

## **Impact of Non-Credit Job Training and Related Services Provided by State-Supported Colleges and Universities**

**Question:** How does non-credit job training and related services provided by state-supported colleges and universities impact Ohio employers?

**Why ask about the impact of non-credit job training and related services provided by state-supported colleges and universities?** Workforce Training provided by state-supported colleges and universities has become a large area of activity, and is increasingly playing a key role in the state capacity to develop and maintain a highly skilled workforce. A highly skilled workforce is essential to Ohio's ability to attract quality employers and facilitate economic development. Additionally, with the assistance of state-supported colleges and universities, employers of all sizes have become increasingly aware that well-designed and executed training has the potential to significantly impact company profitability.

Employers require high quality, efficient, flexible and responsive service. Job training services made available locally through public colleges and universities facilitate training partnerships, improve employee productivity, business profitability and the local economy. Successful educational training providers understand that high quality instruction and good customer service make good business sense. Increasingly, employers of all sizes are being exposed to the significant business impact of high quality employee training.

**National Answers:** The challenge is to change the business mindset of employers of all sizes to the view that incumbent worker training is essential - a core business strategy for sustaining success. Ohio and other states are taking on this challenge by capitalizing on the training capabilities of their two-year campuses. Quotes from a recent CEO Round table on the "Learning Organization" highlight the critical impact of employee training:

*"In order to perform in the elastic and evolutionary jobs of the future, more employees than in the past must develop leadership abilities for teams and self-management. Static jobs for life have become a relic of the historic past."*

*"Rapid technological growth and changing market demand make rapid workplace learning essential."*

*"Motorola invests close to \$100 million in workforce education and reports a return-on-investment of \$3.00 in product sales for each education dollar invested."*

### **Statewide Strategies:**

**How does the state support non-credit employer training programs of two-year colleges and universities?** State-supported college and university participation in workforce training is an increasing area of activity, reflected in part by campus-reported Non-Credit Instructional Revenue. A key component in state-supported college and university workforce training efforts is the EnterpriseOhio Network. The Jobs Challenge appropriation in the state budget supports the business outreach and training work of the 52 two-year campuses that together comprise the EnterpriseOhio Network. With Jobs Challenge support, Network two-year campuses partnering with companies of all kinds have become a major workforce development asset in Ohio. The Targeted Industries Training Grant Program, which is a part of the Jobs Challenge appropriation, exposes many Ohio employers, many of whom previously believed that they could not afford training, to the value and potential for performance improvement provided by workplace education. The Targeted Industries Training Grant Program makes financial assistance awards available to eligible employers who partner with EnterpriseOhio Network Campuses to provide training and assessment services. These services help employers to enhance competitiveness, retain employees, develop new business, or relocate or expand operations in Ohio.

**Statewide Answers:** A recent survey of employers participating in the Targeted Industries program provided the following results:

- Nearly 100% of employers reported satisfaction with the training received from colleges and universities.
- With the assistance of a Targeted Industries Training Grant over 30,600 employed Ohioans received training during FY 2000 and FY 2001.
- Having completed their training, nearly one-half of responding employers indicated that they planned to continue training even without further assistance from the Targeted Industries program. This, then, allows Targeted Industry funding to introduce other Ohio employers to the value of quality workforce training for their employees.
- All employers (100%) that received training reported improved performance in one or more areas.
  - 55% reported increased productivity.
  - 45% reported increase competitiveness.
  - 42% reported improvement in quality.
  - 27% reported increased profit.
  - 20% reported reduction in waste.
  - 19% reported a reduction in turnover.
  - 19% reported receiving certifications (ie. ISO and Baldrige).
  - 18% reported reduced cycle time.
  - 11% reported reduced absenteeism.

### **Quotes from Ohio Employers Regarding the Training provided by the Targeted Industries Grant Program**

“This is an excellent program which clearly will enhance Ohio’s competitiveness in the world economy.”

“The process was very easy from the start. We were not tied down with paperwork and red tape. The TITG-supported training program enabled us to have additional funds to offset the cost of training 175 new employees in Ohio.”

“Our company is working on becoming ISO-certified. Without the help of Stark State, we would have made too many mistakes that would have cost us time and money that we could not afford to lose.”

“Our training budgets have been limited. The grant allowed us to train four to five times more than we would have previously.”

**What is the future for non-credit job training and related services at state-supported colleges and universities?** When Ohioans make poorly informed job and career choices, they often become dissatisfied with their jobs and income. They may lose their jobs and face personal and family stresses. When Ohio employers make less than the best hiring and promotion decisions, they face high absentee rates, high turnover costs and high recruitment costs. For Ohio, the impact of such avoidable situations has been a continuing decline of *per capita* income. The EnterpriseOhio Network is launching SkillsMax Centers in the coming months to address these issues. SkillsMax Centers will provide access to new, affordable computer-based skill assessment, skill certification, job profiling, and other services.

In addition to technology-based skill assessments and certifications, SkillsMax Centers will provide job profiling, performance management, skill gap analysis, training referral, and job matching services. These services will be provided through a partnership between the EnterpriseOhio Network’s SkillsMax Centers and a unique consortium of leading providers of computer-based solutions.

Since 1986, Ohio’s community and technical colleges and regional campuses have worked together as the EnterpriseOhio Network to meet the skill upgrading needs of Ohio employers and workers. The launch of the SkillsMax Centers is the latest initiative of the Network.

**Facts on Non Credit Job Training at EnterpriseOhio Network Campuses: (as of June 30, 2001)**

- The number of small companies (1-100 employees) utilizing non-credit job training provided by Network campuses has increased by 121% since 1999.
- Training and assessment services provided by EnterpriseOhio Network campuses to Ohio employers have increased 110% since 1999.
- 4,344 contracted training services were provided to Ohio employers by EnterpriseOhio Network campuses.
- In FY 2001 Network campuses provided over 10,600 training seminars and workshops to public and private sector organizations.
- Contracted training and related services were provided to over 182,000 employed Ohioans by EnterpriseOhio Network campuses during FY 2001.
- Network campuses provided training and training-related services to over 22,846 unemployed persons.

**Campus Answers:** Colleges and universities vary in their workforce development activity.

**2000-2001 Non-Credit Workforce Training Efforts of Ohio’s EnterpriseOhio Network Colleges and Universities**

# Campuses	# Employees Served	# Employers Served	Revenue from Employers for Workforce Training	Matched Revenue from State for Non-Credit Workforce Training
52	277,848	4344	\$79,537,100	\$6,781,000

**Jobs Challenge is a line item in the higher education budget that:**

- Defrays a portion of the costs required for Ohio’s two-year campuses to provide affordable, accessible customized worker assessment and training services to state-wide employers.
- Provides financial incentives for Ohio employers to invest in employee skill upgrading.

Ohio’s two-year campuses are rewarded through the Jobs Challenge Workforce Incentive Grant funds for increasing the amount of non-credit skill upgrading services they provide to Ohio employers and employees. The EnterpriseOhio Network is growing in service to Ohio workers and their companies that want them to acquire the skills necessary for competitive success.

**2000-2001 Non-Credit Workforce Training Efforts of Ohio’s EnterpriseOhio Network Colleges and Universities**

	# Employees Served	# Employers Served
Community Colleges and State Community Colleges	194, 137	2,248
Technical Colleges	20,611	513
University Branch Campuses	43, 174	1,056
University Main Campuses *	19,926	527

\*EnterpriseOhio Network affiliates that reside on state-supported university main campuses.