

# THE ULTIMATE GUIDE TO COMPETENCY-BASED EDUCATION (CBE)

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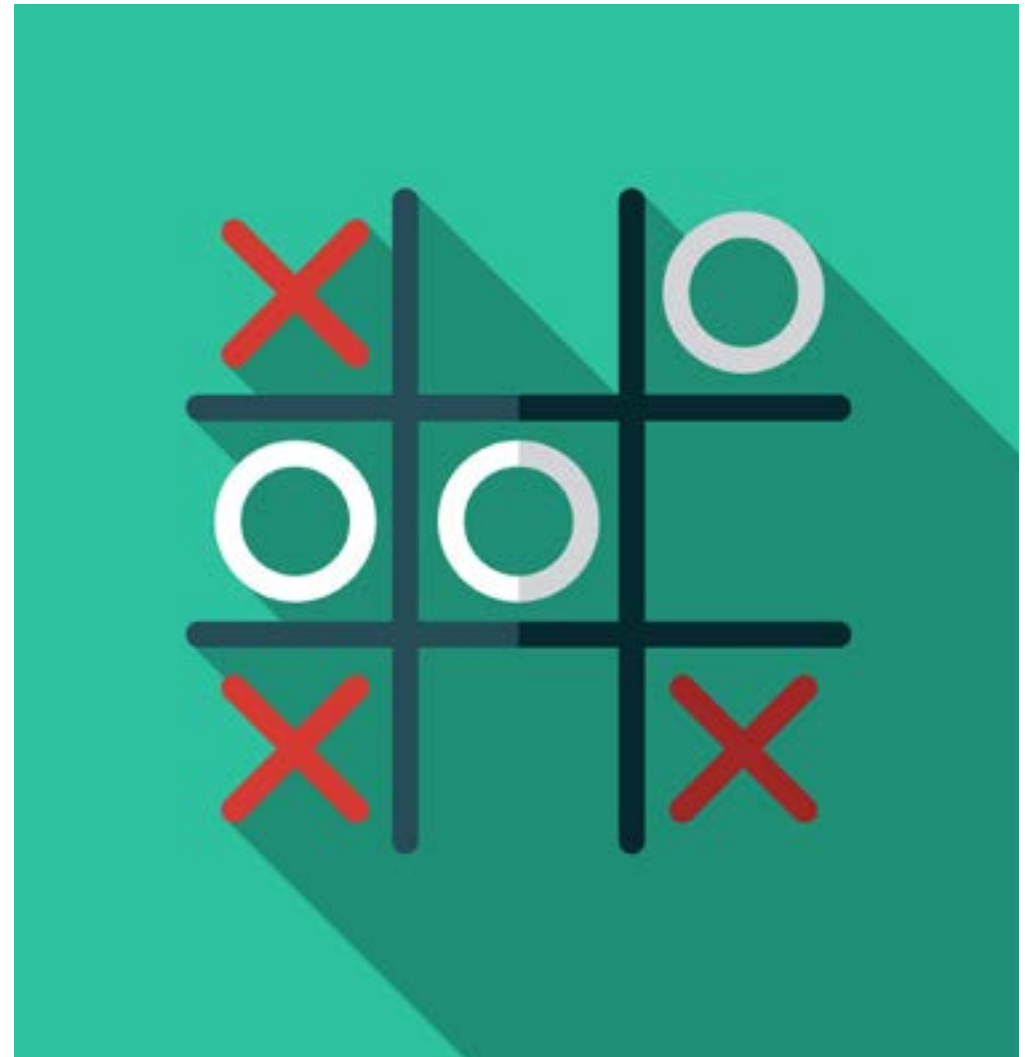
How to Capitalize on CBE to Drive Business Growth

**STRATEGIC PARTNERSHIPS**

Employers today face an increasingly complex task: finding the right talent, aligning skills, potential, and performance with today's workplace. They need employees who can keep pace with shifting business models and emerging technologies. Yet as expectations evolve, identifying talent with the right mix of capabilities has become more difficult than ever.

- **An aging population:** Baby Boomers began retiring as early as the 2000s, with a record [4.18 million](#) people reaching traditional retirement age in 2025 alone. Their knowledge isn't easily replaced, leaving critical gaps in both technical expertise and leadership experience.
- **Technology advancements:** The digital transformation era has ramped up demand for specialized tech, data, and analytical skills, but education pipelines have struggled to keep pace. Post-2020, the rise of remote work, AI adoption, and the "Great Resignation" further intensified gaps in digital, management, and leadership talent.
- **Education-to-employment gap:** Traditional education systems lag behind the speed and specialization today's workforce requires. By emphasizing time in class over proven skill mastery, they often produce graduates who need additional training to be job-ready. The disconnect is visible in teaching and technical roles—particularly in STEM and special education—where ongoing shortages reveal how slowly talent pipelines are being built.

What, then, can organizations do to overcome these barriers to growth? This guide explores the evolving talent landscape—and the education model that's helping employers build in-demand skills and develop job-ready talent faster than ever: competency-based education.



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# Workforce Readiness at a Crossroads

## Productivity and innovation falter when workforce capability lags behind market demand.

Today, nearly [75%](#) of employers say they're unable to find the skilled talent they need—a challenge that's nearly doubled in the last decade. The effects are being felt across multiple sectors:

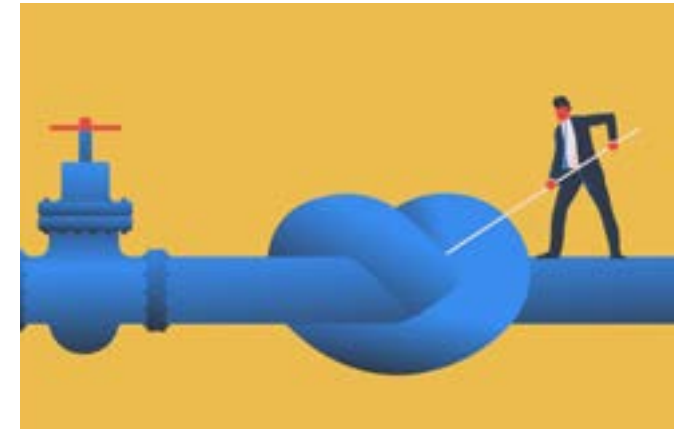
- **Healthcare:** Retirements, burnout, and limited career mobility, are draining the ranks of RNs. Adding to that challenge, [43%](#) of healthcare workers say they do not have the digital skills required to keep pace with industry demands and evolving changes.
- **Education:** By 2030, the number of elementary and secondary teachers in the U.S. is expected to decline by [5%](#), shrinking from 3.7 million to 3.5 million across public and private schools.
- **Manufacturing:** In January 2024, the U.S. Bureau of Labor Statistics reported [622,000](#) unfilled manufacturing job openings nationwide. By 2033, there could be a need for as many as [3.8 million jobs](#), with 1.9 million unfilled if labor changes go unaddressed.
- **Hospitality:** Roughly [65% of hotels](#) are operating with staff shortages, and 9% describe conditions as severe.
- **STEM:** Science, Technology, Engineering, and Mathematics occupations are projected to grow about [10.4%](#) through 2033, nearly three times faster than non-STEM roles, yet the U.S. still faces a potential shortfall of roughly [1.4 million](#) STEM professionals by 2030.

By 2030, unmet talent and skill needs in the U.S. could put up to [\\$8.5 trillion](#) in economic productivity at risk—slowing innovation, growth, and global competitiveness.

## The Game Changer: Competency-Based Education

The message is clear: the workforce is not being equipped quickly or effectively enough for the jobs of today or tomorrow. Yet while the numbers are daunting, there is a promising path forward.

Competency-based education aligns learning with real-world demands, accelerates skill development, and ensures employees can immediately apply what they learn on the job.



# CBE: Decades-Long Track Record

## Reskilling and upskilling help organizations and the U.S. reduce workforce challenges.

Competency-based education (CBE, for short) is a modern education solution designed to meet the evolving demands of today's workforce. Unlike traditional education models that emphasize credit hours, seat time, and standardized testing, CBE shifts the focus to what learners can do and complements it with on-the-job application.

- Skill mastery is emphasized, allowing learners to progress at their own pace and demonstrate clearly defined competencies—knowledge, skills, and abilities that are observable, measurable, and job-relevant.
- In place of term papers and tests, learners build new skills through projects, simulations, and case studies, designed to reflect the challenges of real job roles.
- Because prior knowledge is recognized, learners can advance quickly through what they already know and devote their time to mastering relevant skills and concepts.

## Nearly 20 Years Strong

While the new buzz word these days, CBE is not new. In the 2010s, the United States Department of Education formally recognized CBE as a viable, innovative learning model—particularly for adult learners returning to school, Veterans using GI Bill benefits, and working professionals earning degrees while employed.

In 2013, the Department of Education approved Direct Assessment under Title IV of the Higher Education Act—making students in approved CBE programs eligible for federal financial aid, including Pell Grants, student loans, and other assistance.

Pioneers like Western Governors University (WGU) were among the first to gain approval to offer CBE programs eligible for federal financial aid.



*“We must move beyond a one-size-fits-all model of education. Competency-based approaches are a key step in ensuring that students are prepared for both college and career.” — Arne Duncan, Former U.S. Secretary of Education*

# What CBE Brings to the Business Table

**CBE is a fast, targeted pathway for upskilling current employees and developing job-ready talent.**

CBE is designed to align learning with workforce needs, ensuring that it leads directly to upgraded skills for existing employees and job-ready skills for new hires. It also allows a business to adapt quickly to changing industry demands.

Here's how: Nationally accredited institutions such as WGU partner with organizations to design CBE programs with courses and skill bundles tailored to their unique workforce needs.



## Why CBE is a Business-Wise Approach?

- **Aligns learning with evolving industry needs:** CBE programs are built around the exact skills employers require, ensuring students are fully prepared to step into in-demand roles.
- **Accelerates time-to-competency:** Learners are encouraged to progress at their own pace and master new skills faster without being tied to traditional academic calendars.
- **Upskills/reskills existing workforce:** CBE offers flexible options for working professionals to gain new skills, certifications, and microcredentials while remaining employed.
- **Improves workforce readiness:** By emphasizing demonstrable, job-relevant skills rather than purely theoretical knowledge, CBE produces graduates who are prepared to make meaningful contributions from day one.
- **Supports retention and mobility:** Employers using CBE to upskill staff improve retention by creating clear pathways for internal career advancement.



### Key Career Areas Supported by CBE

#### **Business & Management**

- Project Management
- Business Operations
- Marketing and Sales
- Human Resource Management
- Supply Chain and Logistics

#### **Healthcare**

- Nursing (RN to BSN programs)
- Healthcare Administration
- Medical Coding & Health Information Management

#### **Education & Training**

- K–12 Teaching (especially special education & STEM)
- Instructional Design & Curriculum Development
- Adult Education & Workforce Development

#### **Information Technology (IT)**

- Cybersecurity
- Data Analytics
- Software & Web Development
- Cloud Computing
- Network & Systems Administration

#### **Skilled Trades & Advanced Manufacturing**

- Mechatronics
- Industrial Maintenance
- Precision Manufacturing
- HVAC & Electrical Technologies

#### **Finance & Accounting**




- Financial Analysis
- Accounting & Bookkeeping
- Banking & Financial Services

According to the World Economic Forum, 6 in 10 employees will require reskilling or upskilling by 2027.

# Competency Framework: What, When, How

Now let’s get down to details—how CBE works. Consider the following competency framework for two CBE courses. Each framework outlines the skills, knowledge, and behaviors a student must clearly demonstrate to complete each course—regardless of how long it took to complete them. Demonstrated application is the keynote.

<p><b>Sample CBE Course #1</b></p> <p><b>Program:</b> Bachelor’s level</p> <p><b>Course:</b> Business Communication</p>	<p><b>Competency:</b> Demonstrate effective written/verbal communication in professional business setting</p> <p><b>Outcome:</b> Once mastery of all five competencies are demonstrated through performance-based assessments, the course is complete.</p>
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 Competency	 Description	 Assessment Example
1. Audience Awareness	Tailor communication style and tone to suit different professional audiences and contexts.	Analyze a case and write two different emails: one to a peer and one to a senior executive.
2. Business Writing Structure	Organize ideas clearly using appropriate formatting, grammar, and professional tone.	Submit a 2-page executive summary or memo using business formatting guidelines.
3. Clarity & Conciseness	Deliver clear, concise messages with no ambiguity or unnecessary content.	Edit a poorly written document to improve clarity and flow.
4. Oral Presentation Skills	Create and deliver an engaging, professional oral presentation.	Record a 5-minute video presenting a project proposal using visuals.
5. Ethical & Inclusive Communication	Demonstrate cultural sensitivity, inclusivity, and ethical communication principles.	Write a code of conduct memo addressing workplace communication norms.

**Sample CBE Course #2**

**Program:** M.A. Teaching / Endorsement / Upskilling for In-Service Educators

**Course:** Instructional Strategies for Diverse Learners

**Competency:** Design and deliver data-driven instruction that supports diverse learners and drives improved outcomes.

**Outcome:** On completing all five competencies, teachers earn course credit and apply skills in class or toward professional growth or license renewal.



**Competency**



**Description**



**Assessment Example**

1. Understanding Learner Diversity

Analyze the multifaceted nature of student diversity, including cultural, linguistic, cognitive, and socio-emotional factors.

Develop a comprehensive learner profile and propose tailored instructional strategies.

2. Differentiated Instruction Techniques

Apply methods to adapt content, process, and products to meet varied student needs.

Design a lesson plan incorporating differentiated strategies for a diverse classroom.

3. Culturally Responsive Pedagogy

Implement teaching practices that acknowledge and value students' cultural backgrounds.

Create a unit plan that integrates culturally relevant materials and perspectives.

4. Universal Design for Learning (UDL)

Employ UDL principles to create accessible and flexible learning environments.

Revise an existing curriculum to align with UDL guidelines, ensuring multiple means of engagement, representation, and expression.

5. Data-Driven Instructional Planning

Utilize assessment data to inform and adjust instructional practices for diverse learners.

Analyze student performance data to identify learning gaps and plan targeted interventions.

6. Collaborative Practices & Family Engagement

Foster partnerships with colleagues and families to support student learning.

Develop a communication plan that outlines strategies for effective collaboration with families and educational stakeholders.

# How CBE Fast-Tracks Learning & Completion

**CBE empowers employees to learn faster, smarter, and more effectively—at a pace that matches today’s dynamic business climate.**

CBE is all about flexibility, with the option to study evenings, weekends, or breaks in the workday. And employees can continue their education without stepping away from their jobs.

Whether studying for a short-term microcredential, an industry-recognized certificate, a specialized certification or even a full degree, CBE supports faster completion of learning goals.



## How CBE Streamlines the Learning Journey:

- Employees don't have to wait for the end of a semester or training cycle—they move on as soon as they demonstrate they've mastered a competency.
- The focus is solely on the skills and knowledge required for the job, cutting out unnecessary or generic material.
- Employees can learn at their own speed—faster learners accelerate, while others can take the time they need to fully master skills.
- Because competencies are tied directly to workplace needs, employees can often apply what they're learning in real time.
- CBE often allows credit for existing knowledge or experience, so employees don't waste time relearning what they already know.

Speed of learning translates to bottom line benefits, shortening the time between training and impact. Upskilled employees are ready to implement new technologies, tackle evolving challenges and meet customer needs faster, giving your organization a tangible edge in both innovation and response time.

# CBE Upskilling vs. Hiring New Talent

While the benefits of CBE may be evident, some organizations still shy away from it. They stick with what they know and are hesitant to adapt to CBE. Some assume it's just for higher education, not realizing it can easily be integrated into workforce development. Just how does CBE compare to traditional hiring and training methods?

*“Competency-based education ensures learners are ready for the demands of the workplace by focusing on demonstrable skills.” — Western Governors University*

	CBE Upskilling (Internal Talent)	Hiring New Employee
<b>Speed to Productivity</b>	Faster—employees already know your systems, culture, and goals. CBE builds only what they lack.	Slower—onboarding, training, and ramp-up time required.
<b>Cost Efficiency</b>	Lower long-term costs—no recruiting fees, onboarding costs, or turnover risk. CBE is scalable and focused.	Higher—recruiting, relocation, training, and possible mismatch expenses.
<b>Retention &amp; Loyalty</b>	Boosts retention—investing in employees’ growth increases engagement and loyalty.	Risk of early turnover—new hires are more likely to leave within the first year.
<b>Cultural Fit</b>	Guaranteed—upskilled employees already align with company culture and mission.	Uncertain cultural mismatch is a common reason for attrition.
<b>Agility &amp; Relevance</b>	CBE builds targeted skills aligned with business needs, often in real time.	New hires may not have niche or emerging skills unless specifically recruited.
<b>Employer Branding</b>	Shows commitment to career growth, which attracts talent and builds a strong internal pipeline.	May signal lack of growth opportunities if hiring is favored over internal development.
<b>Scalability</b>	CBE can be applied across roles and departments using modular, flexible learning.	Hiring for every skill gap is unsustainable, especially in competitive markets.

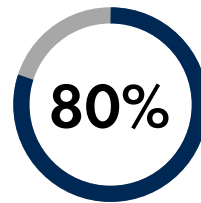
# Bolstering Workforce Strength & Retention

Investing in CBE doesn't just boost skills, it strengthens your workforce from within.

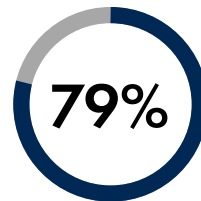
When employees are engaged—committed to their work, colleagues, and career growth—they're more satisfied and loyal. Conversely, unhappy employees lead to high turnover—and high cost.

According to SHRM, the Society of Human Relations Management, replacing an employee could cost anywhere from [50% to 250%](#) of their annual salary, not to mention the time spent hiring, onboarding, and training a replacement.

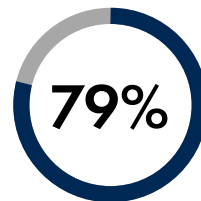
Keeping employees engaged, growing, and satisfied isn't just good for morale—it's smart business. With reskilling and upskilling embedded in the business model, workforce agility evolves in step with business needs—and employee retention remains a constant. The numbers can attest to this.



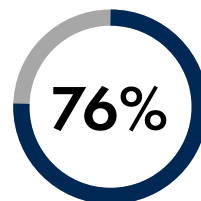
of employees say they would be more loyal to an employer that invested in their continuing education.



of employees would be willing to stay at a specific job longer for such an investment.

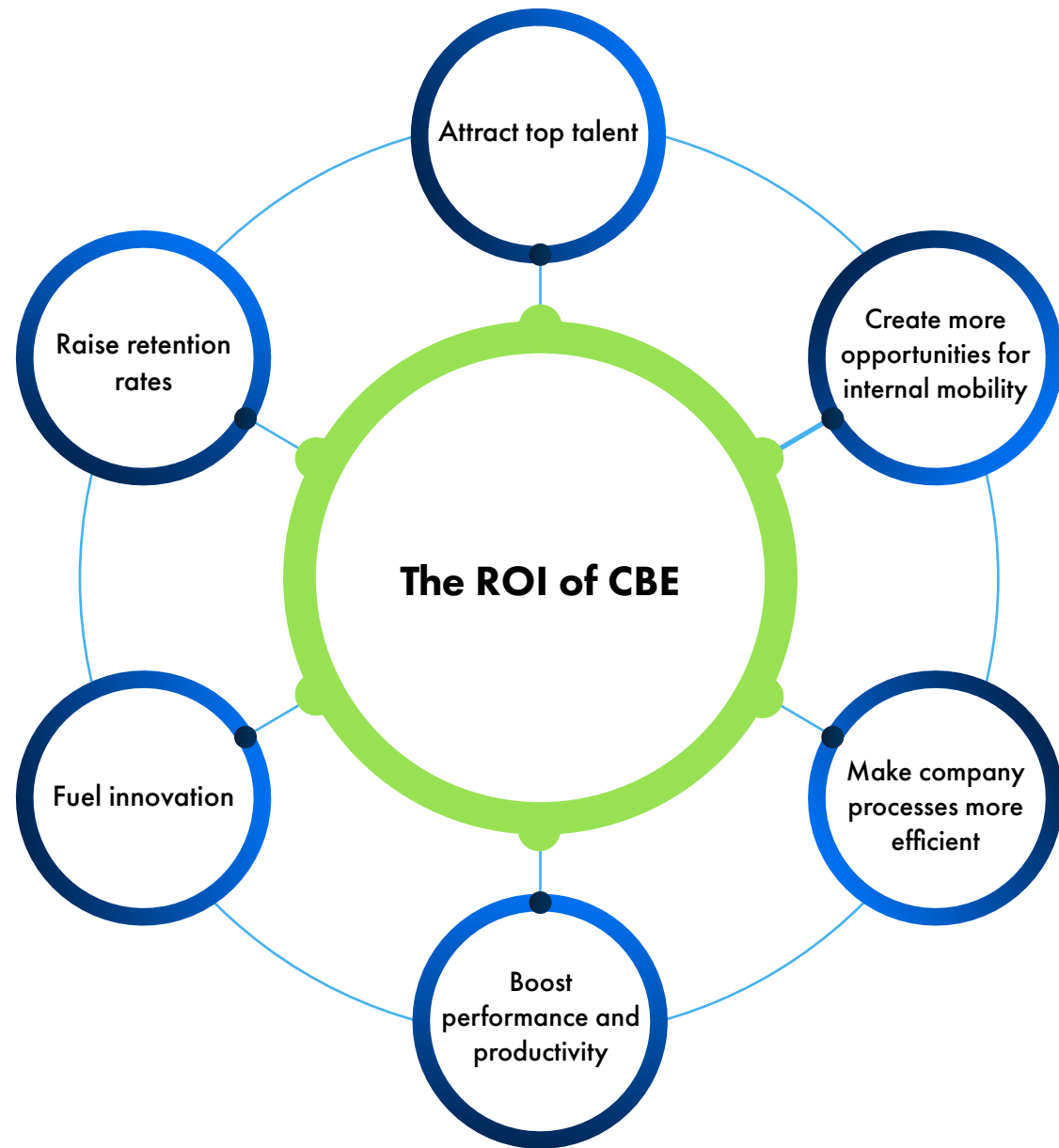


of employees would choose a job at a company that invested in their continuing education over one that did not.



of employees say they are more likely to stay with their employer because of their tuition reimbursement benefit.

Competency-based education delivers clear ROI by ensuring employees gain the precise skills that improve performance, productivity, and innovation. As capability grows, organizations can see higher retention, reduced hiring costs, smoother processes, and a stronger ability to recruit top talent.



# The First Step in CBE: Partnership

A vital step in implementing CBE is partnering with a trusted and seasoned provider. Do your homework, look for institutions that embed CBE into programs aligned with your industry and workforce needs.

For instance, WGU offers a flexible and affordable CBE model that aligns with tuition reimbursement programs and upskilling efforts. WGU is already partnering with leading corporations, healthcare systems, and school districts to deliver customized education offerings.

*“CBE is based on demonstrating mastery of program outcomes or competencies. This allows our motivated service members the potential to move more quickly in progressing through their program of study while simultaneously earning industry-leading credentials.”*

— Randi R. Cosentino, Ed.D., President,  
U.S. Naval Community College

Once you have a CBE partner in place:

- Collaborate to align courses and credentialing options with your specific organizational needs.
- Communicate the opportunity to your employees so your team understands how they can grow within your organization.
- Promote the program as a core component of professional development, including onboarding, performance evaluations, and internal career growth planning.
- Partner to track metrics like completion rates, time-to-skill, retention, and internal mobility. Use these insights to refine programs and demonstrate return on investment.



# Capitalize on CBE to Propel Growth, Powered by WGU

*“At WGU, we believe talent is everywhere—it’s opportunity that needs unlocking. By aligning education with the needs of today’s workforce, we help organizations cultivate skilled teams that drive growth and innovation.”*  
— Spencer Stewart, Vice President of Strategic Partnerships, WGU

Learn more about WGU partnerships at:

- [www.wgu.edu/partnerships](http://www.wgu.edu/partnerships)
- [partnerships@wgu.edu](mailto:partnerships@wgu.edu)

Organizations that act now build performance, resilience, and readiness for what comes next.

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