



CRACKING THE CODE ON STEM

A People Strategy
for Nevada's Economy

Focus Industry Sector Councils on Providing Reliable Market Intelligence to DETR

Problem

The state's recently established industry sector councils are now in place, tasked with the important purpose of providing industry intelligence to the Department of Employment, Training, and Rehabilitation (DETR) in order to inform workforce training efforts throughout the state. Over the last year each of the nine mandated sector councils has met, appointed members from relevant public and private institutions, provided their lists of in-demand occupations, and completed sector strategies based on DETR criteria. In some cases the results have been impressive. On balance, however, the councils have yet to emerge as potent forums for aligning the state's myriad workforce training efforts with the needs of Nevada's often STEM-oriented target industries.

A number of problems plague the councils at present.

First, membership involvement seems to vary widely across the councils, with some achieving complete and consistent buy-in from key industry actors and others meeting infrequently with limited output. For example, the Health and Medical Services council had 49 meetings in 2013 resulting in a robust 2014 agenda, while the Tourism, Gaming, and Entertainment sector council reportedly met far less frequently. Some of this variation is a function of individual leadership in a handful of councils, but a more important constraint is the lack of consistent sharing of tactics, outcomes, and practices among the councils.

Second, the eight objectives outlined by DETR and addressed in each council's sector strategy are overly broad and leave some councils adrift. While it is important that each council retain the autonomy to interact with its respective industry as appropriate, the councils' most urgent core activity remains the assembly of timely, fine-grained, high-quality industry intelligence and its use in the design of relevant training initiatives to be funded by DETR. Additional missions that bolster the state's industry clusters could also be appropriate, but not until the primary mission of providing industry intelligence to the workforce training system has been achieved.

Third, and related, each council has interpreted council objective three (“Map the talent pipeline”) differently. Some councils have begun to develop research papers and data profiles while others simply suggest a range of options for collecting data in the future. Given that each industry has a unique structure, efforts to obtain industry information should reflect those differences. However, opportunities for adopting standard survey methods and thereby securing greater efficiencies and faster progress are not always being embraced.

Finally, the absence of a specific charge to the councils to focus on regional industry needs and labor market information means that the councils sometimes miss the specific needs of local industry clusters. Some industries, such as mining, are highly regionalized and thus their sector strategy naturally gravitates towards regional approaches. However, other industries are more broadly distributed across the state and require regionally segmented data flows and strategies. Such segmentation has not always emerged from the councils’ work.

Recommendation

In view of this variable performance, DETR—and the state as a whole—should seek to improve the efficacy of the state’s sector councils with some near-term adjustments, even as all parties consider over the longer term whether the sector panel model needs to be more fundamentally adjusted.

In the nearer term, DETR should narrow the stated objectives of the councils to those of creating consistent convening opportunities for knowledge-exchange between industry and training system leaders and pulling in timely industry intelligence to support smart workforce training initiatives. While certain councils may pursue additional projects based on industry needs and opportunities, DETR should push each council to provide high-quality, detailed analytics and evidence of near-term worker shortages while avoiding ambiguous, long-term reform projects. Similarly, those projects that are relevant to every council—such as developing a comprehensive workforce talent pipeline survey—should be consolidated under the jurisdiction of DETR. DETR should serve as the repository of information from the councils and provider of a platform to meet shared needs.

Part and parcel of narrowing the councils’ focus to near-term industry intelligence and training program design is linking workforce demand to local labor markets. Sector councils should be keen to provide specific recommendations in terms of credentials, licensing, training programs, and investments based on the needs of particular industry clusters. While much of the valuable industry intelligence on local labor markets will come from qualitative research (meetings, conversations, professional networks), council leadership should make efforts to provide increasingly detailed accounts of workforce needs for DETR and the Nevada System of Higher Education (NSHE). DETR, business leaders, and regional workforce and economic development officials should all monitor the councils’ performance to see if further adjustments to the sector panel model are needed to create more dynamic forums for industry-led, sector-based STEM and related workforce development.

Over the longer term, DETR and the Governor’s Office for Economic Development (GOED) may need to rework the council system if adjustments such as those suggested here prove insufficient. In that scenario it could be that many or all of the councils’ activities should be transferred in stages to the local Regional Development Authorities (RDAs) in order to bolster

the effectiveness and relevance of the state's labor market intelligence gathering and exchange. In this fashion, a more regionalized set of industry forums could shape and organize a more compelling set of skills development interventions at the regional level. All participants in the council experiment should consider whether such regionalization would improve outcomes.

Implementation Specifics

The primary goal of the industry councils over the last year has been to a.) get each of the nine councils filled and organized and b.) develop sector strategic plans. In the coming year, to meet the sectors' mandate of providing market intelligence to inform smarter training program design, DETR should:

Convene council leaders quarterly: While the majority of councils continue to meet five to six times a year, too little is done to share practices across the councils. Quarterly meetings that bring together council leaders to share noteworthy activity and address highly specific topics such as industry credentials, community college curricula, or regional clusters will help each council become more productive and reduce duplicative efforts.

Adopt the Sector Employment Outlook Survey developed by DETR's Workforce Solutions

Unit: In almost every strategic plan, councils develop plans for their own industry survey. Yet DETR's Workforce Solutions Unit (WSU) has already begun to create a comprehensive survey. Instead of creating individual surveys, the councils should work with WSU to ensure that WSU's survey addresses the needs of each council. DETR should then be tasked with pursuing the survey with the assistance of the sector councils.

Develop strong partnerships with industry associations: Some councils have partnered with in-state industry associations to pool resources. Strong industry associations have longstanding relationships with firms and can help councils better understand specific workforce training needs. For example, the Manufacturing council was able to assess which manufacturing credentials were most in demand in part through information provided by council member Ray Bacon, the director of the Nevada Manufacturing Association. While not every industry has a corresponding association, those that do should work to foster strong relationships with them.

Support council-led industry summits: A critical value-add of the councils is the professional networks of their members. While surveys and data collection are invaluable assets to DETR, significant market intelligence can be cultivated through strategic roundtables, summits, and meetings with industry leaders, educators, and workers. For example, in April 2014 the Health and Medical Services sector council hosted a summit attended by over 125 health care professionals and educators. The daylong event, funded by DETR, was a prime opportunity to convene the relevant sector actors in the Las Vegas area and major takeaways from the summit are currently being compiled into a report. Councils do not need more meetings but should be strategic in finding opportunities to use members' professional networks to gain critical information on workforce needs.

Seek to capture regional and cluster dynamics in relevant sectors: Sector councils can be invaluable resources for determining the geography of employment and training throughout Nevada's economy. While GOED and DETR may have a general understanding of where firms are located, the councils are well-positioned to identify where employers recruit, which state colleges and universities are meeting workforce needs, and most importantly, what local

synergies emerge based on new technologies, supply chains, and/or skills. While one occupation may currently exist in a particular industry—such as diesel mechanics—rapidly shifting product markets and manufacturing processes may create demand for that occupation in completely new industries within a regional economy. To stay abreast of such labor dynamics, sector councils should be tasked with mapping and outlining particular cluster dynamics within the state.

Budget Implications

Budget implications would vary based on the specific reorganization strategy. However, many of the above recommendations could be accomplished without new resources.

References

GWIB Industry Sector Council. 2014. “Sector Council Strategic Plan 2013” (for each council). Carson City: Nevada Department of Employment, Training, and Rehabilitation.

For More Information

Mark Muro

Washington Director

Brookings Mountain West

Senior Fellow and Policy Director

Brookings Metropolitan Policy Program

202.797.6315

mmuro@brookings.edu