

DEVELOPING WASHINGTON'S TALENT FROM THE INSIDE

**Lessons from the
Upskill-Backfill Initiative**



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Developing Washington's Talent from the Inside

Lessons from the Upskill-Backfill Initiative

Washington businesses face a growing labor shortage, as the economy booms and unemployment rates dip to their lowest levels in 40 years. This makes it harder than ever to recruit frontline staff. Meanwhile, current employees need training to advance and increase business productivity. An aging workforce creates more challenges. Every day, employees with key skills and deep experience retire, leaving critical positions unfilled.

WASHINGTON'S AGING WORKFORCE



**MORE THAN ONE IN FOUR OF THE STATE'S
3.7 MILLION WORKERS ARE 55 YEARS +**

A solution that works for Washington businesses

A new demonstration project, Upskill Backfill, is helping Washington workers gain skills to move ahead in their careers, while helping new workers “backfill” into newly created openings. It’s being done across key sectors—from healthcare to aerospace to manufacturing. Each project involves multiple employers, putting in time, energy, and significant funding to train their existing workforce, while making room for entry-level workers and opening doors to expanded business opportunities.



The Upskill Backfill Initiative started in 2016 when Governor Inslee invested almost \$2 million in federal funds to test drive new ways to build stronger partnerships between the public and private sectors. The initiative also

jumpstarted at the ground level the state’s workforce development plan, “Talent and Prosperity for All,” or TAP. The state’s Workforce Board was asked to lead the project. The initiative’s success has inspired other Washington businesses to seek similar solutions. (See case study, back page.)

The goal: “Upskill” approximately 500 Washington workers, helping them advance their careers, and “backfill” their positions with over 200 entry-level workers.

Why this initiative makes sense—right now

Washington’s unemployment rate has hit record lows recently. Not only is it difficult to replace experienced workers in a tight labor market, businesses face high “onboarding” costs to train new workers, and risk losing them to a competitor. Ultimately, if Washington’s businesses can’t hire (or retain) the workers they need, productivity goes down and the ability to compete becomes even tougher.



Public-Private Partnership Maximizes Nearly \$4 Million Investment

The state invested \$2 million in eight training projects across the state. The model also leveraged \$1.8 million from local businesses and other partners. This public-private partnership aimed to “upskill” approximately **500 Washington workers**, helping them advance their careers, and “backfill” their positions with over **200 entry-level workers**.

Upskill-Backfill: Keep your best employees working for you

When businesses invest in “upskilling” their employees, they become even more valuable—and more likely to stay. This training is more important than ever, especially as workers struggle to keep pace with changing technology. When training is built into the workday, employees are better able to juggle work and life. Targeted training can also help older workers transfer knowledge to a younger generation *before* they leave.



Reduce recruitment costs by growing your own

Hiring and training new employees can be costly. A survey by the Society for Human Resource Management found the average cost-per-hire is \$4,129. Retaining valued employees through regular training is often more economical, and practical, than recruiting. Bonus: Employers avoid the risk of a bad hire and eliminate the time it takes to onboard new people.



Maintain market competitiveness through tech training

As technology advances, employees need new digital skills to keep up with the changes, even in jobs that used to sit apart from technology. Carving out time for employees to gain these skills can benefit businesses in the long term.



Improve employee loyalty through professional development

Many employees, especially younger workers, seek employer-delivered training. But making time, or paying for training, can be challenging. A National Skills Coalition report said workers who expressed interest in gaining new skills reported being “too busy at work” and training “was too expensive.” Employers who provide training boost worker loyalty—and productivity. The demonstrated commitment to their employees’ advancement can improve the company’s competitive edge.

Best practices: Don’t keep your training opportunities a secret!


To retain and attract employees, share your training opportunities early and often. Let new employees know how to access this training as soon as they start. Also, seek training that you can provide or subsidize. This helps employees know you value them and their advancement. It also helps motivate employees to gain needed skills.

Recognition and promotion

Some employees may not understand how training can advance their skills and career. A recognition program or a clear promotion path can help motivate employees who want to move up—taking themselves, and your business, to the next level.

Discuss career goals

Managers at larger companies can also help employees craft career development plans. Even smaller companies can sit down with employees from time to time, to discuss career goals and how to get there.



Training is more important than ever—especially as technology changes and workers struggle to stay up to date.

Case Study: Columbia River Gorge



Along the Columbia River Gorge, near Hood River, Ore., four Washington businesses with connections to the unmanned aerospace vehicles (UAV) industry faced ongoing hiring challenges. More than an hour away from Vancouver and drawing from a limited labor pool, the companies found it difficult to hire skilled workers.

The businesses had located along a rural stretch of the Columbia River after Insitu, a UAV manufacturer, opened in 1994. Since acquired by Boeing in 2008, Insitu had grown and suppliers had opened nearby. They “poached” employees from one another, fighting to fill openings.

IN JULY OF 2017, FOUR BUSINESSES “TEAMED UP” AS PART OF THE STATE WORKFORCE BOARD’S UPSKILL BACKFILL INITIATIVE.



Lead by South Central Workforce Development Council and Klickitat County Economic Development, these competitors came together to help their workers build skills through a training partnership with Clark College, headquartered in Vancouver, Wash. The college’s instructors traveled over an hour to the Gorge. They offered various trainings from “Leadership” to “Certified Supply Chain Professional” at one company’s meeting room. Employees took the training during the work day, and were able to work and go to school on a schedule that fit their needs.

As the project progressed, the four businesses met regularly with partners to identify training needs and created a training schedule to accommodate business production obligations. Some 152 employees or 53% of their workforce participated. The Upskill-Backfill project has yielded a strong return on investment (below).

“Because of this training we were able to develop paths for advancement within our organization and open up opportunities for career progression. This has increased employee satisfaction and given us a pipeline full of future supervisors and managers.”

Dana Schmidling, Sagetech
White Salmon, Wash.

**In a little more than a year, these
four businesses have:**

**Average wage
increase
12.7%**

**Promoted or
given raises to
35%
of trained
employees**

**Trained
53%
of total
employees**