

**Berks County Workforce Development Board Incumbent
Worker Employment Retention/Layoff Aversion Strategy
For Regional High Priority Goods-Producing Industry Sectors
(2020-2025, Updated 5-11-2020)**

On September 16th, 2016, the Berks County Workforce Development Board (WDB) duly adopted an Incumbent Worker Employment Retention/Layoff Aversion Strategy that since has been exclusive and successfully targeted to the Advanced Manufacturing industry sector.

The WDB now amends the strategy statement in response to, 1) the realities of an underprepared incumbent workforce threatened by current pandemic-related displacement and, 2) implementing an approach toward diminishing the effects of a rapidly widening rift between critical skilled- worker exits and qualified new-hire replacements.

A New Challenge: We in Berks County have a history of making things. Two goods-producing industry sectors are especially vital to the continued health and advancement of Berks County's economic and workforce employment base, advanced manufacturing and construction (both commercial and residential). Our employers in these two critical wealth-generating sectors now face unprecedented employment challenges that we project will last for at least the next five years. The COVID-19 pandemic has and will continue to change the employment landscape in Berks County, affecting the way businesses must operate in the "new normal" and redefining a workforce necessarily armed with new competencies in and knowledge of evolving industrial controls and technology . In addition, these sectors will also have to build even stronger capabilities in the foundational competencies of Environmental, Health and Safety (EHS).

The many adjustments in the "new normal" operations required of our local advanced manufacturing and construction employers in response to the COVID-19 pandemic will surely be compounded by talent attraction and retention issues during the next five years. Specifically, the available local workforce will significantly be impacted by foreseeable demographic changes. The 42,000 workers who make up our experienced manufacturing and construction workforce continue to age, and many are approaching retirement. An average of 26% of incumbent workers in these sectors are aged 55 years or older.

Manufacturing has been Berks County's largest industry sector by economic output and by employment with over 32,000 jobs ($\approx 17.5\%$ of local employment). The Berks WDB pre-pandemic projections indicated that local manufacturing employers will need to hire at least 6,000 new skilled and semi-skilled replacement workers by the end of 2025 just to replace expected retirements. The WDB must support these employer's efforts to upskill new entrants as well as retrain existing employees if they are to successfully recover from the pandemic-driven business down- turn, thrive and expand in order to remain internationally competitive. Particular attention must be paid to developing critical technical skills in industrial maintenance (mechatronics), precision machining, advanced welding technology, diesel technology, quality systems and EHS which make up an increasing share of essential skills in the modern advanced manufacturing workplace.

The WDB has determined, through extensive LMI examination and personal dialogue with employers, that the construction industry is in the throes of a talent pipeline deficit that mirrors that of the manufacturing sector. Pre-pandemic estimates suggest construction sector employers will need to find 1,600 replacement workers due to retirements in the same five-year period including workers that are employed in skilled trades and heavy machinery operation occupations that require long-term training, apprenticeships, and licensing certification. These high demand occupations include Carpenters, Electricians, Plumbers & Pipefitters, HVACR Technicians, and Operating

Engineers and Heavy Construction Equipment Operators for which a lagging talent pipeline has posed a threat. Fortunately, unlike our manufacturing sector our Berks construction industry currently has a robust foundation of 49 distinct employer-sponsored registered apprenticeship (RA) “earn and learn” training models on which to build. The RA programs are a proven “best practice” incorporating well-defined career and wage progression to recruit, train, and retain workers.

Conclusions: This manufacturing/construction talent attraction and retention challenge has been decades in the making. Local employers, especially small-medium size firms, are unlikely to solve it solely within their own resources. Without a proactive strategy, these skills gaps could serve as barriers to effective operation and maintenance capabilities thereby negatively impacting employer judgments about their ability to find, develop and retain the talent they need to positively impact their recovery and long-term expansion planning decisions. The current reality is that most semi-skilled and entry-level workers lack the technical skills needed to advance into higher-paying positions without additional education and training. As a result, these individuals may lack present and/or future employment security in a changing technology-driven environment and could be at risk for job elimination or forced replacement. Layoffs among Berks County manufacturing and construction workers are rising to historically high levels due to the pandemic. Experienced workers who were recently or will be impacted by layoff and seeking opportunities for re-employment in the sector will find a more selective job market in the near term where employers give great priority to candidates with specific in-demand skills.

Employment Retention / Layoff Aversion Strategy: As a forward-thinking job retention, layoff aversion, and economic development strategy, the Berks WDB supports the proven practice of capitalizing on incumbent worker technical training to build Advanced Manufacturing and Construction industry worker competencies while matching newly entering talent with experienced employees for knowledge transfer. IWT will benefit the employer by meeting job skill requirements for development, advancement and retention of a qualified, highly competent workforce. In addition to industry needed skills gain, individuals employed in manufacturing production, construction trades and industrial maintenance will benefit by attaining broad-level employment security in the sector and avoiding future job loss. In cases where upskilled workers do become dislocated, the enhanced technical skills, professional credentials and/or successful apprentice status provided by such training will enable them to be more quickly re-employed in similar well-paying jobs at other, more commercially successful local employers. Upskilling incumbent workers can also lead to advancement opportunities which create entry-level openings for new entrants into these attractive career pathways. In fact, individuals in these occupations often have skills that allow them to readily move across these technology-driven sectors

The Berks County WDB’s key strategic vehicle for assisting local advanced manufacturing and construction employers to cooperatively address these challenges is the Berks WDB Incumbent Worker Training Services Consortium. Since 2017, the Berks IWT Consortium has supported cooperative training solutions that have benefited incumbent workers, and employers alike, by reimbursing the eligible federal portions of training costs to sponsoring employers who commit to required matching cash contributions.

In continuance of this board-approved policy, the Berks WDB will seek and “braid” additional sources of public and private matching funds to sustain and support needed technical skills training for incumbent workers employed in the advanced manufacturing and construction industries. Such funding sources will include federal WIOA Title I and Rapid Response funds, National Emergency Grants, and state discretionary grants (including PAsmart Registered Apprenticeship grants and Next Generation Industry Partnership grants where IWT implementation is mandated).