



Testimony by Peter Beard, Greater Houston Partnership
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Relating to Supporting Quality Workforce Development Opportunities and
Innovations to Address Barriers to Employment

Thank you, Chair Murray, Ranking Member Burr, and members of the Committee for the invitation and opportunity to testify on this important topic that is critical to the long-term economic growth and competitiveness of the United States and to the economic mobility and prosperity of many of its citizens.

Good morning. My name is Peter Beard and I serve as the Senior Vice President for Workforce Development at the Greater Houston Partnership where I lead its [UpSkill Houston](#) and [Houston Back on Track](#) initiatives. With 900 members and a board of business and civic leaders, the [Greater Houston Partnership](#) serves as the Houston region's chamber of commerce and economic development organization focused on a mission of ensuring Houston's place as a great global city. The Partnership has long championed Houston's growth through economic development efforts aimed at attracting leading global companies to Houston, creating jobs and contributing to the region's GDP.

The Greater Houston Partnership created the UpSkill Houston as an employer-led, jobs-first initiative to address the skills gap challenge Houston (and every regional economy in the United States) faces with a changing industry base, an increasingly diverse population, and a fundamental shift in our regional economy (e.g., the energy transition). The skills gap exists when too many employers can't find diverse workers with the skills needed for success in the workplace, when and where the employers need them; and when too many people lack the skills, education, and credentials they need to compete for good 21st century jobs and to share in the economic prosperity of the region. UpSkill Houston focuses on the good occupations in the region that require education and skills beyond high school and less than a four-year college degree – "middle-skill" occupations.

In this morning's testimony, I will be focusing on four themes:

1. Developing baselines of existing skills and capabilities to support upskilling into quality jobs or occupational pathways.
2. Strengthening skills-based hiring and education.
3. Ensuring effective transitions into employers' workforces.
4. Supporting quality life-long learning that enhances occupational mobility and economic prosperity.

As context for my testimony, it is clear that the COVID-19 pandemic has accelerated the fundamental shift that has been taking place in regional economies to technology-enabled, innovation-based economies. In light of the pace of change and associated economic uncertainty, the following trends

described below will likely continue to create additional challenges and skills gaps that we will need to be address through strong alignment, innovation and agility:

- Skills are becoming **obsolete more quickly**; and will require routine on-the-job upskilling and reskilling of the existing workforce.
- Digitization and automation technologies are affecting all jobs – creating new ones, augmenting certain roles, and automating others – and will require workers to have higher levels of **digital and technology skills** across industries and functions.
- Employers are placing higher premiums on the **soft / non-cognitive skills** that are essential for baseline success in the workplace.

The foundation for addressing these challenges is the presence of robust, accurate, and timely labor market data and information. Strong engagement and leadership from employers and business leaders have been essential for ensuring Houston’s employers have access to the skilled talent they need to compete and grow. In our work, we utilize the U.S. Chamber of Commerce Foundation’s Talent Pipeline Management® (TPM) framework and tools to ensure that **employers truly lead the work**. The framework provides consistency in the approach and creates the foundation to scale across a large region and provides essential data and information to drive action and performance.

The Greater Houston Partnership and UpSkill Houston fundamentally believe that quality education and skills development creates a virtuous cycle of economic growth and opportunity for the Houston region and requires strong employer leadership and engagement. To strengthen this virtuous cycle will require coordination, alignment, innovation and performance across multiple regional systems (i.e., education, higher education, workforce and community-based social services sector).

Developing baselines of existing skills and capabilities

Effective career coaching, counseling and advising are emerging as essential supports needed to assist workers with navigating the changing career pathways in today’s technology-enabled, innovation-based economy. Employers increasingly are segmenting critical skills into three broad categories: 1) Essential / Soft Skills, 2) Digital Skills, and 3) Technical / Job-Related Skills. Counselors and employers need to know what abilities, skills and personality dispositions are present in job candidates to guide them to occupations leveraging these innate abilities. In some cases, these can be inferred by previous positions which can be used to identify adjacent occupations with greater career mobility and opportunity.¹ “Next mile” skills training can then be identified to assist an individual in transitioning into that new pathway.

In Houston, we are using a tool developed by [Fast Forward Works](#) (“FFW”) to aggregate data related to inherent and innate capabilities existing workers possess and then to identify correlations and the presence of similar capabilities in opportunity populations that would suggest individuals might be successful in occupational roles.² When career counselors and navigators understand the presence of

¹ Federal Reserve Bank of Philadelphia has developed it [Occupational Mobility Explorer](#) to identify opportunities for workers to transfer their skills from one occupation to a similar — but higher-paying — occupation in the same labor market.

² The Fast Forward Works assessment platform contains psychometric instruments validated over decades of use in the academic literature to assess and measure cognitive abilities (e.g., critical thinking, pattern recognition, time sharing, etc.) and personality characteristics (e.g., conflict resolution, self-efficacy, self-actualization, risk avoidance, etc.).

these capabilities, they can assist individuals in exploring potential career choices that can increase sustainability and success.

Fast Forward Works (“FFW”) has conducted occupational studies with employers in the trucking industry looking for “safe” truck drivers and in the customer service sector seeking to identify “good” customer service representatives. By developing customized assessments of key aptitudes, FFW has been able to develop a quantitative model found to be predictive of “safe” truck drivers and “good” customer service representatives.

In Houston, we combined the occupational studies with assessments conducted with 100 clients who have various disabilities including autism and anxiety disorders, as well as learning and physical disabilities. FFW is working with Texas Workforce Solutions-Vocational Rehabilitation Services (“VRS”) to test the feasibility of assessing VRS clients in the comfort of their own homes using a one-hour FFW cloud-based assessment measuring their cognitive abilities and aptitudes to identify meaningful employment opportunities. Traditionally, it has been necessary for them to go to a psychologist’s office to take various assessments which is costly to the state and is burdensome to the clients.

Using data from the occupational study for customer service representatives, FFW found that about 10% of the VRS clients tested would be good statistical fits for customer service roles. Quantitatively understanding and verifying the cognitive and personality characteristics of job candidates can potentially bring massive efficiencies to employers’ hiring and talent acquisition efforts, resulting in improved success rates for these clients. This approach also de-risks the hiring of these job candidates to the benefit of both employers and candidates.

As we increase the inventory of occupational studies analyzing high demand jobs, Houston will have the foundation to scale this work in an efficient and objective way and connect unconventional job candidates to employers in need of quality candidates.

Strengthening skills-based hiring and education

Employers are moving to skills-based hiring with proficiency assessments (and away from the pedigree of a college degree). Several examples include: Memorial Hermann Health (removing high school diploma requirements for entry-level positions) and Houston’s industrial construction contractors (using industry developed competency maps and skills verification).

While data and information from state and federal agencies (e.g., education agency, higher education commission, and workforce board) are important starting points, aggregated, collective and real-time information and data **from employers** are what educational institutions, community-based organizations, and workforce development agencies require to strengthen education programs. Employers have direct access to and knowledge about this critical information and, when aggregated for an industry, can benefit education, community and workforce institutions:

- How many and what types of workers they need and when and where employers need them.
- What skills and competencies workers need to possess to be successful in the workplace.
- From where their best talent comes (e.g., internally, educational institutions, military, staffing agencies, community-based organizations, etc.).

With three critical pieces of information, employers can partner in new and more effective ways with education, workforce programs, and community-based organizations. With this valuable information,

these organizations can develop and improve their programs to ensure students and adult learners develop the skills and competencies employers need in their workers to be successful. This strengthens the role of the talent providers and developers as they add critical value to learners and workers along a value chain that can start with career awareness and progress to employer upskilling and retention efforts. The State of Texas, along with six other states, will be a part of pilot project with the U.S. Chamber of Commerce Foundation to improve the quality and detail of state labor market information collected through enhanced Unemployment Insurance reporting. This Jobs and Employment Data Exchange (JEDx) project will streamline and improve how employers report data to government agencies; produces better longitudinal data about jobs and employment to power new workforce analytics while protecting privacy; and empower individuals with data and trusted records to verify work history as well as their eligibility for government benefits.

Houston's industrial construction contractors have significantly advanced their efforts in skills-based hiring and education by developing competency maps that describe the skills and abilities craft professionals need to develop in order to move to the next level their careers, from entry-level helper to top-level journeyman. The industry collaborated to describe the skill sets for each level, mapped the skills to the relevant modules in the national construction curriculum (NCCER or National Center for Construction Education and Research), and developed performance verifications to ensure individuals have skills proficiency and can perform the relevant tasks and activities. The competency maps also provide the career pathways for individuals to advance in their careers and provide mobility of workers across employers.

Ensuring effective transitions into employers' workforces

Against a backdrop of limited resources, we confront the reality of a significant challenge to support underserved populations as they prepare for and obtain the skills for good occupations. Many times, this requires that individuals have access to and receive the necessary wraparound supports and services (i.e., transportation, childcare, employment preparation, etc.) in order to ensure success. The effective transition into an employer's workforce is a critical to long-term success for many individuals.

Community-based, social service organizations not only provide the wraparound services, but build longer term relationships with their clients and provide ongoing supports for employment success once client enter the workforce. UpSkill Houston works closely with United Way of Greater Houston to support its community partners in partnering with employers to address barriers or breakdowns when they arise. During Summer 2021, UpSkill Houston conducted user research to understand the barriers and challenges of individuals and underserved populations impacted the pandemic. Four personas were developed and have assisted community-based organizations and employers adapt their programs and hiring requirements to be responsive to those barriers. This work ensures there is risk sharing that can avoid a bad outcome and support success.

United Way has also collaborated with the Gulf Coast workforce board to establish the Workforce Connector program that creates the opportunity for cross-referrals between workforce career offices and community-based, social service organizations to ensure a more comprehensive suites of services and supports are available to a client. The program also highlights how more effective coordination, alignment and integration between community colleges (i.e., career and student services), community-based organizations (i.e., wraparound services and supports, ongoing relationships), and workforce career offices can optimize the supports individuals are receiving.

Supporting quality life-long learning to enhance occupational mobility and economic prosperity

As I noted previously, skills are becoming **obsolete more quickly**; and will require routine on-the-job upskilling and reskilling of the existing workforce. The associated pace of change and economic uncertainty, however, will likely make it more challenging to solve talent shortages through the traditional education and workforce systems and will require more adaptable and agile approaches and these trends are having implications today. More importantly, workers will now be expected to be lifelong learners.

Many of Houston's commercial and industrial construction firms (Turner Industries, S&B Engineers and Constructors, Marek Bros., TD Industries and Trio Electric) have created internal skills development programs which are closely aligned and coordinated with their business needs and to strengthen retention. Upskilling appears to be more effective when provided in the context of an individual's current employment because the additional skills are generally context specific.

It is important to note that we continue to see an increasing number of employers strengthening their upskilling and reskilling efforts for front-line workers through expanded use of tuition and educational benefits. Several examples of this trend include Waste Management's (headquartered in Houston) *Your Tomorrow* program, AT&T's *Future Ready* program, Walmart's *Live Better U* and *Walmart Academy*. Guild Education has emerged as an important partner for companies seeking to use their tuition and education benefit programs to more strategically upskill and reskill their existing workforces. We believe these trends will only accelerate and clearly impact adult learners, students and educational institutions.

Conclusion

Technology-enabled, innovation-based economies are accelerating the shift in the skills needs of employers at an accelerating pace. The Houston region requires strong employer leadership and engagement to drive the innovation necessary to strengthen the virtuous cycle of economic growth and prosperity. With improved coordination, alignment, innovation and performance across multiple regional systems that develop our region's and the nation's talent, we are optimizing the supports and services individuals and adult learners require to improve their economic mobility and prosperity through better jobs.

Thank you for the opportunity to provide this testimony.

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