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# TRANSFORMING U.S. WORKFORCE DEVELOPMENT POLICIES FOR THE 21ST CENTURY CONFERENCE

## Panel Summary Report #3

# Aligning Employers and Workforce Development Strategies

by Jennifer Cleary

As U.S. policymakers seek to ensure a better fit between education and training and job demand, the role of employers in shaping these efforts has become increasingly critical. Employers create the jobs and do much of the training U.S. workers receive, yet the workforce system struggles to define and manage its relationships with employers. This panel focused on what we do and do not know about employer engagement and offered guidance on future practice and policy research.

The panel moderator, **Bob Giloth**, Vice President at the Annie E. Casey Foundation, asked panelists to discuss their perspectives on employer engagement. **Burt Barnow**, Amsterdam Professor of Public Service and Economics at George Washington University (GWU) noted that, somewhat surprisingly, employers have played a relatively minor role in workforce efforts. For the past 30 to 40 years, employers have not been involved in selecting the training or developing detailed content. Studies by GWU and Social Policy Research Associates revealed that Workforce Investment Act legislation promoted only the use of employers as advisory board members, a role that we now know is relatively ineffective. Barnow noted that there has always been variation in the ways programs engage employers. He pointed out that sector strategies (partnerships aimed at addressing regional industry workforce challenges) have become more prevalent in recent years.

**Kevin Hollenbeck**, Vice President, Senior Economist, and Director of Publications at the Upjohn Institute, spoke about the difficulties workforce programs have had engaging employers. He mentioned his research on the Workforce Innovation Regional Economic Development (WIRED) grants funded by the U.S. Department of Labor, which were launched on the eve of the Great Recession. Only about 1 of the 39 regional collaboratives that were created through the WIRED grants still exists in the same form today. Hollenbeck stated that "the hardest thing about the WIRED program was getting employers to the table." Small employers did not have the time to participate, so most employer engagement was from larger employers. The biggest value from WIRED was the networks and relationships formed. While formal collaboratives dissolved, many groups likely benefitted from some efficiencies brought about from the informal WIRED discussions.

Hollenbeck noted that the biggest "missing piece" in the WIRED initiative seemed to be effective intermediaries. Audience members noted that having a competent leader, preferably from the industry, in the intermediary role was key to getting employers engaged. Many WIRED intermediaries, Hollenbeck noted, lacked the trust of employers and did not know how to build these relationships. Other issues intermediaries face range from the limits of their job structure, to the challenges of building and maintaining relationships across distances, as was the case in many WIRED regions. There is also limited funding available for the time needed to build trusted relationships and well-aligned curricula.

**Chris King**, Senior Research Scientist at the Ray Marshall Center at the University of Texas-Austin, has evaluated sectoral and career pathway training models. In the past, he noted, the focus was on labor market needs, not employers. In this new age of sector strategies and intermediaries, we are learning about the value of trusted relationships with employers. We are learning to speak their language, meet their needs, and even offer some criticism as we learn to create real dialogue and trust. Employer needs do not always align with the desires of policymakers, so we are learning how to have these conversations so we can both offer real value to employers, and create programs that help both workers and employers.

Burt Barnow noted that while more research is needed, we know that the employers most likely to participate are those that have previously participated in similar or other government initiatives. Also, large employers tend to have staff dedicated to government relations or at least have staff to spare for engagement efforts, unlike many small employers. Chris King pointed out that some sector initiatives are finding ways to help small employers. For instance, they're pooling their resources by sharing competency needs, like many are doing in Europe. Competition for workers is actually less of a concern, but employers need to understand that this is a need they cannot solve on their own. Employers do not always recognize these needs well, so workforce and training professionals must also educate employers as part of the relationship-building process.

Several panelists noted that policymakers need to understand that sector initiatives and other employer engagement initiatives are, first and foremost, local efforts. Thus, as much as we would like to identify best practices and common metrics so we can replicate and scale successful efforts, this may not be a completely realistic goal. While some valuable lessons learned from research can be used to expand program models, much is still not known about which parts of these programs work best for whom. Also there is a wide array of local actors and dynamics that shape the development of efforts. Chris King noted that one health care effort among competitors nearly failed when employers could not agree on how workers should make beds, while an aerospace effort was successful because employers agreed on core competencies. Sometimes the demand for these services is not there or employers do not recognize the need or cannot manage to overcome issues that stop them from addressing it. If employers really feel the pain and are willing to engage, they will strive to be a part of the effort.

Next, Bob Giloth asked the panel about the Workforce Innovation and Opportunity Act and how it addresses employer engagement. He also asked the panel to offer recommendations for future policy implementation. Chris King emphasized that the new law puts us in a "great rhetorical space" to discuss the issue of employer engagement. Panelists agreed that the legislation uses all of the right "buzzwords" and genuinely encourages dialogue on these important issues and an exploration of promising practices and research. It also provides support for innovative approaches to basic skills development. However, there is little funding in the new legislation to support the level of work required to build the types of adaptable, deeply engaged systems we need at the local level. Policymakers and foundations should consider the following recommendations:

> Support the relationship-building work of intermediaries and promote adaptable program models.

> Experiment with employer incentives, which may bring reluctant employers to the table long enough to stimulate relationship building on a larger, more sustainable scale.

> Encourage the growth of Employer Resource Networks, which pool funds from employers to hire an intermediary to assist with addressing retention, hiring, and other workforce needs.

> Fund riskier economic development projects, such as those involving renewable energy, as a way to stimulate economic growth, which will drive demand for workforce services.

Bob Giloth concluded by asking panelists to offer recommendations for a research agenda. The panelists all agreed that evaluating workforce programs and employer engagement are both necessary and fraught with dangers. Panelists discussed developing metrics for these programs. The danger lies in the fact that there is still little agreement on the goals for these programs or what the best measures are for various goals. Also, there are many intangible factors that influence relationship building and program success. Policymakers and researchers should consider the following recommendations:

> Experiment with pilot metrics before creating high-stakes metrics for performance-based funding.

> Support research that examines program implementation.

> Recognize that measuring success is an art, as well as a delicate science. To encourage success of these programs, policymakers should take a more cautious approach to evaluation and balance quantitative measures with rich qualitative study.

## About the Author

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### Conference Video

View an interview with panel member Chris King

## About this Series

In October 2014, the Federal Reserve Banks of Atlanta and Kansas City and the Heldrich Center for Workforce Development at Rutgers University hosted a national conference titled, *Transforming U.S. Workforce Development Policies for the 21st Century*. The goal of the conference was to provide a forum for policymakers, practitioners, and researchers to share perspectives on transformative education and workforce development policies.

Over 250 people, including business and labor leaders, scholars, educators, policy advocates, researchers, and workforce development professionals, attended the conference. More than 60 national and international experts shared recommendations for developing policies and programs that will meet the nation's needs for talented workers.

This publication, the third in a series of nine reports, highlights the discussions and recommendations that were offered during the panel, "Aligning Employers and Workforce Development Strategies."

Previous reports in the series can be downloaded at the links below:

*Reforming Workforce Development Policies for American Workers*

*Strategies for Helping Long-term Unemployed Job Seekers Return to Work*

### New Book Coming this Spring!

Look for the release of *Transforming U.S. Workforce Development Policies for the 21st Century* this spring. The book was edited by Dr. Carl Van Horn, Tammy Edwards, and Todd Greene, and will be published by Upjohn Institute Press. If you would like to receive a free copy of this book, email your name and mailing address to hcwd@rci.rutgers.edu

# Photo Gallery

*Chris King, Bob Giloth, Kevin Hollenbeck, and Burt Barnow (l-r)*

*Kevin Hollenbeck and Burt Barnow (l-r)*


*Chris King and Bob Giloth (l-r)*

*Kevin Hollenbeck and Burt Barnow (l-r)*

*Christina Herzog of the New Jersey State and Employment Training Commission poses a question*


*Lesley Hirsch of the NYC Labor Market Information Service questions the panel*