

Workforce Training

Workforce training programs are an essential component of a successful economy. In order to thrive, businesses need to be able to recruit and retain a skilled workforce. Therefore, workforce training programs are an important consideration in the site selection process. Training availability, including the entities that provide training, the types of training offered, duration of programs, and whether incentives are offered, vary by sector and geography. Understanding these nuances can help position a company for long-term success. Beyond just identifying a community that is well-suited for the initial hiring of employees, companies should evaluate each candidate location's efforts towards building an ongoing talent pipeline and whether there are initiatives aimed at enhancing the skill sets of existing employees.

NEW EMPLOYEE TRAINING

Training programs to prepare workers for new employers have been used as a recruitment tool in some regions of the country for decades, while other locations have more recently created programs. Typically, state and local entities work together on the development, implementation, and funding of programs. But not all programs are created equal.

Highly customized training programs offer new employers training resources that are tailored specifically to the employer's products, processes, and equipment. To develop this type of training program, providers work very closely with the company to get a detailed understanding of all facets of their operations and the skill sets necessary for success. In some cases, this can even include traveling to an existing company facility to understand and document the processes. Locations that do not offer highly customized training programs may rely on existing "off-the-shelf" training available through technical or community colleges. While employee training for new employers is a crucial element for economic development recruitment, these programs are also beneficial for existing employers with expansion plans.

In some locations, training is provided at no cost to the employer. In this type of "cost avoidance" model, the estimated value of the services being offered is listed as an incentive to the prospective new employer. In other locations, training costs may be eligible for reimbursement. In this scenario, a company may be offered a specified amount per new employee for eligible training activities and/or an overall not-to-exceed cap on the amount of training funding that will be reimbursed. A third way in which training is incentivized is through upfront grants to the company.

Since it was launched in 2008, Louisiana's FastStart® has consistently been ranked as one of the top workforce training programs in the country. The program provides customized employee recruiting, screening, training development, and training delivery for eligible companies at no cost to the company. By utilizing a four-step process¹ of analyzing, attracting, evaluating, and training, the program's goal is to provide high-quality, flexible workers that are prepared on day one of a company's operation.

EXISTING EMPLOYEE TRAINING

Existing employee training programs are designed to upgrade the skills of a company's current employees. As the processes, equipment, and technologies used within an industrial facility evolve over time, these programs are useful for equipping the workforce with enhanced skill sets. Many states and communities offer additional incentives, tax credits, and/or grants to enhance the training of existing employees. Local community and technical colleges also are able to partner with existing industries to ensure that their current programs are adequate, and in some cases, can even customize programs for specific industries or companies.



Apprenticeships are one way that employers can make sure that the workforce has the knowledge and skills necessary to thrive in their current role and progress in their chosen career path. Creating a Registered Apprenticeship Program provides employers and employees with resources and benefits. Details about how and why to create a Registered Apprenticeship Program are available at <https://www.apprenticeship.gov/> but many state and local training providers also offer support regarding apprenticeships.

The Incumbent Worker Training (IWT) program is another way in which existing employee training is incentivized. IWT grants may reimburse all or a portion of the costs for training eligible employees. The funding for IWT is through the Workforce Innovation and Opportunity Act (WIOA).

Beyond IWT, some locations have funding available specifically for enhancing existing employee skill sets. For example, the Enterprise Zone Retraining Program (EZone) in South Carolina is available for manufacturers seeking to remain competitive through new equipment and/or technology. The EZone program offers a tax credit of up to \$1,000 per person per year for training full-time production employees and immediate supervisors on the newly installed equipment and/or newly implemented technology. More than 100 facilities in South Carolina have been approved for EZone incentives since 2014.²

BUILDING THE TALENT PIPELINE

During site selection, each candidate location's commitment to building the talent pipeline is an important consideration in the decision-making process. Communities that proactively engage in initiatives to build the talent pipeline are well-positioned for both the initial recruitment of new companies and to be the preferred location for future expansions. Comprehensive efforts to build the talent pipeline include both primary and secondary education institutions as well as other community partners. While job-specific training happens at the high-school level and beyond, sparking an interest in manufacturing technologies at a much younger age changes the trajectory of a student's career path. Additionally, providing pathways for individuals that are seeking to transition from other job sectors, such as hospitality and tourism, into manufacturing can significantly enhance the pool of available manufacturing workers.

Existing employers play a critical role in building the talent pipeline in their community. By engaging with the local technical and community colleges, existing employers can help ensure that the curriculum is reflective of the processes and technologies utilized in a modern manufacturing environment. Partnering with high school vocational programs is also key and may include advising curriculum development, serving as a guest speaker, and helping to supply the tools and materials necessary for students that might not otherwise be able to participate. At the middle school and elementary levels, hands-on exhibits and video tours can engage students and help shape their educational interests.

ONE SIZE DOES NOT FIT ALL

Workforce training programs should be evaluated on a case-by-case basis because one size does not fit all. Understanding your needs as a company and determining the community that best meets your needs is a key part of the site selection process, especially with the current workforce shortage across the country.

¹ <https://www.opportunitylouisiana.com/faststart/how-it-works>

² <https://www.sctechsystem.edu/ezone/>

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