

Fairfax County Economic Advisory Commission
(EAC) Working Group

Work-Based Learning for Fairfax County Businesses and Employers

Briefing Report/Working Draft

March 2022

This briefing report and working draft was prepared for the Fairfax County Economic Advisory Commission (EAC) to inform the March 23 EAC workgroup meeting on work-based learning. The purpose of this report is to provide EAC workgroup members with an overview of the current challenges and opportunities related to today's employment and talent management environment from an employer perspective and relate these business imperatives to research-based benefits associated with work-based learning (WBL) solutions. It also outlines examples of work-based learning in action and identifies several current Fairfax County WBL initiatives together with regional gaps in WBL delivery capacity. This briefing concludes by outlining several potential options that may facilitate access to expanded WBL opportunities in Fairfax.

Briefing Paper Topics:

1. Talent Attraction and Retention Challenges
2. Work-Based Learning (WBL) Overview and Benefits
3. Solution Examples
4. Fairfax County WBL Programs and Opportunities
5. Challenges to WBL Adoption and Implementation
6. Solutions to Consider and Build Upon

1. Talent Attraction and Retention are the #1 Challenges Facing Many Northern Virginia Businesses

Every day, we learn of more examples of [businesses challenged by a lack of qualified workers](#) and unpredictable business operations due to impacts from ‘[The Great Resignation](#)’ throughout the U.S., including [here in Virginia](#). Nationwide, employers have posted record highs of 10-11 million job openings each month since mid-2021, alongside another record of 1.7 job openings per unemployed worker in [December 2021](#). Recent surveys of small businesses in Northern Virginia (see slides 6 and 8 in [this Fairfax County Economic Advisory Committee presentation](#)) indicated that finding and keeping qualified workers rose to become the #1 concern for these business leaders. As of December 2021, Fairfax County’s unemployment rate was 2.2%, close to its recent low of 1.7% in December 2019, indicating full employment.

These challenges are unlikely to recede completely when the pandemic is over. Data suggests that the pandemic has accelerated [seismic long-term demographic shifts](#) in the labor market. For example, since the onset of the pandemic to December 2021, [Fairfax County’s civilian labor force](#) shrank by 4.4%. Most of the demographic signposts that have steadily increased the size of the U.S. and Northern Virginia’s workforce over the past several decades [point towards slower growth](#), including: retirement of highly skilled baby boom workers, flattening rates of youth entering the workforce, reduced flow of immigrant workers, and declining female labor force participation. In recent decades when the overall workforce was growing strongly, employers could more easily find and retain workers with related experience and preferred credentials. However, in our slow-growing labor pool, businesses and employers will need to re-think their traditional talent acquisition, retention, and development strategies for the foreseeable future. And since the labor shortage is a national problem, attracting talent from other areas may be increasingly difficult when every region is trying to recruit talent from one another.

From a business perspective, it’s becoming clear that talent attraction and retention strategies that worked in the past are no longer viable. Fortunately, there is an option that can help businesses begin to address these workforce challenges by developing non-traditional sources of talent: **work-based learning**.

Employer WBL engagement options are on a continuum beginning with helping students explore career options in K-12 classes; to pre-employment career preparation such as internships and health care clinicals; to learning that is fully-integrated with on-the-job work experience, such as apprenticeships and structured on-the-job training with mentors (See [Colorado’s WBL continuum example](#)).

Work-based learning is connected to, integrated with, and informed by actual work. WBL helps prospective workers of any age and stage deepen their technical training with hands-on learning for the workplace, as well as develop broader work readiness capabilities for new professional roles.

2. Work-Based Learning: Overview and Benefits

Quality work-based learning is a proven way for businesses to attract, develop, and retain talent from previously overlooked worker groups.

High quality work-based learning can deliver benefits that directly address today's top talent priorities faced by Fairfax County businesses and employers, as highlighted below.

- **WBL Enlarges Candidate Pools:** WBL can increase the pool of potential workers by re-defining hiring requirements to include candidates who are currently investing in workplace skills development rather than restricting hiring only to candidates that have previous experience and credentials. For example, lowering the educational requirement for a hard-to-recruit job from a bachelor's degree to a high school diploma (plus additional work-based learning) can increase the pool of eligible Fairfax County applicants by up to 50%.
- **WBL Taps into the Benefits of Diversity:** WBL appeals to diverse worker audiences, which is especially important in a county that grows more diverse each year. Evidence highlighting the business benefits of a diverse workforce is piling up, such as a 2018 report on [The Business Case for Racial Equity](#) which found that "companies with a more diverse workforce have been shown to have more customers, higher revenue and profits, greater market share, less absenteeism and turnover, and a higher level of employee and customer commitment to their organizations." [Another recent study](#) found that greater gender diversity contributed to 14% higher revenues for a retail company and 19% higher profits for a hospitality business.
- **WBL Increases Retention of New Hires:** A review of multiple employer case studies of candidate sourcing from pre-employment work-based training programs compared to direct recruiting showed increased employee retention of 9%-50% associated with WBL candidate sourcing, likely because workers have already invested in preparing for the career opportunity before applying.
- **WBL Accelerates New Worker Productivity:** Employer-based case studies show how the potent combination of technical skills training and immediate on-the-job learning enables newly hired apprentices to double their productivity within one to three years. Multiple studies of employers found that these and other benefits combine to deliver a return-on-investment to the sponsoring employer that averages around \$1.40 for each \$1 invested.

3. Solution Examples: Businesses of Many Types Have Developed Work-Based Learning Initiatives to Address Talent Challenges

Case studies of employers in a variety of business sectors that benefit from work-based learning solutions are also growing. Below are several examples.

- A number of years ago, a fast-growing **Alexandria, Virginia law firm** needed to recruit many new administrative staff to help maintain their complex patent law files. Over a 4-year period, they hired 23 graduates of a nonprofit digital skills training program, most of whom were hired based on their strong performance in internships. Their HR director conducted a comparison analysis of these WBL hires compared to traditional candidate sources. She found that 20 of the 23 WBL-sourced hires were still with the company, representing a 25% reduction in turnover. Additionally, 78% of the WBL hires had earned at least one promotion at the law firm.
- Several years ago, **Inova Health System** struggled to recruit entry-level hospital administrative staff via traditional candidate sourcing and chose to partner with an area nonprofit job training program to develop new three-week internships that gave them an opportunity to observe potential candidates before making an offer. A former Inova senior recruiter estimated a 95% success rate for these specially-trained interns over many years that the partnership operated (See this [HHS-published resource](#), pages 25-26).
- In 2020, the **City of Alexandria, Virginia** piloted a new paid work-based learning program using approximately \$300,000 in federal CARES Act funding to cover wages for three months. Participants included workers dislocated due to the Covid-19 pandemic but interested in transferring their skills into new career paths. There were also highly skilled foreign-trained professionals who wanted to develop US based work experience. Of the 35 participants in the initial pilot, 19 found permanent employment with their WBL host or other employers in less than four months. The range of occupations included information technology, project management, administrative support, building trades and logistics. The city has decided to scale up this pilot with additional funding of 1.5 million dollars in federal ARPA funding.
- In cities like Atlanta (health care), Houston (building trades), and Portland, Oregon (manufacturing), **industry-specific WBL intermediary organizations** effectively coordinate a variety of large-scale work-based learning initiatives among many small to mid-sized employers, regional training programs and nonprofit support service organizations, according to [this 2020 National Skills Coalition report](#). Such intermediaries absorb some of the management and coordination responsibilities to allow smaller businesses and nonprofit provider organizations with less staff capacity to participate in and benefit from WBL initiatives.

4. Fairfax County Work-Based Learning: Programs and Opportunities

Fairfax county businesses can tap into existing WBL initiatives to match talent with needs.

Within Fairfax County, numerous WBL initiatives are already operating, and increased business engagement can broaden and strengthen these programs and deliver benefits to employers and workers alike. Several prominent examples are highlighted below.

- **Fairfax County's Department of Family Services and Northern Virginia CareerWorks**
 - **On-the-Job Training (OJT)** provides employers an opportunity to train, mentor and hire candidates as they obtain work experience and become proficient in a particular skillset or job function. Through the OJT opportunity, employers receive a subsidized portion of the employee's wages for up to three months to support the employer and job seeker.
 - **Work Experience (WEX)** temporarily places individuals and pays them a stipend to work for local businesses as they obtain work skills and experience.
 - **Educating Youth through Employment (EYE)** is a summer internship program for Fairfax County's youth that prepares and matches 100-200 youth ages 16-24 to various paid work-experience opportunities with businesses and other organizations.
 - **The Incumbent Worker Training (IWT)** program assists employers in supporting their employees in gaining new skills through training reimbursements. Through IWT opportunities, employers make their businesses more profitable while also providing them a competitive edge in the labor market.
- **Northern Virginia Community College's [Career Services Department](#)** offers a variety of WBL opportunities through which businesses and employers can host NOVA students. Options include internships, cooperative education, clinical experiences in health care, and apprenticeships, which together engage a total of 1,200 NOVA students in WBL activities annually. Within the past year, 400 employers offered paid internships to NOVA students. NOVA offers [direct guidance](#) to help businesses coordinate their WBL opportunities with the college. NOVA is a leader among the state's higher education institutions participating with the [Virginia Talent + Opportunity Partnership \(virginiatop.org\)](#) initiative to connect businesses with educational institutions, which includes resources such as [this toolkit](#) to guide businesses in developing high-quality internships.
- **The Northern Virginia Chamber of Commerce** coordinates [The Greater Washington Apprenticeship Network](#) to share effective apprenticeship program models between interested employers. The network's monthly meetings feature presentations and discussions of employer-driven apprenticeship programs. To date, around 10 area employers have launched apprenticeship programs and another 20 are in developmental stages. For example, in fall 2021,

one of the founding members of the network, the **AON insurance company**, described their apprenticeship program. The AON representative reported that company leaders were so impressed with the 80% success rate of its two-year apprenticeship pilot program in Chicago that it invested significant resources to [expand the apprenticeship program](#) with community college and nonprofit partners in six other company locations, including its Washington, D.C. office.

- **Fairfax County Public Schools (FCPS)** promotes a continuum of [work-based learning](#) experiences that prepare students for education and employment beyond high school. WBL includes career exploration activities such as business tours, job-shadowing and mentoring as well as paid and nonpaid work experiences, internships and pre-apprenticeships.

FCPS works with employers to customize WBL opportunities, including apprenticeships that can lead to direct hire upon graduation. FCPS has implemented a wide array of successful employer relationships at the local school and county level, including: [Amazon Web Services](#) (hiring recent graduates), Thompson Hospitality (interns), [Fairfax County Fire and Rescue](#) (training future firefighters), Deloitte (mentoring), GDIT (mentoring), and [Capitol One Coders](#) (mentoring, hands-on learning, after school programs), American Society of Naval Engineers (after school programs), Rosie Riveters (after school programs), Street Law (volunteers in the legal fields), AAAS (volunteer support from STEM professionals).

FCPS has implemented the [Grow Your Own](#) career technical education programs to grow its own workforce and offer a pathway for students to work for FCPS. Grow Your Own has helped fill FCPS vacancies in facilities management, trades, operations, and teaching.

WBL programs have the potential to direct the County's large student body towards career paths for high-demand jobs in Fairfax, and address workforce shortages in the near and long-term. FCPS notes that student demand for these opportunities often exceeds supply and seeks to replicate successful programs with a broader base of local employers.

- **Fairfax County's Economic Development Authority (EDA):** In response to the rising workforce development concerns among business leaders, The Fairfax County Board of Supervisors launched a multi-prong [Talent Initiative](#) through the EDA to help local companies retain, upskill and recruit talent. The program includes outreach to targeted regions across the US to attract college graduates to the region, sponsorships with diverse member organizations, career fairs at no cost to employers or job seekers, focus engagement on US veterans and military spouses, and digital advertising promoting a searchable jobs [website](#) with 100,000+ available jobs. The site offers a cost-of-living calculator, find your community, job cluster maps and more. WBL has gained increased attention in EDA's portfolio since launching the Talent Initiative. For example, the jobs website provides access to hundreds of internship opportunities throughout the region. The EDA Talent Initiative team has identified and promoted promising WBL strategies such as [Opportunity@Work's STAR](#) (Skilled Through Alternative Routes) WBL programs and funding, [LEAD4IT](#), and offers [other online WBL resources](#) for employers.

5. Work-Based Learning: Challenges to Adoption and Implementation

A review of literature on WBL and regional interviews identified several challenges that can limit the adoption of WBL. Several constraining factors are noted below.

- **Higher Costs:** WBL options such as apprenticeships, internships, mentoring and structured on-the-job learning layer additional costs onto existing classroom-only instruction. Current funding policies for educational institutions and workforce service providers don't generally accommodate this additional cost.
- **Lack of Marketplace Information and Connections:** Businesses aren't sure which workforce-support or provider organizations are best positioned to address their needs, and provider organizations don't have easy access to business leaders to discuss potential WBL solutions. Provider organizations consistently report that the demand for WBL exceeds the "supply" of available employer-based WBL opportunities for students and prospective workers.
- **Complexities of Coordinating Effective Partnerships:** Most forms of WBL require businesses and provider organizations to closely coordinate their activities. Joint program management takes time to develop, an openness to change existing practices within all partnering organizations, and high levels of trust. These complexities and the time needed to manage them prompt many organizational leaders to stick with modified versions of familiar traditional practices even as they become less effective.
- **Staff Resources Available:** Effective WBL requires champions 'at the top' to dedicate staff resources to establish, support and manage the teams involved in WBL and the worker participants. Smaller firms often find it challenging to devote already stretched staff to this endeavor. In addition, staff may not have the expertise and knowledge of how to set up and operate WBL programs.
- **Longer Payoff:** The benefits of WBL, as outlined in this report, include a technically trained team and higher retention. However, those benefits do take time to accrue. Employers often favor seeking hiring experienced and trained or credentialed staff, believing the time it takes to engage workers in WBL may not be worth it.
- **Regulatory Considerations:** There are also regulatory considerations for many forms of WBL, which can slow and frustrate partnership-building. These may include academic requirements imposed on educational institutions by multiple regulatory bodies, labor laws around internship pay, and state or federal registration and reporting requirements for registered apprenticeships.

6. Multiple Options to Advance Work-Based Learning Solutions in Fairfax County

Several potential options for advancing opportunity for WBL in Fairfax County are highlighted below, and others may also be recommended. Most or all these options would likely need an infusion of new resources.

Deliver Technical Assistance to Enable Businesses to Develop and Customize WBL Solutions

- **Facilitate a WBL marketplace to connect and match businesses, WBL provider organizations and students/workers:** In some U.S. regions, a specific intermediary organization directly connects businesses and providers with one another. Intermediary organizations may be business associations, workforce agencies, nonprofit organizations, or higher education consortia. Another option is to sponsor a series of regional events where employers, provider organizations, and students or trainees can meet one another. A less resource-intensive option is to publish and update a regional WBL mapping report and encourage providers, businesses and jobseekers to make their own connections.
- **Deliver customized technical assistance to assist businesses in developing targeted WBL solutions and to utilize existing ones:** Invite WBL experts and national organizations to propose customized assistance to help businesses assess their business needs related to WBL, develop company-specific or sector-specific WBL solutions and broker partnerships with regional WBL provider organizations that are the best match to address the organization's business needs, such as those outlined in this briefing report.

Fund WBL Solution Strategies

- **Invest in existing high-quality WBL provider organizations and collaborative initiatives to increase the availability of WBL solutions for businesses and students or jobseekers.** Organizations such as those mentioned in this briefing report and others could be invited to apply for competitive funding designed to increase the take up-rate of WBL solutions within targeted business sectors. Additionally, such competitive funding could incentivize outreach to job-seeker groups to provide new access onramps to high-demand occupations using WBL approaches, such experienced workers who want to switch careers, immigrants and refugees with overseas experience or post-secondary credentials, and young adults 18-24 who are at risk of becoming less connected to work and education after high school. Such an approach can contribute to inclusive prosperity and help businesses tap into the region's extraordinary diversity.

- **Weave WBL components into other complementary county initiatives:** For example, the proposed new multi-year THRIVE technical assistance initiative that the Fairfax County Department of Economic Initiatives is planning to launch later in 2022 can be designed with an option to include a build-out of WBL programs and services to support small businesses. County agencies, via the Department of Human Resources, can be incentivized to develop new WBL onramps into hard-to-fill entry level jobs that have traditionally required degrees.

Build Awareness of WBL Solution Strategies and WBL Programs Available

- **Engage business and employer leaders in exploring WBL solution strategies:** Employers and business leaders rely heavily on higher education institutions and degrees to define job requirements within recruiting and upskilling systems. WBL can help make these systems more effective and can also develop alternative talent development pathways for many entry-level positions to address today's unique challenges. An awareness campaign around WBL can take many shapes, including events, online resources, and advocacy by business champions who have experience with successful WBL approaches.
- **Conduct more detailed mapping of current WBL solutions among regional businesses and service provider organizations:** The scan for this report only included a few WBL provider organizations and business examples. A more detailed regional mapping effort could include case examples of other regional businesses using WBL strategies and additional providers, such as nonprofit workforce programs and other higher education institutions.

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