Success: The Tennessee Technology Centers* (Washington: Complete College America), <http://www.completecollege.org/docs/Tennessee%20Technology%20Centers-%20A%20Preliminary%20Case%20Study%281%29.pdf>, (accessed May 2, 2013).

© 2013 by the Education Commission of the States (ECS). All rights reserved.

ECS encourages its readers to share our information with others. To reprint or excerpt some of our material, please contact ECS at 303.299.3600 or e-mail ecs@ecs.org.

The Education Commission of the States is a nationwide nonprofit organization formed in 1965 to help governors, state legislators, state education officials, and others to develop policies to improve the quality of education. ECS is the only nationwide, nonpartisan interstate compact devoted to education at all levels.

www.ecs.org

Past issues of
The Progress of
Education Reform
are available
on our website at:
www.ecs.org/per.

This issue of *The Progress of Education Reform* was made possible by a grant from the GE Foundation. For more information on this topic, contact the author, Matthew Smith (Policy Analyst, ECS) at 303.299.3698 or msmith@ecs.org.



GE Foundation

Equipping
Education Leaders,
Advancing Ideas