

Sector Strategies: Revisioning State Workforce Policies

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CSW

Corporation for a
Skilled Workforce

Good Jobs. Thriving Communities.

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
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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

Key Characteristics

- ▶ 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

http://www.ppv.org/ppv/publications/assets/263_publication.pdf

The Sector Model Across the Country

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

California
Colorado
Georgia
Illinois
Indiana
Louisiana
Massachusetts

Maryland
Michigan
Minnesota
North Carolina
New York
New Hampshire
Ohio

Oklahoma
Pennsylvania
South Carolina
Washington
Wisconsin
Wyoming

Hundreds of local areas use sector initiatives to connect workers to critical industries in their region.

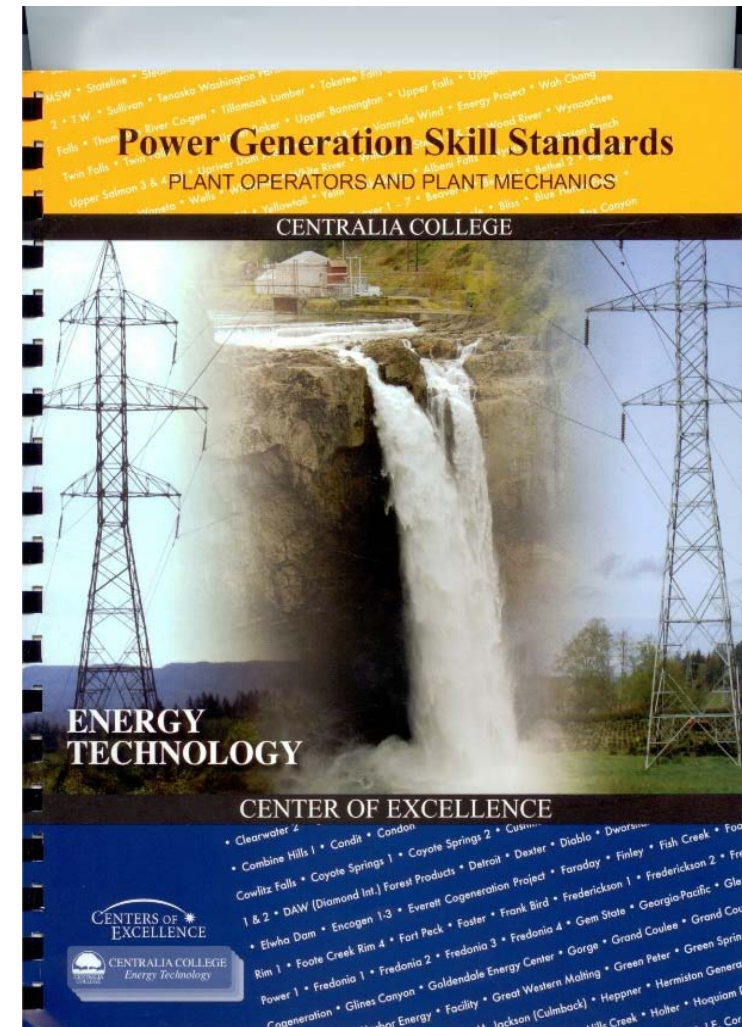
Sector Strategies in Other States

- Pennsylvania Industry Partnerships
 - Michigan Skills Alliances
 - Washington Industry Panels
 - Minnesota Sector Partnerships
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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
- National Governors Association Policy Academy 2008–2009
 - 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
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Structure of a Sector Initiative

Focus: An Industry within a Regional Labor Market

Management by a Workforce Intermediary

Services Delivered by Partner Organizations

Design and Development

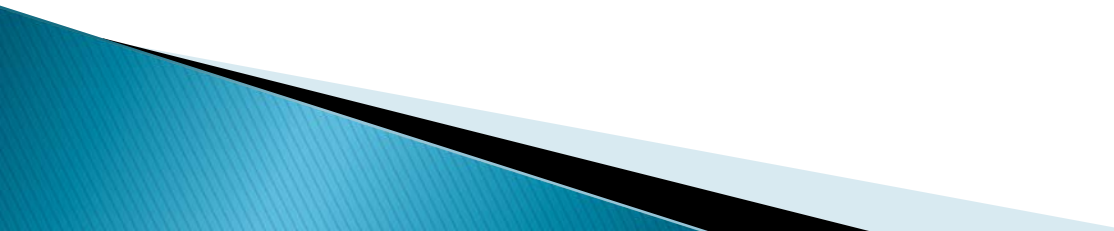
- Convene partnership
- Conduct research
- Target occupations
- Design services
- Determine new needs
- Obtain start-up resources



Operations

- Provide programmatic services to workers and employers
- Coordinate activities to produce outcomes
- Obtain resources for sustainability and expansion
- Bring about system change

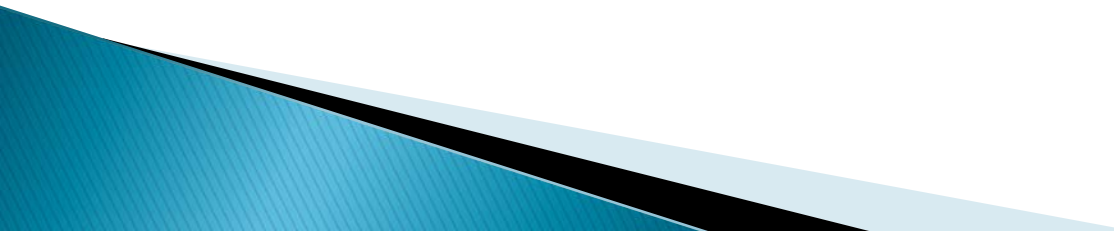
What Do Sector Initiatives Tackle?

- ▶ 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
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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
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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

Impact on Jobseekers and Workers

- Increased availability of good jobs
- Improved working conditions
- Expanded work supports
- Increased opportunities for education and training for high-demand occupations
- Increased employment and wage gains

Impact on Employers and Industry

- Shared costs and risks
- Increased availability of skills training
- Guidance on ways to improve human resource practices
- Reduced turnover

Effectiveness of the Partnership

- The right partners “at the table”
- Industry challenges identified
- Appropriate solutions designed/implemented
- Plan of action, road map, goals, and outcomes
- Partners agree the Partnership is valuable
- New and leveraged funding

Systems Change

- Changes in how education, workforce, economic development, and employers work together
- New social and business supports
- Changes in public policy
- Changes in employer practices

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)

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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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