Sector Strategies: Revisioning State Workforce Policies

Wisconsin Family Impact Seminar
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Presented by Larry Good, CSW
Sector Strategies – A New, Big Policy Idea for States

- A “win–win” approach – improved results for employers and for workers
- Wholesale, not retail strategy
- Organize around industry needs, not public programs
- Vehicle for integrating across many agencies, funding sources
- High leverage possible with limited funding
Key Characteristics

- Address the needs of *employers*
  - Focusing intensively on the workforce needs of a specific industry sector within a region over a sustained period of time, often concentrating on a specific occupation or set of occupations within that industry

- Bolster *regional economic competitiveness*
  - Aligning education, economic, and workforce development in support of strategies that can bolster the region’s economy
Address the needs of workers
- Creating formal career paths to good jobs, reducing barriers to employment, and sustaining or increasing middle class jobs

Promote systemic change
- Achieving ongoing benefits for the industry, workers, and community.

Not another new project or initiative... it’s a new way of doing business.
Results for Employers

- Turnover: 41% reported reduction
- Rework: 19% reported reduction
- Customer complaints: 23% reported reduction
- Companies that said partnerships with other companies were valuable: 100%

*Source: 3rd party evaluation of Massachusetts Sector Initiative*
Results for Workers

- Employees who participated in sector-related training earned an average of $2 more per hour.
- Participants in sector skills-training programs saw decreases in poverty (from 64% to 35%).
- Participants gained new jobs as a result within targeted sectors.
- 83% of participants agreed that the training prepared them well for work in the targeted sector.
- 78% said the program had improved their chances of getting a good job.

*Source: Public–Private Ventures*

The Sector Model Across the Country

20+ States are using or developing Sector Strategies as a framework for regional economic competitiveness

<table>
<thead>
<tr>
<th>California</th>
<th>Colorado</th>
<th>Georgia</th>
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<td>Wisconsin</td>
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Hundreds of local areas use sector initiatives to connect workers to critical industries in their region.
Sector Strategies in Other States

- Pennsylvania Industry Partnerships
- Michigan Skills Alliances
- Washington Industry Panels
- Minnesota Sector Partnerships
An Example: Power Generation Skill Panel, Washington State

- Convened by the Centralia Community College
- Involves major power generation plants (coal, hydro, and wind), plus major public utilities around the state
- Key partners are Labor, community colleges, workforce Boards, and industry experts
- Products include articulated “skills standards” for key occupations, shared purchase of key curriculum, a revised apprenticeship program, and the creation of a hands-on training facility at an un-used nuclear power plant (Satsop Nuclear Facilities)

“The Power Generation Skill Panel has effectively met the needs of employers, workers, and the training system through collaboration and focused work on critical issues. By meeting the demand driven skills needs of industry we are all more competitive.” --Bob Guenther, IBEW Local 77
Sector Strategies in Wisconsin

- One of the birthplaces of the concept – Wisconsin Regional Training Partnership (WRTP)

- 2009 – Wisconsin Sector Strategies Initiative
  - 11 regional grants, $951,000
  - Spanning healthcare, manufacturing, energy, and construction

  - Sector strategies integrating efforts among DWD, Commerce, Tech Colleges, Public Instruction
Sector Strategies at a Tipping Point

Key Factors:

- Growth in number of states and communities adopting the model or planning to do so
- Need for innovative approaches to workforce, economic development in every industry
- The success of the model in improving the bottom line for employers and in increasing opportunities of job seekers in the community
- Widespread interest among state and local policymakers to support the partnerships
- Federal interest in the model is growing
Focus: An Industry within a Regional Labor Market

Management by a Workforce Intermediary

Services Delivered by Partner Organizations

Design and Development
- Convene partnership
- Conduct research
- Target occupations
- Design services
- Determine new needs
- Obtain start-up resources

Operations
- Provide programmatic services to workers and employers
- Coordinate activities to produce outcomes
- Obtain resources for sustainability and expansion
- Bring about system change
Definition and resolution of key human capital issues facing the industry, including:

- Short and long-term hiring challenges
- Retention issues
- Incumbent worker skill development
- Work reorganization
- Institutional and regulatory obstacles
Key Partners

- Employers and Employer Associations
- K-20 Education
- Counties and Cities
- Workforce Development
- Economic Development
- Social Services
- Labor Organizations
- Community Organizations

- Across geographic jurisdictions (e.g., multiple counties)
- Across public entities (e.g., education and economic development)
- Across types of organizations (e.g., public, private, non-profit, philanthropic, education)
- Across levels of education (“cradle to grave”)
WIIFM – What’s In It For Me?

- **Employers** – shared cost, a place to solve major talent issues, a single table at which to work with public entities

- **Educators** – venue for faster understanding of changing industry needs; play out of educational career pathways

- **Workforce Developers** – strategic focusing of time and resources for high leverage with key industries while meeting worker needs

- **Economic Developers** – place for focused work with key industries on talent questions; can be major tool in retention and growth strategies
Roles of Industry Leaders

- **Driving the partnership**
  - Provide leadership and direction

- **Acting as champions of sector strategies**
  - State level business and industry leaders can promote the benefits of the sector approach to their peers, members, and constituents at the regional level.

- **Identifying workforce needs**
  - If recruited and engaged pro-actively, state-level business and industry leaders can help the public partners better understand the strengths, challenges, and needs of potential target industry sectors, particularly related to a skilled workforce.
The Evolution of the Business-Education Partnerships: Beyond “Business-Driven”

“Off the shelf” course offerings

Needs assessment/customized training

Organizational development approach (“Trusted Partner”)

Deep engagement–Shared ownership of standards, curriculum, and assessments
Key Findings

Accelerating State Adoption of Sector Strategies: Phase 1 Project Report

- **Promote Regionalism**: Labor markets rarely span an entire state or conform to geo-political boundaries, and employers and job seekers do not recognize artificial geographic boundaries in the labor exchange process. Sector strategies promote a focus on regional economies.

- **Increase Funding Opportunities**: Provides for a “big tent” of partners that allows for multiple funding strategies to be identified and utilized.

- **Use Data to Drive Decisions**: Sector initiatives need a deep understanding of particular industries and regions to identify needs and formulate effective solutions. States play a key part in collecting and providing data to regions.
Key Findings

Accelerating State Adoption of Sector Strategies: Phase 1 Project Report

- **Align Resources and Strategies**: Sector strategies help align and leverage various programs, resources, and strategies. This creates effective cross-system connections toward common goals.

- **Present Opportunities for Unified Messages**: Marketing is a key to sector strategies success. Sector initiatives and the state can work together to provide opportunities for businesses, labor, and other stakeholders to communicate benefits they receive. States can develop a brand for their sector strategies or the brands of larger workforce and economic development campaigns to promote their sector strategies.

- **Build Legislative Support**: Legislative support and funding are often the difference between short and long-term success for state sector strategies.
**Evaluation of Sector Strategies: What We Know Matters to States**

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<thead>
<tr>
<th>Impact on Jobseekers and Workers</th>
<th>Impact on Employers and Industry</th>
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<tbody>
<tr>
<td>• Increased availability of good jobs</td>
<td>• Shared costs and risks</td>
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<tr>
<td>• Improved working conditions</td>
<td>• Increased availability of skills training</td>
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<tr>
<td>• Expanded work supports</td>
<td>• Guidance on ways to improve human resource practices</td>
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<tr>
<td>• Increased opportunities for education and training for high-demand occupations</td>
<td>• Reduced turnover</td>
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<td>• Increased employment and wage gains</td>
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<th>Effectiveness of the Partnership</th>
<th>Systems Change</th>
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<td>• The right partners “at the table”</td>
<td>• Changes in how education, workforce, economic development, and employers work together</td>
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<td>• Industry challenges identified</td>
<td>• New social and business supports</td>
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<td>• Appropriate solutions designed/implemented</td>
<td>• Changes in public policy</td>
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<tr>
<td>• Plan of action, road map, goals, and outcomes</td>
<td>• Changes in employer practices</td>
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<tr>
<td>• Partners agree the Partnership is valuable</td>
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<tr>
<td>• New and leveraged funding</td>
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_Two Notes:_ 1) NGA White Paper and Evaluation Framework offers full detailed discussion on these categories; 2) a 5th category of growing interest is “impact on community” (such as reduced poverty/unemployment)
Welcome to sectorstrategies.org!

This website is part of an on-going multi-state project focused on accelerating the adoption of sector strategies. Sector strategies are being adopted by dozens of states to connect workers to relevant training and education, and to connect employers to skilled workers.

What are sector strategies? They are state policies that promote regional partnerships of employers, educators, workforce developers and other stakeholders that address the skills needs of critical industries in a region. They are focused on one critical industry; are led by a strategic partner who coordinates dialogue and action; and result in customized solutions to the workforce needs of employers in the industry. They are a proven mechanism for meeting the needs of workers for good jobs and the needs of employers for skilled workers.

ARRA Resources for Sector Strategy Policy Makers
Visit our ARRA Resource page for essential resources for state policymakers thinking about how to use ARRA funds to help enhance their sector strategies.

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Questions?

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