



A project of the National Economic Development and Law Center



FILLING AMERICA'S JOBS

How Businesses Can Implement Sector Workforce
Development Strategies for Jobs and Economic Growth

The fifth in a series of "How-To" Guides from the Center for Workforce Success



The Center for Workforce Success is the nationally known workforce development arm of the National Association of Manufacturers (NAM). As the NAM's non-profit education and training affiliate, the center finds, creates and promotes workforce development solutions for today's and tomorrow's manufacturers. The NAM is the nation's largest industrial trade association, representing small and large manufacturers in every industrial sector and in all 50 states. Headquartered in Washington, D.C., the NAM has 10 additional offices across the country.

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Fifth in a series of Center for Workforce Success "How-To" Guides
titled *Filling America's Jobs*

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Acknowledgments

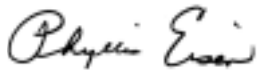
Filling America's Jobs is a series of handbooks created by the Center for Workforce Success (CWS) to help U.S. manufacturers with their workforce development challenges. This “how-to” is the fifth in our series and is intended to provide guidance, practical advice, clear steps, case studies and benchmarks for businesses and business associations interested in developing jobs and economic growth in their sector.

This publication is the result of much research and on-the-ground work and we would like to thank the Precision Metalforming Association, the Power Transmission Distributors Association and their Education Foundations for their hard work in developing business-led sector workforce development initiatives in Minneapolis, Minn., and Cleveland, Ohio. We would also like to thank the Shipbuilders Council of America for its initial work in New Orleans on this project, untimely cut short by Hurricane Katrina.

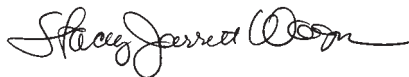
As partners during the last three years, the National Network of Sector Partners (NNSP) and CWS have faced many challenges. Yet ours has been a stimulating collaboration and we've learned so much. We are especially indebted to the late Cindy Marano, founder of NNSP, for her early work on sector workforce development — this guidebook is dedicated to her memory.

We are also indebted to our funders, the Charles Stewart Mott, Annie E. Casey and Hitachi Foundations, for their patience and support of our sector work and in helping make this how-to guide available.

Sector workforce development comes with its own set of challenges in relationship-building, leadership, training and education pipelines, career awareness, funding, and communication. For those of you willing to take on these challenges, this guidebook should provide a good start. We hope you find it valuable and we look forward to hearing from you about your own workforce initiatives.



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Introduction

This how-to booklet is intended to guide businesses and business associations affiliated with the National Association of Manufacturers (NAM), as well as local chambers and other business-led organizations, on effective ways to bring businesses within an industry together; determine solutions required to meet their workforce needs, as well as those of their workers; develop regional pipelines of skilled workers; and advocate for public policies that support those pipelines. This guide provides a step-by-step method for bringing together partnerships that connect individual efforts, social supports, training and education, and high-road employment. It contains practical advice to help business associations take on the role of industry-centric workforce intermediaries, help employers create modern and sought-after workplaces and create cadres of business champions to speak out publicly on the need to develop a modern manufacturing workforce.

This how-to guide addresses several key issues:

- What Is a Sector Initiative?
- Benefits of Participation
- Stakeholder Roles and Responsibilities
- Challenges Facing Workers and Job Seekers
- Challenges Facing Employers
- Partnerships
- Advocacy
- Funding
- Creating High-Road Workplaces
- Case Studies

In addition, the Appendix contains further examples of funding, sustainability, expansion, policy, research and analysis.

What You Need To Know

“We are committed to investing time and money in the education and training of our employees to help them advance in a rewarding manufacturing career path. Only with highly trained employees can we meet our goals of providing a quality product in a timely manner for the best value.”

— Elizabeth Abraham, CEO, Top Tool, Minneapolis



Filling America's Jobs

What You Need To Know





What You Need To Know

What Is a Sector Initiative?

The National Governors Association describes sector initiatives in this way: “Sector strategies build partnerships of employers, training providers, community organizations and other key stakeholders around specific industries to address the workforce needs of employers and the training, employment and career advancement needs of workers. The defining elements of sector initiatives include a focus on customized solutions for a specific industry at a regional level, a central role for a workforce intermediary in bringing the industry partnerships together, and the dual goals of promoting the competitiveness of industries and advancing the employment of low- and middle-income workers.”

Sector initiatives are, by their nature, lengthier and more time and resource-intensive investments than traditional training programs. They combine workforce and economic development strategies, involve multiple stakeholders, and result in systems changes within communities and regions and throughout states.

Commonalities among sector initiatives include: a focus on present and future skill shortages; the education, training and other solutions needed to overcome skills shortages; coordination with economic development entities; serving “under-served” populations; engaging employers; and creating an infrastructure that can continue to serve the purposes of the stakeholders beyond their initial goals.

Typically, sector initiatives begin with research and development. This first phase includes convening the stakeholders to form a partnership, conducting research that targets the industry sector(s) and occupations, designing services, determining if there are new needs and obtaining start-up resources. Investing the time and resources necessary for the initial research and development will make the initiative far more effective. The alternative is akin to building a car while it’s being driven.

After research and development, sector initiatives are then prepared for the operational phase. Operations (staffing, programmatic services and coordinating activities) should be undertaken with a labor market-driven perspective, rather than a funding source perspective. Sector workforce development initiatives are multiyear in nature rather than based on a funding timeline. So, from the beginning there needs to be a fundraising strategy for long-term sustainability and expansion (for more on this, see the Appendix).

Benefits of Participation

The value of leading or participating in sector-based initiatives is that all of the stakeholders can come out winners. Sector strategies are undertaken to solve shared problems in filling the pipeline of workers, increasing the growth and profitability of industry sectors, increasing the effectiveness of public services, aligning training needs with training provision, and advocating for policy changes in support of the changes that take place.

In the CWS-funded “Make It Happen” project in Minneapolis, 37 employers participated in a sector initiative designed to find, train and hire individuals and place them with metal working firms. Precision metal-working is a growing industry in Minnesota and many of Minneapolis’ small firms couldn’t find the workers they needed to meet production goals and expand their businesses. With leadership and involvement from the Precision Metalforming Association’s Education Foundation, its employer members and other partners, the Make It Happen sector initiative recruited 154 individuals, trained 96 of them and placed 83 over two years. Eighty-four percent of those workers were still employed after six months. Additionally, the initiative captured the attention of the Minnesota state colleges and universities system (MNSCU) and the Minnesota Jobs Skills Partnership (a grant-funding organization) and has been provided with additional funds for

expanding training into other areas of manufacturing, serving even more manufacturers across the region. And, a new “academy” is now being developed by the Minnesota Department of Employment and Economic Development to train state employees in ways to better serve industry. The academy will be called “the Business Services University” and was a result of discussions by the Make It Happen trade association representative and the Minnesota Director of Workforce Partnerships. (For more information on the Precision Metalforming Association’s program, see the case study section of this guide.)

Individuals also benefit from participation in sector initiatives, as job requirements and career ladders become more transparent, schools teach the courses needed to help students acquire the appropriate skills, and more people enter into family-supporting jobs.

In a 2002 study done by the Aspen Institute, 48 percent of participants in a sector project moved out of poverty based on their new earnings.¹ And in response to another survey of participants in sector workforce development, 82 percent said they felt that their job prospects had improved as a result of their participation (training).² In the Make It Happen initiative, wages for workers averaged \$14.51 an hour for up-skilled incumbent workers and \$11.36 for entry-level employees.

The Role of Business

As might be expected, the role of business in economic and workforce development strategies is paramount. As sector initiatives take hold around the country, industry partnerships fall squarely in the center of the efforts. Value-creating businesses and the high-wage, high-skill jobs they provide are the engine of economic growth. Because these growing industries need workers with 21st-century skills to keep them competitive and growing, regional business partnerships stand at the center of any economic and/or workforce development sector strategy.

The Role of Business Associations

Business associations know their members and their needs and also are in a position to understand the resources that member firms might need. The term “intermediary” thus implies the role: Workforce intermediaries stand between—and link—employers with others, in this case, educators, trainers, other providers of workforce services and public policymakers. Although workforce intermediaries—in various iterations—have been around a long time, business organizations across the United States have only recently started to assume a greater leadership role in the workforce development arena.

As a workforce intermediary, a business association can link up employers with the resources they need to recruit and retain qualified workers for jobs. This “linking” role is badly needed: In the *2005 Skills Gap Report* by The Manufacturing Institute/Center for Workforce Success, 81 percent of manufacturers said they were experiencing an overall shortage of qualified workers, 90 percent said they were facing a shortage of skilled production workers and 39 percent even said they couldn’t find *unskilled* production workers to fill those jobs. The workforce intermediary role may involve brokering workforce services or providing them through the business association. It might also involve research. Business associations are well-suited for this job, as they are uniquely positioned to understand their members’ needs. And, they can partner with other stakeholder organizations that understand workforce needs and are committed to workforce development.

¹ Rademacher, Ida. “Working with Value: Industry-Specific Approaches to Workforce Development,” The Aspen Institute, Washington, D.C. February 2002.

² Ibid.

State agencies and legislators look to the private sector to inform public sector services and legislation on their utility. By working closely with local and state public agencies — such as the education and training system, economic agencies and departments of employment and human services — business associations can provide reality-based information about the challenges and potential solutions for aligning public and private goals in sector workforce development.

Business associations acting as workforce intermediaries typically work with five main groups:

1. Employers;
2. Incumbent workers and job seekers in need of education, training and other services;
3. Education and training providers, including community colleges and technical schools;
4. The public workforce system and other agencies and institutions involved in workforce development; and
5. Economic development agencies.

The Role of Business Associations as Workforce Development Intermediaries

Organize, advise and advocate for member firms of the association.

Help firms, especially small and medium-size firms with limited human resource (HR) and training staff, to understand their skill needs and upgrade their HR policies and practices. Aggregate employer skill needs, perhaps by organizing such firms into consortia with similar HR needs. Advocate those needs to the community, to education and training providers, to public policymakers, etc.

Provide or broker workforce services for workers and job seekers.

Directly provide education, training or other workforce services — or broker them from other providers — for incumbent workers of member or non-member firms, or for those individuals seeking employment.

Work with education/training providers to improve workforce services.

Convey employer skill standards and worker skill needs to education/training providers; bring existing employer curricula to such providers; and work with providers to design/redesign their own curricula, certify their programs and credential their graduates. Help providers of supportive services (child care, transportation, case management, social services, etc.) better understand and serve employers and workers. Providers can be public or private, for-profit or non-profit trainers, educators, community-based organizations, supportive service agencies, etc.

Engage in research and development.

Research employer and worker needs; research effective employer human resources practices; and engage in pilot or demonstration projects on new and effective workforce management and development practices.

Help govern/advise workforce institutions and systems.

Sit on or nominate employer members to Workforce Investment Boards or governing boards of other workforce development institutions such as training organizations or community colleges, as well as such advisory committees, curriculum committees, task forces, etc., as they may establish.

In doing the above, the employer intermediary will sometimes also form or join various partnerships with education and training providers, community-based organizations and other relevant workforce development stakeholders.

Sector Stakeholder Roles and Responsibilities

Within any sector initiative, there are multiple stakeholders, each with its own role and some with overlapping roles. Business associations need to assess their internal capacities and the capacity of other stakeholders in their region. Business associations may play, or identify other stakeholders to play, any of the following:

1. Sector Catalyst/Stimulator of a Successful Initiative
2. Sector Lead or Intermediary
3. Supportive Partner
4. Training Needs Assessor
5. Training Provider
6. Vehicle for Financing
7. Leader in Addressing Policy Issues

These roles apply to the research and development phase of starting a sector initiative as well as the operational phase.

Roles for Business Associations and Other Stakeholders in Sector Initiatives

Sector Catalyst/Stimulator of a Successful Initiative

Business associations with the capacity to play the workforce intermediary role of organizing, advising and advocating for member firms offer an important foundation for stimulating development of a sector initiative. Key activities include convening the stakeholders to begin research and development activities; conducting an analysis of industry and workforce data; holding focus groups for the industry's employers, workers and job seekers to select industry targets; and presenting sector needs and potential solutions.

Sector Lead or Intermediary

Business associations with the capacity to help govern/advise workforce institutions and systems, engage in R&D and broker workforce services are well-positioned to play the role of sector lead or intermediary. This role includes leading implementation of the plan developed during the R&D phase, investing in the sector(s) targeted, staffing the partnership, managing the initiative's finances, managing and monitoring its progress and strategies, stimulating systems change, monitoring outcomes, and publicizing progress.

Supportive Partner

In some cases, business associations may determine that other stakeholders are better suited to play the role of sector lead or intermediary. If so, business associations can take on important responsibilities as a supportive partner. These include participating as an active member of the partnership, making the case for a sector approach, engaging local elected officials, aligning resources and services to the effort, organizing agencies to support the effort, and helping raise resources.

Training Needs Assessor

Business associations can be the initiative's training needs assessor if they have the capacity and desire to research skill needs in key industries and occupations, conduct worker assessments, and identify courses and learning opportunities to address gaps in knowledge and skills. Otherwise, this is best left to stakeholder partners with direction from the business associations.

Roles for Business Associations and Other Stakeholders in Sector Initiatives (Continued)

Training Provider

Business associations that provide training services may be well-positioned to be a training provider for the sector initiative—designing training to meet industry and worker needs, providing classroom training to address skills gaps and ensuring that training is aligned with companies' overall business strategies.

Vehicle for Financing

Examples of the key responsibilities of this role are as a fiscal agent for funds, an advocate for private, state and federal funding, and helping the partners understand the funding structure and requirements. If a business association has a 501c3 affiliate, this is a good role for the association.

Leader in Addressing Policy Issues

Business associations (especially state organizations) are often leaders in addressing policy issues. This can benefit the sector initiative by advocating for changes in workforce policy that focus on key industries, changes in service and outcome priorities that support industry needs, and changes in performance measures that capture outcomes for employers and workers.

At the state level, the involvement and leadership of governors is critical for aligning mission and action. If the scope of your sector initiative is statewide, the National Governors Association recommends that your sector strategy include information on the nature and strength of sector strategies, policy options with examples from other states, key considerations for policymakers and recommendations.³

Challenges Facing Workers and Job Seekers

A lack of adequate job skills dooms millions of Americans to toil in jobs without any hope of advancement. Frequently, these workers and job seekers are entry-level workers from the public job training system, former welfare recipients or people re-entering the workforce after a several-year lapse. And many, nowadays, are immigrants with limited English language skills. Yet, even workers with higher skills levels now face obsolescence as technological advances in manufacturing and other industries raise the bar on skill requirements.

Many productivity problems can be traced to a lack of adequate soft skills, such as interpersonal skills, basic language and numeric skills, problem-solving and teamwork, as well as inadequate hard skills such as task-based skills. In order to retain their jobs and to increase their upward mobility, all workers need to improve their range of skills.

To get jobs or advance at the workplace, workers should seek education, training and support from available community resources. Too often, however, they don't know what resources are available, nor do they understand what types of career ladders are offered by employers and how to get the skills and training needed for advancement. They need help in negotiating the opportunities available to them, whether it is education, training or support services. A big part of any sector initiative should focus on jobs, job competencies, career ladders and advancement, and how employees and potential employees can acquire the skills necessary to become valuable employees and earn a living wage.

³ "State Sector Strategies: Regional Solutions to Worker and Employer Needs." NGA Center for Best Practices, NNSP, Corporation for a Skilled Workforce. Washington, DC. November 2006.

Challenges Facing Employers

Presently, many American firms are feeling the effects of globalization, increasingly complex technology and changing demographics. They are also facing intense pricing pressures, currency instability, rising energy and health care costs, and a dearth of skilled workers.

While large firms generally have professional managements of sufficient scale to address problems, including professional HR and training staffs, smaller firms frequently lack sufficient management scale and depth to respond. However, in a sector initiative, both large and small firms benefit from inclusion when addressing the myriad challenges.

External pressures often cause many small or medium-size firms to believe they do not have the capital to invest in the formal training programs needed to maintain a high-performance workplace. Some believe they don't have a critical mass of employees to justify the time and expense of providing for or arranging training, while others see little connection between training and business success. Most are unfamiliar with the education and training resources available to them and to their employees, and they lack the time to search out these resources. Formal training is often aimed at managers and technicians. Supervisors sometimes receive formal training, but frontline workers are often left to make do with informal on-the-job training. In hard times, training dollars are sometimes cut completely from the budget without regard to the future effects of lowered productivity and demoralization.

The Center for Workforce Success' research has found that many small and medium-size firms have severely limited, overly informal and reactive HR systems. Few have professional full-time HR personnel and many just tack duties onto a manager's other professional responsibilities. With a few exceptions, small and medium-size firms only have time and resources for a kind of "just-in-time" HR. They can generally do only what is required by law and regulation, and then fight HR fires as they break out. This leads to a high degree of frustration among HR staff, who know they should be acting more systematically and more proactively.

Thus a number of problems in and across firms need to be addressed in sector initiatives, including :

- Developing current and accurate job descriptions;
- Identifying current and future skills and competencies required for different jobs;
- Spelling out hiring requirements to eliminate mismatches between new hires and needed job skills;
- Developing employee handbooks and clear and consistent HR policies;
- Understanding turnover costs and improving retention;
- Training supervisors in modern leadership and motivational skills;
- Using performance evaluations as feedback rather than punishment; and
- Developing trustful communications between workers and managers in both union and non-union environments.

Many employers know they have problems, but they accept them as "facts of life" and believe not much can be done about them. In addition, employers often are astonished to learn how much their employees' personal, family and community problems affect their job performance.

Many employers have limited knowledge and resources to apply to such matters. This means that they need help understanding that investments of time and resources at the workforce level can have substantial returns—and they need help in taking the steps necessary to put these resources in place.

This is where business associations come in. Operating as workforce intermediaries, business associations can provide important advice and help to firms in their communities or regions. By working with other stakeholders to understand growing or declining industries, labor mobility, aggregate skill and training needs—and communicating this information to Workforce Investment Boards (WIBs), One-Stops, K-12 educators, post-secondary education institutions and policymakers—business associations can be champions for change within their sectors and throughout their regions.

What You Need To Do

“The number one key to any distributor’s success is finding good people. We need to find new ways of attracting people with the right skills to this career path.”

—Tom Bohardt, CEO of Meier Holding, LLC, Cleveland, Ohio



Filling America’s Jobs

What You Need To Do



What You Need To Do

Partnerships

“A chain is only as strong as its weakest link.” For sector initiatives, this adage is an invitation to make sure you partner strategically, with a well-thought-out plan regarding who brings strength as well as depth to your workforce initiative. There are many partners in your community or region who can provide valuable leverage, assistance, resources, funding and new thinking. These partners, many of whom may not have been considered by the business community before, include faith-based and community-based organizations, unions, literacy providers, economic development agencies, One-Stop career centers and WIBs, as well as the usual partners: K-12 educators, community colleges, technical schools and other training providers.

That being said, remember that when money is involved, everyone wants a stake in the action, so be strategic about those partners that bring the most value to your initiative.

Advocacy

Business associations and business champions can play a key role in building policy support for sector initiatives and in speaking out publicly about the need for systemic changes in order to have the skilled workforce businesses need now and in the future.

Creating Business Champions

Until recently, much of the dialogue about the importance of training and the need for a skilled workforce has taken place at the HR-manager level. Recruiting champions who are CEOs, COOs and presidents elevates that dialogue to the boardroom level.

These C-level champions understand that investments in their workforce have substantial returns—and they are committed to putting the resources in place to appropriately train skilled workers. Using these executives to communicate the value of workforce development initiatives has several advantages, among them:

- Business people listen to business people. Hearing from peers has an impact that goes beyond hearing from colleagues in associations, intermediary groups, educational institutions or other partners involved in workforce development programs.
- The investment in training is framed as a critical business objective with a positive impact on a company’s bottom line. Beyond the logic that “training is a good thing to do,” CEO champions can speak to their peers about the broader economic impact of failing to invest in such programs.

CEOs are busy running their companies, and may have limited time available for such communications efforts, even though they are, in principle, committed to them. Effectively managing the time they make available can be a challenge. To keep them engaged at this level, consider the following:

- *Cultivate relationships:* Start by listening. Be sure to understand their priorities and concerns and how they fit within your communications messages.
- *Make it easy for them to participate:* Provide talking points and other background materials that clearly and concisely articulate the messages the champions should put forward.
- *Don’t overuse or abuse their time:* Keep requests to a minimum. Try to develop a large enough group of champions at the outset so you are not repeatedly asking the same people to participate.

- *Look for ways to make champions part of networks that are of use to them:* Involve them as appropriate in other efforts with their peers so they see the benefit of this role.

For more in-depth information and help on creating business champions in sector workforce development, see the CWS companion piece to this guide: *Working with CEOs To Communicate the Importance of a Skilled Workforce*. Additionally, visit the CWS Web site to learn more about its recent and ongoing work in developing the new Business Champions for a Competitive Workforce Initiative: www.nam.org/workforce.

Advocacy for Policy Changes

Sector initiatives differ from traditional approaches to workforce development, economic development, education and human development. These differences produce the need for public sector investment in training and technical assistance regarding new ways of thinking about who the customer is, the focus of activity, the geographic scope, the planning process, partnership development, operating sector initiative programs, achieving programmatic outcomes for employers and workers, bringing about systems change, and evaluation.

Business associations and business champions can influence capacity building efforts (policy changes) by informing pertinent public agency personnel of their sector efforts. They can also benchmark their sector work against the best practices of other sector initiatives to assess strengths and weaknesses, and then use the results toward their own efforts.

State policy support and funding for sector initiatives has recently been growing at a rapid rate. Since 1999, more than one-third of states have established policies or implemented changes in public agencies to support sector initiatives. For examples of what business associations can accomplish through policy advocacy, see the Appendix.

Funding Sector Workforce Development Initiatives

Nothing happens without money, and workforce intermediary activities are no exception. Business organizations, trade associations and chambers of commerce that wish to build a pipeline of workers will have two general categories of costs in conducting workforce intermediary programs from “within” their organizations: personnel and services.

There are a number of sources of potential funding. These include membership dues, fees for services, and grant funding from private philanthropic foundations and public sources.

As a rule, business associations should always seek some contribution from the companies with which they are working. Business people typically place more value on services they pay for, and if an expectation of cost sharing is realized early on, companies are generally more willing to pay more later, as they start to recognize the value of these services to their bottom line. For example, if free or low-cost training can be provided through grant monies, then employers should be asked to make space and/or equipment available. Additionally, training should occur in whole or in part during paid working hours.

However, it is important to recognize that some employers may not be willing or able to pay for the workforce services brokered or provided to them — especially at the outset of a specialized workforce project for entry-level or other frontline employees. Many of the companies that are most in need of workforce assistance place little initial value on that assistance and/or are unable to fund it. As a result, it is important for business

associations to seek external support in the form of grants or to leverage services from public agencies. Because small and medium-size companies and the jobs they provide are important drivers of their local economies, grant funds and/or public services may be available to start up and provide initial support for sector workforce initiatives. The NAM-affiliated intermediaries have often used such free or low-cost early services as “loss leaders” to gain the involvement of skeptical employers, who frequently will pay for some or all of the cost of later services once they see their value in action.

There are, in addition to employer contributions, several potential sources of grant funds or free or low-cost services to be found for sector initiatives, including:

- State and local WIBs and One-Stop centers;
- Economic development agencies;
- Community colleges;
- Social service agencies;
- Employee assistance programs;
- Adult basic education providers;
- Providers of English as a second language;
- Local foundations;
- National foundations; and
- Governors’ discretionary funds.

WIBs and One-Stop centers are funded by the federal Workforce Investment Act (WIA). As a workforce intermediary, you can make the case that the benefits you will provide to companies, their workers (and potential workers) and the community contribute to the local economy and merit such federal funding. Local economic development agencies are approachable with similar arguments.

Local, community-based foundations are another potential source of funding. Foundations are often willing to fund projects where civic action is aggregated and that help non-traditional workers while keeping employers and jobs in the community.

National foundations can also be a source of funds—especially when you partner with national organizations such as CWS or the NNSP to create “model” workforce projects. Each national foundation, similar to each local foundation, has a specific interest in issues such as corporate social responsibility, economic development for rural or urban areas, training unemployed persons for family-supporting jobs, career ladders and skills training for immigrants. If your project aligns with one of their issue areas, they may support it.

Do not neglect potential partnerships with organizations that already are providing some of the same types of services, such as two-year colleges. Community colleges and technical schools may have training subsidies or low-cost training courses that you can refer or customize for your members. Similarly, social service agencies, adult basic education providers and similar types of organizations will prove to be valuable partners.

The government can provide significant financial support for sector initiatives, and business associations can advocate for grant programs that support sector initiatives.

Decisions regarding these choices are best when they result from dialogue between public officials, business associations and regional stakeholders concerned with promoting sector initiatives. For extensive information on how funding can “follow policy,” please see the Appendix.

Creating High-Road Workplaces

High-road workplaces can be described as businesses that understand the value of investing in their workers and put that into everyday practice. An old saying states that “people are our most important asset,” yet this often plays out less in reality than it does in concept. In truth, there can be a considerable return on investment for businesses that offer sound HR practices and policies and invest in workers’ skill development. The businesses that view their human capital investments similar to their other capital investments are referred to as high-road workplaces. But “getting there” is sometimes a learning process.

Morrissey, Inc.: Tamara Andersen, HR director at Morrissey, Inc., said that participation in their sector workforce project was exactly the kind of experience she needed to convince the company’s CEO of the value of training. As a “bottom-line kind of guy,” who was not convinced that participating in a sector workforce project would be a good investment, he feared the loss of trained employees.

Yet, Morrissey, Inc., sent eight newly hired workers through training and paid the workers/students for both their travel and class time. All eight are still employed at Morrissey’s facility and two have started additional training. The HR director says its investment is paying off in a higher quality of work from the company’s trained employees because trainees now better understand blueprints and measuring, but more important, their confidence has improved. She believes the investments made in these individuals are also paying off in loyalty to the company.

Marshall Manufacturing: Mike Hedtke, engineering resource manager, saw a great deal of benefit to Marshall Manufacturing from its involvement in a sector workforce project. That value not only came from having a voice to decide on training curricula at the local technical school, but also a new understanding of the area’s workforce development community, the public agencies that support workforce training and several local resources for workforce help. His company benefited by learning about career ladders, and it uses that knowledge to counsel employees differently: now line supervisors assess line employees’ potential and help them develop career plans and pathways. Marshall Manufacturing has committed to developing a pipeline of workers instead of just looking for quick fixes.

Sector initiatives help businesses create and maintain high-road workplaces through skill identification and development and by assisting businesses in creating career ladders and advancement opportunities. In turn, this makes it easier for businesses to recruit and retain a high-quality workforce.

Let's Get Started

“We want entry-level workers to see that they can move up through the system and develop a rewarding career path within our company and this industry. We have to address our customers’ evolving needs for reasonable costs and faster response times, and we need a skilled workforce to do that.”

— Deborah Cooper, President, Rotation Engineering, Brooklyn Park, Minn.



Filling America's Jobs

Let's Get Started



Let's Get Started

Getting Started on Developing Your Sector Initiative

Now that you understand the components of sector workforce development and what you need to do, here are a few general keys to getting started:

- Start with the end in mind. Make sure your sector initiative is industry-specific, addresses the needs of employers and workers, bolsters regional economic competitiveness, engages a broad array of key stakeholders and promotes systemic change.
- Reach out to and engage your larger employer community; it is one of the most important aspects of any sector initiative. Make sure you include small and medium-size firms, as well as large companies within your sector(s).
- Focus on partnership development and be clear about the separation of roles.
- Ensure technical assistance is provided to your partners regarding their roles.
- Find ways to demonstrate the value of participation to your partners.
- Find neutral brokers to implement and manage each strategic strand.
- Develop some small projects within the initiative and build on their successes in bringing the initiative to scale.
- Identify the sectors in your initiative at a local level with local and regional input. Do not depend solely on state-level advice, although you can eventually take the initiative statewide.
- If you seek to make changes in state policy, your initiative would do well to seek out support from your state's governor.

Overcoming Hurdles: Lessons Learned from the Field

Lessons from leaders who have started up sector initiatives can provide additional insight and help you avoid some pitfalls. These lessons include:

- Make sure your partners understand your targeted industry inside out through plant tours, focus groups, labor market and economic development data, and interviews with industry leaders.
- Don't choose your partners until you understand your project needs well enough to select the right partners—those who can help you with value-added services in agreement with your standards.
- Engage more employers at the start than may seem necessary to deal with business changes, mergers and failures. Be conscious of business cycles and their effect on your project, and be flexible when shifts occur.
- Budget enough time for planning, stakeholder development and sustaining the partnerships.
- Build a plan for sustainability from the start. Don't get your first grant, do the project, and then think about how to replace it three months before it's gone. Most initiatives that pass the start-up phase have at least five sources of funds. Make sure your revenue sources are flexible to accommodate project shifts.
- Start slow, pick doable quantifiable goals that will add real value to your business partners and meet these goals flawlessly. This will ensure the credibility you need to keep the initiative going.

- Agree to the creation and implementation of job profiles, career pathways and skill standards that serve industry and workers.
- Identify business champions (CEOs) who will be straightforward with the project team, help market the initiative to others and speak out on its importance to other employers, policymakers, media and government officials.
- Engage the financial investment of the business community through corporate fundraising, placement fees for new workers, memberships, consulting services and in-kind support.
- Ensure that systems are put in place to capture your outcomes for both workers and industry. Be able to describe these outcomes—such as changes to HR practices, institutional change and changes in public policy—to all stakeholders.
- Understand that the work of linking economic development, improving the business climate in your region and improving workforce development is difficult. It takes time, careful relationship building, policy changes and systemic changes. Make sure that you partner with organizations that can help you influence the right stakeholders in your region.

Let's Get Started

Develop your industry-specific, regional sector initiative with the following characteristics:

- Address the needs of employers by focusing intensively on the workforce needs of a specific industry sector over a sustained period, often concentrating on a specific occupation or set of occupations within that industry.
- Address the needs of workers by creating formal career paths to good jobs, reducing barriers to employment and sustaining or increasing middle-class jobs.
- Bolster regional economic competitiveness by engaging economic development experts in workforce issues and aligning education, economic and workforce development planning.
- Engage a broader array of key stakeholders through partnerships organized by workforce intermediaries.
- Promote systemic change that achieves ongoing benefits for the industry, workers and community.

Case Studies



Filling America's Jobs



Precision Metalforming Association Education Foundation

Location: Cleveland, Ohio

Sub-Sectors: Primary: metal stamping and fabrication. Secondary: machinery and basic metals

Employer Partners: 1,000 companies

Budget: \$700,000 (FY 2006)

Funding Sources: Endowment, memberships, special events, sales of products and consulting services, and grants

Based in Fridley, Minn., E.J. Ajax & Sons, Inc., is recognized as one of the most efficient metal stamping facilities in the country and has continually enjoyed annual growth. How has it managed through harsh winds of change and international competition? According to its vice president, the company's highly skilled employees separate the company from its competition.

Its approach avoids the temptation to compete globally by racing to the bottom, looking only for the lowest overseas labor costs. In fact, E.J. Ajax exports 35 percent of its product overseas, including to China.

E.J. Ajax enthusiastically invests time and resources in a sector workforce initiative called "M-Powered" (formerly called Make It Happen), which began in 2005. Ajax investments include participating in the project's design and implementation, recruiting workers from their plant to teach training classes, and hiring project graduates into entry-level positions at the company.

Spearheaded by a local collaboration of the national Precision Metalforming Association Education Foundation and its employer members, partners in the Minneapolis area consist of Hennepin Technical College, the local community-based organization HIRED, the Minnesota Department of Employment and Economic Development, the Jobs Now Coalition, and the local One-Stop career center. E.J. Ajax says the challenges of recruiting and preparing the potential workforce are so great that they must rely on the abilities of other organizations in the community, especially non-profit groups such as HIRED.

Along with the Precision Metalforming Association Education Foundation, the project is lead by a consortium of local business leaders: E.J. Ajax plus seven other local businesses — Perbix Machine, Morrissey, Marshall Manufacturing, John Deere, Thomas Engineering, Meier Tool and Top Tool. They each serve on the project's governing body and make program decisions. After the project was up and running for several years, this group of business leaders developed a proposal for and was awarded a grant by the state to further support the collaboration. Previously, similar state grants had gone to individual businesses in the community, not a consortium of businesses, as in this case.

Workforce development is the key to being competitive. E.J. Ajax invests 5 percent of its annual payroll in employee training and professional development. Each employee receives a minimum of 100 hours of training each year. As a result, skills are reiterated and expanded and company turnover is very low.

About half of E.J. Ajax's 50 employees have been with the company for more than 10 years. Many of them are more than 50 years old and will be retiring within the next decade, so it's critical that the company begins to identify and tap into a pipeline of capable workers who can replace the soon-to-be retirees. The M-Powered project provides companies with a cost-effective way to get access to a pipeline of the best and brightest people, who they can put into entry-level positions, nurture and use to replace the aging workforce.

M-Powered also provides lower-income job seekers and incumbent workers seeking advancement with a two-phase training program that prepares them for careers in the metalforming manufacturing sector. Trainees take part in a 12-week industry-specific and industry-designed course at the technical college. They also receive career counseling, mentoring and job placement assistance. The local metalforming employers participate in curriculum and program design, develop criteria for enrollment, and make sure that the number of students graduating from the program matches the current demand for new employees.

M-Powered recruited 154 individuals, trained 96 of them and placed 83. Eighty-four percent of those workers were still employed after six months. For the M-Powered employers, describing the challenge as the “race for their lives” is far from hyperbole. E.J. Ajax believes that “the country that can develop and train the highest skilled employees and workforce within the next decade-and-a-half is going to win without question.”⁴

The initial startup of this project was funded by the Center for Workforce Success at the National Association of Manufacturers’ Manufacturing Institute, the Annie E. Casey, Charles Stewart Mott and Hitachi Foundations, and the Precision Metalforming Association Education Foundation.

⁴ Taken, in part, from the write-up of the M-Powered project done by Rosenberg Communications for the Hitachi Foundation, November 2006.

Jane Addams Resource Corporation

Location: Chicago, Ill.

Sub-Sectors: Food, fabricated metal, machinery, computer and electronics, transportation, furniture, miscellaneous

Employer Partners: S&C Electric, Freedman Seating, Electro Technic, Tella Tool & Mfg., PK Tool & Mfg.

Budget: \$779,201 (FT 2004)

Funding Sources: City, fee for service, incumbent worker monies, state funds, foundation

The Jane Addams Resource Corporation (JARC) is a community development corporation founded in 1985. Although JARC's first activities related to youth education, the organization became concerned with the flight of manufacturing firms from Chicago and the economic consequences for the low-income communities in which they were based. For that reason, JARC began to develop both the expertise and the connections to work with manufacturing employers. Its sector-based strategy includes providing training and a range of other services aimed at improving the competitiveness of metalworking manufacturers in the Chicago metropolitan region while helping lower-income individuals achieve economic self-sufficiency.

In 1991, JARC initiated its Metalworking Skills Training Program (MSP) for incumbent workers, providing instruction to 200-400 trainees yearly. JARC opened its Training Center for the Metalworking Trades in 1996 (and doubled the size in 2003), fully developing its niche expertise in die setting, and earning the first U.S. Department of Labor-registered apprenticeship program for that trade. In 1998, JARC established its Careers in Metalworking Program (CMP), designed to provide skills training to unemployed individuals who are then placed in entry-level positions. This program serves a wide range of job seekers, 40-50 a year, including refugees, women, ex-offenders and public assistance recipients. It emphasizes development of basic skills and industry-specific vocational skills.

In addition to metalworking, JARC also works in the machinery manufacturing, computer and electronic product manufacturing sub-sectors. JARC's interventions have helped transform employers' practices that also benefit low-income workers. For example, JARC works with employers to develop career paths within their firms and provides customized training that allows workers to progress up the ladder. By promoting from within, employers improved job retention and became less affected by shortages of higher-skilled job applicants. By working with more than 50 companies, JARC is helping to change norms within the Chicago manufacturing sector, resulting in improved hiring, training and advancement strategies.

JARC sees its initiatives in the metalworking industry as a vital part of a larger community development strategy that includes business and real estate development, at-risk youth educational programs, adult education, career counseling and job placement services, and public policy development. For example, incumbent workers enrolled in metalworking programs might also benefit from adult education classes.

According to the Aspen Institute's Sectoral Employment Development and Learning Project, participants in JARC's incumbent worker and unemployed individual training programs saw substantial increases in pay and hours worked. Two years after graduation, JARC participants saw a 22 percent increase in hourly wages to \$14.55. Further, employers have reported a cost savings of up to 60 percent due to waste reduction, improved worker communication and problem-solving skills, reduced set-up time and improved safety practices.

Power Transmission Distributors Association Foundation

Location: Chicago, Ill.

Sub-Sectors: Industrial distribution, electrical and electronics, chemicals and plastics, hardware/plumbing and heating

Employer Partners: 23 employer associations from the Alliance Partnership, totaling 14,500 employer-members

Budget: \$275,620 (FT 2006)

Funding Sources: Employers, Tomkins Foundation, other grants

The Cleveland Industrial Careers PathwaySM (ICP) project is an employer-led sector strategy intended to increase employment opportunities for local Cleveland-area residents and improve the economic health of local industrial distributors by creating a system to provide a work-ready stream of potential employees. The Cleveland ICP is being carried out by the Power Transmission Distributors Association (PTDA) Foundation and the Westside Industrial Retention and Expansion Network (WIRE-Net). The ICP project also is rolling out in eight other sites around the United States and Canada. Lessons learned from the Cleveland initiative will be used to inform the work of the other sites and to expand them to 22 other regions.

The Cleveland ICP actively promotes careers in the industrial distribution channel and helps distributors and manufacturers enhance how they hire, train and promote employees. The effort responds to industrial distributors' critical need for qualified employees and addresses their concern about growing a capable workforce ready to serve global customers. The initiative also is designed to give current employees an opportunity to upgrade their skills and provide a pathway for career advancement. Its goals are to connect industrial distribution and manufacturing employers with local resources in order to improve their workforce and increase their profitability; and connect local residents with opportunities for rewarding careers in industrial distribution and manufacturing.

Partners in this initiative, other than the PTDA Foundation and WIRE-Net, include the Cuyahoga County Workforce Investment Board, the City of Cleveland Workforce Investment Board, Cuyahoga Community College, and the ICP Pathway Alliance of 23 local employer associations and their employer members. Each partner played a specific role as a part of this initiative. For example, the PTDA Foundation worked closely with its members and with Cuyahoga Community College to create a two-year degree program in industrial distribution — based on ID needs for skilled workers. The WIBs worked with their job-seeking populations to test workers for skills and to recommend training in ID skills, if appropriate. Individuals can receive training in those skills at Cuyahoga Community College, and it can be paid for through the WIB's Workforce Investment Act money. WIRE-Net worked with small manufacturers to understand their workforce needs and suggest job openings, as well as performing human resource "audits" with industrial distributors to better understand their HR policies and practices, such as career ladders.

Funding for the Cleveland ICP project was provided through the Center for Workforce Success at the National Association of Manufacturers' Manufacturing Institute, the Annie E. Casey, Charles Stewart Mott and Hitachi Foundations, the PTDA Foundation and WIRE-Net.

Appendix

How Funding Can Follow Policy

The government can provide significant financial support for sector initiatives. For instance, business associations can advocate for grant programs that support sector initiatives.

Decisions regarding these choices are best when they result from dialogue between public officials, business associations and regional stakeholders. The following policy choices regarding funding identify some of the important issues on which business associations can advise public officials:

- Some Requests for Proposals, such as Pennsylvania's, define target industries, occupations within the industries, regional boundaries and/or demographic groups they want to fund. Other states require proposals from regional sector initiatives that have the partners identify the criteria for the proposal. For instance, Michigan requires the Regional Skills Alliances it funds to define the industry to focus on, the strategic workforce issues affecting firms in the industry, and the boundaries of the regional labor market in which it operates. Kentucky's industry-sector-focused Career Pathways initiatives are evaluated on how extensively they target participants from adult education, college remedial education programs and welfare agencies.ⁱ
- Some public funding sources identify the kinds of entities that can apply for funding. Illinois' Critical Skills Shortage Initiative requires consortia of WIBs to manage sector initiatives it funds,ⁱⁱ for example. Others require certain agencies to be partners, and others allow regional sector initiatives to determine their partners.
- Some government bodies determine employers' role in developing the sector initiative and operating it. For instance, the U.S. Department of Labor's Employment and Training Administration brought together employers in each industry for which it provided High Growth Job Training Initiative funding to identify workforce issues. Pennsylvania evaluates its Industry Partnerships' involvement of employers in analyzing Pennsylvania's industry issues.
- Some states set requirements regarding the ways in which regional entities receiving state funding need to collaborate in order to receive that funding.
- Government agencies that fund sector initiatives also vary in regard to the requirements they set for obtaining commitments of matching funds, expectations of employers and their expectations of local funding sources. For instance, Massachusetts' Bay State Works, the Washington Industry Skill Panels, and the Illinois Critical Skills Shortages Initiative all have "matching" requirements.ⁱⁱⁱ

Business associations that advocate for funding can build upon existing policies in which sector initiative grants are generally composed of two things: funding to support development of sector initiatives and funding to support operations.

ⁱ Amy Ellen Duke, Karin Martinson and Julie Strawn, "Wising Up: How Government Can Partner with Business to Increase Skills and Advance Low-Wage Workers." Center for Law and Social Policy, Washington, D.C., 2006. Pages 9-10.

ⁱⁱ Dexter Ligot-Gordon, Sarah Looney Oldmixon, Martin Simon and Lindsey Woolsey. *State Sector Strategies: Regional Solutions to Worker and Employer Needs*. National Governors Association Center for Best Practices, 2006. Page 11.

ⁱⁱⁱ Ligot-Gordon. Page 10.

Funding To Support Development—Development activities provide the crucial groundwork for a successful sector initiative. The development component of sector initiative grants fund intermediary activities; regional partnership development; research to assess industry needs, worker needs and training infrastructures; and the development of program solutions. Often, state funding for design and development does not require matching support.

Funding To Support Operations—Sector initiative grants also may support the operations of a sector initiative. The funds may be used for intermediary activities including project coordination personnel, business services and worker services. Among the costs of operations are management and data systems; marketing; instructors; staff time for project coordination, decision-making and capacity building; facilities; materials; supportive services for workers such as transportation or childcare; and tuition costs, among other items. State funding for operations often requires matching funding from other sources, including employers and other partners.

Sector initiative grants can be designed to leverage and realign local resources and sustain activity beyond the initial investment of public funding. For instance, an approach that is commonly found in state-level Requests for Proposals requires regional sector initiatives to engage institutions that have oversight of regional workforce, education and economic development resources. These include local WIBs, community colleges and economic development agencies that can influence the ways in which local WIA, education and economic development resources are used. In addition, government bodies can and typically do award additional “points” during the review process to proposals that have significant matches from employers, foundation support and other local resources.

Policy Support for Sector Initiatives

The following examples demonstrate that there are many ways for business associations to influence state policy and gain state support.

Pennsylvania

Pennsylvania’s experience demonstrates the power of business advocacy. In response to the manufacturing industry’s concerns about mass job loss and the industry’s need to increase training for its existing workforce, the Commonwealth allocated discretionary WIA and economic development funds to create a \$5 million Manufacturing Sector Incumbent Worker Training Program. The program’s goal was to create an infrastructure that provides training and education to enhance the skills of the current workforce, and raise the earnings of workers and the revenues of businesses by increasing productivity and quality production in Pennsylvania manufacturing.^{iv}

State support for sector strategies produced results for employers and workers during 2004 and began the process of system change. The Agriculture and Food Processing Partnership identified a shortage of industrial maintenance technicians in the packaging industry, which partners responded to by developing a training curriculum for Hershey Foods that was made available to other high-end food and biotechnology companies.^v

^{iv} Biswas, Mills and Prince. *Building Skills, Increasing Economic Vitality, Jobs for the Future*, 2004. Page 13. “Manufacturing Sector Incumbent Worker Training Program Guidelines,” www.dli.state.pa.us/pa_workforce/cwp/view.asp?a=13&q=215176&pa_workforceRNavradE8A49=%7C#s1, accessed Dec. 28, 2005.

^v Cleveland, Ali and Sandi Vito. *Pennsylvania’s New Performance Management Plan and Benchmark Report on Current Workforce Programs*, Spring 2005. Page 70. www.paworkforce.state.pa.us/about/lib/about/pdf/pa-new-performance-management-plan-benchmark-report-on-current-workforce-program.pdf, accessed Dec. 28, 2005.

The program's success built support among manufacturers for development of a significantly larger sector strategy. The support played an important role in bipartisan approval of Job Ready PA, which provided more than \$31 million of new state funding to support sector initiatives targeting high-priority occupations in nine industries, including \$5 million to support industry partnerships and \$15 million to support training provided by the industry partnerships, as well as \$10 million to provide grants for working adults to continue their education, \$1.5 million for industry-aligned career and technical education equipment and curriculum upgrades, and additional funding for community college courses in high-priority occupations.

Like Pennsylvania's manufacturers, business associations can influence policy by identifying their needs and telling policymakers about the success of sector initiatives in which they participate.

Louisiana

In Louisiana, Greater New Orleans, Inc., and other stakeholders advocated for state policy to support sector initiatives and the use of Louisiana Recovery Authority funding for that purpose. The Governor's Taskforce on Workforce Competitiveness approved policy support for sector initiatives; and in 2006, the Louisiana Recovery Authority awarded \$38 million to regional sector initiatives.

Greater New Orleans, Inc., a business-led economic development organization, provides an example for business associations of moving policy by mobilizing business, supporting key business champions, bringing together a wide range of stakeholders to share responsibility for advocacy with a unified point of view and message, and demonstrates expertise resulting from operating a sector initiative.

Minnesota

Minnesota's Make It Happen sector initiative planned to influence policy from its early days. To do that, it established a long-term vision that built upon its initial program and funding design. The Make It Happen initiative stakeholders also involved partners with experience and capacity to influence state funding, such as the Jobs Now Coalition and the Department of Employment and Economic Development.

Washington

In Washington State, Industry Skill Panels at the regional level provide the research and development role for sector initiatives. By participating in Skill Panels, businesses play a leading role in identifying industry needs, designing solutions and directing state resources to carry out those solutions.

National Effort at State Policy Change

Based on the experience of at least 11 states, state policy teams provide a powerful approach to influencing state policy. This experience grows out of a project involving the National Governors Association, the National Network of Sector Partners and the Corporation for a Skilled Workforce, which support these states' efforts to develop state-level strategies for sector initiatives. The project demonstrates the power of state teams that include representatives of the governor, key state agencies and industry. Business associations can draw upon this experience by taking the following steps:

- Establish support by the governor for a sector-focused strategy for workforce and economic development and a commitment to establish a team that is led by the appropriate member of the governor's staff and includes key agency staff, business association representatives, union representatives if appropriate and other regional sector initiative stakeholders.

- Work with the governor’s representative to bring together the team, and to shape its policy development in the areas of —
 - o funding for sector initiative research/development and operations;
 - o policy regarding priority industries, occupations and labor market-based definition of regions;
 - o inter-agency alignment; and
 - o capacity building.
- Determine whether it will be helpful to base policy development on an effort to establish a state-supported industry sector initiative. A number of states have taken this approach as a way to gain insight on the types of policy that can be most helpful.
- Develop a work plan that identifies responsibilities in the areas of policy development and others of importance to the state, establish a timeline and assign the responsibilities.

Sustaining and Expanding Sector Initiatives

Leaders of sector initiatives find that sustaining and expanding successes poses significant challenges. Since sustainability and expansion are key challenges for sector initiatives, decisions about policy are a priority for business associations and their allies.

A growing number of state policymakers are encouraging sustainability and expansion of sector initiatives by—

- making support for sector initiatives an expectation in local strategic plans, including strategies for support from WIA and other locally controlled sources of funding;
- working with employers to collect data that demonstrates the sector initiative’s value to them and encouraging them to provide matching funds to sector initiatives in which they are partners;
- using industry-specific public funding streams;
- connecting sector strategies closely with broader workforce development, economic development, education and human services strategies, and making ongoing investments that ensure that they align;
- ensuring that state policy governing diverse potential funding streams allows and supports the use of those resources for sectoral initiatives (*e.g.*, WIA, TANE, Wagner-Peyser, vocational rehabilitation, customized job training funds, economic development funds, community college funding); and
- dedicating a portion of the governor’s discretionary funding from various sources to ongoing support of the sector initiatives.

Analyzing Labor Markets

In addition to policy that targets industries and labor markets, governmental agencies can play an important role in helping companies understand labor market trends. For instance, in several states, labor market information units develop sector information and analysis to inform the work of regional sector initiatives. Public agencies may also produce information that would otherwise be unavailable, including data from focus groups, surveys or interviews with employers and workers to identify strengths, challenges, opportunities and threats to a particular sector or sector strategy. Additionally, public officials can create industry taskforces through which industry and union leaders can make workforce development policy recommendations. For example, in Massachusetts, a long-standing advisory committee for the Extended Care Career Ladders Initiative (ECCLI), which includes representatives of industry, labor and other sector initiative stakeholders, has played a significant role in influencing state policy.

Labor Market Policy

Since sector initiatives focus on particular industries and labor markets, business associations can play an important role in influencing policymakers' choices regarding which industries, occupations and labor market regions are priorities for public resources and attention.^{vi}

When influencing labor market-related policy, business associations should consider what should or should not be established by policy and what sector initiatives should be required to know about an industry, its regional labor market, and the gaps faced by employer and workers.

For instance, several states have spelled out in their policies the industries that are drivers of regional economies and could provide opportunities for current and potential workers. For example, Pennsylvania provides support to target industries and the priority occupations within them. State agencies identified nine industry clusters in which Pennsylvania has both a competitive advantage and the potential for long-term economic growth. Within those clusters, Pennsylvania high-priority occupations were identified that meet certain criteria, including current and future demand, skill needs, current and future wage levels, career ladder opportunities and trends regarding the stability or expansion of jobs in the occupation. Some states require industries to be targeted at the regional level, while other states require identification of occupations and advancement pathways based on regional labor market analysis. Some states define labor market regions, while others allow them to be determined by sector initiatives.

Business associations can document the difficulties public policy, as well as the design of publicly funded institutions, causes for efforts to address labor market gaps that are crucial for an industry, its workers and potential sources of its workforce. They can also make the case for policies that direct resources to key regional industries, occupations within them, and especially companies within them whose jobs provide good wages, benefits and career paths.

Business associations also can exert influence on public policy by demonstrating that representatives of industry, labor, community and other stakeholders are working effectively to design and operate a sector initiative. In particular, business associations and business champions can influence policy by encouraging partners who represent different constituencies to speak with one voice about focusing on particular industries, occupations or regions. Another key way to build support for such policies is by communicating sector initiatives' programmatic and systems change outcomes.

Alignment of Public Sector Agencies

Sector initiatives, and the industries they benefit, often have complex relationships with public agencies, which vary in the degree of support they offer. In response, business associations and business champions can work with sector initiative stakeholders and allies to build the case for robust inter-agency alignment as a key step toward public sector support of sector initiatives.

Policy topics related to alignment of public sector agencies include coherent cross-agency policy goals and priorities, joint work, combined funding, faster response to industry needs and changing government culture to support a regional approach and simultaneously overcome "silo" mentality.

^{vi} Other policy choices business associations may consider influencing extend beyond support for sector initiatives to support for their goal of meeting workers' needs. Examples include industry-specific connection of financing to job quality, assistance with business costs and providing of governmental assistance (*e.g.*, marketing) in return for meeting job development, compensation, career ladder and workforce diversity standards.

In pursuing this agenda, it is important that business associations and business champions advocate for public officials, and especially elected executive branch members and their chief appointees, to play important leadership roles. Governors, for instance, have essential state-level leadership roles in encouraging strategic planning in building the public sector commitment and momentum necessary to adjust priorities, geographic boundaries, eligibility criteria, allowed uses of funding and definitions of eligible services, performance criteria, and timelines to fit sector initiatives' needs.

With sufficient leadership and a strategy for support of sector initiatives, state agencies can align their policies and their resources. Additionally, governors can require agency leaders to establish a culture of inter-agency collaboration, redefine department missions, reallocate resources and/or reorganize agencies.

Selected Resources from the Center for Workforce Success (CWS)

Center for Workforce Success at the National Association of Manufacturers, www.nam.org/workforce

Business Champions for a Competitive Workforce Initiative:

Business Champions engage business leadership across the country to actively speak out and support policies that expand educational opportunities aimed at building a competitive U.S. workforce. (www.nam.org/workforce)

The Dream It. Do It. Manufacturing Careers Campaign:

Dream It. Do It. is a grassroots economic and workforce development initiative fostering growth, innovation and jobs for the next generation of American manufacturing talent. (www.dreamit-doit.org)

Filling America's Jobs Series:

Working with CEOs To Communicate the Importance of a Skilled Workforce in Sector Workforce Development; How Businesses Can Implement Sector Workforce Development Strategies for Jobs and Economic Growth; How Employer Associations Can Help Small Firms Be More Competitive by Improving the Productivity of Entry-Level Workers; How To Increase Supervisory Impact on Retention and; A Guide for Public Workforce Professionals; A Guide for Employers to Benefit from the Public Workforce System.

Improving Workplace Opportunities for Limited English-Speaking Workers:

This booklet details good practice models for employers interested in providing training and career ladders for their limited English-speaking workers, who strengthen their communities economically, socially and educationally. (2007)

The 2005 Skills Gap Report: A Survey of the American Manufacturing Workforce:

The results of this survey provide a picture of the broadening gap in the availability of skilled workers and the employee performance requirements of 21st-century manufacturing. (2006)

The Retention and Advancement Demonstration Project: A Win-Win for Manufacturers and Their Workers at Entry and Near-Entry Levels:

This case study describes how the retention and advancement of low-skilled incumbent workers can be measurably enhanced if employer organizations work closely with businesses to improve their human resource policies and practices. (2005)

How To Become a Workforce Intermediary:

This brochure describes the key components of the employer association role as a workforce intermediary. (2003)

The Role of the Workforce Intermediary:

This CD-ROM visually demonstrates the importance of regional collaboration — driven by the business community and its partners — to train and retain the worker pipeline. (2003)

Selected Resources from the National Network of Sector Partners (NNSP)

To find more resources, go to the NNSP Web site, www.nedlc.org/nns

Sector Snapshots: A Profile of Sector Initiatives, 2007:

An industrial and organizational profile of the sector field and its beneficiaries. Answers to such key questions as: Where do sector initiatives obtain their funding and which services are most sought after by business clients? This snapshot, for the first time, also includes a section on how sector initiatives are trying to improve their local labor market and business environment.

(www.nedlc.org/nns/2007%20SectorSnapshot.pdf)

From Processing Food to Fabricating Metals: A Profile of Manufacturing Sector Initiatives Across America:

An analysis of the financing, programs, structure, outcomes, challenges and industry relationships of manufacturing sector initiatives. This can be a valuable resource for developing sector solutions in this industry.

(www.nedlc.org/nns/members/FromProcessingFood.pdf)

State Sector Strategies: Regional Solutions to Worker and Employer Needs:

Provides insight into how state policy can be shaped to implement industry-specific workforce development (sector) strategies.

(www.sectorstrategies.org/index.php?mact=News,cntnt01,detail,0&cntnt01articleid=8&cntnt01returnid=15)

The Road to Sector Success:

Provides action steps for Workforce Investment Boards to build and support sector initiatives.

(www.nawb.org/pfd/sectorstrategiesfull.pfd)

Building Effective Employer Relations:

Details important lessons learned from the strong relationships that have developed between 10 sector projects and their employer partners. Issues described in depth include: how to select an employer partner, how to structure the relationship and which characteristics employers value most in a program partner.

(www.aspenwsi.org/publicationdetailsdb.asp?pid=25)

Building Institutions from the Region Up: Regional Workforce Development Collaboratives in California:

Reports on five regional workforce development collaboratives in California that link economic and workforce development to increase economic opportunity, decrease poverty and increase regional economic competitiveness by using a collaborative, regional, career-oriented and data-intensive approach.

(<http://repositories.cdlib.org/cgi/viewcontent.cgi?article=1041&context=iurd>)



THE CENTER FOR WORKFORCE SUCCESS

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