



April 9, 2021

The Honorable Patty Murray  
Chair  
Committee on Health, Education,  
Labor and Pensions  
United States Senate  
Washington, DC 20510

The Honorable Richard Burr  
Ranking Member  
Committee on Health, Education,  
Labor and Pensions  
United States Senate  
Washington, DC 20510

Dear Chair Murray and Ranking Member Burr,

The Society for Human Resource Management's (SHRM) 300,000+ HR Professional and business executive members sit at the intersection of work, workers and the workplace. Our members impact the lives of more than 115 million workers and families globally. As such, we appreciate the opportunity to respond to your bipartisan request for input on policies to strengthen our nation's workforce.

At SHRM, we believe to help close the skills gap and improve individual prosperity, employers and government should adopt practices and policies that support efforts to hire, educate and train individuals for the modern workplace, including employing non-traditional talent pools. Because our members are on the front line when it comes to understanding the current and future workforce skills needs within their companies, developing job postings, recruiting talent, and creating opportunities for current employees to develop and grow within an organization, SHRM has a unique voice in this critically important policy conversation.

We leverage our members' expertise and knowledge to better understand and address emerging workforce issues, challenges and opportunities. For example, our recent "2021 HR Look Ahead Survey" signals that even though millions of individuals continue to be unemployed as a result of COVID-19, over half of HR professionals anticipate that *finding and recruiting talent with the skills they need* will continue to be a significant challenge this year" (See Survey Enclosed). More information can be found on our website SHRM.org, including our [page](#) dedicated to issues related to workforce readiness.

Our perspective on workforce development also reflects the significant effort we have taken to build up our own profession. This includes the development of the [SHRM Certification](#) as a way to advance the HR profession as well as the establishment of a fully registered [HR Apprenticeship Program](#) through the SHRM Foundation. The program will provide new pathways into a profession in HR, where there are many rewarding opportunities to make a difference in people's lives.

As a leader of the American Workforce Policy Advisory Board (AWPAB) for the last several years, SHRM's efforts focused on modernizing employer recruitment and emphasis on skills-based hiring. We hope the recommendations put forth by the AWPAB will be included in any legislative proposal to strengthen and support the workforce. SHRM applauds your bipartisan commitment to gain additional stakeholder insights on workforce development issues. We

sincerely hope the following responses to your questions are informative as you move forward in developing a legislative proposal.

**1. How to enhance or improve workforce training in direct relation to the COVID-19 pandemic and economic recovery, including ways to address workforce needs of the health care and public health sectors.**

The COVID-19 pandemic has had a profound impact on our nation's workforce. While some sectors have suffered mass unemployment, others have seen record growth. Automation has increased faster than could have been imagined a year ago. A significant portion of the nation's workforce had to navigate new technologies to shift to working from home. Over the past year, SHRM partnered with Oxford Economics and SAP SuccessFactors to examine these disruptions both here in the U.S. and abroad. These reports may be accessed [here](#).

As millions of individuals begin to return to the workforce and the workplace, many will need to upgrade their skills to adapt to the changes that took place over the past year. As certain sectors, such as technology, continue to grow, new opportunities will emerge, but many of these openings will require having the skills necessary to fill these often high-paying and high-demand jobs.

In the same way the United States has been successful in responding to the pandemic by developing vaccines to protect the population, we must also respond to the changing needs of the workforce. In doing so, it is particularly important to ensure those who were already the furthest behind prior to COVID-19 do not fall even further behind.

As Congress considers ways to enhance or improve workforce training in response to COVID-19, we make the following recommendations:

- **Provide a Level of Investments Necessary to Meet the Challenge:** There must be adequate investments made to meet the challenges of a post-covid economy. Despite significant investments made by employers (nearly \$200 billion in direct-training funded by public and private employers according to a recent [report](#) from Credential Engine), the federal government must also provide the investments necessary to help those needing upskilling or reskilling.
- **Provide Targeted Investments to Those Impacted Most by COVID-19:** Federal investments should be targeted toward individuals most impacted by COVID-19. This includes the over 4 million long-term (+26 weeks) unemployed individuals, who historically have a more difficult time transitioning back into jobs and suffer greater wage loss upon their return. Many of these individuals will need a combination of intensive career services along with potential re-skilling and supportive services to make up for lost ground suffered as a result of COVID-19.
- **Create More Opportunities for Technology Training:** The post-COVID economy will require millions of Americans to gain new technology skills. It is critical there be a better understanding of the specific technology skills most in-demand and that this data be used to target training investments and develop relevant training programs at the state and local levels. Over the past year, many of the nation's leading technology companies have launched access to free programs providing training in basic computer literacy to more advanced technology applications. While millions have been able to access these programs, the federal government should promote and leverage these private sector

initiatives and help support those who have barriers to benefiting from these types of programs.

- **Support Employers in Rebounding from the COVID-19 Crisis:** Congress should also consider ways to help support the workforce needs of employers who may not have the resources to maintain prior levels of investments into workforce training. Solutions in this area may be more appropriately addressed through tax provisions, however could also include setting aside funds to allow small and medium-sized employers to carry out upskilling initiatives within their companies particularly in areas that respond to changing technologies and automation.

## 2. Reforms to programs authorized under the Workforce Innovation and Opportunity Act (WIOA).

SHRM has a long history of working with the public workforce system and other local intermediaries to address skill needs. In 2015, SHRM supported the passage of WIOA and viewed the legislation as an opportunity for the public workforce system to better meet the needs of both individuals and employers.

As Congress considers the reauthorization of WIOA, we believe Congress should build upon the efforts of the last reauthorization and offer the following recommendations:

- **Expand Focus on Demand-Driven Training:** WIOA includes many provisions related to promoting the concept that all training needs to be demand-driven. However, the most recent data on WIOA outcomes show that only about a third of those trained through WIOA land in jobs that are related to such training. The next reauthorization must double down on the focus for demand-driven training through:
  - Expanding the use of employer-led training. This type of training ensures relevancy and leverages federal dollars by making employers partners in the delivery of services. WIOA currently limits the percentage of funds which local boards may use for such training (including on-the-job training (OJT), incumbent worker training and transitional assistance). These limitations should be lifted to allow for expanded use of such training.
  - Utilizing employer-identified education providers. In a recent [survey](#), SHRM found that 42% of employers work with education partners to upskill their employees. Many employers have deep connections with education partners who they know will deliver on meeting the skill needs of their workforce. In developing WIOA's Eligible Training Provider List (ETPL), Governors should prioritize providers identified by employers as having the most successful outcomes within targeted programs.
  - Improving the availability and use of high-quality labor market data. This data is critical to understanding the needs of employers and informing which courses and programs are eligible for the use of Individual Training Accounts (ITAs).
  - Encouraging the use of sector-based strategies where entire sectors come together to not only identify skill needs but help in the design and implementation of courses and programs which are able to provide such skills.
- **Create New Opportunities for Collaboration Between HR Professionals and Workforce Boards:** State and local workforce development boards oversee much of the strategic direction and prioritizing of federal employment and training dollars. Beyond the ability for HR professionals to serve on boards, there should be an incentive for

greater collaboration given the pivotal role HR professionals play in talent development and hiring.

- **Increase Accountability and Reporting on the Part of Training Providers:** In addition to improving information on the outcomes of all providers, the current 10% limitation on the use of pay-for-performance should be lifted, and consideration should be given to making such systems a required part of the accountability systems for those providers who provide the most training through the use of WIOA funds. It is notable that the American Recovery Plan (ARP) includes \$400 million to provide short-term training opportunities for Veterans, all of which must be provided through pay-for-performance contracts.

**3. Ways to develop, modernize, and diversify the national apprenticeship system, including innovative approaches such as youth apprenticeship and pre-apprenticeship.**

SHRM believes in the power of “earn and learn” models. Earlier this year, the SHRM Foundation was awarded a “Closing the Skills Gap” grant in order to develop a new [Human Resource Registered Apprenticeship Program](#) to address the challenge many employers have in finding individuals with the right HR skills. Although the apprenticeship program will typically last from 18-24 months, it is a competency-based model to allow participants to finish the program at their own speed toward earning the valued SHRM Certified Professional credential (SHRM-CP).

We also recognize there is a desire on the part of many employers to develop “earn and learn” programs outside of the traditional DOL-regulated apprenticeship program. Some of these employers are eager to have their programs “recognized” at the federal level but believe the current “registered” program sends a signal of programs that are often much longer and concentrated in the traditional trades.

SHRM urges policymakers to consider piloting, within the National Apprenticeship Act, a new version of an “earn and learn” program that is targeted to occupations in high-demand industries and high-quality occupations, where traditional apprenticeships have not, and are not likely, to expand. Such programs would:

- Be competency-based, but typically completed in under a year;
- Require the involvement of a national or multi-state employer-led intermediary to set the standards;
- Provide participants with a widely recognized industry credential upon completion;
- Maintain the health and safety standards of traditional apprenticeship programs;
- Eligible for federal tax incentives and funding;
- Require a clear learning plan to be established between participants and employers specifying the training and mentoring to be provided to the participant over the course of the program, and the wages and education benefits to be provided; and

- Guarantee participants to be considered for hiring at the end of successful completion of the program.

Such a system would bring more employers to the table in developing new pathways toward high-demand occupations and would also likely lead to more registered apprenticeships as employers. SHRM welcomes the opportunity to further discuss this concept with you as you move forward with updating the National Apprenticeship Act.

#### **4. Strategies to encourage innovation to address worker and industry needs.**

As noted above, there is a need and opportunity to make fundamental changes in how to promote, develop, and recognize workforce skills. As Congress considers ways to encourage innovation, we make the following recommendations:

- **Promote Skills-Based Hiring:** A vast majority of job postings today reflect an over-reliance on the need for a bachelor's degree. This excludes a large percentage of individuals, particularly those from under-represented populations, from even being considered for such jobs. SHRM, along with others in the business community, have advocated the use of skills-based hiring which enable individuals to demonstrate their skills in different ways, such as prior learning knowledge, skill certificates and other credentials. This is a strategy the federal government has recently begun to implement as a way to recruit talent. In addition, consideration should be given to enable the Department of Labor to support public-private pilots to promote and evaluate the impact of skills-based hiring.
- **Support Public-Private Efforts to Improve Job Postings** - The ability to increase the use of skills-based hiring is greatly enhanced by improving data culled from job postings in order to better understand the specific skills most in demand, including the relative demand for specific certifications and skill credentials. Private sector efforts are currently underway to promote a consistent framework in job postings, and the federal government could help encourage the use of such standards, including within the federal government. The American Workforce Policy Advisory Board, highlighted some of the trends and examples related to modernizing job posting and advancement opportunities in this [paper](#).
- **Incentivizes Employers to Hire from Untapped Talent Pools** – More and more employers are finding sources of untapped talent from formally incarcerated individuals, individuals with disabilities and veterans. Funds should be made available to encourage more employers to seek out talent in these untapped talent pools as even prior to the global pandemic many of these workers struggled to find the work and wages they need to survive and thrive as a result of barriers to employment. For example, prior to Covid-19, the unemployment rate for individuals with disabilities was double that of peers without and only 13% of organizations have disability-specific inclusion initiatives. While organizations must do their part to ensure that these populations aren't left behind Congress can further support employer efforts by making the Work Opportunity Tax Credit (WOTC) permanent.
- **Modernize the federal student financial aid system.** SHRM led the AWPAB working group on “Measuring and Encouraging Employer-led Training Investments” and urged

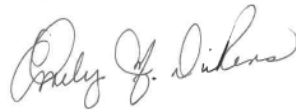
the federal government to allow federal Title IV and other student financial aid for high-quality, short-term, market-aligned credential programs that stack into lifelong learning opportunities. Academic institutions and employers should be given greater flexibility to innovate, experiment, and improve education and training delivery models through high-quality, short-term, market-aligned credential programs alongside traditional education programs.

In conclusion, the world of work is changing rapidly. As employers, employees, and the unemployed look toward a post pandemic future the public, private, not-for-profit and education sectors must create an inclusive world of work to rebuild while preparing for a better tomorrow. Congress must focus on modernizing the current workforce development system that closes the skills gap and improves individual prosperity through evidence-based research and existing effective practices.

Sincerely,



Johnny C. Taylor, Jr., SHRM-SCP  
*President & CEO*



Emily M. Dickens  
*Chief of Staff, Head of Government Affairs  
& Corporate Secretary*

## “SHRM 2021 HR Look Ahead Survey” Data Points on Workforce Development

- **55%** of HR professionals anticipate that *finding and recruiting talent with the skills they need* will be a significant challenge for their organization this year.
- **42%** of HR professionals anticipate that *retaining top talent* will be a significant challenge for their organization this year.
- **25%** of HR professionals anticipate that *upskilling or reskilling their current workforce* will be a significant challenge for their organization this year.
- **23%** of organizations plan to increase their training budget (or create a budget if no funds are already allotted) for upskilling or reskilling their workforce either temporarily (4%) or permanently (19%) in 2021.
- **Over 1 in 3 (36%)** HR professionals say their organization plans to specifically recruit from more diverse and/or underutilized talent pools (e.g., people with disabilities, the formerly incarcerated, etc.) in 2021.
  - **By Org Size:** Large (**47%**) and medium (**39%**) organizations were more likely to say they plan to specifically recruit from more diverse and/or underutilized talent pools (e.g., people with disabilities, the formerly incarcerated, etc.) in 2021 than small organizations (**25%**).
- When asked where they feel like they can make the greatest impact this year...
  - **32%** of HR professionals felt they could make an impact by *reskilling or upskilling the workforce*.
  - **30%** of HR professionals felt they could make an impact by *sourcing or locating new talent pools with hard-to-find skills*
  - **25%** of HR professionals felt they could make an impact by *establishing recruitment policies for underutilized talent pools (e.g., employees with disabilities, the formerly incarcerated, etc.)*

### Methodology

The survey was fielded electronically to a random sample of active SHRM members from January 27 through February 4, 2021. In total, 1069 members responded to the survey. Academics, students, consultants and retired HR professionals were excluded from the survey. Respondents represented organizations of all sizes—from two to more than 25,000 employees—in a wide variety of industries across the United States.