

**TO: WIB**

**DATE: 7/13/06**

**FROM: WIB Staff**

**For Action**

**For Information**

**For Discussion**

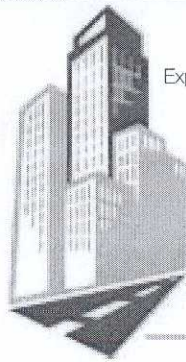
**SUBJECT: Article – Workforce Training Is Key Location Factor**

**PROPOSED MOTION(S): Information only.**

**DISCUSSION: The following article from the April 2006 Expansion Management Magazine’s newsletter “Inside E.D.” discusses the impact and importance of workforce training on economic development.**

**ATTACHMENT (S):  
Workforce Training Is Key Location Factor**

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# inside E.D.

*The Newsletter for Economic Development Professionals*

*At-A-Glance*

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## WORK FORCE TRAINING IS KEY LOCATION FACTOR

*States must be ready to assist companies train their employees.*

**By Ken Krizner, Managing Editor**

**I**N A WORLD WHERE THE TIME TO GET A RETURN ON INVESTMENT is practically non-existent, the ability to have a well-trained work force that knows how to handle the task at hand from the beginning and not experience the inevitable missteps that come with on-the-job training is more than just a luxury. It is a necessity for companies competing in the global economy.

That puts the onus on work force training before the new plant is in operations. When companies are looking for a new site for their facility, whether that is in their current city or state, or in another state, they want to know what's available in terms of work force training programs.

Work force training could be the deciding factor when a company is down to its final list of potential location for its new facility.

"One of the first questions companies ask when they consider locating or expanding a facility is about the quality of the work force," said Jackie Rohosky, assistant commissioner for economic development programs for the Georgia Department of Technical and Adult Education (DTAE). "They all recognize that a skilled, dedicated work force can make the difference between success and failure."

That's why states put such a premium on work force training programs, sometimes administered by a state agency or sometimes administered by community and technical colleges.

Each state offers a work force training program. Eligibility rules vary, as does the cost to employees, funding restrictions and wage requirements. Many states offer multiple programs — some to retain companies already located there and some to attract new companies.

"We place a premium on work force training because, first, a skilled work force is what brings business to Georgia and keeps it here," Rohosky said. "Second, work force training is important to maintaining the quality of life in Georgia by making

sure our citizens have the skills that are in demand by industry in the 21st century."

Successful work force training programs are two-way streets between the state and company. Georgia's Quick Start takes that approach with companies that are considering an expansion project in the Peach Tree State.

Quick Start customizes its training program to the needs of individual companies. To help with training, DTAE has developed four certification programs that prepare Georgia's work force in the areas of customer service, manufacturing, warehouse and distribution, and construction-related occupations. The cost is picked up by the state of Georgia.

Once the initial training is complete, the 34 colleges in Georgia's Technical College System are available to provide ongoing, customized training support.

Collaboration between a client-company and Quick Start enables it to design, develop and deliver training that is customized to the specific needs of each company. That was the case when Perkins-Shibaura, which assembles diesel engines, announced that it was locating a plant in Griffin, Ga.

"Our team traveled to Great Britain, observed and documented the manufacturing processes that it would be transferring to the plant in Georgia, and then returned to develop the customized training materials," Rohosky said. "The company then provided Quick Start with sample engines, which we used as models to develop detailed assembly instructions."

Following this approach, employees of Perkins-Shibaura in Griffin were trained and ready to go to work as soon as the plant was operational.

There is a very similar approach in Alabama, where Alabama Industrial Training (AIDT) has helped in the

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maturation of the state's manufacturing and high-tech industries.

AIDT designs a work force training program. Most of the training is done at the company site. But if that's not possible, AIDT has 34 mobile work force training units equipped with what's needed for a particular job function. The cost is picked up by the state.

AIDT finds a pool of workers from which companies can choose from if they are locating in Alabama. The organization recruits and assesses potential employees on the pre-employment side, and trains them once they are hired.

"We put the most qualified people in the job category we're trying to hire for," said Ed Castile, director of AIDT. "We are guaranteeing the company we can deliver those qualified people.

The company makes the decision on whom to hire. We provide a pool of potential employees."

Castile said more companies need employees who can think and problem-solve, as well as make decisions that will enhance production.

"There are a lot more skills needed than just a few years ago," he said. "There is also more of a burden on the system that supplies those workers to deliver a trainable employee."

That type of worker will continue to be in demand across the country as the offshore migration of labor-intensive manufacturing jobs continues to occur.

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## WORK FORCE FACTS

### RANKING SPOTLIGHTS STATES WITH GOOD WORK ENVIRONMENTS

**D**ELAWARE SCORED TOPS AMONG STATES IN ITS WORKING ENVIRONMENT, reported the Political Economy Research Institute (PERI), in its Work Environment Index (WEI). Other states with high WEI rankings included New Hampshire, Minnesota, Vermont and Iowa. States with the lowest WEI rankings were Louisiana, Texas, Arkansas, Utah, South Carolina and Mississippi.

Each state received a ranking on a scale of 1 to 100 in three categories: job opportunities, job quality and work place fairness. These rankings were then averaged out to determine the state's total score. Delaware received a score of 89, while Louisiana, at the bottom, received 31 points.

Unemployment rates, average wage per job and pay equity between men and women were some of the measures used to develop the WEI. Also considered were whether states have right-to-work provisions and the proportion of workers who receive health and retirement benefits.

One goal of the WEI was to determine whether states that provide a decent work environment end up paying a penalty in slower economic growth. The answer is no, said Robert Pollin, co-director of PERI.

"We found that having a good work environment does not correlate negatively with economic growth, job growth or new business startups," he said. "States that rank high on our index do at least as well, if not somewhat better, in terms of these indicators of business climate. This means that states can try to develop both as good places for workers and good places for business."

The WEI research discovered a strong relationship between good working environments and low poverty rates across states.

"This finding will be particularly

interesting for economic development directors as they think about what factors may contribute to strong regional economic growth and vibrancy," said Jeannette Wicks-Lim, a research fellow at PERI.

For more information, access <http://www.umass.edu/peri/>.

*Compiled by Michael Keating, senior research editor for Expansion Management. He can be reached at [mkeating@penton.com](mailto:mkeating@penton.com).*

#### STATES THAT SCORE WELL IN WORK ENVIRONMENT

Rankings	State	Job Opportunities Rank & Score	Job Quality Rank & Score	Workplace Fairness Rank & Score	Overall Score
1	Delaware	6 (85.2)	2 (89.6)	3 (93.2)	89
2	New Hampshire	4 (89.8)	7 (77.6)	16 (74.1)	81
3	Minnesota	21 (62.0)	1 (100.0)	13 (79.4)	80
4	Vermont	5 (85.9)	36 (46.0)	1 (100.0)	77
5	Iowa	11 (78.5)	6 (82.0)	30 (57.3)	73
6	Connecticut	36 (49.3)	4 (87.1)	14 (79.3)	72
7	Indiana	24 (61.0)	11 (72.0)	12 (80.0)	71
7	Nebraska	7 (83.3)	15 (68.1)	28 (61.0)	71
7	Wisconsin	29 (56.2)	8 (76.6)	11 (81.7)	71
10	South Dakota	2 (94.4)	25 (54.2)	29 (60.8)	70
11	North Dakota	1 (100.0)	18 (64.0)	33 (42.2)	69
12	Maine	18 (64.7)	29 (49.1)	4 (91.7)	68
12	Pennsylvania	28 (56.8)	10 (74.3)	16 (74.1)	68
12	Rhode Island	31 (55.4)	21 (58.3)	5 (90.4)	68
15	New Jersey	23 (61.3)	13 (70.5)	19 (70.4)	67
16	Kentucky	17 (65.5)	16 (67.2)	24 (66.6)	66
16	Missouri	37 (48.9)	5 (85.2)	26 (63.8)	66
18	Hawaii	9 (80.5)	32 (48.2)	25 (65.0)	65
18	Massachusetts	25 (60.7)	27 (52.4)	10 (82.5)	65
20	Maryland	10 (80.0)	39 (40.0)	20 (69.7)	63

*Several ties in this ranking. Source: Political Economy Research Institute at the University of Massachusetts Amherst*