

Workforce Strategies in Western Pennsylvania: Translating Research into Action

Tropman annual research conference

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Agenda for today's discussion

Provide an overview of the **research effort** and discuss the **key insights** from the fact base and analyses

Discuss the **implications and solutions** and how we are turning **research into action**

Provide time for **open discussion**

Background and objectives of the research effort

Background

- Economic development, job creation, and workforce management are all top priorities for the nation and for Western Pennsylvania
- At the intersection of these issues is the region's ability to prepare the workforce to meet current and future job needs – all during a time when budgets are tight and resources scarce
- Currently there are many players contributing to the workforce system, but there is limited ability to measure where partners are having the greatest impact in meeting current and future workforce needs

Objectives

1. **Develop a comprehensive fact-base** around the region's current workforce needs, workforce development processes, and the total level of investment
2. **Identify improvement opportunities** for the workforce development system

A cross-organizational working team was formed in October of 2011

- Effort was conducted by a cross-organizational team
- Team members volunteered their time and included representatives from:
 - The Richard King Mellon Foundation
 - Claude Worthington Benedum Foundation
 - Three Rivers Workforce Investment Board
 - Allegheny Conference on Community Development
 - Allegheny County Department of Human Services.
- McKinsey & Company supported the effort by providing a fact based analysis

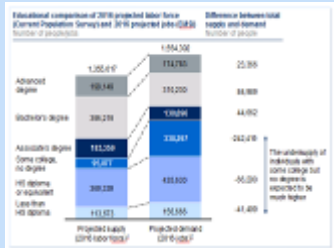


Approach used by the working team

Comprehensive research and fact collection on workforce funding



Robust analytics on supply and demand of labor



Detailed stakeholder interviews

10 Employers



6 Providers

Compilation of 20+ case studies from around the world



Visits to one-stop centers & educational institutions in multiple counties



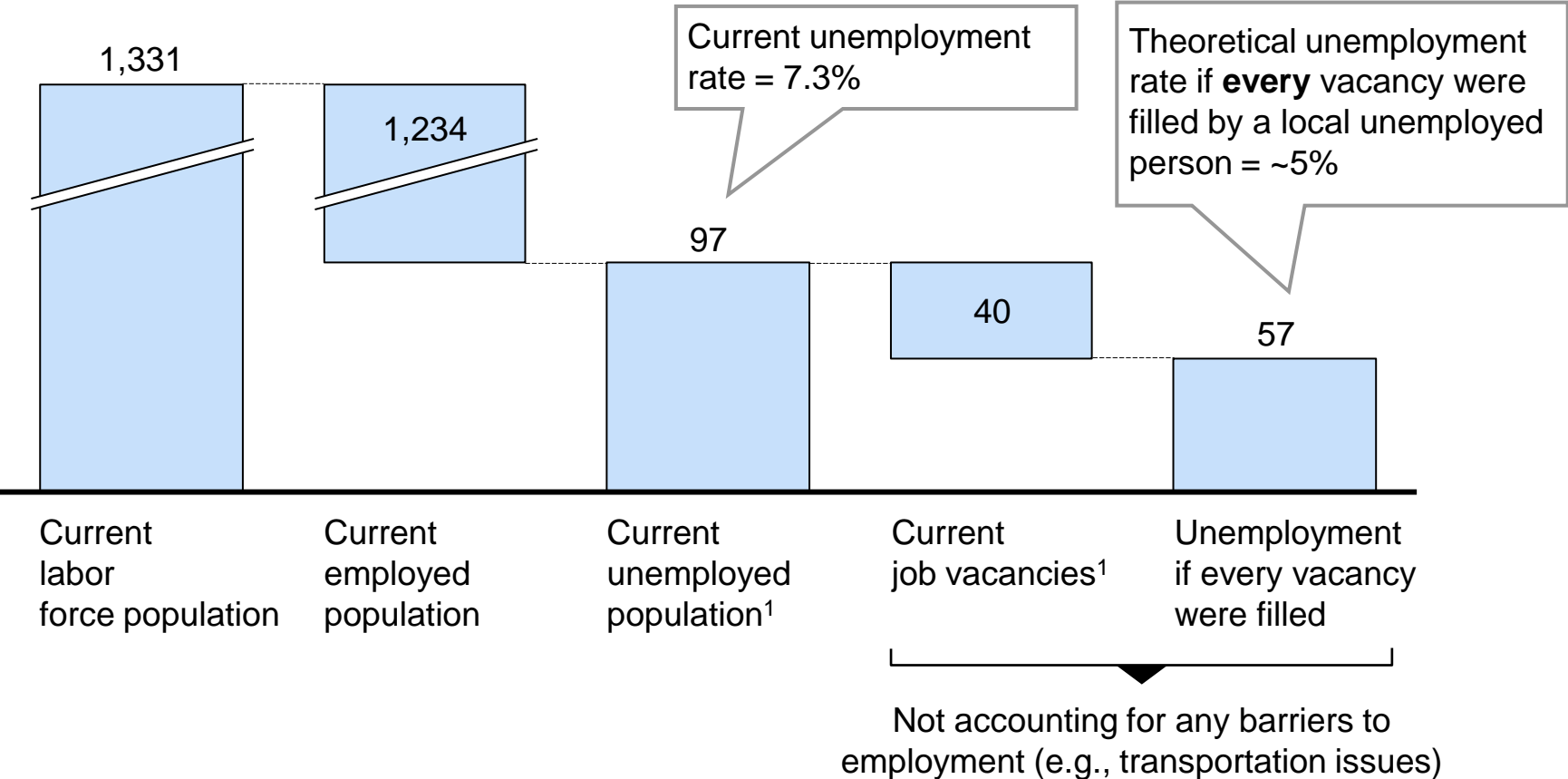
Weekly joint problem solving with working team members



Western PA has ~100,000 unemployed people and 40,000 vacant jobs, which if filled could reduce the unemployment rate from 7.3% to ~5%

Current and theoretical minimum unemployed population

Thousands of people



¹ Vacancies estimated based on online help wanted data. Does not include jobs available by word of mouth only

There is a mismatch between skills and education levels of unemployed versus those required by job vacancies

Relative over- / under-supply of qualified workers (in thousands)

- Under-supply of qualified workers
- Relative equilibrium
- Over-supply of qualified workers

	Basic labor & service occupations ¹	Experience/certification needed occupations ²	Business & corporate occupations ³	Specialty occupations ⁴
No HS diploma	5	3	2	1
HS diploma only	17	14	7	1
Some post-sec, no degree	6	0	-1	-1
Associate's degree	0	0	0	-1
Bachelor's degree	3	2	-1	-1
Advanced degree	1	0	-1	-1

Each number represents difference between number of unemployed and number of vacancies

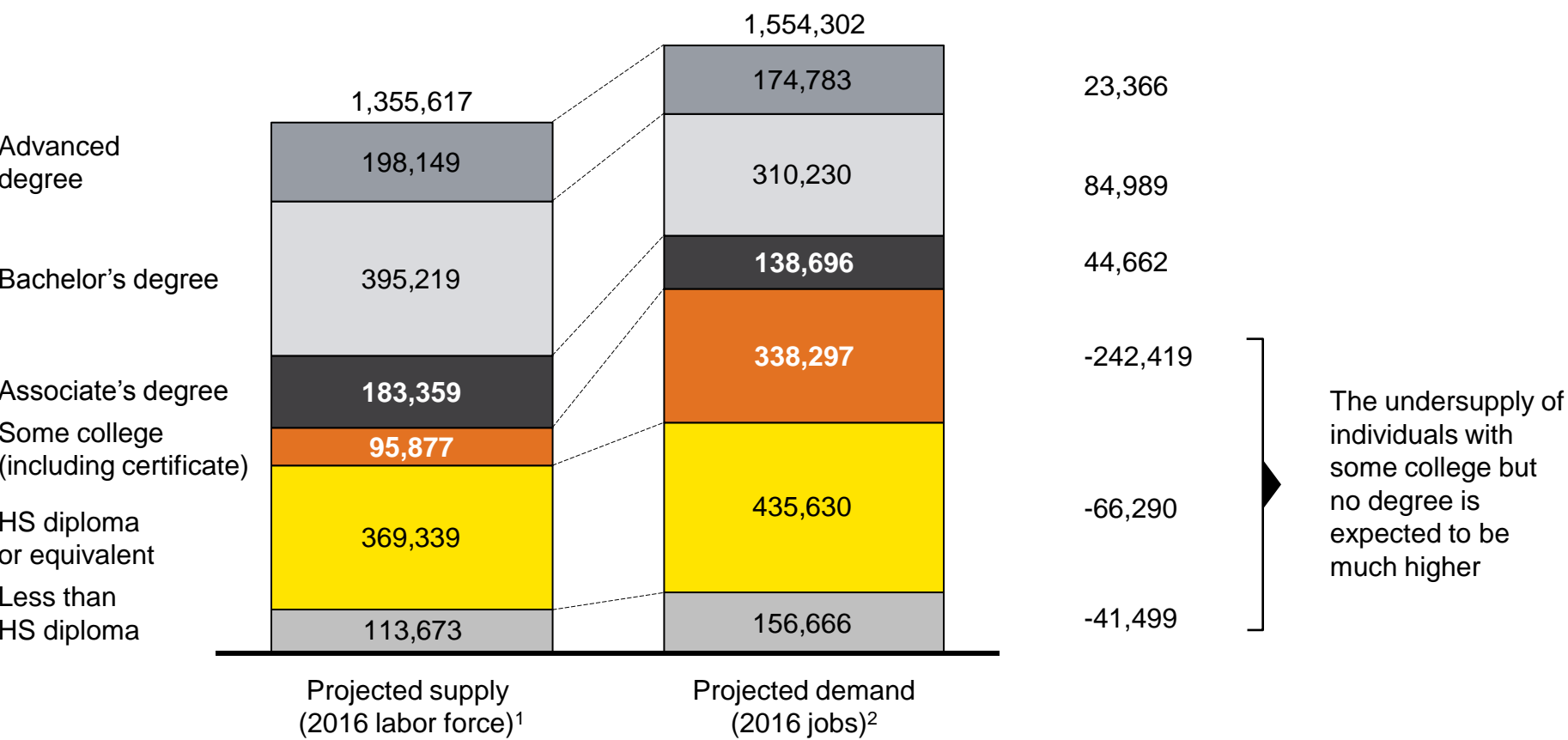
NOTE: Vacancies estimated based on online help wanted data. Does not include jobs available by word of mouth only

SOURCE: US Census Bureau, Current Population survey (March 2011); June 2011 Help Wanted Online Data

In 5 years, there is expected to be an under-supply of workers with lower educational attainment in Western PA

Educational comparison of 2016 projected labor force (Current Population Survey) and 2016 projected jobs (EMSI)
 Number of people/ jobs

Difference between total supply and demand
 Number of people



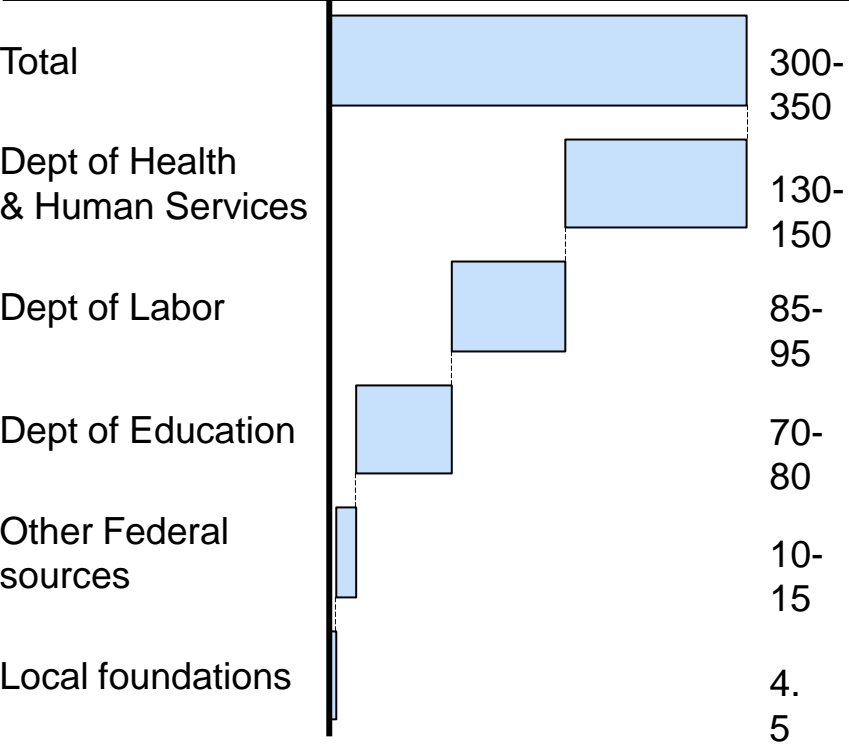
¹ Supply projected by applying historical trends to Current Population Survey and Moody's data
² Current and projected demand taken from EMSI occupation projections and applying BLS education distribution data; data includes part-time jobs. People may work multiple jobs
 SOURCE: US Census Bureau, Current Population Survey (March 2011); 2006-2016 EMSI occupation projections data; Bureau of Labor Statistics, Education and training measurements by occupation (Table 1.11)

Broadly defined, the workforce development system in Western PA accounts for \$300-350 million of annual spend

\$300-350 MM¹ flows primarily from 3 sources ...

Estimated funds flowing into Western PA by funding source

Millions of dollars



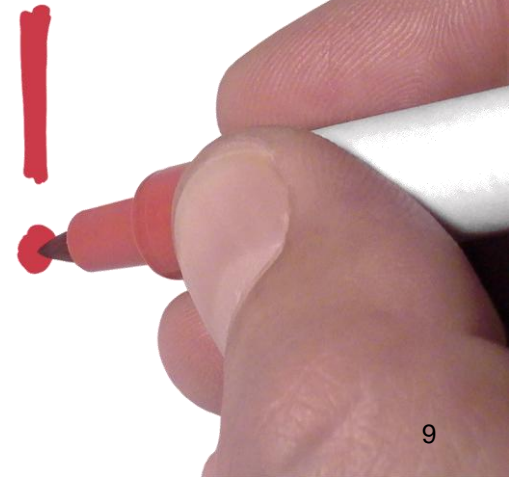
... and funds 5 types of development providers

- i** Occupational skills training (e.g., Community College of Allegheny County, Triangle Tech)
- ii** Career management organizations (e.g., PA CareerLink, Urban League of Greater Pittsburgh, Career Development Centers)
- iii** Adult basic education providers (e.g., Alle-Kiski Learning Center)
- iv** Employers providing in-house training (e.g., Customized Job Training grant recipients)
- v** Supportive service organizations (e.g., Child Care Works program)

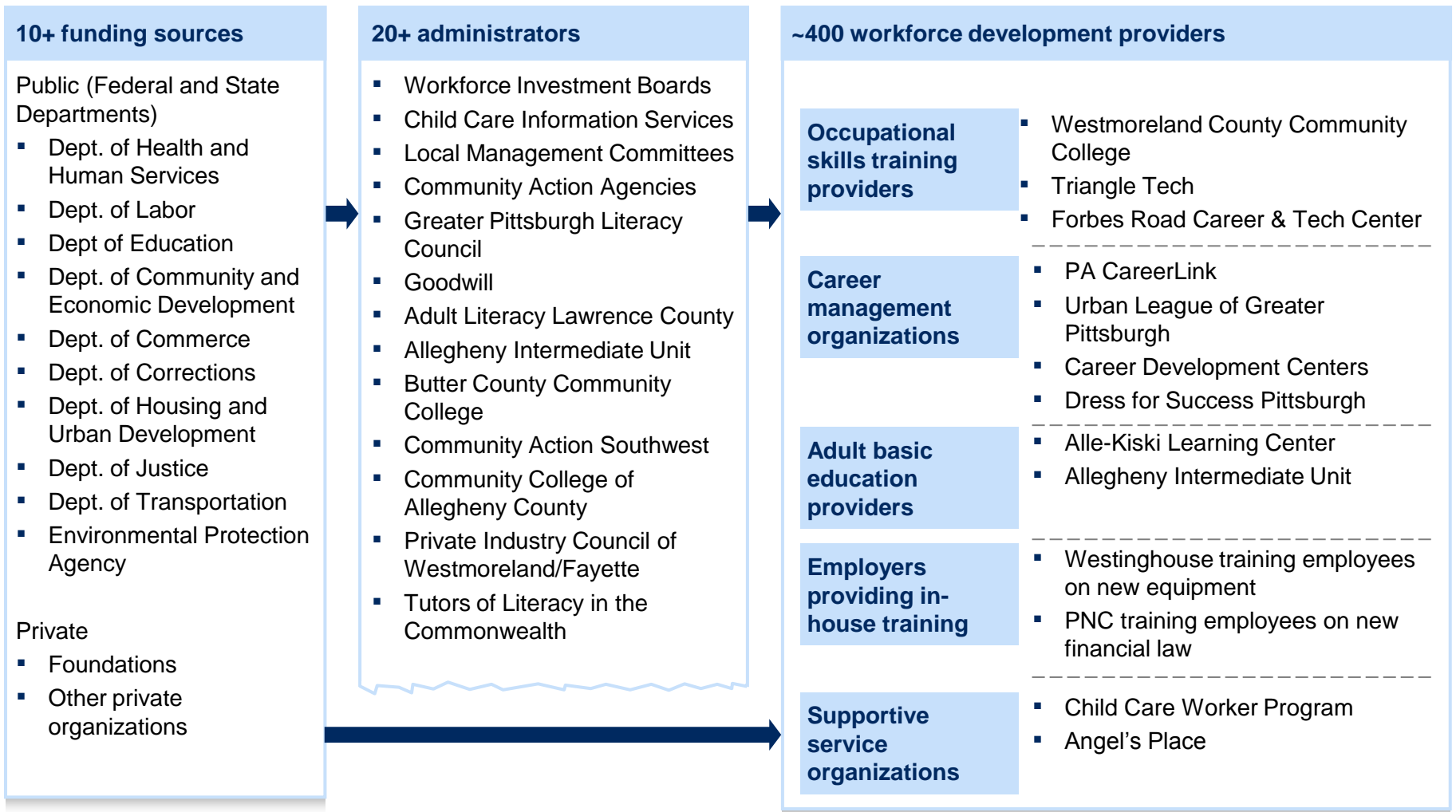
¹ Data available on total funding in Pennsylvania; proportion for Western Pennsylvania is equivalent to proportion of population in the region
 SOURCE: Government agency websites; press releases; GAO January 2011 *Multiple Employment and Training Programs* report; Catalog of Federal Domestic Assistance; Federal, state and county budgets, provider websites; working team interviews

Three main challenges facing the system

- 1 **System fragmentation**
- 2 **Limited employer engagement**
- 3 **Inconsistent service delivery
across the local one-stop centers**



1 10+ sources send funds to PA that flow through (and around) 20+ administrators, funding 400+ workforce development providers



SOURCE: Government agency websites; press releases; GAO January 2011 Multiple Employment and Training Programs report; Catalog of Federal Domestic Assistance; Federal, state and county budgets, provider websites; working team interviews

2 Three main drivers of limited employer engagement

Reasons for limited engagement	Description
No clear access point	<ul style="list-style-type: none">▪ Providers and one-stop centers state that they are unclear how best to engage employers, or which employers are willing to engage▪ With so many different organizations, employers report not knowing whom to contact
Employer fatigue	<ul style="list-style-type: none">▪ Within each provider institution there are differences in the way advisory boards are run▪ Employers state that they are unclear how their input will be incorporated and that advisory board meetings often “lack purpose”
System usability	<ul style="list-style-type: none">▪ Commonwealth Workforce Development System (CWDS) is cumbersome to use and slow to navigate, for example<ul style="list-style-type: none">– System cannot automatically upload jobs from existing postings and require companies to refresh postings every month

1 Employer engagement can take several forms, including employers providing usable jobs data, sitting on advisory boards, offering feedback, etc

3 Deliver is inconsistent across local one-stops

Counseling

- ~7% of individuals entering local one-stop centers receive intensive counseling
 - Variation in the assessments used and how those assessments drive downstream learning/ training goals
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Data

- ~25% of all unemployed individuals are registered as job seekers in the state's central data system (CWDS)
 - ~25% of vacancies in the local area are posted in CWDS
 - ~10% of training providers have profiles in CWDS
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Technology

- CWDS is cumbersome for unemployed to use, for example
 - Have to visit multiple pages to complete a profile
 - Page load times are much slower than other related sites

Potential workforce development strategy for Western PA

Goal:
Create a workforce development system that sustainably fills all available jobs with prepared and qualified workers

Improve data capture and use

Leverage technology to improve data capture and use in program design, selection of training and human services programs, and matching unemployed to available jobs

Transform one-stop centers

“Door-to-job” transformation of the one-stop system, incorporating known best-practices to increase job placement and retention

Increase employer driven curriculum and training

Make tactical changes to the existing system to increase employer engagement in education and training (e.g., program selection, curriculum design)

Ensure better system-wide coordination

Establish ongoing mechanisms to communicate overall strategy, ensure coordination across efforts, and identify and remove emerging roadblocks

What are the implications of a fragmented, inefficient workforce development system?

Job seekers are unemployed, underemployed

- **Living in poverty**
- **Using resources from human services system**

Organizations are working in silos, often outside area of expertise

- **Human services CBOs enter workforce field to meet client needs**
- **Lack of coordinated workforce entity to bring it together**

Inconsistent understanding of “where the jobs are” fuels supply-demand disconnect

- **Job seekers receive advice based on limited data, pursue jobs with limited career pathways**
- **College is for everyone view is pervasive; technical jobs go unfilled.**

Why are 75,000 unemployed and 40,000 unfilled jobs?

Job Seekers fall short . . .

- **Skills Gap**

- **Technical skills outdated or lacking job prerequisites**
- **Soft skills: not work ready**
- **Inability to adapt and/or transfer skills**

- **Work Readiness and Barriers to Employment**

- **Transportation, housing, day care**
- **Criminal background, drug/alcohol dependence**

Solutions – We Need a System



An Effective Workforce Strategy

Programmatic System Building

- **Creating networks and partnerships**
- **Retail and wholesale strategies; scale-able solutions**
- **Symbiosis between employers, training providers, and community based organizations**
- **Youth pipeline aligned with future needs**

Management Capacity Building

- **Improved CareerLink**
- **Better delivery systems**
- **Better use of technology**

Policy Investment Priorities

- **Defining and proving ROI to deliver results**

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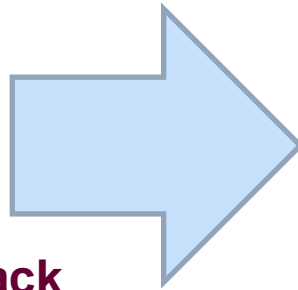
Translating Research into Action

RESEARCH

Current job matching technology solution is broken

Jobs of future demand technical skills

Funding proliferates; lack of coordination



ACTION

Conducting technology audit as 1st step towards new technology approach

Implementing new training connector

Hired new CareerLink contractor (July 1, 2012)

Strengthening youth system

Enhancing career & technology centers; developing college pathways

Developing community-based learning networks

Building regional partnership

Acting in Collaboration

What Role Are You Playing?

**What Do You Expect from the public workforce
system and PA CareerLink?**

What Can We Learn from Each Other?

What Can We Accomplish Together?

Discussion

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