

# **Developing a Workforce to meet the region's Comprehensive economic development strategy.**

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## **Introduction**

In today's world of economic development many considerations go into where a company will locate or expand their business. For several years the Upper Cumberland Region has focused on the development of marketable industrial and commercial real estate sites all while dismissing a component that is just as important as land, an attractive workforce. The purpose of this document is to look at how a coordinated focus can be achieved between those parties who specialize in workforce development and by those who strive to maintain existing businesses and to actively recruit new employers into the region. Associated with this endeavor is the ability to develop a way to measure the overall success of the region's efforts that will hold all interested parties accountable. Similar efforts in other areas of the state and nation will be investigated to determine the best options for the Upper Cumberland Region.

## **Background**

### ***A description of the region and the various organizations involved in the process***

The Upper Cumberland Region encompasses 14 counties and approximately 340,000 people. Within the 5,093 square miles that make up our region we are home to 4 of the 10 smallest counties by population while our largest city is still some time away from becoming a metropolitan size municipality. It is easy to simply say that region's citizens are less educated and are more economically challenged than the state average but this does not address the reasons for this.

Because of the large geographical area it is more difficult to build the resource bases needed to help lift the talent pool of the region's workforce.

The region has benefited from the location of major automotive manufacturers such as General Motors, Nissan, and Volkswagen within a relatively short driving radius of the region. This has allowed a transition from an agricultural and sewing operation workforce to one that is more advanced as many industries that supply those automotive manufacturers locate in the region. Looking towards the future, the continuation of this progress is highly desired by the region's leaders and populace so even more technology-based businesses are located here. The current leadership in the region has targeted the following areas for future recruitment: automotive sector, health care informatics and advanced manufacturing.

The region has many great partners who provide workforce development services. There are three TN Colleges of Applied Technology's (TCAT), four community colleges, and Tennessee Tech University that is known across the southeast for its engineering department. A Workforce Innovation and Opportunity Act program (WIOA) serves 12 of the 14 counties, with two additional WIOA's that each serve one of the remaining two counties. The Highlands Economic Partnership is a local economic development initiative that is providing the Pathways to Prosperity program in 6 of the region's school systems. What is lacking is a coordinated effort to address the shortfalls in the current workforce and to build a pipeline of talent that will meet the industries of tomorrow.

***How does the Upper Cumberland Region stack up to the rest of the state?***

The accurate evaluation of the quality of an existing workforce involves many different factors. For the benefit of this project the focus will be on educational attainment as an indicator of where the region is in comparison to the rest of the state. To paint an accurate picture of the region's conditions, the data has been broken down into three groups: the three largest counties, the four smallest counties, and the remaining middle group of seven. The organization of these groups demonstrates that the smaller and more remote the county, the greater the concern about the quality of talent available. While the three largest counties closely lag the state average, the middle group shows a definite reduction in education and the smallest counties show a workforce that has very few workers with post-secondary degrees (see appendix I.). This data shows the region should re-evaluate how programs and services are distributed across a rural region.

***A description of the need for improvement in how workforce development is coordinated with the existing economy and the current recruitment process.***

In early 2015, a group of stakeholders came together to discuss the greatest needs pertaining to the Upper Cumberland Region. A number of needs were discussed, but in every discussion the issue of workforce kept coming up. Continued discussions brought about a narrowing of the focus down to the creation of a talent pipeline with an emphasis on the unemployed or underemployed worker age 25-64. Further review of the K-12 system pointed out that special attention was already being provided to workforce development through the Pathways to Prosperity program

being implemented in 6 counties with a hope of expanding it to all fourteen. This program emphasizes career preparation in three core areas: Pre-Engineering/Advanced Manufacturing, Health Sciences, and Information Technology. Workforce Development efforts are also being bolstered by the new programs being offered by the state of Tennessee through the Drive to 55 Initiative. Addressing this problem is not without its struggles. It has become clear through the discussions about workforce development that the main partner that should be at the table has not been a consistent partner. This is due to the turnover in program management at the organization that houses the WIOA programs. One other issue that has been encountered is that the set of regulations overseeing many of the programs narrowly define the scope and reach of their funds. Because of these issues, the region has not been able to formulate a consistent and comprehensive strategy to address its workforce problems.

***UTCIS Coursework that has assisted in this process***

Looking back at the course work that was covered in the various TN Certified Economic Developer classes, it has been possible to apply the knowledge received from each course, with the exception of Finance, to assist in this process. Obviously, the lessons learned in the Strategic Planning course has helped in the development of a plan of action and in the building of a build consensus among the other regional partners that are involved in this project. One specific example of using a lesson learned would be the insistence of including an evaluation component to measure the planning efforts. The Managing an Economic Development Organization course has fostered the application of techniques to prioritize the work needed from the

Upper Cumberland Development District. Since this organization does not provide direct services or administer workforce development programs, it has been necessary to evaluate the organization's operation to find capacity to assist in this process by finding areas that the development district could assist. This has caused a re-evaluation of priorities. As the workforce issues have been worked through, the need to market the region's strengths once a pipeline has been developed has become clearer. As a part of the Marketing & Attractions Course, Sharon Younger discussed the region's ability to differentiate its workforce when recruiting industries. It is the belief of the Upper Cumberland Development District that it will be not only better able to illustrate the region's strengths if done while the pipeline is being built but it should be possible to influence the quality of the final product as well. Finally, the majority of the region's employers and the majority of its potential employers would be classified as small businesses. Because of the lessons learned in the Small Business and Entrepreneur class, the needs of this group of businesses are more likely to be addressed. One major challenge that all economic developers encounter is being stuck in the rut of doing things the same way as they always have been done. Enhancing the District's ability to listen to the needs of those individuals who are creating the industries of the future and to the small businesses that employ the majority of people in this country should foster the capability to build a pipeline that is beneficial to them.

### ***What are others doing?***

The Upper Cumberland Region sits in the V that is created between the metropolitan statistical areas of Nashville, Knoxville, and Chattanooga. It also

borders the state of Kentucky. Because of this, we see the issue of workforce development needs to be handled in different ways. While they do not administer hands-on programs such as the career centers, Nashville has a strong Chamber of Commerce that sets the vision and direction of workforce development. It appears that this is done through the use of consultants, such as JP Morgan Chase. In studying the vision that the Nashville Chamber has adopted it appears that they are focused on providing training locations and the development of middle skill jobs especially in healthcare, advanced manufacturing and information technology. Knoxville, on the other hand, does not appear to have a consistent vision nor are there clear indications that all interested parties are working together. The common theme involves the corridor between Oak Ridge and Knoxville with an emphasis on research and development. The University of Tennessee Knoxville plays a vital role in the workforce training since the region highlights STEM-related careers.

In Chattanooga, the Southeast TN Development District provides the vision and services for not only the Chattanooga area, but they have expanded their reach into Georgia and Alabama thus covering a 23 county workforce region under the Tri-State Regional Workforce Alliance. With the arrival of Volkswagen and the ability to provide 1 gigabit of internet speed, Chattanooga has been able to elevate the level of workforce that they have through training and through a concerted effort to recruit talent to the region.

Looking north into Kentucky, the state provides a statewide coordinated workforce development vision and strategic planning along with oversight while local areas

concentrate more on the distribution of resources. From the state level they have instituted programs to certify the quality of workforce in each community, thus providing potential employers the ability to judge the workforce in a similar manner as Tennessee has done with industrial sites. There is also emphasis on entrepreneurship, apprenticeships, and on teaching skills to low skilled employees.

## **Project Description**

### ***Project name***

How to align workforce development programs and vision with current economic development needs

### ***Identification of stakeholders and partners in this project***

As stated earlier a group of stakeholders began meeting in early 2015 to look at problems in the region. This group became known as the Upper Cumberland Talent Development Roundtable (UCTDR). Representatives included:

- Associate Vice-President for Tennessee Tech University
- A member of the Tennessee Board of Regents
- Highlands Economic Partnership, a four county, regional economic development partnership
- The BizFoundry, our region's entrepreneurial center
- A representative of the Cookeville Higher Education Campus (a Board of Regents pilot campus housing multiple community colleges)
- A director of a College of Applied Technology
- A local manufacturing consulting firm

- The region's Workforce Development Board
- The region's Development District
- The Tennessee Dept. of Economic and Community Development

Other members have been involved throughout the course of the last year but the core group consists of these key players. The group has been listed to show that there is a wide spectrum of organizations covering a multitude of areas. As the meetings have developed, the job of setting a vision for the region has narrowed down to three entities: Tennessee Tech University, the Highlands Economic Partnership and the Upper Cumberland Development District. Because of several staff turnovers, the Workforce Development Board has been unable or unwilling to assume a leadership role. This has created a problem, as they are the main organization providing services to the current workforce.

### ***Goals and Outcomes***

Our overarching goal is to provide a sustainable pipeline of talent from the existing workforce that is in the age range of 25-64 years old. To clearly define what is meant by talent pipeline would be to systematically improve the skill sets of the current workforce by increasing the number of workers with certificates or diplomas. By doing so, the lives of the region's citizens would be bettered as well as the productivity of our region's businesses would be enhanced. To accomplish this, five strategies and / or outcomes have been identified that should foster a better alignment of workforce development with economic development:

1. Create a line of communication between employers and the UCTDR. One issue that has been identified is that many employers are hesitant to train

and educate their workforce for fear that they will leave. It has been discussed to bring in consultants to explain to our employers how they can be more profitable by using a more trained workforce. This line of communication can also foster quicker shifts in curriculum being taught at the local TCATs, Community Colleges, and at Tennessee Tech. Members of the Highlands Economic Partnership's Committee on Education have met with and compiled data as to what job skills are required at local businesses and how many qualified applicants are needed. The committee has also surveyed all major staffing agencies about what job skills are required by businesses.

2. The region needs to create the support system needed for the adult population to return to school. It has been very fortunate to be designated a TN Reconnect Community by the TN Higher Education Commission. This is a two-year grant to provide the support needed by partnering with the Graduate! Network, a non-profit organization that specializes in bringing adult learners back into post-secondary education. This project will assist potential adult learners as they look for resources to overcome the life barriers to returning to school. This will include financial assistance, time management training, childcare, and occasionally just general moral support.
3. A need exists to encourage the region's post-secondary institutions to become better able to serve returning adults. Discussions have been held with Tennessee Tech University to find ways to ease the enrollment process

for returning adults. It is the intention of UCTDR to forge partnerships with each higher education campus in the region.

4. The region needs a system to provide career counseling to all ages. By doing so, it is possible to provide current information concerning workforce needs.
5. As this system is implemented, the leadership in the region should gain a much clearer picture of existing workforce skills. And, just as the workforce development strategies should align with economic development goals, the same is true in reverse. The economic development goals should keep in mind realistic workforce skillsets.

Besides the five strategies and outcomes listed above, the region still must develop a working relationship between all stakeholders to make this project sustainable. To gage the success of these five strategies the following areas will be tracked and measured as indicators of the region's progress:

1. The committee will track the number of employers working directly with the area's TCAT and community college campuses.
2. Working with the TN Reconnect Community grant, the number of adult learners who return to a higher education institution will be tracked and evaluated against the goal of reaching 4,000 individuals.
3. It is a desire to provide career counseling in each of the 14 counties of the Upper Cumberland Region. The region's progress will be gaged by evaluating the number of communities with onsite services being provided.

### ***Timeline***

The UCTDR is currently one year in to this project. It has taken UCTDR approximately 9 to 12 months to formulate and come to some consensus as to what direction should be taken. Looking forward, most of the strategies should be ongoing within the next year or two. The one outcome that is the most difficult to put a timeline on would be the building of relationships with current employers.

### ***Evaluation***

Since the Upper Cumberland Development District is the one organization that serves the whole region yet does not provide hands-on workforce programs, it has volunteered to compile and distribute a report as to the progress made in the region. Nine core measures have been identified that it would appear evaluates not only the current workforce but also the pipeline of future workers. Those nine are:

1. Educational level of working age adults
2. Percentage of the adult workforce in education/workforce training programs.
3. Workforce participation rate
4. Percentage of high school graduates transitioning to education/training programs.
5. High School dropout rate
6. The percentage of the 8<sup>th</sup> grade class that enrolls in 9<sup>th</sup> grade
7. Percentage of individuals and families at economic self-sufficiency
8. Average growth in pay from year to year
9. Job growth in the region

### **Results and Lessons Learned**

In retrospect with regards this project, there are two areas to consider: the actual program that has been built to address the regional workforce issue and the creation of the working group with a shared vision that has enabled an implementing of the program. The following are some thoughts on both issues.

Looking first at the actual program that is being built, the lesson is simple. The region cannot afford to wait until all questions are answered to begin the process. Once a vision was formulated and the process begun, the direction in which this effort was headed became clearer. As the attempt to assist individuals ages 25-64 was underway, it became clear that there were a number of good examples of people who went back to school, completed their degrees, and have moved onto much better jobs. While it can be intimidating for adults to return to school, once they have completed their education, their confidence is stronger and also infectious. Also, as educators attempt to assist this group they must be conscious of their needs. It has been learned through this process that adult learners cannot be adequately assisted by only providing services between the hours of eight AM and five PM. For this group to complete their degrees, a program must be provided during the evening and weekends.

Another conclusion is that employers are not always easy to help. It has been a struggle to get employers to discuss needed skills and education levels. Many employers will only discuss the need for additional soft-skills without getting to specific skills needed for their production process.

The biggest problem is yet to be solved. How can more services be provided in our rural communities? While the region's three largest communities have the greatest

number of employees that can be reached, it is simply a process of encouraging the employee to avail themselves of the resources available. In the region's small rural communities the task is to either find ways to provide services within these communities or to convince the employee that it is in their best interest to travel to an adjoining community to receive that education.

Looking back at how this process began and how the working group has evolved, the lessons are many. First, it takes the right group of people to tackle this workforce development issue. The group that formed came together in the beginning to discuss an entirely different subject but because they were willing to discuss big issues the biggest problem is now being tackled. This has been accomplished through consensus building, because the group was willing to narrow the scope to a size that could be managed.

In conclusion, as with most endeavors, now that this process has been created it, it must be sustained. The region's communities and businesses must continue to invest in workforce training. After looking at what is being done in other areas, it is very encouraging that this program, if appropriately and effectively designed and implemented will have a positive impact on the region's economy.

## Resource Page

Course material from Tennessee Certified Economic Developer Program

- Strategic Planning for Economic Development Course
- Managing Economic Development Organization Course
- Business Retention and Expansion Course
- Entrepreneurship and Small Business Development Course
- Marketing and Attraction Course

IEDC. Workforce Development Manual, Aug. 2015

National Association of Workforce Boards,  
“Driving Innovation, Collaboration, and Performance”, Aug. 2014

Deloitte, Sponsored by The Manufacturing Institute,  
“The skills gap in U.S. manufacturing 2015 and beyond”, 2015

National Association of Manufacturing, “Overcoming the manufacturing skills gap,  
A guide for building a workforce-ready talent pipeline in your community”  
2014

The Council for Adult & Experiential Learning, “Innovation Strategies for a New  
System of Workforce Development and Lifelong Learning.” Nov. 2008

National Association of Counties, “A Workforce that Works: County innovations in  
workforce development” July 2014

National Center on Education and the Economy, Workforce Development Strategies  
Group, “Under one roof: New governance structures for local economic and  
workforce development, volume II” May 2007

## Appendix one

This table is compiled using the 2010-2014 American Community Survey 5-Year Estimates. It is for the Upper Cumberland Region and also provides the State of Tennessee data for comparison purposes. Large counties are comprised of (Putnam, Cumberland, and Warren), medium counties are comprised of (Cannon, DeKalb, Fentress, Macon, Overton, Smith, and White), and the small counties are comprised of (Pickett, Clay, Van Buren, and Jackson).

	Large	Medium	Small	Totals	State
Population 25+	116,563	97,089	21,873	235,525	4,336,243
Less than 9th grade	7.5%	10.9%	12.1%	9.3%	5.9%
9th to 12th grade no diploma	10.2%	11.9%	12.4%	11.1%	9.2%
High School graduate	39.4%	44.4%	45.6%	42.0%	33.1%
Some college, no degree	19.0%	16.4%	14.4%	17.5%	21.0%
Associate's degree	5.1%	4.8%	4.0%	4.9%	6.5%
Bachelor's degree	11.6%	7.4%	6.1%	9.4%	15.6%
Graduate or Professional	7.1%	4.3%	5.4%	5.8%	5.9%