EMPLOYERS WANT TO TRAIN WORKERS BUT ARE SWIMMING IN OPTIONS

Companies like Home Depot and Lockheed Martin work to discern which credentials are worth the money

By Lauren Weber
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As emerging technologies change jobs across industries, companies like Home Depot Inc., defense contractor Lockheed Martin Corp. and others are racing to offer new skills training for their employees.

To do so, some are moving beyond tuition-repayment for undergraduate course work and grad school degrees, such as the M.B.A., to include shorter-term credentials. But with thousands of education options to choose from, many companies are struggling to discern worthwhile programs from those that are a waste of money.

"Are there courses that are just as good that may be outside that standard academic institution?" asked Lesley Leiserson, who manages Home Depot's benefit programs, including tuition assistance. "We don't have a good answer on that today."

U.S. workers now have access to more than 738,000 secondary and postsecondary degrees, certificates, badges and other certifications, according to a 2019 report from Credential Engine, a nonprofit that aims to build a comprehensive registry of training options, along with data about their outcomes.

The organization found that half of all credentials come from educational institutions, including traditional universities and community colleges. Nearly as many credentials are things like digital badges and online course certificates from nonacademic organizations, which have proliferated as providers see a lucrative and fast-growing market for professional training, fashionably known as reskilling and upskilling.

More than half of U.S. companies offer tuition-assistance programs, paying for all or part of employees' graduate or undergraduate studies, according to the Society for Human Resource Management. A growing number are paying for nontraditional training, from coding boot camps to LinkedIn Learning subscriptions that teach everything from personal branding tips to advanced cloud-computing skills. There are few standards and little transparency to help workers and employers navigate this marketplace, said Scott Cheney, executive director of Credential Engine.

"What we still don't know is whether we have enough – or too many – credentialing programs for a country of our size or if we have the right mix of programs to meet employer needs across the country," wrote Arne Duncan, former U.S. Education Secretary, and Jeb Bush, former governor of Florida, in a foreword to Credential Engine's report.

For Home Depot, exploring what credentials to pay for can be a labor-intensive process. The idea for covering a certificate in 3-D printing first emerged during an internal training session where employees were asked to envision how new technologies might affect

industries Home Depot serves, like construction. Ms. Leiserson and a colleague then took an afternoon class at a local design museum to better grasp what 3-D printing involves. Her team is still researching what courses the company might be open to compensating.

"We're trying to get ahead of it versus behind it," she said of exploring new skill-building options.

At Lockheed Martin, the world's largest defense firm by revenue, more than half of jobs related to STEM – science, technology, engineering and math – don't require a college degree, so the company updated its tuition-assistance policy in April 2018 from a degree-based model to include coverage of short-term certificates and certifications.

"It allows people to gain new skills and build on skills they already had," said Tammi Lloyd, director of enterprise talent management and professional development.

To determine what to pay for, Ms. Lloyd and her team compared Lockheed's offerings with peer companies, examined what certifications firms in other industries were accepting and asked engineering and operations leaders to weigh in on what they most needed. It also consulted with vendor Bright Horizons Family Solutions Inc., which administers its tuition-assistance program.

After starting with around 100 nondegree certifications, in areas such as Linux software language and information security architecture, Lockheed has since added about 50 more.

Lockheed vetted a number of providers and chose several, including Coursera, an online learning platform. Employees are eager to learn, Ms. Lloyd said. Of 200 Coursera licenses Lockheed purchased as part of a pilot program, 90 percent were claimed and activated within three weeks.

Lockheed will give pilot participants six months to complete the class they choose, then will assess the results with team leaders, asking if managers saw a change in knowledge, skills and behavior.

At the moment, that kind of assessment can be time-consuming and inefficient, repeated at employers around the country, sometimes for the same certificates and programs. Credential Engine hopes its registry will simplify the process for employers and individuals. It is gathering data, working with state labor and education agencies and governors' offices to input information that already exists in their systems.

One challenge, according to Credential Engine's Mr. Cheney, is compiling information such as digital badges, certificates offered by private companies and other data outside the reach of a state institution or agency. He is hopeful that inclusion in the registry will be incentive enough for education providers to voluntarily input their data.

"There's a rich conversation to be had" about the labor-market value of credentials," Mr. Cheney said. "But it has to be had on the basis of better data."