The Partnership Imperative:
Community Colleges, Employers, and America's Chronic Skills Gap

Joseph B. Fuller
Manjari Raman

AMERICAN ASSOCIATION OF COMMUNITY COLLEGES
LEAD ADVOCATE ADVANCE

Harvard Business School

Managing the Future of Work

Executive summary

The nature of work has changed dramatically across industries in the last few decades due to rapid and repeated waves of automation. Nowhere is this more evident than in middle-skills positions—those that require less than a four-year college degree but more than a high school diploma. America's community colleges have been, and should remain, the education portal through which these workers pass. But increasingly, the ecosystem is in imbalance due to the growing gulf between those who teach and those who hire. Both educators and employers are failing to meet the challenge of the moment: how to create a steady pipeline of workers required to keep the U.S. economy competitive and prospering.

Employers complain they cannot find the talent they need—in terms of quantity, quality, and diversity. Critical middle-skills positions go unfilled. Revenues are lost, and customers are dissatisfied. Costs mount with overtime and turnover, and morale declines due to overwork.

At the same time, some students come out of the community college system only to find that they are unemployable in their field of study or at a living wage. Employers do not find them "workforce ready" and capable of carrying out the more sophisticated technology-promoted tasks associated with middle-skills positions. Too often armed with outdated credentials and burdened with student debt, these graduates discover that they lack the technical and foundational skills needed to secure positions to which they had aspired.

For their part, educators struggle to get employers engaged—in curriculum development; in gaining access to information on how technical and foundational skills for middle-skills positions are changing; in attracting skilled advisers and faculty members to serve at community colleges; and in acquiring the latest equipment and software licenses. Educators also face high hurdles when seeking internships and apprenticeships from local businesses. Real-life work-based learning experiences for community college students are rarely available and often unpaid.

The net result is a middle-skills environment in disequilibrium, underserving the needs of aspiring workers, employers, and ultimately, communities.

In order to diagnose the malaise afflicting the ecosystem, Harvard Business School's Project on Managing the Future of Work launched a multiyear, multi-method research initiative. It included extensive background research, as well as interviews with community colleges across the country—urban, rural, and suburban—and with a large number of businesses of various sizes and from different industries and regions. The Project then partnered with the American Association of Community Colleges (AACC) to conduct the first-ever extensive survey into the state and trajectory of the partnership between community college leaders (educators) and

Sidebar I: Framework for areas of collaboration between community colleges and employers

GOAL 1	GOAL 2	GOAL 3
Partner with each other to offer training and education that is aligned with industry needs	**Establish relationships with each other that result in the recruitment and hiring of students and graduates**	**Make supply and demand decisions that are informed by the latest data and trends**
STRATEGIES		
Co-create and regularly update college curriculum around relevant technical and foundational skills based on industry needs	**Dedicate staff time toward managing employer-college relationships**	**Collect and share data on the local supply for talent**
Co-design programs that fit with students' lives and industry hiring cycles	**Create processes for hiring community college students and graduates**	**Collect and share data on the local demand for talent**
Incorporate classroom experiences that simulate real-world settings and scenarios	**Develop commitments for hiring and recruitment**	**Build mechanisms to jointly monitor and improve the supply and demand for talent**

senior executives across industries (employers). The survey was constructed around a framework for collaboration that included three fundamental goals for partnership along with three strategies each for achieving those goals. (See Sidebar I on page 4.) The survey also presented business and community college leaders with a comprehensive list of actions to execute the nine strategies. (See Sidebar II on pages 7-9.) The survey findings revealed sobering results:

Educators

- America's community college leaders voiced their disappointment with the level of collaboration with employers. While grading employers, 93% of surveyed community college leaders gave employers a "B" grade or lower. Only 7% of community colleges gave employers an "A" grade, a rating of "very satisfied." By contrast, 28% of employers gave themselves an "A" grade.

- Educators work to bridge the knowledge gap and prepare students who are workforce ready, but these efforts are not adequate and fall short of employers' expectations. When asked to respond to the statement, "My college is producing the work-ready graduates that employers need," only 21% of community college leaders "strongly agreed," and another 59% more cautiously "agreed."

- As de facto "suppliers" to local and regional businesses, community colleges are hugely constrained in their ability to compel their "customers" to respond to problems they face in providing service. Only 11% of community college leaders believed that their local employers' were willing to set hiring targets, and only 10% believed employers would offer job guarantees to students who completed a program.

- They found that most employers are primarily interested in programs tightly tailored to their own specific needs.

- To improve their performance materially, community colleges require far more engagement from employers, but they have come to accept employers' ambivalent engagement. Community college leaders have low expectations for more substantive collaboration. Out of a list of more than 40 actions for collaboration, they were least likely to take action pertaining to student job placement.

- Small efforts and small successes in business engagement are credited as victories, as community college leaders consistently give employers high marks for modest actions.

Employers

- While 84% of business leaders surveyed claimed their organization hired community college graduates, the survey revealed that, in reality, employers do not perceive America's community colleges as the most efficient or effective way to acquire middle-skills talent. To the statement, "Community colleges are producing the work-ready employees that my company needs," only 26% of employers surveyed "strongly agreed," while 36% "agreed."

- Businesses recognize that their engagement is critical for creating a workforce of the future but expect educators to initiate efforts to bridge the gaps, despite the obvious imbalance in convening power between them.

- They systematically under-invest in their relationships with community colleges. When presented with a list of more than 40 actions for collaboration, there was no action that more than 60% of employers implemented. By contrast, community college leaders cited 32 actions that 75% to 100% of educators surveyed confirmed their institution was taking the action to promote collaboration with employers.

- Underpinning that low engagement is their belief that talent can be readily found in the open or "spot" market. Investing time and effort partnering with community colleges is not seen as easy or efficient. Only one in four employers could claim that they were transparent in communicating their hiring needs to educators.

- Further, business leaders believe community colleges are resistant to curriculum change. As high as 43% of all employers surveyed agreed with the statement, "My community college lacks the mandate or culture to develop programs that align with what employers are looking for." In holding such beliefs, employers fail to recognize the challenges of accelerating technological change on the ability of community colleges to provide state-of-the-art instruction.

- They prove to be generally unwilling to provide community colleges with the resources necessary to stay abreast of such developments, often presenting educators with major new requirements that are in immediate demand. As many as 47% of employers surveyed believed it was more cost-effective to hire talent from the open market rather than invest in training new talent. Only 22% of employers disagreed.

Educators and employers

- Community college leaders and business leaders value the partnership to produce a pipeline of workforce-ready students quite differently: 98% of educators surveyed believed a partnership between the two was "very important," compared to 59% of employers.

- Educators and employers countenance each other's weaknesses. While grading employers on the state

of collaboration with educators, 93% of surveyed community college leaders gave employers a "B" grade or lower. Only 7% of community colleges gave employers an "A" grade, a rating of "very satisfied."

- Neither collects, analyzes, or exchanges relevant data to assess the system's performance—the bedrock of a continuous quality-improvement routine. For example, when asked what percentage of their student body are incumbent workers, 64% of community college leaders said, "I don't know." One out of three business leaders surveyed believed it was not worth their time and effort to collect specific data on community college recruiting.

- Employers regularly insulate their senior management from the leadership of community colleges. Partnerships based on a direct relationship between the senior executives of the two institutions and, specifically, the respective chief executives are rare. Nearly half of employers surveyed believed community colleges lack the leadership to create the workforce of the future and the staff to maintain strong employer relationships.

- Oversight of the relationship between employers and educators is often vested in functional managers, such as Chief Human Resources Officers or hiring managers. That relegates the discussion of how to improve performance to tactical and procedural matters. Human resources professionals, however well-meaning, generally do not have a real-time command of the changing skills requirements. Just over 50% of business leaders surveyed were unable to assert that they knew which skills they were hiring for; 30% flatly admitted that they did not know which skills they were looking for in new hires.

- While there is ample conversation between the two entities, it is seldom focused on the substantive challenges that undermine the performance of their collaboration. A lack of a reciprocal understanding of the needs and constraints of the two potential partners leads to an inability to find common ground. For example, a majority of employers, 51%, endorsed the notion that students should be paid for work-based learning experiences. Only 39% of community college leaders had confidence that employers were willing to pay students in such programs.

Employers' approach to collaborating with educators reflected a self-fulfilling prophecy. Employers expected only a marginal return on their investment in the relationship with community colleges, so they capped the investment and, thus, guaranteed themselves a marginal return.

This current relationship between employers and community colleges is likely to labor under further duress. Community colleges face a series of challenges.

One concerns enrollment. An absolute decline in the population of potential students due to demographic changes has begun. Students, increasingly skeptical of the value of post-secondary degrees, anxious about incurring debt, and attracted to the wages currently available in a tight labor market are enrolling at declining rates. States, while currently awash in federal stimulus funding, have been consistently reducing support of higher education systems.

Employers, confronting a tight labor market, are investing in more-advanced technologies in order to boost productivity. But adopting new technologies often serves to exacerbate the very skills gap they bemoan, as working with such innovations often requires the higher-order digital and social skills that are in short supply. Having failed to develop talent-management pipelines in collaboration with local educators, they have come to rely on the spot market for labor and contingent work platforms to meet short-term needs. But such devices for sourcing talent are inherently limited. Employers in regions with aging or declining populations cannot rely on simply outbidding other companies for talent, especially in an era of declining geographic mobility by workers. Just-in-time hiring is likely to prove a risky proposition, as more and more employers are searching for candidates with the same skill set.

In sum, the partnership between employers and community colleges is currently not fit for the purpose of creating America's workforce. The depth of the collaboration is inadequate to meet America's needs to equip aspiring workers to fill tomorrow's critical middle-skills jobs, nor to address the widespread decline in living standards affecting too many citizens without college degrees. A failure to address the threat to America's skills base represents a genuine threat to the nation's competitiveness and, ultimately, the standard of living of its people.

But such an outcome is far from inevitable. Rebooting the system that provides America with middle-skills workers is very achievable—and in short order. It requires community college educators and business executives alike to accept that their historical practices need to be substantially overhauled. Businesses need to take the lead in any such effort, given their control over the most relevant currency in this market: jobs. But they can do so out of both a sense of self-interest and in the hope of creating better opportunities for more Americans.

GOAL 1	Partner with each other to offer training and education that is aligned with industry needs	

STRATEGIES	COMMUNITY COLLEGE ACTIONS	EMPLOYER ACTIONS
Co-create and regularly update college curriculum around relevant technical and foundational skills based on industry needs	Engage employers on industry advisory boards	Engage employers like yours on industry advisory boards
	Engage employers in curriculum design	Provide input to community colleges on curriculum design
	Offer industry-recognized certifications	Support community college efforts to offer industry-recognized certifications
	Offer micro-credentials (e.g., sales, IT support, service excellence)	Support community college efforts to offer micro-credentials (e.g., sales, IT support, service excellence)
	Help students obtain professional licenses	Support community college efforts to help students obtain professional licenses
	Teach foundational skills in the curriculum	Support community college efforts to teach foundational skills in the curriculum
	Teach technical skills in the curriculum	Support community college efforts to teach technical skills in the curriculum
	Offer workplace writing courses	Support community college efforts to offer workplace writing courses
	Offer workplace applied math courses	Support community college efforts to offer workplace applied math courses
	Offer workplace verbal communication courses	Support community college efforts to offer workplace verbal communication courses
	Develop standards for what skills and knowledge students can expect to acquire in their classes	Co-develop standards for what skills and knowledge students can expect to acquire in their community college classes
	Offer English for Speakers of Other Languages (ESOL courses)	Support community college efforts to offer English for Speakers of Other Languages (ESOL courses)
	Offer English for Speakers of Other Languages (ESOL courses) aligned with specific professions or industries	
Co-design programs that fit with students' lives and industry hiring cycles	Offer programs to help workers currently in the workforce upgrade their skills	Send current workers to upgrade their skills at community colleges
	Offer customized programs for companies' employees	Work with community colleges to offer customized programs for company employees
	Develop program calendars that are convenient for employers and learners (e.g., weekend classes, nighttime courses)	Support community college efforts to develop program calendars that are most convenient for employers and learners (e.g., weekend classes, nighttime courses)
	Offer credit for students' prior knowledge	[Question not asked of employers due to lack of relevance]
	Offer credit for students' prior work experience	[Question not asked of employers due to lack of relevance]
Incorporate classroom experiences that simulate real-world settings and scenarios	Source industry practitioners to teach community college courses	Offer industry practitioners to teach community college courses
	Offer job-site visits for community college students	Offer job-site visits for community college students
	Source projects that reflect real-world work from employers for community college class curriculum	Offer class projects that mimic real-world work for community college courses
	Offer non-credit-bearing experiential learning opportunities (e.g., volunteer, job shadowing, internship opportunities)	Support community college efforts to offer non-credit bearing experiential learning opportunities (e.g., volunteer, job shadowing, internship opportunities)
	Offer credit-bearing experiential learning opportunities (e.g., for-credit co-op programs, for-credit apprenticeship programs)	Support community college efforts to offer credit-bearing experiential learning opportunities (e.g., for-credit co-op programs, for-credit apprenticeship programs)
	Enlist industry practitioners to train community college instructors (utilize "train the trainer" models)	Enlist industry practitioners to train community college instructors (utilize "train the trainer" models)
	Solicit donated or leased equipment or software licenses from employers	Donate or lease equipment or license software to community colleges
	Create work-based or learn-and-earn opportunities	Create work-based or learn-and-earn opportunities for community college students

GOAL 2	Establish relationships with each other that result in the recruitment and hiring of students and graduates	

STRATEGIES	COMMUNITY COLLEGE ACTIONS	EMPLOYER ACTIONS
Dedicate staff time toward managing college-employer relationships	Assign a team or individual to manage community college-employer partnerships	Assign a team or individual to manage community college-employer partnerships
	Establish partnerships for employers to recruit and hire from your community college	Establish partnerships for employers to recruit and hire from community colleges
	Partner with employers where your graduates work	Partner with community colleges that your employees come from
	Encourage community college faculty to build relationships with recruiters and hiring managers	Encourage recruiters and hiring managers to build relationships with community college faculty
Create processes for hiring community college students and graduates	Deploy technology to facilitate contact between community colleges and employers (e.g., Handshake, Salesforce, etc.)	Deploy technology to facilitate contact between community colleges and employers (e.g., Handshake, Salesforce, etc.)
	Offer in-person or virtual sessions for community college students to meet with recruiters and hiring managers	Offer in-person or virtual sessions for community college students to meet with recruiters and hiring managers
	Work with employers to establish policies, recruiting calendars, standard procedures, and/or hiring best practices	Work with community colleges to establish policies, recruiting calendars, standard procedures, and/or hiring best practices
	Offer career services (resume/cover letter writing, job-search fundamentals)	Support community college efforts to offer career-building support services (resume/cover letter writing, job-search fundamentals)
Develop commitments for hiring and recruitment	Commit to job guarantees for community college graduates (employer commitments to hire a fixed number of students per cycle)	Commit to job guarantees for community college graduates (employer commitments to hire a fixed number of students per cycle)
	Commit to hiring targets for community college graduates (employer commitments to hire an approximate number of students per cycle)	Commit to hiring targets for community college graduates (employer commitments to hire an approximate number of students per cycle)
	Establish employer-funded scholarship programs for community college students	Establish employer-funded scholarship programs for community college students
	Solicit employment opportunities for community college-wide job boards	Post employment opportunities on community college-wide job boards
	Solicit employment opportunities on academic department-specific job boards	Post employment opportunities on academic department-specific job boards
	Co-design marketing campaigns with employers to attract students to community college programs	Co-design marketing campaigns with community college to attract students to programs

Sidebar II: **Actions for collaboration between community colleges and employers** (continued)

GOAL 3 Make supply and demand decisions that are informed by the latest data and trends

STRATEGIES	COMMUNITY COLLEGE ACTIONS	EMPLOYER ACTIONS
Collect and share data on the local supply for talent	Collect and monitor data on local demographic trends	Collect and monitor data on local demographic trends
	Seek feedback from employers on your community college as a partner (at least once per year)	Seek feedback from community college leaders on your company as a partner (at least once per year)
	Survey community college graduates on their experience at their company (at least once per year)	Survey employees who attended community college on their experience at your company (at least once per year)
Collect and share data on the local demand for talent	Survey employers on their workforce needs (at least once per year)	Survey the local community on its workforce needs (at least once per year)
	Track the local community on its workforce needs (at least once per year)	
	Track data on job/industry trends (e.g., job/earnings growth)	Track data on industry trends (e.g., changing nature of jobs in your industry)
		Track the retention rates of employees who attended community college
Build mechanisms to jointly monitor and improve the supply and demand for talent	Use job placement rate as part of your community college's outcome metrics	[Question not asked of employers due to lack of relevance]
	Use graduate wages as part of your community college's outcome metrics	[Question not asked of employers due to lack of relevance]
	Prioritize job placement rate over graduation rate as a community college outcome metric	[Question not asked of employers due to lack of relevance]
	Embed workforce development objectives into your community college's strategic plan	[Question not asked of employers due to lack of relevance]
	Counsel students to enroll in programs with the highest labor market demand	Support community college efforts to counsel students to enroll in programs with the highest labor market demand

About the authors

Joseph B. Fuller is a Professor of Management Practice at Harvard Business School. He co-chairs the Project on Managing the Future of Work at Harvard Business School as well as The Project on Workforce at Harvard. He is a visiting fellow at the American Enterprise Institute.

Manjari Raman is a Program Director and Senior Researcher for the Project on Managing the Future of Work as well as the Project on U.S. Competitiveness at Harvard Business School.

The authors extend their deep gratitude to former research associate Gorick Ng for his many contributions to every aspect of this research. In addition, the following research associates provided exceptional support in areas such as survey design, survey execution, data analysis, and fact-checking: Coelin Scibetta, Ria Mazumdar, and Asher Lasday.