

Workforce Development, Inc.

Southeastern Minnesota

Organizational Background

Workforce Development, Inc. (WDI) is designated through a Joint Powers Agreement as the Workforce Investment Board (WIB) for 10 counties in Southeast Minnesota. WDI's vision is that "any business in need of quality labor will locate or develop it, and anyone in need of a good job will have abundant work opportunities." The organization's expansive service area is predominantly rural, although it does cover the city of Rochester, home to the Mayo Clinic. WDI delivers services on behalf of the state and counties, and manages special projects for the federal government and private foundations.

Distinguishing features

- Rural WIB uses a sectoral approach in designing and funding workforce services
- WIB influences colleges to be more responsive to worker and employer needs

Industries

- Health care: CNAs for long-term care, pathways for allied health
- Manufacturing
- Services and Trades
- Bio-Science & emerging industries

Strategy and Services

WDI provides services at 10 locations, six of which are designated as Minnesota Workforce Center one-stop offices. Services are focused on low-income and disadvantaged populations dealing with multiple barriers to meaningful employment. Several examples demonstrate WDI's innovative approach to providing services that are tailored to specific industry and worker needs.

WDI uses a "priority of service" sector strategy

WDI uses data to profile the skills and opportunities related to the highest demand positions, most of which cluster in the four high-demand industry sectors around which the WIB is organized: Health care, Manufacturing, Hi-Tech & Bio-Science, and Services & Trades. When WDI first looked at aligning jobseeker services with high-growth industries, it saw that for many jobseekers, the generalized assessment and job search process not only expended Workforce Investment Act (WIA) funds, but also left them trained for jobs the community did not need. WDI undertook a labor market analysis to identify jobs in the targeted industries with the greatest demand by employers in order to better direct its resources toward preparing jobseekers for those jobs.

WDI maintains a list of 75 "Hot Jobs," based on data regarding demand for labor combined with an assessment of job quality. WDI defines hot jobs as those that pay a livable wage of at least \$11 per hour, or are high-demand jobs that have a career ladder leading to higher-paying occupations. In this way, WDI works to identify employment opportunities that are good for both the worker and the community.

WDI now provides support for workforce services on a sliding scale that corresponds to its list of hot job positions in the target industries. If the employment assistance relates to a listed hot job, WDI will fund training for up to two years; if the job is not on the list but is growing, WDI will fund training only up to one year; and declining jobs are not eligible for training support. (A person may still pursue that job, but WDI will not support him or her with training dollars.) The extent to which other allowable expenses are reimbursed is also dependent on whether the client is working toward a listed hot job.

In the first year of this new funding policy, almost 70 percent of workers received assistance to pursue the top 50 hot jobs, up from 23 percent the prior year. WDI expanded the list in 2004-2005 to 75 high-demand positions, and almost 80 percent of program participants went into training for these positions. WDI also investigates which of the listed hot jobs are not pursued or filled by its /jobseekers, and why.

For each of the four high-demand industry sectors, WDI has convened Industry Sector Subcommittees to develop strategies for addressing critical labor market issues. Through this subcommittee structure, local employers and representatives from the post-secondary education system have worked with WDI to develop pre-vocational “academies” in the health care and manufacturing sectors to help low-wage incumbent workers and disadvantaged populations prepare for entry into higher-skilled positions. In the services and trades sector, feedback from employer members of the subcommittee have helped WDI to refine an improved recruitment and coaching process that addresses the need for workers with strong customer service skills.

Healthcare Academy

The health care industry is the largest employer in WDI’s service region, largely due to the Mayo Clinic’s presence, and significant growth in the demand for skilled labor in the sector is projected for coming decades. The goals of WDI’s Healthcare Academy are to meet the industry’s labor needs while working to increase opportunities for individuals from disadvantaged backgrounds to enter health care careers, enhance their academic skills, and support workers in further health care professional training programs. Healthcare Academy participants train to work as Certified Nursing Assistants (CNAs), or work in the industry and train to become Licensed Practical Nurses (LPNs) or Registered Nurses (RNs), or to move into other areas such as medical transcription or radiography. The Healthcare Academy currently operates at four sites in WDI’s service area. Also, WDI plans to expand the Long-Term Care Training initiative, which would partner with nearly all of rural Minnesota to expand the network of Healthcare Academies and develop on-site training for CNAs to help them enter and succeed in college coursework and move along a career pathway.

Healthcare Academy participants are rigorously screened and referred to the academy based on interest and potential for success in health care. Academy participants receive case management and supportive services, tuition assistance, job development assistance, and job retention services. In placing and supporting workers, WDI also works to meet the needs of the businesses customers that hire trained participants. In addition to the formal health care training, the academy curriculum includes modules for self-identifying risk factors to success, increasing communications skills, learning medical terminology, and tackling other topics critical to employment in the health care field.

There are several noteworthy aspects of the Healthcare Academy. The academy integrates classes into health care facilities so they are driven by current industry needs and trends, and so students are mentored and supported by health care professionals. By “purchasing slots” at local colleges and enrolling students in cohorts, academy students by-pass college waiting lists. The academy benefits the college in that it has improved the

graduation rate in these courses; 95 percent of the CNA academy participants graduate. The success of the academy participants also demonstrates to the college the potential of this traditionally untapped pool of students, and as Executive Director Randy Johnson suggests, “If you use WIA funds as scholarships, it makes colleges notice the viability of serving disadvantaged individuals.” In particular, the Healthcare Academy includes services tailored to the rapidly increasing immigrant workforce, to help them attain jobs with self-sufficiency wages, to diversify the health care workforce, and to educate employers about special cultural and language needs of these employees.

It should be noted that the Healthcare Academy is limited in scope by the resources available. The academy also is supported by a variety of grants and most academy participants are eligible for public benefits. Typically, however, WDI can not provide that same level of support services to low-income individuals who are not eligible for public benefits. (Several pending program grants would expand WDI’s ability to serve other non-WIA individuals, particularly lower-wage incumbent workers who would receive tuition reimbursement through their employer.)

Focusing on better opportunities in services and trades

WDI has designed programs for the services and trades sector that illustrate its emphasis on tailoring services to workers and businesses, while at the same time maintaining publicly-mandated standards. WDI analyzed jobs and consulted with employers and associations to understand how to help clients attain advancement and higher-wage opportunities in the services industry. Despite the wide range of jobs in the industry – e.g., customer service representatives, social and human service assistants, Heating, Ventilation and Cooling (HVAC) Technicians, and so on – employers confirmed that the need for customer service qualifications is a minimum common denominator for almost all positions.

Rather than focusing on a training solution, WDI refined its job assessment and search process to focus on matching clients suited for services and trades positions with a range of assistance. Job coaches use specific screening and coaching guidelines for job-matching. Clients receive specific job coaching to address the subtleties of creating resumes and interviewing for customer service positions. While this approach to the services and trades sector was only in its first year at the time of this writing in 2007, initial indicators are that the approach is working. Good placement, retention and promotion rates seem to indicate that people are well-matched to their service jobs, and have the requisite qualifications.

Critical Partners

WDI acts as a “champion, convener and change agent” in the region in a variety of ways. The organization relies heavily on its relationships with employer representatives from key industries to drive and make decisions that address critical skills issues and provide opportunities for disadvantaged workers. WDI also partners closely with educational institutions in the region, particularly in the work of the Healthcare Academy and related health care workforce initiatives. WDI has developed a robust education consortium, made up of representatives from all of the community colleges in the service area, which seeks to align college training offerings with employer needs. Additionally, WDI has

reached out to leaders in various ethnic and cultural communities to better understand their needs, and to expand the pool of ready and able workers from these fast-growing communities. Recognizing that many local labor market issues are closely linked to challenges that go beyond WDI's service area, the organization has begun to work with workforce areas in neighboring Iowa and Wisconsin to form a tri-state partnership to develop a manufacturing grant project.

Demand-Driven Structure

WDI, also operating under the name, the "Southeastern Minnesota Workforce Council" is governed by a Board of Directors serving as the local Workforce Investment Board. An important element of WDI's approach is how the Workforce Investment Board is structured and functions as a hands-on board. When WDI reorganized around four regionally important sectors in 2004, it also changed the by-laws to require 60 percent private business representation on the WIB (at least 51 percent is required by law). According to Executive Director Randy Johnson, being an independent non-profit is key to WDI's success: "The WIB acts as a board of directors of an organization; not as a tacit advisory board – they are hands-on."

WDI's subcommittee structure is specifically set up to balance the interests of industry and workers, and to give business representatives active roles in work that is relevant to them. Subcommittees do not follow the typical WIB structure, for example, corresponding to WIA categories for youth, dislocated workers, welfare to work, etc. Rather, the four Industrial Sectors subcommittees spearhead work to meet the economic development and business needs in the targeted sectors. And there are four corresponding Human Resources Taskforce subcommittees: Basic Skills & Emerging Workforce, Literacy & Diversity in the Workplace, Incumbent Worker Training & Retention, and Access & Re-entry to the Workforce. These subcommittees are set up to address human resource challenges that most businesses face, which also correspond to issues that workers face, and further meet WIA requirements for representing different constituencies.

Outcomes

Several statistics help define the size and scope of WDI's work across 10 counties. According to WDI, from July 2004 to June 2005, it served a total of 6,326 participants, the fourth consecutive year to hit a level over 6,000. These participants were determined to be eligible for service based on federal poverty guidelines that match WIA and welfare reform guidelines. During the same period, WDI served 1,358 private businesses with placements. As the local administrator of WIA funds, WDI is required to meet common performance standards, which it has done successfully. However, WDI deemphasizes general outcomes reporting, and focuses instead on outcomes reporting that specifically indicate whether the organization is meeting specific local needs. One alternative way in which WDI seeks to measure its success is by working with a tool developed with the assistance of local business partners to conduct an analysis of return on investment (ROI). An ROI analysis of the Healthcare Academy revealed that of 59 new entrants and incumbent workers trained, 35 were employed upon completion of training (59 percent), of which 26 were employed in the health care sector (74 percent). The rate of return on the investment in the academy was calculated to be 1,105 percent, reflecting a higher benefit in

tax returns on wages to these employees, compared to the training cost and their receipt of public assistance.

WDI also takes a business approach to customer satisfaction. For example, WDI supplements jobseeker and business satisfaction surveys with a regional customer service satisfaction survey, linked to objectives and targets agreed to by the staff. This feedback is utilized to reward staff teams with partial merit-based compensation. (See Source 6 below.)

Financing

WDI operates with an annual budget of approximately \$8 million, from approximately 60 different funding streams, including federal, state, county, local and private grant sources. Initially, WDI asked long-term care employers to support the Healthcare Academy, but it has been difficult for the organization to collect payments from cash-strapped facilities unwilling to contribute due to uncertainty about how many graduates eventually will be hired from the academy. For now, WDI has stopped pursuing this source of financial support until it has developed a better plan for securing employer investment.

According to Johnson, “WDI is not addicted to a single source of funds. The theory behind Industry Sectors is that we don’t know exactly how public funding will fall together, so WDI is trying to be ready and able to attract and flex with foundations and employer funds even, that correspond with current industry needs, and still use traditional welfare-to-work and WIA funds.” But Johnson understands that many organizations are reticent to seek and use one-time or grant funding, that organizations do not want to dedicate themselves to something that will disappear, and that funding continually must be generated to finish the work. Johnson acknowledges that an organization should be willing to commit core money to get a new initiative rolling and sustain it, if necessary.

WDI’s involvement in the development and use of reading recognition software demonstrates its approach to tailoring services to specific workforce needs through innovative programs and funding streams. In 2000, WDI became one of seven sites nationally where IBM piloted voice recognition software to improve workers’ ability to read and speak English. WDI recognized that immigrants who graduated from training programs – for example, CNAs – could nonetheless not obtain or retain jobs, because of their inability to speak well in English. WDI developed job-task and work-related content for the reading recognition software, originally for the CNA program, and then then created additional content for other jobs. WDI is now one of more than 100 locations using the software, and also provides the training, training materials and on-line support to users, as part of a \$1.5 million National Adult Literacy grant. (See Source 2 below.)

To Learn More

Read the Sector Skills Academy profile of Becky Thofson, WDI’s Industrial Sectors Project Manager, at [\[Be sure to link to profile\]](#) or visit WDI’s Web site at: www.workforcedevelopment.ws.

Sources

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- (3) “Federal grant funds scholarships for Riverland radiography students,” *Riverland Community College News & Events*, 7 June 2006.
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- (5) “Responding to the Demographics of a Community,” *A Promising Practices Guide to Workforce Boards*, available from www.wowonline.org; Internet.
- (6) “Workforce Development, Inc. – Accomplishments July 1, 2004 to June 30, 2005,” available from WDI’s Web site: www.workforcedevelopment.ws; Internet.