The Greater Louisville Project

Lessons from America's Best-Run Cities

Workforce development:
Education, employment and economic vitality

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White Paper

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"Louisville has a lot of interesting and exemplary
workforce programs. But what we need to think about
as we hear ideas today is not to take
one idea here and one idea there --
but how to knit together a seamless system.
We have to do it all…..

"We view this as the threshold or doorway
to begin talking about education
and the skills of our people
and the importance of those skills
in our competitive position
in an emerging global economy.
This may be the single most important challenge
facing our city."

Carolyn Gatz
Director, The Greater Louisville Project

Introduction

A crisis may raise the issue: A big employer threatens to leave town if it can't find a more stable, skilled workforce.

Quieter change may gradually erode jobs and optimism in a once-vibrant manufacturing scene.

A researcher may raise the cry: Down the road looms a troubling gap between the needs of local businesses and the size and quality of the working-age population.

Or the message may be delivered through a series of unsuccessful attempts to court the high-paying, "knowledge-based" businesses that seem to be energizing other regional economies.

All those scenarios -- familiar to Louisville and other communities across the U.S. -- reflect the forces that make workforce development a critical priority for any city.

The education and workforce development challenge is one of the most crucial issues facing Louisville, said the Brookings Institution's report, "Beyond Merger: A Competitive Vision for the Regional City of Louisville."

Education and employment are part of a complex system that shapes both a region's economic health and prospects for individual prosperity that translate to brighter futures for families and children.

These days it is territory in turmoil -- jolted by the decline in manufacturing jobs; the emergence of a global economy; and the growth of knowledge- and technology-driven companies as key players in developing well-paying jobs and economic vitality for the community.

It is already challenging Louisville's educational system, economy, and social fabric, the Brookings report said.

The regional city's population is aging. It has experienced a "brain drain" – losing a larger portion of its young adults than other cities. Educational attainment is relatively low. Racially and geographically, it is a community increasingly divided into "haves" and "have nots." For now, its jobs remain concentrated in the city -- but the report said that is beginning to change, heightening the risk of a community marked by suburban sprawl with a "hollowed-out" core at its heart.

Louisville must marshal its resources for change, the report said.

The merger of city and county governments in January 2003 marks a key opportunity to address the workforce development challenge.

At a "best practices" workshop on this topic, four speakers -- representing cities from Boston to San Diego -- shared ideas about how to do that. Their common message:
  ➢ Start with a clear mission.
  ➢ Provide leadership -- starting with the mayor and the school superintendent and including leaders of all levels of post-secondary educational institutions, government, job-placement and -training entities, community-based organizations and the private sector.
  ➢ Invest in professional staff to serve as catalysts and coordinators. They are critical to keeping that wide-ranging group of players at the table, to guiding programs, to developing funding.
  ➢ Develop data to guide the work – research on labor-market and occupational trends that can shape decisions, assessment tools that can help evaluate whether programs are making a difference.
  ➢ Catalyze and support a wide array of training programs from community colleges to very small community-based organizations. "Think of the <u>system</u> for workforce training as a <u>market</u> not a system."

The panel: Four voices, distinct perspectives

The speakers were:

Neil Sullivan, executive director of the Boston Private Industry Council (PIC). The PIC serves as Boston's Workforce Investment Board, with initiatives ranging from one-stop career centers to welfare-to-work programs. At the same time, it works closely with the local public school systems. Its $30 million budget includes state revenue and money from the private sector. Its top leadership includes the head of the Federal Reserve Bank of Boston, the mayor's chief of staff, the superintendent of schools, the regional redevelopment authority, college presidents, the local ministerial alliance. Its main focus is lower skilled workers and Sullivan sees workforce development as a critical tool to raise community aspirations:

> *"As you develop workforce strategies to meet the labor and skill needs of your economy… I hope your mission and zeal focus on those people left out of the mainstream economy: You could actually put a huge dent in poverty by addressing the isolation that that race, class, culture and past practice have allowed to evolve."*

Dr. Karin K. Pettit, president of Corporate College, a venture of Cuyahoga Community College in cooperation with the Greater Cleveland Growth Association, the area's Chamber of Commerce. A former North Carolina community college president, Pettit shepherds a venture that offers employers a single place to connect with programs at any of the area's 22 institutions of higher education. Her perspective is shaped by extensive "global benchmarking" -- travel and research into progressive workforce programs in countries from Singapore to Scotland. "They have their act together. These folks are eating our lunch while we are sitting here thinking should we or shouldn't we move forward."

> *"Consider your community colleges' roles in economic development. They are flexible, innovative, accessible, entrepreneurial. . . .It's important to realize what an asset you have. Are you really taking advantage of it?"*

Terri Bergman, director of research at the San Diego Workforce Partnership. A 15-year veteran of the employment and training field, she has overseen extensive labor-market research in San Diego ranging from highlighting industry "clusters" with strong salaries and potential for growth to analyzing essential job skills in key occupations in target industries. One lesson she has learned:

> *"The right people are key. You want to be sure the people around the table speak for their industry, speak for their educational institution, have the ability to marshal their folks for the next step."*

Dr. Stephen Mitchell, director of Workforce Connections in southwestern Pennsylvania. Its work has included analysis of regional industry clusters and collaboration with educational institutions. They have targeted community-based organizations as key resources in identifying pools of skilled entry-level workers. And they have initiated programs to address the challenge of how employers and the region can retain talented workers -- a seldom-addressed aspect of workforce development.

> *"All our workforce stuff is set up for an industry economy, not a labor-market economy with churn and change that requires individuals to take charge of their*

careers, be 'career-literate,' flexible and responsive -- and where employers view talent as an asset . . . We're weak on information. We don't understand the changing economy."

The big picture: Framing the challenge

"We know workforce development is the stepsister of economic development. We know that it's important. But we don't think we can do a whole heck of a lot about it because it is so complicated. So everyone talks about workforce but no one does anything when they are elected.

"It starts with the mayor making a public decision that workforce and education are a top priority."

Neil Sullivan
Executive Director
Boston Private Industry Council (PIC)

The complexity of workforce development is its most formidable challenge, the four speakers said -- especially set against the constant churn of change from the shifting economic, political and global landscape.

Key questions for education and workforce training providers:

➢ What is your mission, given your community's needs, commitment and resources?
➢ What strategies are most critical for addressing those goals -- for creating a system that works?
➢ How can you keep your community engaged over the years it takes to build on successes?

Mission and metaphor: The leadership role

A mission statement is an important launching pad. It focuses the work on the big picture. It provides a reference point over time – and that role is particularly valuable in a realm that requires long-term effort by a network of individuals and organizations . Here are how the speakers distilled their roles and their goals.

Neil Sullivan, with the Boston PIC, describes its work as:

*"**A system -- a structured set of relationships**, with leadership and resources lined up behind those relationships so they can do something with education, training and access to opportunity."*

The PIC mission statement: "To connect the young and adults of Boston with careers in the mainstream economy."

Karin K. Pettit, of Cleveland's Corporate College, calls it:

> *"A comprehensive **employment service system**" where the community college serves as a "**broker**" or "**portal**" into the world of education, training, employment, and finding skilled workers.*

Stephen Mitchell, of Pittsburgh Workforce Connections, says:

> *"We are a **workforce architect**. Our job is to look at the human- capital system and say, 'What are the building blocks we need to create an effective market?' Then we are supposed to identify the contractors to put those systems into place."*

> *The goal: "To create a world-class **human-capital market** in southwest Pennsylvania. . . . The region is the product."*

> *"The notion of a market was purposely chosen," he added. "It's different from talking about a system. A system implies you can get your hands around something and exercise some control." And workforce development, some would say, "is too messy. If we try to get our hands around it, we are never going to succeed."*

Terri Bergman, of San Diego's Workforce Partnership, puts it this way:

> *San Diego's "regional comprehensive plan" has three goals -- to "attract high-value jobs; to link education and training to the local job market and to limit sprawl."*

What are key strategies for addressing the workforce challenge?

If the community sets its sights on a workforce development system that tries to "do it all," as Greater Louisville Project director Carolyn Gatz proposed in her opening remarks, what are key pieces of the picture it needs to consider?

It may not matter who is at the head of the table, just so everyone is around the table. Leadership can come in various forms -- from the mayor to the school superintendent to an agency head. What seems to matter most in terms of making progress, the speakers said, is that individuals with real authority work side-by-side in meetings and develop strong working networks across institutions so decisions can be made.

Partnerships are at the heart of the work. Every speaker described programs based in cooperation and collaboration: College programs in which one higher-education institution recruits students for others, acting as an intermediary to learn employer needs. "Industry clusters" working together to attack common concerns. Business-and-school partnerships that range from mentoring to on-the-job programs to boost student school achievement. Connections with faith- and community-based organizations as a resource.

Take stock of what you know. The collection and analysis of data about employment patterns, education and labor trends are key. San Diego, where defense-spending cuts dealt

the economy a blow in the 1990s, offers a rich example of how research can guide planning. Terri Bergman started looking at 16 industry clusters, from biotech to horticulture to entertainment. To become a focus of workforce development, she said, a cluster had to be "export-oriented" -- that is, it had to bring more money into the region than it sent out -- an indication it could be a driver for the economy.

San Diego wound up targeting 10 clusters -- five in traditional industry areas, five in more technology-oriented areas. She has analyzed 85 occupations in those clusters and identified five skills central to each occupation -- a step toward increasing understanding of skill strengths and deficits in the workforce. San Diego has produced workforce development plans for eight clusters. Coming up this spring is a series of "industry summits" for five clusters: bio-sciences, communications, computer and electronics, medical services, visitor services.

Work with 'industry clusters' -- but know their limitations. The identification and analysis of key employment sectors or "industry clusters" was discussed by all four panelists. That can serve several objectives: as a tool for sorting where you are and where you want to go; as a structure for pulling together employers so they focus on common problems. But Bergman and others said most workforce programs -- and business communities – seem to be able to target only a few clusters at a time.

The willingness of local business to mobilize is often shaped by how urgently they view their problems. "To some extent, it's got to be an industry in crisis," said Bergman. "They need help. They want help." It is also important to remember, she said, that even your largest clusters may represent only a small segment of the region's economy.

Consider what you don't know. In the changing job market, some experts, including Mitchell and Bergman, argue that it is important to stay conscious of the ways traditional strategies, research and data fall short. Two examples:

➢ Educational attainment may have once been a key to understanding labor force needs. No more, said Mitchell. "The degree or certification a worker has may have no bearing on whether they can do the job. You need to know more about real skills and competencies needed to perform jobs. And we know next to nothing."

➢ The cost and trouble of hiring to fill vacancies is formidable, but most workforce development programs haven't targeted human-resource management strategies aimed at retaining workers, said Mitchell. As an example, he cited the nursing shortage in the Pittsburgh area: In one sense it isn't a shortage. Many registered nurses live in the area, but they left hospital jobs because, he said, they found the working environment "lousy." The challenge is how hospitals can make nurses' worklives more satisfying to lure them back. "We can train and educate all we want," said Mitchell, "but we haven't paid enough attention to what we can do to keep people in the workplace."

Build strength in key educational institutions. That starts with the kindergarten-to-12th grade system -- a point forcefully echoed in the Brookings study. It reaches up to the Ph.D. level -- just a few top-flight scientists can create a nucleus for community bio-tech or research businesses. In between, along with the whole range of post-secondary education, the community college system can play a particularly crucial role if it is flexible, responsive to trends and employer needs, accessible to immigrants and non-traditional students, willing to combine remedial work and specific skill development.

Make your system user-friendly. It should feel "seamless" or "one-stop" to its users. For a citizen, that can mean all jobs are listed in a single database, for example, or that by registering for training at one site, your information is automatically logged into a central registry. "Friendly" can also mean toll-free numbers, a single form used at all offices, access to master job lists through any computer, automatic e-mails about relevant new job openings. For an employer, it can mean a request for training sites or job candidates gets fielded by a single contact with a workforce system that does its coordinating behind-the-scenes. "Companies really want one single contact just as our customers in the one-stops do," said Karin Pettit.

Make sure workers get worklife skills, not just job training. A common concern of employers in today's labor market is "soft skills" -- understanding how to dress and act in a work environment; learning how to to work effectively with a team of colleagues. Comfort with technology is important. Also helpful are experiences that bridge the gap between classroom learning and job applications, from internships to mentoring and shadowing programs.

Develop financing sources that can support the system. Over and over, the panel members said it's critical to be realistic about the staff needed to provide the connections in the workforce arena: to bring people together, to coordinate programs, to collect data and assess progress. You need "bilingual" intermediaries who speak the language of both education and business. "If you don't staff it," said Neil Sullivan, "it's not going to happen." Financial resources vary by program -- from federal dollars to a variety of other sources. Boston's PIC receives substantial funding from the state of Massachusetts, as well as private-sector partners. Pennsylvania's Workforce Connections is supported by eight foundations. The Corporate College is financed by a $52 million bond issue it will pay off through generated by selling its services.

Get workforce issues on the public's agenda. Education, jobs, opportunity and a city's economic health are bedrock issues in the lives of families and a community. So do your work in the public eye, the speakers said, if you want to generate public support. Make it meaningful for the community. Share your successes. Be up-front about conflict. "I specialize in creative controversy," said Neil Sullivan. "We're trying to communicate with people. My "infotainment skills" have got to be equal to reaching the populace in their busy lives."

Create a community culture that takes seriously the social values linked to access to education and meaningful work. It makes sense from a practical perspective to tap into all segments of the community to bolster labor force needs -- from immigrants to people with mental and physical disabilities, to older workers. It may be critical if a city's working-age population is not large enough to meet employers' needs. Helping minorities, the poor and others left out of the mainstream economy, says Neil Sullivan, "just makes a better city, a better Louisville."

> *"In Boston, there is a general understanding in the employment culture, that we address social and economic issues through private sector participation. . . . It's not just about emanding the community get better at educating its kids. You get actively involved. That's the quantum leap.*
>
> *"In Louisville you are going to be creating a new culture with your new government. What an opportunity!* **"**

More final thoughts for Louisville

As the new Regional City of Louisville rolls up its sleeves to tackle workforce development, here are some key notions to keep in mind:

Invest in the system. "This has to be somebody's job," said Terri Bergman. "Somebody has to be evaluated based on their performance. If it's just an add-on, it's not going to happen."

Keep a realistic time frame -- and prepare for the challenge of assessing progress. Three to five years is a reasonable time frame to see initiatives come together, said Stephen Mitchell. But as programs begin to work, know you will have to develop a variety of ways to assess their effectiveness. "What does accountability look like in a network? How do you measure partnerships working well? . . . How do you evaluate programs? What outcomes do you look at? Are there things you can quantify? Do you rely on success stories? What about value-added high-end employers? And how about the job market becoming more inclusive?"

Stay flexible and ready to respond to change and new challenges. Says Karin Pettit: "That's what the new economy and new demands are all about. "

Stimulating ideas -- and questions -- from Louisville participants

As the four workshop speakers shared their experiences, the Louisville participants had several chances during the day to meet in small groups and highlight the ideas they felt had special relevance for the community.

Most of the 75 local participants had experience in the worlds of education and workforce development -- and had some strong reactions and recommendations. Among their comments:

➢ It will be important to establish clear leadership and strong relationships if Louisville is to make substantial progress in workforce development. "We're very hopeful the Metro Mayor can make sure everyone is at the table so they all play a part and are accountable for that part."

➢ "We have random acts of excellence in this community but there is no coordination." In the workforce realm now, "We don't have a common vision or agreement about what we are supposed to be doing."

➢ "Our group has a high degree of frustration. We've talked about these problems a long time and haven't really gotten very far. People are eager to get to it or put it aside and admit we can't."

➢ Louisville has a lot of overlap in this realm. "We need a clearly articulated mission or it's really easy over time and in various organizations to lose focus."

➢ "Intermediaries" are needed here -- people to connect the education/training and employment sectors. "That's a huge piece that's missing here."

➢ Louisville has a need for new funding models.

- The idea of global benchmarking is appealing -- we need to get good ideas from a wide range of resources and it makes sense to look abroad as well as around the U.S., especially since we compete globally economically.

- "We don't have a clear 'go-to' organization for employers to contact."

- A big challenge is how to have those difficult discussions about race, culture, class in a community where achievement and access to opportunity varies widely.

- We need a comprehensive marketing strategy in Louisville.

- If an employer benefits from a program that cuts turnover of its workers, as companies such as UPS and Norton Healthcare have learned, it saves money on hiring and training. And that could be a revenue source that benefits the workforce development system.