

Local EDOs and Workforce Boards: What Stands in the Way of Greater Partnerships?

by Louise Anderson, IEDC

To the outsider, the fields of workforce development and economic development are closely related – both ultimately seek to provide good jobs for people. Yet siblings who seem so much alike can function worlds apart.

To strengthen the links between the workforce development and economic development communities, IEDC has joined forces with the National Association of Workforce Boards (NAWB) and the American Association of Community Colleges (AACC). The three organizations will work together on cross training; information sharing; joint research and publications on barriers and best practices; communications and advocacy.

Toward that end, three workforce development experts share what they've learned about barriers to workforce-economic development partnerships with *Economic Development Now*.

Mark Troppe, Director of Economic and Workforce Development at the National Center on Education and the Economy, and Scott Cheney, Senior Advisor at NAWB, have jointly conducted training courses on workforce-economic development partnerships in dozens of communities around the country. They collaborated with Dr. Ken Poole, Executive Director of ACCRA – The Council for Community and Economic Research, and former IEDC Research Director Shari Garmise, now an assistant professor at Cleveland State University, in designing the training. In forums ranging from regional trainings to conference presentations, Cheney and Troppe have discussed the issue with a mix of workforce developers, economic developers and other stakeholders.

They've learned a lot themselves. By listening to their audiences, Troppe, Cheney, and Poole came up with the following list of common barriers to economic development-workforce development partnerships.

1. Limited views of themselves and each other.

When course attendees were asked how many economic development organizations work in their region, workforce developers could name a handful, but even the economic developers weren't always sure.

Workforce developers tended to think of economic development as monolithic – all about landing that big company or plant, rather than helping existing and new firms grow by bringing in 10 new jobs, getting new financing or a new trading partner. Economic developers don't understand the workforce development system any better, often seeing Workforce Investment Boards (WIBs) only as sources of money – or, they may lack a good understanding of the relationship between their WIB and local community college.

“There are many organizations out there, with different missions and activities, that get their funds from different state, local and federal sources, and if you don’t understand some of those subtleties and differences, you’ll be a bull in a china shop,” says Troppe.

The simplicity of the lesson belies its importance: You’ve got to know who’s in your universe in order to find the right partners. The biggest, most visible economic development player in town may not always make the best partner.

2. An unclear value proposition.

It can be difficult for economic and workforce organizations to quickly assess why they should work together. Differences in goals and performance metrics leave those who want to engage in partnerships asking, “How can we manage a partnership and still achieve the particular goals that we’re accountable for?”

Economic developers tend to focus on jobs and investment created, and different goals drive community colleges’ for-credit and non-credit operations. The issue of metrics can be especially challenging within the federally funded workforce development system, where “the metrics you’re held accountable to can be perceived as a pair of handcuffs,” says Cheney. “[WIBs] think, ‘If economic developers can’t help me meet my placement wage or retention rates, then I’ll have a hard time allocating resources to that.’”

“If a workforce board remains focused only on the annual requirements for WIA [Workforce Investment Act] dollars, it’s difficult to be flexible and innovative,” Cheney continues. “But if you accept the fact that one of your obligations and opportunities is to shape an innovative workforce system to meet the needs of employers in your local economy, and you can help shape the local economy, then WIA is just one funding stream. You wouldn’t address improving the high school graduation rate if you’re just WIA-centric.”

Organizations on both sides of the fence must rethink how they understand the value proposition. After all, one of the best ways to bolster workforce development is through a strong economy that pulls people into new jobs. And new partnerships allow for, and require, setting up new metrics, especially those that include long-term economic growth measures. To align measures of success, WIBs, EDOs, community colleges and others should share which federal, state, and local expectations drive their efforts.

3. “Family rivalries,” secrecy and culture differences.

As in any field, not everyone involved in a region’s workforce or economic development gets along great and shares everything equally – what Cheney labels family rivalries. Forming partnerships means considering the range of potential partner organizations, how they’re funded and the political sensitivities among them.

The culture of secrecy among economic developers also discourages partnering. Workforce developers can’t respond to a Friday morning phone call that says, “We have a client that wants to come to town with 200 jobs, and we can’t tell you who the client or the industry is, but can you commit some funding by COB today?” without enough information.

Poole notes that many WIBs know they have reputations based on past realities. Many economic developers still believe that workforce developers serve only people who are unskilled. And many workforce programs had, or have, bad reputations for being slow, unresponsive and government-run.

“Since the passage of WIA in 1998, workforce developers have a new brand and new product and no budget for marketing,” says Troppe. “They have launched a much more flexible, market-driven way of doing business. Much energy needs to be focused on changing negative perceptions – and reality – in some places.” Surprisingly, though, Cheney says that much of that negative perception comes from economic developers – not employers – who have tried to use these systems on a regular basis. Employers who are served, he says, tend to walk away pretty satisfied.

4. Planning: Many agendas, overlapping efforts, and competing messages.

Economic and workforce organizations have different planning cycles and requirements. WIBs are required to conduct strategic planning and turn in multi-year plans on a regular basis, while EDOs have no standard, federally mandated requirements. And community colleges plan according to different sets of local or state requirements.

Even when WIBs and EDOs simultaneously undertake planning efforts, it rarely occurs in a well-integrated fashion. Multiple groups come up with multiple sectors or clusters to target – the community college may have five, the Chamber may have four and the workforce board may have six, some of which overlap. Organizations may be working from different data, or collecting and analyzing the same data differently. Or, as Poole notes, EDOs in some communities simply may not have identified an active set of industry targets. In addition, employers frequently are asked to respond to different surveys conducted by all these groups, rather than one set of agreed-upon questions – bothersome to employers and inefficient for the groups.

Then there is the issue of competing messages. When a Chamber, a WIB, and a city each come out with strategic plans that promote activity in different directions, business owners, investors, and other stakeholders don’t know which way to go. As an example of a better way to do it, Cheney cites “Future Forward,” a 12-county, 4-WIB area in North Carolina that developed a common plan with a broad array of community leadership. Laid out in a brochure, the plan has been a powerful marketing tool from which all organizations in the region are working.

The best partnership may simply be around collaborative planning, setting agreed-upon community goals, or, short of that, at least working from the same data.

5. Limited capacity and resources.

Many economic developers, who are always looking for new funds, freely admit that they see WIBs as sources of funding and not much else. So it’s a bit shocking when they realize there isn’t as much money as they thought, and that it comes with strings attached.

Both economic and workforce developers operate on limited budgets and staff, and can leverage resources better through partnerships. Troppe and Cheney constantly encourage workforce boards and EDOs to cross-train their business outreach people and conduct joint business visitations. This helps them to avoid filtering out anything they hear that doesn't have "workforce" or "economic development" in it, and to better understand what other organizations can offer.

6. Non-aligned service areas.

Downtown versus city versus region versus corridor – the many levels at which different EDOs work often are served by one WIB. Regional economic development organizations and some federally funded economic development initiatives often cover multiple workforce areas. Community college boundaries add another layer of complexity.

Cheney and Troppe see this issue as one that is the most difficult to resolve. Troppe says that a few states are taking on service area realignment, citing Illinois, where \$15 million in incentives has been designated to get 10 economic development regions in the state to work across jurisdictional boundaries and organizational service areas. In Indiana, Governor Daniels has proposed a similar initiative.

7. Leadership.

Elected leaders come from a variety of backgrounds, and have different responsibilities and areas of focus. For instance, state officials may not fully appreciate the nuances of local politics. Furthermore, few local elected officials fully understand economic or workforce development, or how to create a whole greater than the two parts.

"There are few leaders in communities who understand exactly what kind of leadership is needed," says Cheney. "The challenge is finding the right people. You can have a mayor or county officials who have authority over both economic and workforce development, but until they understand how each system works in its own right, leaders can't effectively support efforts for partnership."

The course mentioned in this article, "Building Partnerships – Workforce and Economic Development," is available through NAWB. For more information, contact Sharon Sewell, NAWB's Director of Education and Training, at Sewells@nawb.org.