

Workforce Development Strategy

Fast Facts on Workforce Development

As the United States continues a dramatic shift from an industrial based to a knowledge based economy the improvement of the workforce development system is critical to our nation's success for a variety of reasons:

- In order to compete in an increasingly competitive global marketplace, organizations and regions need to attract, retain, and develop their workforce.
- The demand for skilled labor is increasing, as more and more positions require increased skill standards.
- The labor force is growing more slowly.
- The skill gap continues to widen, as more workers become technology dependent knowledge workers.
- Wealth is being created by research, discovery, and innovation and driven by human capital.
- Workforce development is economic development.

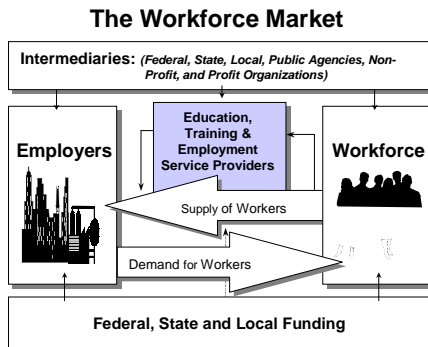
Alignment of Supply and Demand Side of Labor Market

The alignment of the supply and demand side of the workforce market is fundamental to a successful workforce development system. On the demand side, businesses require specialized from employees. On the supply side, potential employees must gain such technical knowledge from regional educational and training programs. If regional industries do not have employees that meet skill requirements, productivity and growth decreases. Even in the midst of the recent years recession and slower economy, the threat of talent shortages and skilled labor still looms.

Experts in the field have supported the concept of workforce development being critical to economic development. Two national surveys of economic developers, workforce development identified as the skilled workforce shortage, was the number one issue impacting economic development ¹ Such depth of a skilled and specialized labor force can often lead to future industry cluster development as well as enhance the cluster base already present. Therefore, if the workforce system understands the needs of significant clusters in the region, economic development will benefit. Today however, the reality is that the gaps between the supply and demand for labor pose a serious threat to sustain economic competitiveness. Without an organized effort to examine and foster a dynamic cluster driven workforce development infrastructure, that supports the current and future demands of industry, regions may put themselves at a significant economic disadvantage.

¹ Council for Urban Economic Development, as cited in PA Workforce Development Toolkit, 2000.

The workforce market is a complex system, comprised of diverse stakeholders on both the supply and demand side, as well as in between, illustrated below:



Regions that can work collaboratively to attract, develop and retain a world class workforce market will establish significant competitive advantage.

Source IOP, Human Capital Series University of Pittsburgh

A Next Generation Workforce Development Strategy

The question arises, “How do regions build successful workforce development systems?” One solution that has a demonstrated track record is the Workforce Summit Initiative.

The Workforce Summit Initiative™ is a catalyst for system-wide change. The goal of the Workforce Summit Initiative™ is to link workforce development to economic development. This is achieved by preparing a regional vision and strategy as well as a center for implementation that will serve targeted industry clusters and the community in developing, attracting and retaining talent to support the economic development of the identified region. Utilizing the concept that collaboration for change is driven by relationships and networking, the Workforce Summit Initiative™ is an action-oriented conference designed to convene, educate, charge, and mobilize key stakeholders within a region to actively pursue specific workforce related initiatives.

Workforce Summit Initiatives have resulted in:

- Development of cluster-based strategies to balance short-term responses while building a long-term system
- Formation of industry led cluster consortiums to implement new changes
- Realignment of current training programs to be more flexible and responsive to the needs of the workers and industry
- Increased regional focus on the need for skilled workers and identification of skill gaps
- Cluster action plans responsive to workforce demand
- Increased regional communication of the workforce development situation and challenges

The Hill Group, Inc. has successfully initiated the Workforce Summit Initiative™ in southwestern Pennsylvania and northeastern Ohio for industries including manufacturing, healthcare, information and technology, and finance. The Hill Group, Inc. adds values on a number of levels, including:

- Understand unique challenges associated with the development and implementation of workforce and economic development policy
- Accelerate and guide the workforce collaboration process through due diligence in research, strategic planning, and implementation of summit initiatives
- Initiate workforce environmental scan to identify skill gaps, program results, and current and future state of the labor market
- Engage stakeholder participation, buy-in, and ownership through a customized facilitation process
- Produce an integrated stakeholder action plan, reflecting diverse interests and perspectives of the workforce development system
- Assist in the transition from workforce summit to implementation of ideas, leveraging opportunities for maximum impact
- Develop a successful workforce development system in a timely and efficient manner.

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