

Testimony of Lydia Logan, Vice President, Global Education and Workforce Development, Corporate Social Responsibility, IBM

**U.S. House of Representatives
Education and the Workforce Higher Education and Workforce Development Subcommittee Hearing, “Examining America’s Workforce Challenges: Looking for Ways to Improve Skills Development.”**

May 11, 2023

Good morning, Chairman Owens, Ranking Member Wilson, and distinguished Members of the Subcommittee. I am Lydia Logan, IBM’s Vice President for Global Education and Workforce Development. Thank you for the opportunity to testify on the state of skills development in the United States, the role of employers in providing new skilling opportunities toward career advancement, and the role of government in supporting employer-led programs.

In my role at IBM, I create more effective education and workforce programs by leading our community and university skills initiatives. These programs help fulfill IBM’s pledge to skill 30 million people worldwide by 2030. Today, I will share IBM’s experience leading skills development programs and our perspective about the need for multiple pathways to careers – especially in the technology sector. I will also share some policy recommendations that can holistically expand and scale proven efforts nationwide.

Despite economic uncertainties, the current unemployment rate remains historically low. The U.S. is experiencing a massive skills shortage across industries and employers are competing for workers with the right mix of skills and competencies for available positions. According to a recent report, 77% of employers face difficulties finding qualified talent – a 17 year high.¹ At the same time, enrollment at traditional higher education institutions continues to decline. And employers estimate 44% of workers’ skills will be disrupted or changed in the next five years, according to a World Economic Forum report.²

To help solve these workforce challenges, targeted skills development programs with on-the-job experience play a vital role. These programs help ensure workers and job

¹ <https://go.manpowergroup.com/talent-shortage>

² https://www3.weforum.org/docs/WEF_Future_of_Jobs_2023.pdf

seekers obtain the in-demand skills employers seek and ensure longevity in fulfilling careers.

In our experience and research, IBM has found that time and money are two of the greatest barriers for workers as well as businesses looking to create new skills programs. According to a recent study we commissioned with Morning Consult, 60% of students, people seeking new jobs, and people seeking to change careers worry that online learning or obtaining digital credentials may be costly to obtain.³ As a global technology leader, we believe the U.S. must rethink its education and workforce development approach to meet today's market needs in order to create good-paying jobs and opportunities for more Americans.

To help close the skills gap, we offer a range of education, skills, and career readiness programs to U.S. students and job seekers at no cost. Our programs help Americans get on the path to technology careers by reskilling people in early or mid-career job roles via our registered apprenticeship program or through collaborative partnerships with nonprofit organizations, education systems, and skilling programs. Employee life-long learning and development have been a hallmark of IBM's culture since graduating its first class of sales professionals in 1916. Today, we continue to invest in learning and development programs.

Our employees are expected to complete a minimum of 40 hours of professional development annually to continuously build their skills and remain competitive in today's marketplace. Our employees exceed that mark: In 2022, IBMers completed an average of 88 hours or 22 million learning hours collectively. As a result, 9 out of 10 IBMers now have skills of the future, compared to 3 out of 10 when we started this initiative more than 5 years ago. Credentials, including digital badges, that provide a measure of learning progress and skills acquisition are a vital part of IBM's robust education and professional development strategy. These credentials provide employees a portable means of carrying their learning achievements along their career journeys.

Nonetheless, we also recognize that more needs to be done and done at scale to ensure our country can remain competitive globally.

³ <https://newsroom.ibm.com/2023-02-14-New-IBM-Survey-Reveals-the-Greatest-Perceived-Barrier-to-Professional-or-Technical-Skill-Development-is-that-the-Programs-are-Too-Expensive>

Expanding Career Pathways

Several years ago, IBM coined the term “new collar” jobs to describe in-demand, well-paying jobs that did not require degrees because for these roles a candidate’s skills matter more. Further, a focus on new collar jobs creates opportunities for new sources of talent with diverse backgrounds and skill sets previously excluded by the lack of a college degree. We speak from experience: rewriting job descriptions and removing the four-year degree requirement in more than half of IBM job openings in the U.S. resulted in more diverse applicants – including a 63% increase in underrepresented applicants – and almost 20% of our U.S. hires joining without a degree.

To further the point: 62% of Americans 25 years of age or older do not have a bachelor’s degree, and traditional four-year degree requirements exacerbate inequality in the workforce, which results in around 79% of Hispanic and 72% of Black applicants being ruled out from consideration for roles with traditional degree requirements. A national skills first – as opposed to degree first – policy would help bridge the gap between job openings and qualified applicants.

IBM Apprenticeship Program

The IBM Apprenticeship program is another way IBM is expanding pathways to meaningful careers in technology. We started our first-of-its-kind technology apprenticeship in 2017, and in its first year it grew nearly twice as fast as expected. Today, we have more than 30 different apprenticeship job roles, from cybersecurity to AI to digital design.

Furthermore, IBM's technology apprenticeship programs allow people to earn and learn at the same time – participants do not have to choose between education and career. Our apprenticeship programs earned official recognition from the American Council on Education (ACE) for more than 40 college credits, which is approximately 80% of the credits needed toward an associate degree, with no cost for the apprentices. To cite one example, our Application Developer role recently was evaluated by ACE for a recommended 51 credit hours. We are currently working with community colleges to seamlessly transfer these credits and add complementary courses that would lead to an associate degree for the apprentices.

We know this work-based learning model works because it’s positively impacting people’s lives⁴. As Adrianna – an IBM apprentice graduate who now serves as the IBM Recruitment Professional shared, “My life truly changed overnight. I went from putting

⁴ <https://www.pbs.org/newshour/show/how-apprenticeships-can-bridge-the-employment-gap-for-workers-without-college-degrees>

out fires all hours of the day and night, to being able to actually enjoy a vacation with my family knowing that my team had my back. That's time well spent with my daughter, and thanks to IBM, I can do that!"⁵

IBM Z Mainframe Apprenticeship Program/Franklin Apprenticeship Partnership

Another example of how IBM is providing non-traditional pathways for Americans to enter the workforce is through our IBM Z Mainframe Employer Apprenticeship Program. IBM is working with over 30 Fortune 100 companies – and mainframe clients – to recruit and prepare ZSystem mainframe administrators for our clients that hire them into Registered Apprenticeship roles.

Currently, 67% of Fortune 100 companies use the IBM Z mainframe infrastructure but find it challenging to identify talent with the right skills to maintain and innovate on the platform. The IBM Z platform is critical to large-scale enterprise success – delivering core services for cloud and hybrid cloud environments and supporting mission-critical financial services transactions. IBM partnered with Franklin Apprenticeship to offer our IBM Z platform clients a solution to getting the talent they need and providing a rewarding career to capable, committed individuals without a technology degree or prior experience. To date, our mainframe clients – banks, large retailers, automakers – have hired close to 200 apprentices across the country. The validity of this program is demonstrated by the fact that our clients are coming back to us for additional talent.

IBM SkillsBuild

As part of our commitment to skill 30 million people worldwide by 2030, particularly in underrepresented communities, we offer the cost-free IBM SkillsBuild education program to high school and university students, educators, and adult learners. IBM SkillsBuild enables learners to develop valuable new STEM and workplace skills and access career opportunities through customized, practical learning experiences.

IBM SkillsBuild offers over 1,000 courses in up to 20 languages, with the opportunity to earn IBM-branded digital credentials recognized by the market on such topics as cybersecurity, data analysis, artificial intelligence, cloud computing, and professional skills. The customized, curated learning experiences include work-based learning projects, direct conversations with IBM's experts and mentors, and connections to career opportunities. The online version at skillsbuild.org is open to anyone and is flexible in meeting individual learning needs for place, pace, and path. Additionally, we offer an enhanced version of the program through partner organizations.

⁵ <https://www.ibm.com/blogs/jobs/reinvent-your-career-with-the-ibm-apprenticeship-program/>

More specifically, these partnerships provide specialized support to learners during their journey, including connecting to career opportunities. For example, in 2022, IBM announced a partnership with the U.S. Department of Veterans Affairs⁶ and now offers enhanced resources through IBM SkillsBuild for transitioning service members in need of skills to pursue high-demand technology roles. Our partnership with the VA also serves as an enhancement and support for the Veteran Employment Through Technology Education Courses (VET TEC) program. As part of this partnership, we also provide IBM experts to support U.S. veterans throughout their job application process. Additionally, one of our partners, CompTIA is engaging with multiple state workforce boards, to explore partnerships for the A+ and IBM SkillsBuild cobranded opportunities.

IBM Digital Credentials help democratize education and boost employability, especially for individuals without college degrees, by providing a way to demonstrate knowledge, skills, and abilities in specific areas of technology. In today's rapidly changing job market, traditional college degrees are increasingly financially unattainable for most of the adult working population. Digital Credentials offer an alternative, cost-effective approach to workforce development, and provide incremental skills development options to populations in need of upskilling and reskilling.

Bria, an IBM Apprentice graduate was encouraged by her community college instructor to take IBM SkillsBuild courses and learn new skills for an IT career. Now she works as a consultant at the IBM Client Innovation Center in Baton Rouge, Louisiana. She loves her new tech career, and her future is bright. As Bria shared in a recent blog post, “I can’t wait to see what the future has in store for me. In the next five years, I hope to see myself still working in the tech field and at IBM. Having worked on projects that made a difference for people. Being a mentor to others like me to help them see their potential.”⁷

Policy recommendations

Our nation’s education and workforce systems are not equipped to meet the market demands of the modern, digital economy. And there is no silver bullet to fix that. Instead, we suggest employers, policymakers, education providers, and other stakeholders act collectively to make the most significant impact to help current and future workers.

⁶ <https://www.forbes.com/sites/carolinamilanesi/2022/05/12/ibms-new-partnerships-to-address-cybersecurity-talent-shortages-also-drive-social-impact/?sh=7fea3a1e2fdf>

⁷ <https://www.ibm.com/blog/how-ibm-skillsbuild-supercharged-a-community-college-students-career-path/>

To that end, IBM recently launched the Skills First Coalition – an advocacy group comprised of businesses and innovative education providers – to advance policies that align education and workforce development with jobs that are in-demand and growing to expand career opportunities for millions of Americans.⁸ The coalition has a broad membership of employers representing different industries – retail, advanced manufacturing, and technology, to name a few. Still, we all have one thing in common – we all need workers with the right mix of fundamental, durable, and technical skills. As a result, our member companies are committed to delivering innovative workforce development programs to broaden talent pools while engaging in advocacy to make the public workforce system easier to navigate for employers.

As this Committee explores ways to modernize the workforce development system and coordinate programs more efficiently across government agencies, we offer the following recommendations:

1. **Align higher education and workforce development laws to focus on skills attainment.** The need for skills-based education is on the rise and higher education is not keeping pace. It's critical our federal higher education and workforce laws work together to provide the necessary resources to attain in-demand skills. We encourage Congress not only to update federal laws, but innovate across the federal landscape and break down programmatic silos.
2. **Dedicate Individual Accounts (ITAs) for workforce development.** We know that work-based learning works. IBM advises Congress to remove barriers limiting skills attainment within WIOA, including dedicating funding towards Individual Training Accounts, increasing dollar limits on incumbent worker programs, and enhancing work-based learning programs. We encourage Congress to invest in work-based learning opportunities, including earn-while-you-learn programs, apprenticeships, and internships initiatives.
3. **Reform the Eligible Training Provider List (ETPL).** More effectively and directly connect the ETPL to the needs of employers with in-demand and growing jobs, ensure flexibility by allowing online and hybrid workforce development programs, and focus on quality and outcome measures. Also, Congress should ensure employers on the ETPL can provide upskilling and reskilling, especially for pre-apprenticeship, apprenticeships, and other on-the-job opportunities.

⁸ <https://www.ibm.com/policy/wp-content/uploads/2023/01/Skills-First-Coalition-Letter-to-118th-Congress-1.pdf>

4. **Increase transparency and reviews of outcomes.** A recent report⁹ from Harvard University's the Project on Workforce showed job-seekers do not have access to complete information to help guide their decision to pursue skills development programs. A vital part of this is the availability of the quality and transparency of outcomes data on critical program measures such as completion and employment rates, credential attainment, and earnings. As such, improved access to quality data will lead to more transparency and help move the system toward high-quality, affordable skilling opportunities aligned with the needs of regional, state, and local employers.

Relatedly, we also believe Congress can encourage the development and coordination of an open, interoperable data infrastructure – rooted in strong privacy and security measures – to support increased transparency and provide insights to learners, employers, and job seekers. Coupled with federal convening and coordination, states should also continue to integrate high-quality labor market data tools to better connect learners with education and employment opportunities.

We know this work can be done in a way that unlocks opportunities for *all* Americans, but it's going to require us – industry, government, education institutions and other community stakeholders – to shift the way we approach education, skills development, and hiring. We have an unprecedented opportunity before us to transform our education and workforce systems to uplift more Americans and enrich their lives and our society. Thank you again for the opportunity to share IBM's experience and recommendations with the Committee.

⁹ <https://www.pw.hks.harvard.edu/post/publicjobtraining>