



August 26, 2019

The Honorable Adele Gagliardi
Administrator, Office of Policy Development and Research
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

**Re: Apprenticeship Programs, Labor Standards for Registration,
Amendment of Regulations: Proposed Rule (RIN 1205-AB85) (84 FR 29970,
June 25, 2019)**

Dear Ms. Gagliardi,

For over seventy years SHRM has represented the interests of our nation's Human Resources (HR) professionals and created better workplaces where employers and employees thrive together. Today, with 300,000+ HR and business executive members in 165 countries, SHRM impacts the lives of more than 115 million workers and families globally. We use our voice to elevate issues squarely at the intersection of work, workers, and the workplace. With this principle in mind, SHRM advocates for public policies that strengthen employer investment in workforce training including the expansion of apprenticeships in the U.S.

SHRM believes public policy must modernize workplace training investment and empower U.S. employers to be innovative, especially given the skills gap employers face today. Therefore, we appreciate and support the department's efforts to expand work-based learning and training opportunities through the proposed creation of Industry Regulated Apprenticeship Programs or (IRAPs). The NPRM requests comment on many parts of the rule. However, SHRM will focus its response on a few areas we have identified as relevant to our policy priorities and experience providing industry-recognized credentials via certification.

- I. SHRM supports of the department's efforts to expand apprenticeships to untraditional industries.**
 - A. There is a critical and immediate need to expand untraditional job training and placement in the U.S.**

The United States is facing a growing skills gap that threatens the nation's long-term economic prosperity. The workforce simply does not have enough workers and skilled candidates to fill an ever-increasing number of high skilled jobs. Business and HR leaders view the skills shortage as a top concern that needs to be addressed. According to recent research from SHRM, two-thirds of managers and executives described the state of the workforce as experiencing a talent shortage and:

- 75% of HR professionals having recruiting difficulty say there is a shortage of skills in candidates for job openings;
- 83 percent of HR professionals said they had difficulty recruiting suitable job candidates in the past 12 months;
- 52 percent of HR professionals said the skills shortage has worsened in the past two years.

With 7.3 million job openings and most employers having difficulty recruiting skilled workers, it's time to forge a better alliance between education and employment, invest in untraditional workforce training and open our recruiting efforts to nontraditional pools of talent.

B. Expanding apprenticeships by enhancing industry participation can be an effective solution to closing the skills gap.

While apprenticeships are increasingly being recognized by employers as an effective way to increase employability and build pipelines of talent to address the growing skills gap some industries and HR professionals are still rejecting the implementation of registered apprenticeships due to a lack of familiarity or to avoid burdensome tracking and reporting requirements. Additionally, not every company feels existing government guidelines match their needs or wants, citing issues ranging from mandatory program duration requirements to arbitrary training requirements that fail to provide workers with the industry-essential skills needed to succeed in the 21st century workplace. Employers need talent now and they are willing to commit money, time, and resources to its development, but they will not invest in programs that are not targeted at developing the talent they critically need.

Giving industry leaders the freedom and flexibility to create targeted apprenticeship certification standards, programs, and curricula may help the department achieve its goal of attracting higher levels of participation from employers and industries who have not traditionally embraced apprenticeships as a means of developing talent and closing the skills gap.

II. Allowing a diverse group of experts to serve as the standard bearers for IRAPs could result in increased industry buy-in and the development of more innovative industry-essential training practices, programs, and curriculum, but educational institutions and local governments should be limited to serving in consortia with qualified industry experts.

The department seeks comment on its intention to not limit the types of entities that can receive SRE recognition. Under the proposed rule, entities such as trade, industry, and employer groups or associations, educational institutions, state and local government entities, non-profit organizations, unions, could become a Standards Recognition Entity (SRE) that sets standards for training, structure, and curricula for IRAPs in relevant industries or occupational areas.

SHRM believes allowing input from a variety of entities could help target the training needed by business. However, as SREs are chosen, it will be important to ensure that the department focuses on identifying those entities or consortia with proven expertise. For instance, trade, industry, and employer groups or associations, are better suited to know which skills and competencies apprentices will need in order to meet the demands of their respective industries because they represent and advise industry leaders on a myriad of business issues including how to best train and certify their workforce.

Additionally, the department should consider that a large part of the value of the existing apprenticeship program is that they are industry-focused and portable. In order to maintain that value, certifying bodies (SREs) need to be both industry-focused and nationally recognized. While professional associations and labor unions fit that model, local governments and educational institutions do not. Therefore, SHRM recommends that SREs be made up of trade, industry, and employer groups or associations either alone or as part of consortia with educational institutions, state and local government entities, non-profit organizations, or unions.

III. Competency-based standards can be used to effectively prepare apprentices for most occupations and industries if the standards are properly developed.

In the proposed rule, the department seeks comment on its assumption that many or all SREs will set competency-based standards for training, structure, and curricula and because of this the standards will reflect the skills and knowledge needed for

proficiency, rather than focusing on what could be superficial requirements unrelated to industry-essential skills. SHRM believes that competency models currently provide the best framework for identifying the demonstrable skills, knowledge and characteristics required in a profession. For that reason, we have invested heavily in developing a competency model for the HR profession. In keeping with SHRM's mission of serving and advancing the HR profession, and in response to member feedback requesting a resource that addresses the work of HR professionals across all career levels, SHRM set out to identify the competencies needed to succeed as an HR professional. Extensive research, described further below, resulted in the SHRM Competency Model. This model encompasses nine competencies one technical and eight behavioral competencies. Proficiency in these competencies provides the basis for effective performance as an HR professional.

To develop the competencies and the overall model, SHRM followed best practices, as delineated by the Society for Industrial and Organizational Psychology (SIOP) taskforce on competency modeling, as well as by relevant academic and professional literature about competency modeling. Based on a review and synthesis of relevant research and professional literature, SHRM first developed a working model to describe the competencies needed by HR professionals. This review focused primarily on existing HR competency models as well as on literature that describes the work responsibilities of HR professionals.

To refine the model, SHRM staff trained in industrial-organizational (I/O) psychology conducted 111 focus groups in 29 cities across the globe. This process captured input from over 1,200 HR professionals. During these focus groups, participants edited, revised and enhanced the working model to ensure that it accurately reflected the attributes of successful HR professionals

A well-developed and easily implemented competency-based standards model includes both technical and behavioral competencies and typically has no more than 8 to 15 competencies, capturing both the technical skills and behavioral attributes that are needed for successful job performance. Technical competencies primarily reflect the knowledge-based requirements of a specific job category (e.g., HR professionals). In the SHRM Competency Model, the technical competency is *Human Resource Expertise (HR Knowledge)*. The other eight competencies in the SHRM competency model are behavioral, reflecting the application of knowledge from the *Human Resource Expertise* competency. Behavioral competencies describe the specific and observable behavior associated with effective job performance and reflect the ways in which knowledge is applied.

SREs should understand that because competency models require intense research and rigorous validity studies, developing a model is a time and labor-intensive process.

For guidance in developing an accurate model targeted to the HR industry, SHRM followed a set of specific guidelines offered by the Society for Industrial and Organizational Psychology (SIOP), Division 14 of The American Psychological Association (APA). According to these guidelines, developing a strong competency model requires three distinct phases:

1. Compiling the content of the model using job analysis methods.
2. Evaluating and revising the content of the model through content-related validity studies.
3. Assessing how the model relates to job performance through criterion-related validity studies

Based on SHRM's experience, competency-based standards are very effective at providing workers with industry-essential skills when used properly to develop training and curriculum as part of a structured program. In fact, competency-based programs are typically more effective than knowledge-based program at preparing workers with the essential skills needed to perform their jobs.

Thank you for the opportunity to comment on this critical issue. Please consider SHRM a resource as the department moves forward with the development of IRAPs. We look forward to the development of this idea to create new pathways for individuals to engage in employment.

Sincerely,



Emily M. Dickens, J.D.
Corporate Secretary and Chief of Staff