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Upskilling Playbook: Types of Upskilling

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Abstract

The *Upskilling Playbook* is a strategic guide for organizations to build, scale, and integrate skills-based workforce development initiatives that drive business performance and career growth. Despite rapid economic and technological shifts making upskilling a business imperative, many efforts struggle to gain traction and become embedded in business strategy.

This playbook cuts through the noise while preserving the depth needed to drive real change – integrating corporate best practices, academic research, and practical application. It helps organizations amplify the impact of existing initiatives or launch new efforts with clarity and measurable results. It provides a practical framework for navigating challenges, capitalizing on opportunities, and implementing upskilling at scale. Covering key areas such as workforce ecosystem development, program design, measurement strategies, and leadership alignment, it delivers actionable insights for HR professionals, business leaders, and decision-makers.

When organizations fully embed upskilling into their talent and business strategy, they create sustainable talent pipelines, improve retention, and future-proof their workforce against industry shifts and technological advancements.

What's at Stake

Upskilling is not a one-size-fits-all endeavor. Organizations must make deliberate, strategic choices about how to develop talent—aligning skill-building efforts with both business priorities and employee career growth. Selecting the right type of upskilling is crucial to addressing immediate talent needs while also building long-term workforce resilience.

Key Trends

 **Upskilling as Business Imperative** – McKinsey's research on dynamic organizations reports that companies with a high degree of internal mobility and strategic career development have up to 7 times more success in transformation and growth initiatives and are 17 times more likely to be market leaders in innovation.

 **Breaking the Credential Barrier** – Historically, skills have been overshadowed by degrees or years of experience as indicators of job readiness. But considering Lightcast's report that over the past three years, the average job has seen one-third of its skills change, organizations must adopt a faster, more agile approach—leveraging targeted upskilling efforts, skills-first hiring, and internal mobility to successfully navigate these changes.

 **Expansion Across Industries** – While early employer-driven upskilling was concentrated in technology and supply chain, it has now expanded to industries such as healthcare, retail, and manufacturing.

The Problem Today

Despite significant investment in upskilling, many organizations struggle to align skill-building efforts with workforce planning, leaving gaps in internal mobility, leadership pipelines, and industry adaptability.

 **Limited Integration With Workforce Planning** – Upskilling efforts often operate as disconnected initiatives rather than being embedded in long-term workforce strategies.

 **Lack of Visibility Into Career Growth** – Employees need clear pathways that show how gaining new skills will lead to new opportunities.

 **Varying Learning Preferences & Constraints** – Different employees require different learning modalities and environments, yet many upskilling strategies fail to accommodate diverse learner needs.

 **Unclear ROI and Business Impact** – Without clear tracking, it's difficult to measure how upskilling efforts contribute to business growth and performance.

The Solution

Selecting the Right Types of Upskilling

Research conducted by UpSkill America with i4cp shows that the impact of upskilling programs is influenced by how well organizations build their objectives and design elements to align with business priorities and employee development. The following types of upskilling exemplify how thoughtful program design can help create meaningful outcomes:

1. Foundational & Role-Specific Learning

Designed to build technical expertise and provide clear pathways to job readiness. These programs ensure industry standards are met while offering employees recognized credentials that validate skills.

- Licenses – Required for regulated professions (e.g. healthcare, finance, engineering), ensuring standardization, compliance, and industry-recognized credibility.
- Certifications – Industry-recognized credentials (e.g. AWS Cloud, PMP, cybersecurity) that provide rapid skill validation and enhance career mobility. These can include deep certifications or a series of micro-credentials.
- Credit for Prior Learning – Converts professional experience into academic or industry-recognized credits (e.g. military-to-corporate transitions), accelerating career shifts.
- Broad-Based Learning – A nuanced and important type of upskilling providing access to a range of professional, career, and durable skill-building resources at scale to ensure continuous learning across the workforce.

2. Experiential & Applied Learning

Designed to bridge learning and real-world application by embedding structured experiences within job roles. These approaches enhance skill acquisition through practice, ensuring long-term retention.

- Work-Based Learning – Internships, co-ops, and job rotations that integrate structured learning with real-world experience, helping employees gain critical, job-specific skills.
- Apprenticeships – Formal programs combining structured education with paid work experience, increasingly adopted in corporate and tech sectors to develop talent pipelines.
- Stackable Credentials – Modular learning pathways that allow employees to accumulate qualifications over time, making learning more flexible and adaptable to evolving career goals.

3. Formal Education

Longer-term upskilling strategies that equip employees with advanced technical, leadership, and problem-solving capabilities.

- Higher Education Partnerships – Employer-sponsored degrees and academic coursework that build specialized expertise while fostering leadership development.

4. Career & Leadership Development

Designed to enhance employees' leadership and career progression while building durable capabilities that support long-term workforce development and resilience.

- Leadership Development Programs – Focused on skills needed today to lead and develop employees—communication, collaboration, problem-solving, and empathy.
- Durable Skills Training – Developing adaptability, collaboration, and critical thinking—competencies that are valuable across industries and career stages.
- Life Skills & Holistic Learning – Programs addressing emotional intelligence, resilience, and financial literacy to support well-rounded professional and personal growth.
- Career Pathways Integration – Aligning upskilling with visible career trajectories, motivating employees to pursue internal opportunities and improve retention.

Each of these approaches represents not just a type of skill-building but serves as a strategic tool that can be intentionally designed to achieve both workforce and business objectives. The key to success lies in integrating these approaches into a broader upskilling ecosystem—one that connects learning investments with career mobility and business impact.

Case Study: Ensuring Skills Validation & Credential Recognition

A large retail employer struggled with validating employee skills for internal promotions, as traditional training records often failed to capture competency-based achievements. To solve this, the company developed a skills verification framework, integrating AI-driven competency assessments, digital credentials, and third-party validation partnerships to ensure that employees' skills were recognized across departments.

The company aligned its internal credentialing system with industry-recognized standards, allowing employees to earn transferable certifications that were accepted for both internal promotions and external job opportunities. This eliminated bias in promotion decisions, ensuring that career advancement was based on verified skill mastery rather than tenure alone.

The result was a more transparent and equitable talent mobility process, leading to higher engagement, increased participation in upskilling programs, and improved retention rates. Employees who previously faced career stagnation were now able to demonstrate their competencies in a validated and structured way, ensuring that upskilling efforts translated into real opportunities for career growth.

A Note on Learning Styles: Designing for Diverse Learners

Across all upskilling models, it is critical to recognize that employees learn in different ways. A well-designed upskilling strategy should incorporate a mix of learning formats to ensure

accessibility, engagement, and effectiveness. This means offering a diverse range of learning experiences that reflect different learning preferences and business needs:

- **Self-Paced & On-Demand Learning** – Digital platforms, micro-learning modules, and AI-driven recommendations provide flexibility for employees to learn at their own pace.
- **Instructor-Led Training (Virtual & In-Person)** – Live courses, workshops, and leadership development programs create interactive learning experiences.
- **Collaborative & Group Learning** – Peer mentoring, cohort-based programs, and learning circles foster shared knowledge and networking.
- **Experiential Learning** – Apprenticeships, job rotations, and real-world simulations provide direct, hands-on skill application.
- **Blended Learning** – A combination of structured training, self-paced learning, and applied experience creates a well-rounded approach to skill-building.

A variety of learning formats does more than accommodate preferences—it challenges employees to grow in both content and learning style, helping them develop adaptability in how they acquire new skills. This diversity in approach also reinforces a culture of continuous learning, demonstrating the organization's commitment to workforce development at all levels.

How To Execute

You certainly want to have an eye on building out the ecosystem, but as outlined in that chapter, progress is made by zooming in on specific components and advancing them. One of those components is identifying and creating effective upskilling programs.

To do this successfully, organizations need to set their sights on three key elements:

1. **Clear Direction** – Defining the specific objectives of skills to be developed, ensuring alignment with workforce needs and business priorities.
2. **Tracking and Optimization** – Measuring progress over time, assessing business and employee impact, and refining offerings to maximize long-term value.
3. **Precision and Integration** – As skill-building efforts mature, organizations must ensure that skilled pipelines lead to real career movement. This requires alignment with talent acquisition, leadership development, and workforce planning as part of a broader ecosystem approach.

Personas in an Upskilling Ecosystem

The Business Executive: Investing in the Right Skills for Growth

"Upskilling isn't just an HR initiative—it's a business growth strategy. We need to be intentional about where we invest. Which skills will drive the greatest impact? Where do we risk falling behind?"

- ✦ Aligning workforce planning with business needs.
- ✦ Using metrics to track retention, mobility, and productivity.
- ✦ Taking a phased approach—delivering immediate impact while ensuring long-term integration.

The Employee: Connecting Upskilling to Career Growth

"I want to grow in my career, but I need to know which skills matter. What's the best way to develop them? Will my company recognize my learning and help me move forward?"

- ✦ Clear career pathways and opportunities for advancement.
- ✦ A variety of learning formats—self-paced, experiential, and structured.
- ✦ Direct support from leadership and managers to ensure learning translates into real opportunities.

Worksheet: Identifying the Right Upskilling Approach

Use these questions as a quick guide to determine which type of upskilling may be the best fit for your organization.

What skills are most critical for our business success in the next 1–3 years?

- ⚡ If specific technical skills (e.g. cybersecurity, AI, supply chain management) are needed → Consider certifications or stackable credentials.
- ⚡ If broad industry knowledge is required → Consider degree programs or credit for prior learning.

Do we need employees to gain skills while on the job?

- ⚡ If hands-on experience is essential → Consider work-based learning, apprenticeships, or on-the-job training.
- ⚡ If employees need guidance or support → Consider mentorship-based or group development classes.

Do we need employees to learn rapidly for immediate business needs?

- ⚡ If targeted training is required for specific roles → Consider tech bootcamps or short-term certifications.
- ⚡ If longer-term learning is an option → Consider stackable credentials or higher education partnerships.

Are we developing employees beyond technical skills—building the transferable skills that drive career growth and long-term success?

- ⚡ If yes, evaluate whether current efforts are effectively integrated into career pathways and leadership development, ensuring employees can apply these skills in real-world roles.
- ⚡ If no, consider offering broad-based learning for foundational skills accessible to all employees, or leadership development programs for those moving into key roles requiring higher levels of communication, adaptability, and collaboration.

How much structure and oversight do employees need in learning?

- ⚡ If high structure is needed → Consider apprenticeships or formal degree programs.
- ⚡ If flexibility is preferred → Consider self-paced online learning, micro-credentials, or AI-driven personalized learning.

What mix of short-term and long-term learning opportunities will best serve our workforce?

- ⚡ If skills are needed immediately but with long-term potential → Use stackable credentials, certifications, or credit for prior learning.
- ⚡ If employees need deeper knowledge over time → Consider degree partnerships or apprenticeships.

Bonus Questions: Going Beyond the Skills Attained

Are employees struggling to see and realize career growth opportunities?

- ⚡ If employees need clear career progression paths → Consider career pathways integration or leadership development programs.
- ⚡ If they lack access to foundational learning → Consider broad-based learning resources.

Are we hiring externally for roles we could fill internally with upskilled individuals?

- ⚡ If yes, assess whether a structured internal mobility program is in place. Identify the key gaps in processes or ways of working that are preventing internal promotions and consider targeted upskilling solutions (e.g. certifications, apprenticeships, stackable credentials).
- ⚡ If no, evaluate whether there are roles that could benefit from an internal pipeline and explore career pathways, mentorship, and skills-based hiring strategies.

Are we preparing our workforce for future disruptions (e.g. AI, automation, industry shifts)?

- ⚡ If yes, ensure current efforts include both technical and durable skills training (e.g. AI collaboration, adaptability, and strategic problem-solving) and ensure alignment with long-term business goals and building a well-rounded workforce.
- ⚡ If no, start by identifying key industry shifts, assessing workforce readiness, and integrating foundational digital skilling programs, leadership adaptability training, or scenario-based upskilling for leaders into your approach.

Looking Ahead

Emerging Practices

Organizations are rapidly adopting new upskilling models to expand access, improve business alignment, and increase impact. And, as referenced in the **Ecosystem** chapter, the Internet reshaped work over four decades, redefining how knowledge is accessed and applied. Now, AI is triggering an even faster transformation.

 **Skills-Driven Talent Strategies** – Companies like IBM and Google are rethinking not just hiring, but how they define work—shifting from rigid job descriptions to dynamic skills-based models that unlock internal mobility, reskilling, and workforce agility.

 **AI-Powered Personalized Learning** – Platforms like Workday Skills Cloud track skill progression and recommend development opportunities tailored to each employee.

 **Cross-Industry Upskilling Alliances** – Employers are partnering to share training resources and create career pathways across industries (e.g. transitioning manufacturing workers into healthcare roles).

Case Study: Work-Based Learning & Apprenticeships

A major restaurant chain redesigned its workforce strategy by adopting a registered apprenticeship model, aimed at developing employees into leadership roles within the restaurant rather than relying on external hiring. Facing industry-wide staffing shortages and high turnover, the company structured on-the-job training programs that combined mentorship, technical skills development, and classroom-based leadership training.

The apprenticeship model allowed employees to earn credentials while working, ensuring that upskilling was embedded within daily operations. Employees received structured career roadmaps, with defined skill milestones leading to promotions. The company partnered with workforce development organizations and technical schools to align training with industry-recognized credentials, making the program transferable across locations and career paths.

As a result, employee retention increased significantly, as workers saw a clear progression path from entry-level roles to management. The company reduced external hiring for leadership positions by more than 40 percent, demonstrating that structured work-based learning programs are an effective solution to labor shortages and workforce development challenges.

Looking further ahead, the future of upskilling will require companies to anticipate new skills, integrate continuous learning, and ensure employees can adapt to AI-driven job evolution.

Anticipated trends include:

 **Human-AI Collaboration Training** – Helping workers integrate AI into decision-making.

 **AI-Driven Career Coaching** – Providing real-time career guidance based on skills and learning history.

 **Lifelong Learning Certifications** – Establishing formal credentials for durable skills like leadership and adaptability.

Leaders who act now—embedding upskilling into their workforce strategy—will be best positioned to navigate this shift. McKinsey research underscores the urgency: Employees are 1.3 times more likely to trust their employer to get AI deployment right than they are to trust other institutions. This trust gives businesses a unique competitive advantage—a rare opportunity to lead workforce transformation with confidence, credibility, and long-term impact.

Building a successful upskilling ecosystem starts with the intentional selection and integration of the right types of upskilling. From certifications and work-based learning to degrees and leadership development, each type plays a distinct role in closing skills gaps, improving internal mobility, and preparing the workforce for the future.

As organizations take deliberate first steps—aligning upskilling with business priorities and employee aspirations—the broader ecosystem begins to take shape. Along the way, organizations gain critical insights, recognizing that no single approach works in isolation. The most effective strategies blend multiple upskilling methods, tailored to different time horizons and workforce needs.

Exploring and selecting types of upskilling is one of the first steps, but to ensure lasting impact, the right program components must be in place. The next chapter focusing on exploring and understanding the type of components to consider in program development and the importance of making each component integrated, scalable, and measurable. From delivery methods to tracking effectiveness, we'll look at the key elements needed to build programs that drive workforce and business success.

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