Changed Labor Market Demands New Education Model

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For many years the blessings of the auto and industrial economy in Michigan – where one could earn a good living without a postsecondary education degree, or other credential —created an environment where higher education was desirable, but not essential. All that has changed, with huge implications for the education, skills, and preparation most relevant for individuals to succeed in the labor market.

Postsecondary Credentials Required: An “All of the Above” Strategy

Today, for people to thrive economically they need post-high school degrees, certificates, or other valuable credentials that equip them with the tools and skills not only to get a job, but to navigate a fast-changing economy and become the entrepreneurs and job creators of tomorrow. Increasingly community colleges are being looked to as a high-quality, low cost, “first-step” to a degree, or the place to get a workforce-valued postsecondary credential.

The economic payoffs from traditional degrees, including associate, bachelor’s, and professional degrees, continue to grow, relative to those with only a high school education. In addition, research shows wage and labor market benefits for a host of other valuable post-high school credentials, such as technical and occupational certificates, certifications, and apprenticeships.

In 2013 median weekly earnings were $150 greater for those with an associate degree versus just a high school diploma. With a bachelor’s degree, individuals earned over $400 more, or almost double the earnings in a year. Recent research also shows a strong economic payoff above high school education for certificate earners — particularly those of one year or more; and for a host of other employer-valued occupation and skill certifications (Carnevale, 2013).

People also make more with a degree or postsecondary credential than without one, even if they are working in an occupation that does not require an advanced degree. Why? Whether a construction worker, police officer, plumber, retail sales person, or a secretary, higher levels of education help people do higher-skilled work, get a job with a better-paying company, and increases the likelihood of becoming an entrepreneur and opening their own business (Leonhardt, 2011).

Postsecondary credentials are what employers expect and that jobs require, today and increasingly in the future. According to the 2013 report “Job Growth and Education Requirements through 2020” (Carnevale, 2013), 70% of Michigan jobs in 2020 will require some level of education beyond high school. The State estimates there are also 70,000 good jobs going begging today in Michigan that aren’t met by individuals with the right skills and postsecondary credentials.

There are additional payoffs for postsecondary education as better educated and trained citizens are more likely to create new businesses and jobs. Communities with better postsecondary education attainment rates are also the communities that see more entrepreneurial growth (Motoyama, 2013).

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Knowledge work redefines “labor readiness”

In the economy of yesterday, an employer’s most valuable commodity was the expensive equipment in the plant, or the expensive land they owned. They kept the factory and office under lock and key, paid people who showed up and turned the screws or manned the phones, and replaced them easily if they didn’t.

In today’s workplace, the most valuable commodity an employer has is the people in the organization, what they know, what they can do, and who they know. As Peter Drucker who coined the terms ‘knowledge work’ and ‘knowledge worker’ put it, “In the knowledge society, the employee has is the people in the organization, what they know, what they can do, and who they know. As Peter Drucker who coined the terms ‘knowledge work’ and ‘knowledge worker’ put it, “In the knowledge society, the employee has is the people in the organization, what they know, what they can do, and who they know.”

In this economy credentials become assets that help you not to climb up predictable career ladders, but to “rock-climb”, moving from position to position, to take advantage of new opportunities, armed with new skills and knowledge. As Peter Drucker who coined the terms ‘knowledge work’ and ‘knowledge worker’ put it, “In the knowledge society, the employee has is the people in the organization, what they know, what they can do, and who they know.”

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What are the skills this “knowledge worker” needs? Drucker (1994) describes the movement from the blue-collar industrial worker to a growing class of “technologists” (computer technicians, medical technicians, engineers, market researchers) with facility for “flexible specialization” – the ability to learn, and apply highly (continued on page 4)
High performing organizations have always emphasized education and training for their staff to be successful. With a rapidly changing marketplace due to global competition and technology improvements, it has become increasingly critical for such organizations to continue to make those investments. During the 1970-80s, the nation saw experienced companies providing on-the-job apprenticeships for employees. As financial pressures hit companies, internal training programs received heavy cuts, resulting in training being provided from the outside world or relying on whatever education and experience workers brought with them.

Although the number of college graduates continues to rise, a major disconnect still exists for employers trying to find highly-skilled employees (Roelofs, 2014). Community colleges need to play a major role in bridging the gap to address this core issue. The old methodology of colleges partnering with industry periodically to develop curriculum is no longer working. Industry is largely unaware of the capacity of focused community colleges to provide highly-skilled, highly-qualified workers, which could eliminate the skilled workforce shortage that is greatly affecting the United States economy.

Current paradigms need to change. Top college leaders need to build long-term relationships with businesses and aggressively set in motion strategic plans to engage industry and make major investments toward the goal of addressing the gaps in educating students and placing qualified workers. This is a major effort, requiring both time and interaction with industry to truly understand their business model and workforce needs. When a college leverages all of its assets to provide value-add proposals, businesses will take the time to listen. However, such initiatives must be presented from college staff at the highest levels.

Essential to any business relationship is the goal of gaining a clear understanding of the individual business operations so effective collaborations – beneficial for both the student and the college – can occur in the future. Businesses often operate on different time frames than colleges; they continuously will be providing input for months at a time and then go dark. Important investments in networking and developing long-term partners in the business world are critical before any significant collaboration to benefit students can occur. Relationships will outlast the momentary disconnects that historically occur in business communications. Community college leaders need to get out of their offices and create partnerships with the business community to start the process of being an effective value-added organization, which will benefit students, and make graduates more employable.

Think beyond geography. Workforce training should not be constrained to the needs of our own back yard. What is local today, may be global tomorrow. What is trending in California, may soon end up in Michigan. Community colleges must prepare graduates for jobs that are not bound by traditional notions of geography.

Anticipate future needs. Train not just for current skills which are often out of date before graduation. Community colleges must anticipate, lead, and prepare students to be flexible enough to stay current, adapting to the ever-changing needs of our economy. Empower students to become self-learners knowing that, once they graduate, their education begins in earnest in the real world.

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Train for balance. Hard skills such as technical skills, practical knowledge, and their application are vital. But these must be balanced with soft skills - critical and creative thinking, and an understanding of the larger picture where their work fits in. With the focus on hard skills, not enough attention is paid to higher-thinking skills that will help a graduate continue to succeed beyond the first year.

Cultivate industry partnerships. With an eye towards including diverse sectors of the industry, including alums as key partners, advisory committees can be invaluable resources. Again, think beyond the local industry and look to partners who have a vision for the future.

Emphasize collaboration. The workforce is changing and often requires collaboration and problem-solving in team settings not bound by time-zones and geography. Verbal and written communications, organizational and time management skills are all vital to success for our graduates.

Building on these five factors, we can shift from a local mindset to one that examines workforce training existing within a larger environment. Whether they enter the job market direct from the community college, or after transfer, our graduates must be trained with a comprehensive education that prepares them for a continuously shifting global economy.
To help provide a skilled workforce, leaders must listen to employers. **Listen.**

Below are key leadership skills to help achieve these goals: **Lead.** Community colleges, like all organizations, need effective leadership to fulfill their missions. Leaders should be aware of what is happening with employers and the community to help assess how well the college is fulfilling its mission. Leaders must stay abreast of emerging trends such as increased accountability, more prescriptive pathways, or the re-emergence of competency-based education programs. Leaders need to synthesize input from a variety of sources to create education programs, both short- and long-term, designed to address workforce needs.

**Innovate.** College leaders must become innovative to prepare students for success and address the needs of employers and the community. They may change the institutional culture to be more responsive to constituents or implement curricular or program changes to ensure relevance. Leaders must be willing to experiment and take risks in the spirit of continuous improvement.

It is important to recognize that community colleges are educating workers for jobs that do not yet exist. Career and technical education (CTE) programs emerged to educate students with the skills needed for the workplace and can provide both the requisite workforce skills and transfer pathways to baccalaureate degrees. The need also surfaced for shorter-term, more focused training programs since employers with immediate training needs could not wait for students to complete two or more years of education. Colleges answered this challenge by developing customized workforce programs.

Ensuring that all students gain the education and skills necessary to be successful in the workplace is a core mission of community colleges. Leaders must cultivate an educational environment that promotes student success. That task becomes particularly challenging considering that the jobs needed ten years from now will be different than those needed today.

The early community college charge to make higher education available to everyone and to provide seamless transfer to universities continues to be essential. The importance of developing effective university transfer relationships is clear since the majority of the jobs in the future will require at least a baccalaureate degree. Even those students who begin their careers with associate degrees or certificates will benefit by accruing credits that ultimately can transfer toward a baccalaureate degree.

To effectively support local workforce and economic development, community colleges have the responsibility to ensure students who complete programs develop the skills necessary to function effectively in the workplace.

Community colleges have a shared responsibility for addressing a significant component of the nation’s ongoing skills gap. In fact, the demand for community colleges to train workers to be immediately productive has never been more critical than in today’s continuously changing world economies. As a result, colleges need to make sure that all students gain the requisite workforce skills. We posed the following question to emerging and national leaders; their answers appear below:

**QUESTION OF THE MONTH:**

What actions can community colleges take to ensure that all students have the skills needed to enter the workforce?

What foundational and technical skills do students need? What type of education program will best meet those needs? Leaders must fully understand employer needs to create the appropriate structures and programs to properly educate the workforce.

**Respond.** Higher education has been criticized as slow to change. However, community colleges are by far the most adaptive and responsive of the higher education providers, continuously assessing programs for relevance. Are students getting jobs? Are employers satisfied with the entry-level skills of graduates? Are incumbent workers being trained properly? If these fundamental questions are not answered affirmatively, swift changes must occur.

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specialized skills rapidly to move from one job to another—from market research into management, from nursing into hospital administration.

The best preparation for this economy includes a very good deal of formal education (the more the better). The kind of skills often associated with a liberal arts education — critical thinking, problem solving, and communications skills, the ability to acquire and to apply theoretical and analytical knowledge on an ongoing basis, a habit of continuous learning, and ability to develop and apply it in new situations — is shown to pay off in the labor market. For example, with the growing ability of states to match an individual’s postsecondary education with later wages and labor market outcomes, we know history majors do well in the labor market. They don’t work as “historians”, but do work in all sorts of other occupations (sales and marketing, HR, education administration) where their education and skills allow them to “flexibly specialize”.

Being “ready” for the knowledge economy means having skills valued today, along with the skills that give one the ability to adapt to new situations tomorrow. Community colleges are uniquely equipped to provide this education for the knowledge worker, as they can merge education in a range of formal disciplines (math, communications, science), and combine and often integrate these skills into a host of specialized, occupationally-grounded programs.

You Have to “Complete” - New “Success” Strategies

Certificates, associate degrees, and employer certifications are all valuable as real proxies for skills mastered and competencies learned. Without them, no employer will take a chance on you. And while there is some evidence taking classes and getting new skills increase earnings, the job of community colleges and all postsecondary institutions is to make sure learners complete a program—and get that valuable credential.

For too long higher education institutions generally, including community colleges, were designed for access and investment gained by those who do complete (Kelly, 2014). And adult learners, a large and growing share of those students, approximately 40%, in addition to taking classes, are working full time (Shaffer, 2014). And adult learners, a large and growing share of all learners, face particular obstacles to success. Many of these students, approximately 40%, in addition to taking classes, are working full time (Shaffer, 2014). In addition, 40% of adult low-income students are single parents who must not only work, but care for their families, creating difficulty in not only completing work, but also in finding time in their schedules to attend class (AASCU, 2006). And these are the folks that show up at our community colleges.

In recent years, a set of institutional and success strategies have been developed and implemented that demonstrate clearly the ability to improve student success, as seen in the increase of 8% over five years of Michigan community college students graduating with a degree or successful transfer to a four-year institution. These success strategies include guided pathways, which move students more quickly to programs of study with meta-majors in topics like business and health, and integrated student supports. Other strategies include much clearer roadmaps and guidance to success and completion, including since winter 2013, 342 students who have earned credentials through Michigan Pathways to Credentials, designed to create better career pathway programs, helping low-skilled adults address basic-skill needs and earn “stackable” credentials as they progress to credit-bearing courses.

Additional demonstrated high-impact success strategies such as accelerated or fast-track developmental education, student success courses, supplemental instruction, structured group learning experiences, enhanced advising, and goal-setting and planning among others, have been implemented by institutions in Michigan and across the country. As demonstrated by the success of Michigan’s own community colleges in raising completion rates and the experience of leading higher education institutions around the country such as Arizona State, Georgia Tech, and City Colleges of Chicago, these proven practices pay high-retumS, particularly for adults, minorities, and other learners historically unsuccessful in earning credentials. These practices need robust institutional support, strategic investment (that can pay a significant return), and a policy environment and support structure that foster implementation at scale.

The “New Education”

Being ready for today’s workforce means having a marketable skill set and a postsecondary credential to vouch for that. It also means having the ability to continuously navigate the contingent labor market, spot the next handhold on the rock face, get the new skills and the next credential, and as things change, to keep moving.

Read the full article with references here: http://bit.ly/1KY8Zm

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