Building Skills, Building Partnerships – Employers Take the Lead

Southeast Regional Workforce Development Industry Partnership Report
October 22, 2013
Table of Contents

Executive Summary ........................................................................................................... ii
Forward ................................................................................................................................. 1
What is an Industry Partnership? ....................................................................................... 1
The Southeast Regional Workforce Development Partnership ...................................... 3
   Vision ................................................................................................................................. 4
   Mission .............................................................................................................................. 4
   Strategic Principles .......................................................................................................... 4
   Impact ................................................................................................................................. 6
Certificates/Credentialing .................................................................................................. 7
Wage Increases and
   Promotions ...................................................................................................................... 7
   Pipeline Development ....................................................................................................... 7
Partnerships Increase Awareness of Other Workforce Services ..................................... 8
Working With Education Partners – Curriculum Development ...................................... 9
Case Study Shows ROI For Workforce Development Partnerships ................................ 9
Leveraged Resources .......................................................................................................... 10
Partners ........................................................................................................................................ 11
Contact .................................................................................................................................... 12
Executive Summary

Southeast Regional Workforce Development Industry Partnership

Advanced manufacturing is most commonly associated with the use of high-tech processes such as factory automation or the development of innovative products. However, it involves more than new technology. Advanced Manufacturing processes can stem from flexible manufacturing, quality management systems and continuous-improvement principles such as lean manufacturing and Six Sigma. Not all advanced manufacturing applies to next generation products; it can be driven by quality improvements in existing manufacturing processes. Likewise, jobs in the Advanced Manufacturing sector require a complete understanding and mastery of a variety of skill sets. Workers need an assortment of new competencies in order to retain their value and help keep the employer competitive in an ever-changing marketplace.

The Southeast Regional Workforce Development Industry Partnership (SERWDP) was formed to address these critical issues and more for regional employers. Formed in 2007, SERWDP is a multi-employer collaborative effort that brings together management and labor around the common purpose of improving the competitiveness of a cluster of companies producing similar products and/or services and sharing similar supply chains, critical human resource needs, infrastructure requirements, business services and/or retention/recruitment challenges.

Highlights and accomplishments of the SERWDP include:

→ Conducted a formal Needs Analysis to define deficiencies, problems within the regional industry, training needs, and to identify causes and solutions.

→ Conducted 2,377 training classes in areas identified by member employers. Nearly 1,600 of these classes resulted in an industry-recognized certificate or credential.

→ Established working agreements and roles with Bucks, Montgomery, and Delaware Counties Workforce Investment Boards.
→ Nearly 40% of participating employees received wage increases, and 13% were promoted.

→ The increased employer awareness of other workforce services resulted in the creation of 72 new jobs and 144 saved jobs due to layoff aversion.

→ Established a broad consensus in the manufacturing industry on training requirements for incumbent workers and entry level workers.

→ A case study on one member employer indicated a five-year business return on investment of 407%.

→ Created a permanent Advisory Council of industry leaders to assist in the further development of preparatory programs for entry level and incumbent workers.

→ Employers accounted for nearly 40% of the total funding from all sources for the partnership through both cash and in-kind contributions, and matched over 100% of the Commonwealth funding.

→ Assessed industry training and hiring practices and created training and hiring systems that meet the entire industry’s needs by developing a pipeline.

Through the Boeing grant, we were able to hire and train several new employees who have not only stayed, they show promise. We place our press helpers through a three level FIRST press certification program, which usually takes one to two years to complete. We do this so they can be experts at flexographic printing and to develop their careers.

Another goal of our participation in the Partnership has been to improve the skills of our employees. The Industry Partnership grants enabled us to invest in the Flexographic Technical Association FIRST Press Certification for our employees. We were able to train 20 employees in Level 1 and 20 employees in Level 2. These employees all earned certifications and either have received raises or will receive raises at their next performance review. We would not have invested in this training without support from the Industry Partnership.

Finally, the ability to network with like-minded business professionals has been invaluable. We have been able to share resources, source potential new hires, and learn about training opportunities through the Collegiate Consortium and other sources. It is always stimulating to learn what other companies are doing and to adopt best practices to improve our own company.

Michelle Donohue, SPHR
VP Administration
Global Packaging, Inc.
Forward

In Pennsylvania’s manufacturing-dominated economy of the past, blue collar workers went to high school and then landed jobs for life in stable companies, while white-collar workers went to college and did the same. At that time, workers and companies had set skills development and career paths beyond high school. That world is gone!

In today’s intensely competitive, technology-intensive global economy, employers require highly skilled workers to boost productivity, create new products, and provide market responsiveness. These workers need to learn new skills to keep employed by these new nimble companies. Pennsylvania’s workers, recognizing the demands of the new economy, seek opportunities to develop and improve their skills. To respond to this mutual need of employers and employees, the Commonwealth of Pennsylvania, with guidance from industry leaders and the support of the Pennsylvania General Assembly, created and nourished a new workforce development policy tool known as Industry Partnerships.

What is an Industry Partnership?

An industry partnership is a multi-employer collaborative effort that brings together management and labor around the common purpose of improving the competitiveness of a cluster of companies or organizations producing similar products or services and sharing similar supply chains, critical human resource needs, infrastructure requirements, business services, and/or retention/recruitment challenges. They are organized by industry sector based on an analysis of where Pennsylvania, and/or multi-county regions, appears to have a competitive advantage. They are employer-led. The intent is to make intelligent and prudent investments to develop the human capital that will lead to greater productivity, enlightened human resource practices and innovation – thereby helping these industries to survive and
grow. Most importantly, by bringing together employers committed to the development of their workforce, these partnerships develop a deep and thorough understanding of the needs of industry. Management and employees gain insight by researching the future of the industry. The Workforce system uses this industry intelligence to help its education and training partners better align their programs to the future needs of industry.

Industry partnerships (IPs) uncover common skill challenges within industry clusters and, using economies of scale, apply private and public resources across numerous employers to address those challenges. Tax dollars and employer investments support the entire industry, not just one company’s needs. Through these partnerships, industry-recognized credentials can be developed that enable workers to advance with their current employers or seek better opportunities elsewhere. Training needs are communicated to educational partners who develop curricula for new college courses, or high school career and technical programs. IPs also have the flexibility to respond to changing industry environments. Industry Partnerships are also gaining traction as a way to help low-wage earners and job seekers improve their short and long-term employment opportunities by providing access to entry level and advanced job opportunities aligned with employer’s career ladders.

The results speak for themselves. Today, flexible skill development is critical to competitiveness. Employers need to find employees with specialized knowledge, and workers need to be able to move smoothly to another job if their current employer downsizes or goes out of business. Industries, workers and the economy benefit when groups of companies collaborate to address training needs. New solutions are shared to strengthen the industry as a whole. Pennsylvania was one of the first states to extend training and career building efforts in this sector-based approach beyond individual companies to networks of companies in select industries. The Commonwealth of Pennsylvania understands that the lack of industry collaboration on training can result in a skills gap for businesses, an opportunity gap for working families and an innovation gap for many Industries. Building strong Industry Partnerships can bridge those gaps, laying the foundation for broadly shared prosperity. IPs concentrate attention and resources on industries that provide good wages and benefits, have the greatest potential for economic growth and/or which face serious challenges to growth or retention. By bringing together employers and their workers the public sector can learn significantly and qualitatively more about the opportunities and challenges facing a set of similar companies and collaboratively devise strategies to address these.
The Southeast Regional Workforce Development Partnership

The Southeast Regional Workforce Development Industry Partnership (SERWDP) was formed to address the critical issues and challenges facing regional employers. Formed in 2007, SERWDP is a multi-employer collaborative effort that brings together management and labor around the common purpose of improving the competitiveness of a cluster of companies producing similar products and/or services and sharing similar supply chains, critical human resource needs, infrastructure requirements, business services and/or retention/recruitment challenges.

In organizing this sector-based approach, the primary goal was to develop and formalize the Partnership and develop stronger linkages to the workforce system, thus enabling the Partnership to develop ways to leverage fundamental industry needs to produce economies of scale and address a variety of workforce needs including: the creation of skills training programs and the development of a career ladders for youth and incumbent workers. Since its inception, the Partnership has strived to be responsive to industry needs by crafting strategies that address the immediate needs and future goals of the industry.

At the onset, needs were identified e.g.; access to a qualified cohort of current and future workers, adequate industry-specific support structures in areas related to technology transfer, research and development, product markets, and coordinated communication among agencies in supporting retention and growth of the manufacturing industry within the region. The Partnership conducted a formal Needs Analysis to identify deficiencies, problems within the regional industry, training needs, and to define causes and create solutions. By working with industry representatives, the Philadelphia Workforce Investment Board, and other regional Workforce Boards the Partnership was able to identify common needs throughout the manufacturing and logistics and transportation sectors that have resulted in strategies to move the cluster forward in developing talent. These strategies seek greater efficiency, appropriate solutions, the creation of more profitable workplaces, and implementation of programs that ensure a prepared industry workforce drawn from the region.

Industry Partnership are living up to their tag line, “Building a Skilled and Thriving Workforce.” The Aker Philadelphia Shipyard has worked closely with the Industry Partnership in identifying needed training, selecting training providers, and providing financial support to cover a significant portion of the necessary training for 84 employees who attended seven different training initiatives. These initiatives covered areas of Leadership, Critical Crane Equipment Training, and Advanced Emergency Responder Training. Workers who attended the series of crane classes move hundreds of tons of steel every day in a safe, efficient manner as a result of this training.

Jim Clark
Manager, Training
Aker Philadelphia Shipyard
Vision

It is our vision that the Southeast Regional Workforce Development Partnership will be recognized as a leader in the manufacturing, logistics, and transportation sectors.

Mission

The Southeast Regional Workforce Development Partnership is a professional group of globally leading manufacturing, logistics and transportation companies located in Southeastern Pennsylvania cooperating in a partnership environment. The mission of the partnership is to work together in true cooperation with a commitment to share challenges and successes for the good of the partnership and the industry by leading and supporting initiatives that will keep these industries a vital component of the State’s economy.

Strategic Principles

- Create and sustain a collaborative effort that will include employers, government, non-profits, labor, and economic and workforce development agencies to identify solutions to common industry challenges.

- Promote networking and communication between employers to share best practices and industry trends.

- Facilitate the ability of companies to aggregate training and education needs to achieve economies of scale.

- Identify and work together to address common human resource needs that include recruiting and retaining workers, adopting new technologies, and fostering on-the-job learning.

- Develop and document career ladders in the industry.

- Inform and collaborate with stakeholders (schools, guidance counselors, parents) to address the challenges of connecting youth to industry.

Without the training, we wouldn’t have had been able to maintain the business. Not only were we able to maintain the business, but we were able to grow it.

Frank Cettina
VP Operations
Computer Components Corporation
**Impact**

Membership in the Industry Partnership benefits the employer and the employee. In the top 10 list of jobs that U.S. employers worldwide are having difficulty filling, technicians rank number one, followed by skilled trades at number four, and production operators at number five. These hard to fill jobs include CNC Machinists, Swiss Machinists, Maintenance Mechanics, Electricians, Field Service Technicians, Engineers, PLC Technicians, Certified Forklift Drivers, Production Supervisors, and Executive Managers. Basic skills common to these jobs include applied math, communications, and knowledge of computers. Intermediate skills include the knowledge of quality systems, process improvement principles, statistical measurement, blueprint reading, and basic preventative maintenance. Through the partnership employees of member companies receive skills enhancement training that leads to portable and stackable industry recognized credentials. This can provide opportunities for advancement and wage increases. Over the years the partnership has provided skills training in the following areas:

These trainings led to an increase in credentials and wages for employees and more productivity for the employer.
Certificates/Credentialing

Data from the Bureau of Labor Statistics indicate that occupations that require an industry-recognized credential or post-secondary degree or award are expected to account for nearly half of all new jobs from 2008 to 2018, and one third of total job openings. While labor market projections and employer surveys point to a strong and growing demand for skilled workers, educational attainment levels in the United States are declining.

Former Secretary of Labor Hilda Solis’s remarked in June of 2012 at the Clinton Global Initiative, “Credentials mean higher earnings, greater mobility, and enhanced job security”. Yet according to the Bureau of Labor Statistics, half of all employed adults lacked any type of degree or certificate.

Since the inception of the Southeast Regional Workforce Development Partnership in the fall of 2007, employees have participated in a total of 2,377 classes ranging from Blueprint Reading, Project Management, Food Safety, Geometric Dimensioning and Tolerancing, Six Sigma, and Airframe Maintenance. Nearly 1,600 of these classes resulted in an industry-recognized certificate or credential.

**Industry Recognized Credentials Awarded 2008 through 2011**
Wage Increases and Promotions

Partnership training and credentialing programs do not only benefit the employer by adding value to their workforce, they benefit the employees by enhancing the opportunity for wage increases and promotions.

The partnership began recording wage increases and promotions in fiscal year 2010. In the three-year period ending June 30, 2012, nearly 40% of the participating employees received wage increases and 13% were promoted. Aside from the obvious advantages to the employee, higher wages also contribute to the health of the overall economy of the region.

![Wage Increases: 2010 through 2012](image)

Pipeline Development

The success of our Industry Partnership hinges substantially on the partnerships’ ability to develop strong connections with youth and regional educational institutions. An analysis of the aging workforce found 45% of the workforce is 56 years or older. As these older workers leave the workforce, the industry will face the challenge of replacing, not only the positions, but also the skills of these employees.
This year, in collaboration with Job Opportunities Investment Network (JOIN), the School District of Philadelphia, and the Philadelphia Youth Networks’ WorkReady program, we have created an internship program geared specifically for creating a talent pipeline flowing toward manufacturing occupations. The internship program is the first phase in the creation of a full career ladder and recruitment continuum characterized by multiple points of entry from High School through Co-Ops based in post-secondary trade schools and/or higher education.

Our intention is to provide opportunities for our youth at all levels of employment within the manufacturing sector. Our ongoing relationship with the Philadelphia Youth Network will serve as a catalyst for the perpetuation of and primary entry point into our employment pipeline. This summer 18 young adults are participating in internships at partnership locations.
Partnerships Increase Awareness of Other Workforce Services

Ten of the employers in the Southeast Regional Workforce Development Partnership have made use of other workforce development services. Two employers saved a total of 144 jobs through layoff aversion initiatives, and an additional 72 jobs have been created in the region through on-the-job-training programs.

The below chart shows the partnership employers who have accessed the public workforce system in the Philadelphia county. This does not show the full impact; member companies are also active in the workforce system in other counties. Details surrounding their activities are not available at this writing.

Employers Receiving Training Funds through the Philadelphia Public Workforce System

<table>
<thead>
<tr>
<th>Employer</th>
<th>Program Year</th>
<th>Description</th>
<th># of Jobs</th>
<th>Average Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aker Philadelphia Shipyard</td>
<td>2011</td>
<td>OJT</td>
<td>5</td>
<td>$19.10</td>
</tr>
<tr>
<td>Allied Tube &amp; Conduit</td>
<td>2012</td>
<td>OJT</td>
<td>6</td>
<td>In Progress</td>
</tr>
<tr>
<td>Computer Components</td>
<td>2012</td>
<td>OJT</td>
<td>2</td>
<td>In Progress</td>
</tr>
<tr>
<td>Hyundai Rotem</td>
<td>2010-2012</td>
<td>Layoff Aversion</td>
<td>82</td>
<td>$14.65</td>
</tr>
<tr>
<td>Hyundai Rotem</td>
<td>2012</td>
<td>OJT</td>
<td>3</td>
<td>In Progress</td>
</tr>
<tr>
<td>Jack Edmondson, Inc.</td>
<td>2012</td>
<td>OJT</td>
<td>1</td>
<td>$18.00</td>
</tr>
<tr>
<td>Northeast Building Products</td>
<td>2012</td>
<td>OJT</td>
<td>2</td>
<td>In Progress</td>
</tr>
<tr>
<td>Penn Fishing Tackler Mfg.</td>
<td>2009</td>
<td>Layoff Aversion</td>
<td>62</td>
<td>Unknown</td>
</tr>
<tr>
<td>PTR Baler</td>
<td>2007</td>
<td>OJT</td>
<td>6</td>
<td>$11.31</td>
</tr>
<tr>
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<td>OJT</td>
<td>22</td>
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<td>OJT</td>
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</tr>
<tr>
<td>SEPTA</td>
<td>2011</td>
<td>OJT</td>
<td>2</td>
<td>$15.28</td>
</tr>
<tr>
<td>Tioga Pipe Supply</td>
<td>2010</td>
<td>OJT</td>
<td>2</td>
<td>$18.75</td>
</tr>
</tbody>
</table>
Working With Education Partners – Curriculum Development

The Partnership has also been effective in working without local Community Colleges and Drexel University to develop new curriculum and customize program that meets the needs of the Industry. The advanced manufacturing stackable credentials were designed with extensive input from local manufacturers to enhance the local workforce market. The credentials begin with Level One, which focuses on pre-employment and the cooperation, communication and critical thinking skills needed for dynamic team interactions. The Level One curriculum is the same for all advanced manufacturing students. Level Two is the entry into the technical skills for industrial maintenance, machining and electronics. The Level Three program is developed to provide advanced skills in the respective areas. The Level Four, when developed, will be a project-oriented program with areas of design, re-design, fabrication and more developed experiences with equipment. The Partnership will continue to provide input by participating in roundtable discussions with students and faculty regarding local workforce and internship opportunities.

Case Study Shows ROI For Workforce Development Partnerships

In addition to obtaining a highly-skilled workforce, employer benefits also include increased productivity, accident reduction, increased profitability, and increased market share.

In an independent study presented by the Job Opportunity Investment Network (JOIN), one of the partnership’s employers, Computer Components, was featured as a case study to demonstrate the return on investment (ROI) of workforce development partnerships.

The study calculated a five-year business return on investment of 407%:

- Three people were hired into Computer Components through the partnership. Those hires improved HR performance by cutting turnover and hiring costs.
- Derived from value from public relations exposure as a result of partnership as opposed to their own communications/marketing dollars.
- Invested in a new $130,000 robotics product line. Access to welding training contributed to expansion decision.
- Improved customer service from training enabled the renewal of a $3MM customer account.

Leveraged Resources

Since its inception, the membership of the Industry Partnerships have made significant contributions in the form of cash, in-kind services, and support in supporting external funding sources. Because of the tangible benefits of being a part of the partnerships, the members readily invest their time and resources in the sustainability and growth of the partnership. The Industry Partnership is one where the input and significant investments of our partners drive the resources and training. The success of the partnerships is due directly to its vested members.

The Partnership has also been effective in leveraging resources. These leveraged resources are valuable not only because of their financial benefits but because the collaborations created, are valuable for the IPs immediate goals and long-term sustainability. Over the years the Partnership has been successful in providing additional training resources to its members through programs offered by the Department of Community and Economic Development, WedNet, Community Colleges, (TAACC) Job Track program, Drexel University, Delaware Valley Industrial Resource Center (DVIRC) and the Collegiate Consortium.

Funding Break-Out for Funds Received 2008-2012

- Commonwealth of Pa. Industry Partnership Training, $975,381
- Commonwealth of Pa. Industry Partnership Development, $244,404
- Citizens Grant, $10,000
- National Fund/Boeing/JOIN, $45,500
- National Fund/Social Innovation Fund/JOIN, $225,000
- Employer Cash Contributions, $251,650
- Employer In-Kind Contributions, $731,536

2013 Philadelphia Works, Inc.
The Partnership has also been effective in leveraging resources. These leveraged resources are valuable not only because of their financial benefits but because the partnerships created, are valuable for the IPs immediate goals and long-term sustainability. Over the years the Partnership has been successful in providing additional training resources to its members through programs offered by the Department of Community and Economic Development, WedNet, Community Colleges (TAACC) Job Track program, Drexel University Delaware Valley Industrial Resource Center (DVIRC) and the Collegiate Consortium.

We are so pleased with the Industry Partnership and the training that we have been able to provide to our associates. Due to the program, we have been able to send three of our skilled maintenance associates for forklift repair training, resulting in a reduction in the use of outside vendors in the repair of our material handling equipment. In the first year after sending our associates for this training, we reduced our costs by over $88,000. We continue to see savings, not to mention the morale booster for our associates. They look forward each year to enhancing their skills.

Jacquie Batchelor
Human Resources Manager
Sears Holdings Corporation
Partners
The Partnership was established with nine manufacturing companies. The Partnership continues to grow and represent over fifty companies in the manufacturing, rotorcraft, and logistics and transportation industries. These member companies work in partnership with the public workforce and educational systems, and have made a commitment to excellence in the workplace.
Contact

For more information on the Partnership contact:

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Brian K. Oglesby – Industry Partnership & Business Engagement Specialist, boglesby@philaworks.org (215) 717-2009 ext. 1972

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