



Closing the Activation Gap

Converting Potential to Performance by Upskilling the Workforce

*Results of a 2023 survey of U.S. workers
and employers on upskilling*

DeVry  | Advancing
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UPSKILLING:

The process of expanding or developing new skills to better perform in a current job or improve career prospects.



Introduction

Employers and workers see a world filled with uncertainty and change—from conversations about AI and automation replacing or helping certain job fields to questions around which skills are needed to future-proof an economy shaped by continuous technological change. Corporate America is at an inflection point. To support professional development, meet business needs, and drive economic growth and national competitiveness, it is vital that we continuously develop and advance workers' skills—a process known as upskilling.

But what **Closing the Activation Gap: Converting Potential to Performance by Upskilling the Workforce** makes clear is that too many American professionals are falling through a newly obvious 'say/do gap'—saying continuous, focused skills development is essential to their careers but not actually participating in it. Despite many organizations working to upskill the workforce, we found that this gap is likely being driven by a multitude of structural barriers that are not being addressed properly. These barriers, such as bias and discrimination, a lack of time and resources, and miscommunications on skills priorities, will inhibit the workforce's transition from potential to performance.

The survey also shows that women and people of color are disproportionately at a disadvantage when seeking upskilling opportunities, and employees, in general, are not receiving the upskilling they need.

DeVry University sponsored **Closing the Activation Gap: Converting Potential to Performance by Upskilling the Workforce** to gain a deeper understanding of the state of upskilling in the U.S. and to determine what barriers exist for ongoing professional development. We partnered with independent research firm Reputation Leaders to survey more than 1,500 American workers and hundreds of American companies about their interest in and access to skills building. After analyzing the research through the lens of gender, race, and employment, we uncovered insights that indicate how upskilling programs may not be designed in a way that is accessible and equitable.

As a passionate advocate for helping learners and employers for the workforce of tomorrow, our goal with this report is to shine light on the current problems and barriers preventing skills development, including inequities in opportunity and access, and offer actionable solutions that benefit U.S. workers, employers, and our nation.

Government entities could be another key stakeholder in upskilling the American workforce. Nearly half of workers report being much more likely to pursue upskilling if federal- or state-funded programs were in place.



FOUR KEY FINDINGS

Executive Summary

Working people face a major say/do gap that prevents them from taking advantage of upskilling opportunities, and employers face challenges in upskilling their workforce.

Nearly eight in 10 employers say they offer company-paid upskilling benefits, and on average estimate that only half of workers (51%) use them. Workers face barriers preventing them from achieving success with upskilling that could be causing challenges for employers.

Groups that are disproportionately impacted by societal bias are at more of a disadvantage due to upskilling gaps—creating potential impact on their career advancement.

A lack of access to upskilling leaves women at risk of leaving their current employers at twice the rate of men. While 37% of Black or African American, Hispanic or Latino, and AAPI workers agree workplace bias and discrimination are barriers to their own upskilling goals.

Employers and workers think and talk about skills differently, but there is common ground.

Twenty-two percent of workers say they value a business degree while 57% of employers say they value leadership skills. Hard and soft skills are not mutually exclusive.

Upskilling is universally acknowledged as important in an ever-changing economy—but workers and employers do not believe either group is delivering on the evolving needs of the future workforce.

Ninety-seven percent of workers and 96% of employers say upskilling is essential or nice to have. However, about one in three workers think employers are living up to their responsibility to upskill and ready American workers for the future workplace.

Key Finding #1

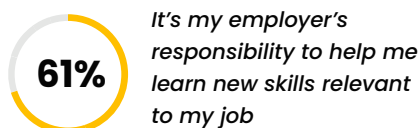
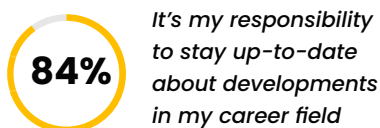
Working people face a major say/do gap that prevents them from taking advantage of upskilling opportunities, and employers face challenges in upskilling their workforce.

The survey found that nearly eight in 10 employers say they offer company-paid upskilling benefits, and on average estimate that only half of workers (51%) use them. To understand this gap, we examined the barriers and challenges both groups face in pursuing upskilling opportunities.

THE WORKER VIEW ON BARRIERS

For workers, the major impediment to participating in more upskilling is practical. They see the benefits. They are ready to take initiative for their careers, too, with 73% of workers accepting the responsibility to motivate themselves to make upskilling happen (that's 23 percentage points more than the responsibilities employers feel they have in motivating their workers to upskill).

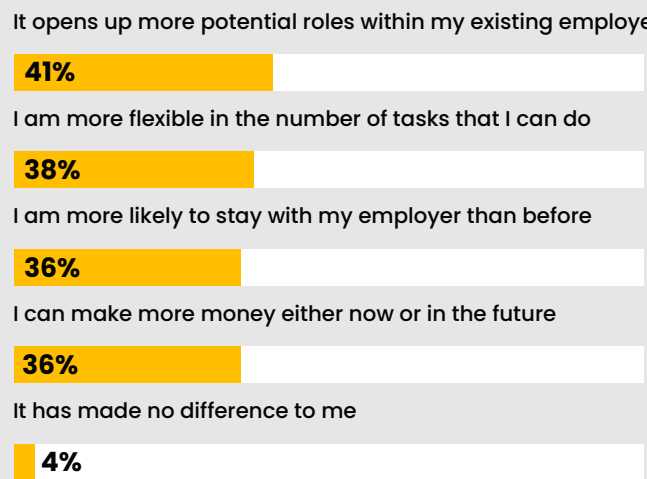
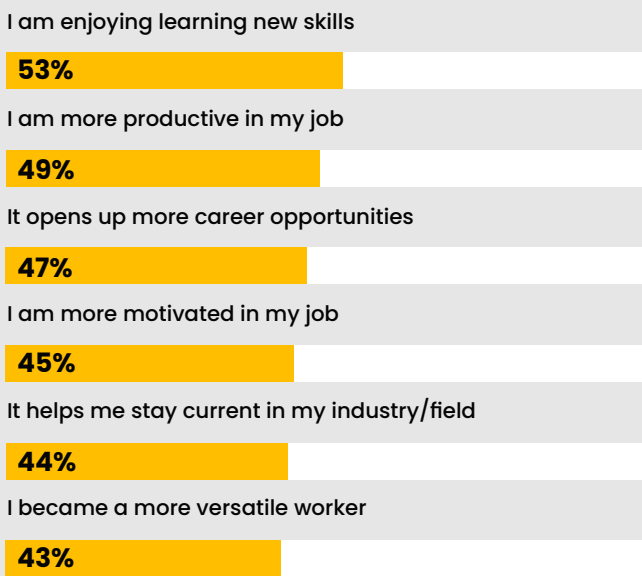
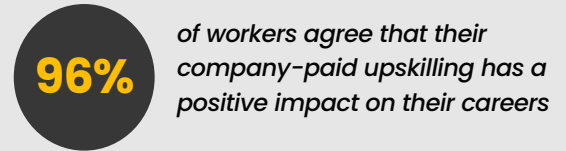
Additionally, 84% of workers say it is their responsibility to stay up to date on developments in their career field (vs. 61% who say it is their employer's responsibility to help workers learn new skills relevant to their job).



The people who have access to and take advantage of existing skills development programs report benefits that range from productivity to greater enjoyment of their jobs. One in three report they are more likely to stick with their employer because of their upskilling support. Only 4% of workers report that they have never benefitted from upskilling.

WHAT IMPACT, IF ANY, HAS YOUR EMPLOYER'S SUPPORT FOR UPSKILLING HAD ON YOU?

(Only asked for those who can receive upskilling paid by their employer)



Approximately one in five workers (22%) say they face no personal barriers to upskilling, but for the majority of workers of all genders and races, three significant challenges stand in the way:

- 40%** *There is not enough time in the day*
- 35%** *Family and other priorities take precedence*
- 21%** *The job skills they want are different from their employer's priorities*

In short, workers have a hard time balancing the important work of learning amidst other priorities at work and at home. The true barrier for most workers is attention.

While in absolute terms, employers and workers agree that the most valuable skills of the future are critical thinking and problem solving, workers rank the following skills as more important than employers:

- 1** *Business and financial skills*
- 2** *AI and software engineering/coding*
- 3** *Data analytics*
- 4** *Digital marketing*

All of these skills point to specific jobs and emerging growth fields across the economy. What workers want are the skills to keep up.

THE EMPLOYER VIEW ON BARRIERS

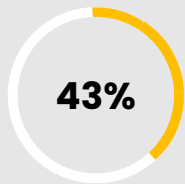
For employers—the people creating and filling jobs—the case for upskilling is both economic and practical. They see upskilling as a core responsibility of cultivating a thriving workforce. For them, the major benefits are improving workers’ commitment to the organization and enhancing productivity as a whole. Occasionally, their commitment to upskilling even translates to new lines of business or direct company growth—but those outcomes are rarer.

Employers cite several barriers to upskilling workers, including workers not prioritizing learning, as well as cost and time commitment challenges – signaling that employers could be overlooking the barriers their workforce may be facing in pursuing learning and development opportunities.



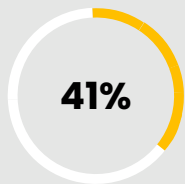
71% of employers confirm they face challenges with upskilling in the workplace

With 71% of employers confirming they face challenges with upskilling in the workplace, there are three dimensions of these challenges getting in the way:



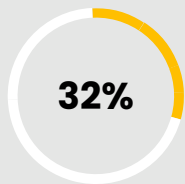
COST AND RESOURCES

Employers say their organization is not willing to use company time for workers to upskill, that it is too expensive to upskill, or there is no one available at their organization to train or coach workers.



WORKER MOTIVATION

Employers say learning new job skills is not seen as a priority by workers, or that workers are too lazy to learn new skills.



BUSINESS PRIORITIES

Employers say their organization wants to provide upskilling, but they are not sure where the needs lie, workers jobs cannot be easily upskilled, or workers learning new skills is not a priority for them.

Key Finding #2

Groups that are disproportionately impacted by societal bias are at more of a disadvantage due to upskilling gaps—creating potential impact to their career advancement.

The impact of the say/do gap on working women is systemic and severe, negatively affecting women’s job advancement, satisfaction, and retention.

The gender divide in access to upskilling is significant, as men are more likely to report having access to upskilling (73%) than women (56%). Coupled with lack of action (the ‘do’ part of the gap)—despite 55% of women saying upskilling is essential for their future career development, only 37% of women surveyed report they actually have used company-paid upskilling (compared to 56% of men)—that means women are less likely to reap benefits like career growth and job satisfaction.

Two significant barriers affecting women’s ability to upskill:

- 1** *Just getting started is a problem: 36% percent of women say they do not know how to start the process of upskilling.* **36%**
- 2** *Time management and family demands also take a toll: 41% percent of women report there just is not enough time in the day for upskilling, and 35% report family and other priorities take precedence.* **41%**



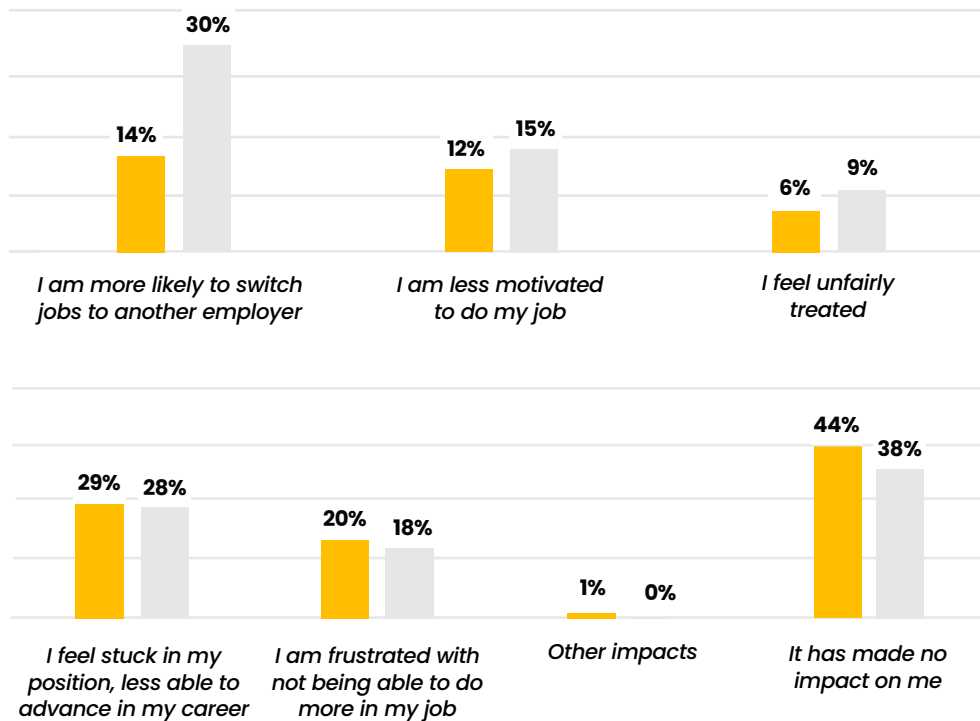
Twenty-two percent of women say they struggle to learn the skills needed to advance their careers (vs. 36% of men), and 31% report bias or discrimination as a barrier. The financial burden of upskilling is also a problem, with 28% of women reporting their company does not contribute enough financially for them to engage in upskilling. Only 20% report there are no workplace barriers to upskilling.

All of this impacts women’s job satisfaction and retention: Women who lack access to upskilling are twice as likely to switch jobs to another employer compared to men, and 28% say they feel stuck in their positions and less able to advance in their careers.

Women are disappointed with the support they find at work: Men are twice as likely than women to say their employer is living up to their responsibilities to ready American workers very well (48% vs. 25%).

WHAT IMPACT, IF ANY, HAS YOUR LACK OF ACCESS TO EMPLOYER-SUPPORTED UPSKILLING HAD ON YOU?

(Only asked for those who don't receive upskilling paid by their employer)



People of color have the greatest appetite for upskilling—but the least access—and bias drives the say/do gap in practice for them.

One of the most profound gaps uncovered in this research came from examining different levels of access to company-paid benefits around upskilling among different worker demographic groups. If upskilling is the key to job satisfaction, career advancement, and staying competitive, then gaps in access can have detrimental effects on workplace diversity.

The say/do gap exists for people of color as well: While 66% of people of color believe upskilling is essential for their future career development, only 42% currently have access to and use paid upskilling, due in part to systemic barriers and bias. Thirty-seven percent of Black or African American, Hispanic or Latino, and AAPI workers agree workplace bias and discrimination are barriers to their own upskilling goals.

66%

of people of color believe upskilling is essential for their future career development

42%

currently have access to and use paid upskilling

37%

of Black or African American, Hispanic or Latino, and AAPI workers agree workplace bias and discrimination are barriers to their own upskilling goals

AAPI workers are most likely to say (37%) that their employers do not contribute enough financially for upskilling. One quarter (25%) of Hispanic or Latino workers say workers learning new job skills is not a priority for employers, and 17% of Black or African American workers say, “there is a bias in my company against upskilling people like me.”



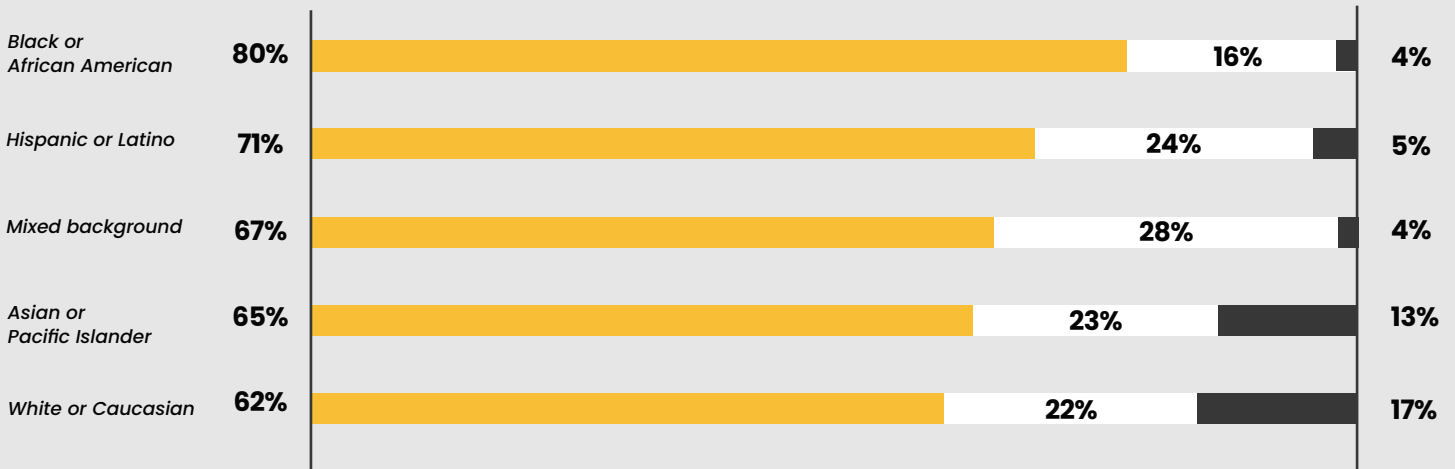
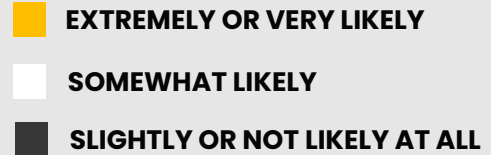
The appetite among people of color who want access to paid upskilling but do not have it is substantial: Black or African American (80%) and Hispanic or Latino (71%) workers who currently do not receive company-paid upskilling benefits would be more likely than white workers (62%) to use them.

With nearly half of workers report being much more likely to pursue upskilling if federal- or state-funded programs were in place—government could be another stakeholder in upskilling the American workforce. This sentiment held especially true for Black (57%) and Hispanic (64%) workers who report being much more likely to leverage upskilling resources if federal-funded opportunities were in place. They are also more likely to leverage upskilling resources if state-funded and tuition tax credit opportunities were in place.



HOW LIKELY WOULD YOU USE UPSKILLING RESOURCES IF THEY WERE OFFERED BY YOUR EMPLOYER?

(Percentage saying extremely or very likely; Only asked unemployed and those not receiving upskilling paid by their employer)



Key Finding #3

Employers and workers think and talk about skills differently, but there is common ground.

For employers, upskilling is a question of urgency as they imagine the trajectory of their organizations. Seventy percent of employers think that skills are getting outdated faster as the pace of technology accelerates, while only 51% of workers feel the same.

Workers largely view and articulate their needs in upskilling as hard skills and credentials, employers view their upskilling needs in a softer light. These expectations appear to be a difference in priorities of the concrete vs. the more intangible, but there is overlap across these capabilities that are hidden in plain sight, and more concerningly, creating dissonance of opinion and lack of reciprocal investment.

EMPLOYERS' OPINION

Skills are getting outdated faster as the pace of technology accelerates

70%

WORKERS' OPINION

Skills are getting outdated faster as the pace of technology accelerates

51%



For example, the data shows that 22% of workers value advanced business degrees, compared to 13% of employers, and 57% of employers value leadership and management skills, compared to 49% of workers.

On the surface, these priorities might appear to be different, but in reality, workers and employers have similar needs as most advanced business degrees likely include leadership and management courses. Results show that employers value technical or subject expertise, which workers could

achieve by developing skills in data analytics, AI and software engineering, and digital marketing (the skills they value more than employers).

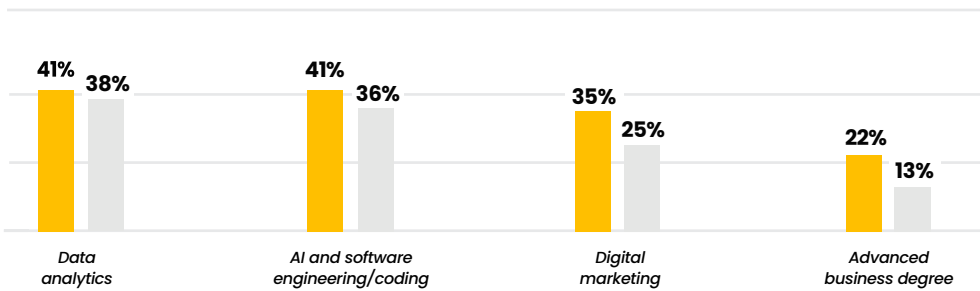
Simultaneously, soft skills like critical thinking and problem-solving as well as creativity and innovation can be learned by developing expertise in a certain field or through a formal certificate or certification (something both workers and employers value).

Employers and workers seemingly have different skills requirements, but there is an unexpected crossover that both should consider as they satisfy skills development needs.

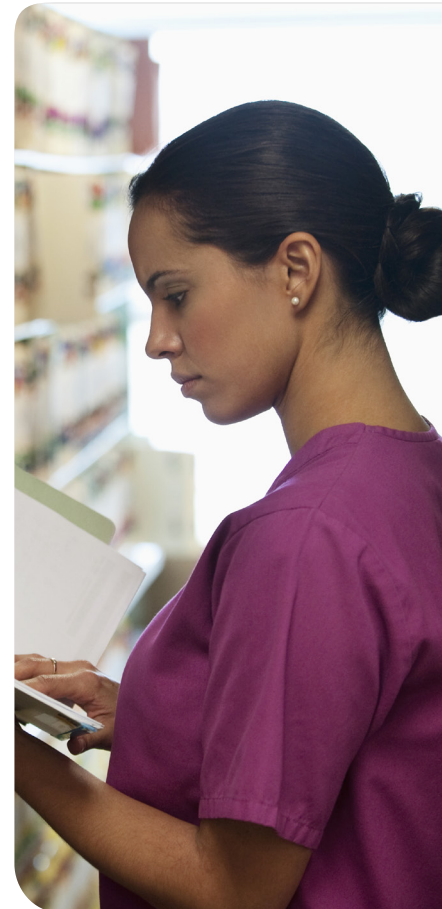
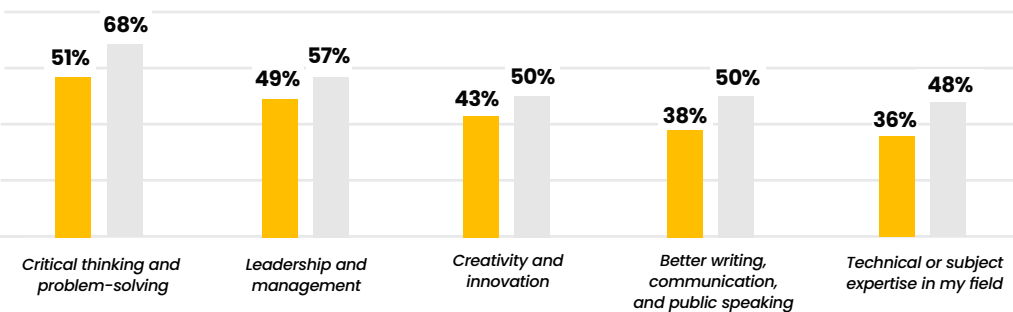
WHAT ARE THE MOST VALUABLE SKILLS FOR WORKERS TO HAVE IN TOMORROW'S ECONOMY?

WORKERS
EMPLOYERS

WORKERS VALUE MORE HIGHLY



EMPLOYERS VALUE MORE HIGHLY



Key Finding #4

Upskilling is universally acknowledged as important in an ever-changing economy—but workers and employers do not believe either group is delivering on the evolving needs of the future workforce.

Jobs that power the major sectors of the economy are changing rapidly.

Artificial intelligence, technology advancement, shifting supply chains and even climate change alters the way companies work, and the individual skills required at work are shifting, too. In fact, in 2017, the Dell Institute for the Future predicted that 85% of the jobs that will exist in 2030 were not even invented yet.¹

A vital solution to keep the workforce competitive in this evolving landscape, upskilling through training and education helps workers meet more advanced and evolving demands of future jobs. It has become a buzzword that connects professional education with economic relevance.

Both workers (61%) and employers (53%) see upskilling as essential to achieving career advancement, and there is broad agreement (92% of workers; 95% of employers) that it is important to continuously learn. Both groups agree that showing an interest in upskilling enhances workers' careers. Workers also see upskilling as a way for them to take control of their careers.

1. https://www.delltechnologies.com/content/dam/delltechnologies/assets/perspectives/2030/pdf/SRI940_IFTFforDellTechnologies_Human-Machine_070517_readerhigh-res.pdf



Surprisingly, 30% of employers feel that learning new job skills is not seen as a priority by workers. Workers seem to disagree, with 36% of workers stating that their employers' failure to fund upskilling is a top challenge (stating that their employers do not contribute enough financially, or it is too expensive for their employers to upskill them).

This creates the first potential barrier to learning new skills: cost. There is broad agreement on who should take on the burden of funding, most agreeing the cost

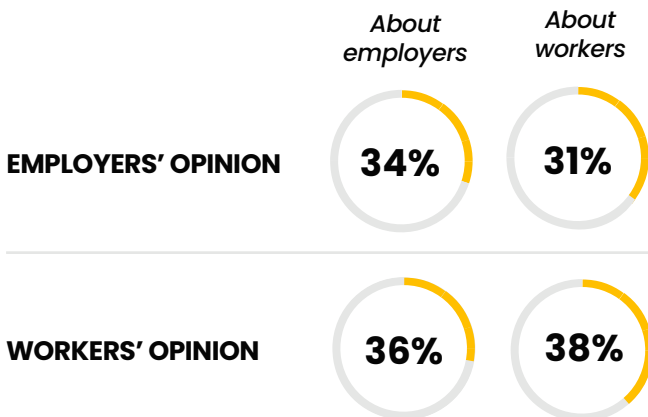
should be split between workers and employers, or wholly covered by the employers.

Meanwhile, 67% of workers say they would prefer to receive a formal degree, certificate, or certification as an outcome of upskilling, whereas 56% of workers say they prefer bite-sized, quick ways to upskill. It is clear that workers deeply value traditional credentials, but these credentials need to be delivered in new ways to keep pace with change.

Majority of Employers & Workers Agree: Neither group is living up to their responsibilities to upskill

HOW WELL DO YOU FEEL THAT U.S. EMPLOYEES AND EMPLOYERS ARE LIVING UP TO THEIR RESPONSIBILITY TO UPSKILL AND READY AMERICAN WORKERS FOR THE FUTURE WORKPLACE?

(Percentage saying extremely well or very well)



About one in three workers believe that American employers or workers are living up to their responsibility to prepare for a future workplace. About one in three employers feel the same. This is despite a high degree of optimism from both workers and employers that the skills they have now will make them employable in five to ten years.

The gender gap on this issue is particularly pronounced—with nearly half of men but only one in four women saying that employers are doing what is required to upskill and ready American workers for the workplace of the future.

Actionable Solutions

A healthy economy is driven by a motivated, skilled workforce, but there are complex factors altering American work environments and driving demand for new skills, making it critical for workers to keep pace. Despite a lack of alignment on the skills needed now and into the future, both workers and employers agree that they are both responsible for making upskilling happen, but neither group is living up to their shared responsibility. A failure to develop a future-ready workforce will have far-reaching, negative effects on productivity, efficiency, and economic growth in the U.S. To address the now obvious say/do gap, workers and employers must take action.

Employers

- Focus on enhanced opportunity for people of color and women by making upskilling part of their organization's diversity, equity and inclusion goals and building a tailored program that meets their need for access, financial support and flexibility.
- Work with an education partner that offers customized and shorter cycles of learning, as well as non-traditional credentials to meet skills development needs. Knowing there is common ground on skills priorities, create a program in areas of shared importance and educate workers on the gaps between what they need and what they personally value.
- Motivate and communicate often, at every managerial level, about the importance and prioritization of upskilling for worker development. Ensure that day-to-day managers understand the importance and communicate the opportunities for access and flexibility that help ensure employee participation.

Workers

- Upskilling undoubtedly offers a variety of benefits for workers, including upward mobility. Before upskilling, workers should collaborate with their manager or conduct their own research to understand which skills are important to be future-ready in their profession.
- Beginning the process of upskilling does not always mean pursuing a formal degree. Some workers might start by exploring bite-sized, flexible learning opportunities available and discussing their learning-style preferences with their employers.
- When applying for a new role, workers should ask prospective employers if they offer company-paid upskilling opportunities for their role and ensure the available opportunities offered meet their diverse learning needs.



Methodology

DeVry University partnered with Reputation Leaders to conduct an independent research study to provide insights into the experiences, barriers and practices related to upskilling.

The research was conducted between June 22 – July 10, 2023. Through an online survey, this research tapped into 1,515 US workers between the ages of 25 and 45 years old. Workers surveyed include n=747 men and n=765 women; and represented the following ethnicities n=968 White/Caucasian, n=179 Black/African American, n=141 Hispanic/Latino; n=73 Asian or Pacific Islanders and n=146 Mixed ethnicity background. The respondents are employed (full-time, part-time or self-employed), underemployed (working outside of their chosen field or without enough paid work) or unemployed but looking for work. Additionally, DeVry surveyed 550 hiring decision-makers (“employers”) from a mix of industries. Employer respondents include company roles including n=110 senior managers, n=227 middle managers or consultants and n=213 junior managers or supervisors; from companies sized n=100 with 10-99 workers, n=103 with 100-499 workers, n=72 with 500-999 workers, n=116 with 1000-4999 workers and n=159 with 5000+ workers.

The margin of error for the worker sample of 1,515 is +/- 2.5% at the 95% level of confidence. The margin of error for the employer sample of 550 is +/- 4.2% at the 95% level of confidence.



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