

# Wisconsin Workforce Development Association and Consortium

## Evaluation of *Skills Wisconsin*

### *Baseline Report Executive Summary*

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## EXECUTIVE SUMMARY

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IMPAQ International, LLC was contracted by the Workforce Development Board (WDB) of South Central Wisconsin, the leader of a Consortium of all the WDBs in the state, to conduct an independent evaluation of the *Skills Wisconsin* program. Funded by the U.S. Department of Labor's (DOL) Workforce Innovation Fund (WIF) program, *Skills Wisconsin* aims to improve communication among workforce development stakeholders throughout the state. The project's premise is that to effectively serve not only jobseekers but also employers in the communities in which they operate, workforce development stakeholders must have a keen awareness of labor market conditions—including both employer needs and workforce skills. Recent developments in cloud-based computing applications provide workforce development stakeholders with an opportunity to move toward a more systematic, user-friendly, and integrated method of connecting the two sides of the labor market, by increasing coordination among workforce development, economic development, and the training community. Accordingly, the Consortium will implement Salesforce, a cloud-based customer relationship management application, in each of the state's 11 Workforce Development Areas (WDAs) during the grant period. Other program activities include training staff in a demand-driven model of workforce development and expanding industry partnerships. The *Skills Wisconsin* evaluation will include a quasi-experimental impact evaluation, a process study, and an outcomes analysis.

IMPAQ's *Baseline Report* presents the results of the first year of the third-party evaluation of the *Skills Wisconsin* initiative. Evaluation activities to date have focused on gathering baseline information for the process study and the outcomes analysis. Toward that end, the evaluation has focused on understanding how Wisconsin's workforce system operated *before* implementation of the program. Once the grant is finished, IMPAQ will gather similar information about the workforce system. Comparing the data gathered at the end of the grant to the data gathered before implementation will thus show whether and how the workforce system changed as *Skills Wisconsin* was implemented.

**Process Study.** Based on the objectives of the *Skills Wisconsin* program, the *process study* is focused on identifying how the program ultimately affects the answers to three main research questions:

- How do workforce development professionals and stakeholders communicate and share information?
- How do workforce development professionals communicate employer skill needs to the training community?
- How do workforce development professionals and stakeholders ensure that the training received by job seekers will meet employer needs?

To answer these research questions for the pre-program workforce system, IMPAQ used a two-pronged approach:

- ***In-person interviews***—First, we gathered qualitative information from key workforce system stakeholders through semi-structured in-person interviews conducted during site visits to all 11 WDAs. In addition to these interviews, each site visit featured a focus group with a small number of jobseekers. We then analyzed the interview and focus group data to identify common themes and patterns among responses.
- ***Social network data***—Second, we gathered quantitative information on communication patterns using a social network analysis (SNA) questionnaire. Using the data from the questionnaire, we constructed a diagram of the statewide communication network. For both individual WDAs and the state we also calculated quantitative measures of network activity.

***Findings Based on Interview and Social Network Data.*** The qualitative data we gathered from the site visits showed that there is generally a significant amount of communication among stakeholders in the workforce system. This was confirmed by the SNA, which showed that communication patterns within the workforce system are relatively diffuse, rather than concentrated among a small number of key players. Some key findings from the interview data include:

- There is often little coordination across either different types of organizations or WDAs, particularly regarding interactions with employers.
- In some cases, sophisticated software tools are used to manage contact with employers. In others, individual staff may track their own interactions independently using their own ad-hoc method (e.g., a desktop spreadsheet).
- It is not uncommon for information, particularly any employer information that might be regarded as sensitive, to be guarded by the organization that receives it. Employer relationships are highly valuable and take time and effort to cultivate. In some cases, the perceived risk that sharing employer information could damage those relationships causes organizations to be hesitant to share that information with others in the workforce system.
- There are multiple channels by which input from employers is translated into actual training programs for jobseekers. Multiple stakeholders, including WDBs, Business Service Representatives (BSRs) at Job Centers, and representatives from the Wisconsin Economic Development Corporation (WEDC) or other economic development organizations (EDOs) often act as intermediaries between employers and the Wisconsin Technical College System (WTCS) or other training providers. Direct communication between employers and the training community is also typical.
- The fruit of these information exchanges—the training programs developed by WTCS and others—are generally seen as responsive, though there is a feeling that soft skills could be emphasized more, and that more could be done to increase awareness among employers about the types of services offered through the workforce system.

**Outcomes Analysis.** The outcomes analysis component of the evaluation focuses on documenting key program outcome measures over the grant period in order to observe whether *Skills Wisconsin* is associated with improvements in these measures.<sup>1</sup> In addition to the grant performance metrics reported to DOL, other key *Skills Wisconsin* outcome measures include employer perceptions of and satisfaction with the services provided by the workforce system. To establish a baseline of employer sentiment, IMPAQ conducted the first wave of an employer survey, targeting businesses in the state that had recent open job orders. The survey was administered in April-May 2013 to a sample of 4,995 businesses throughout the state. IMPAQ received 1,193 completed responses, a response rate of 24 percent.

**Findings from the Employer Survey.** The survey responses of nearly 1,200 employers show that Wisconsin businesses have a generally favorable opinion of Wisconsin's workforce system.<sup>2</sup> Three of the main questions in the survey asked employers about:

- How they would rate the quality of jobseekers referred to them by the workforce system
- Their level of satisfaction with the services they had received from the workforce system
- Their rating of how well the workforce system in Wisconsin serves businesses in the state.

As shown in Exhibit ES.1, two-thirds of employers rated the jobseekers referred to them by the workforce system as being of average quality. Roughly 25 percent gave jobseekers a below-average rating and the remaining 8 percent an above-average rating.

Further analysis also revealed that employer perceptions of jobseeker quality varied by industry:

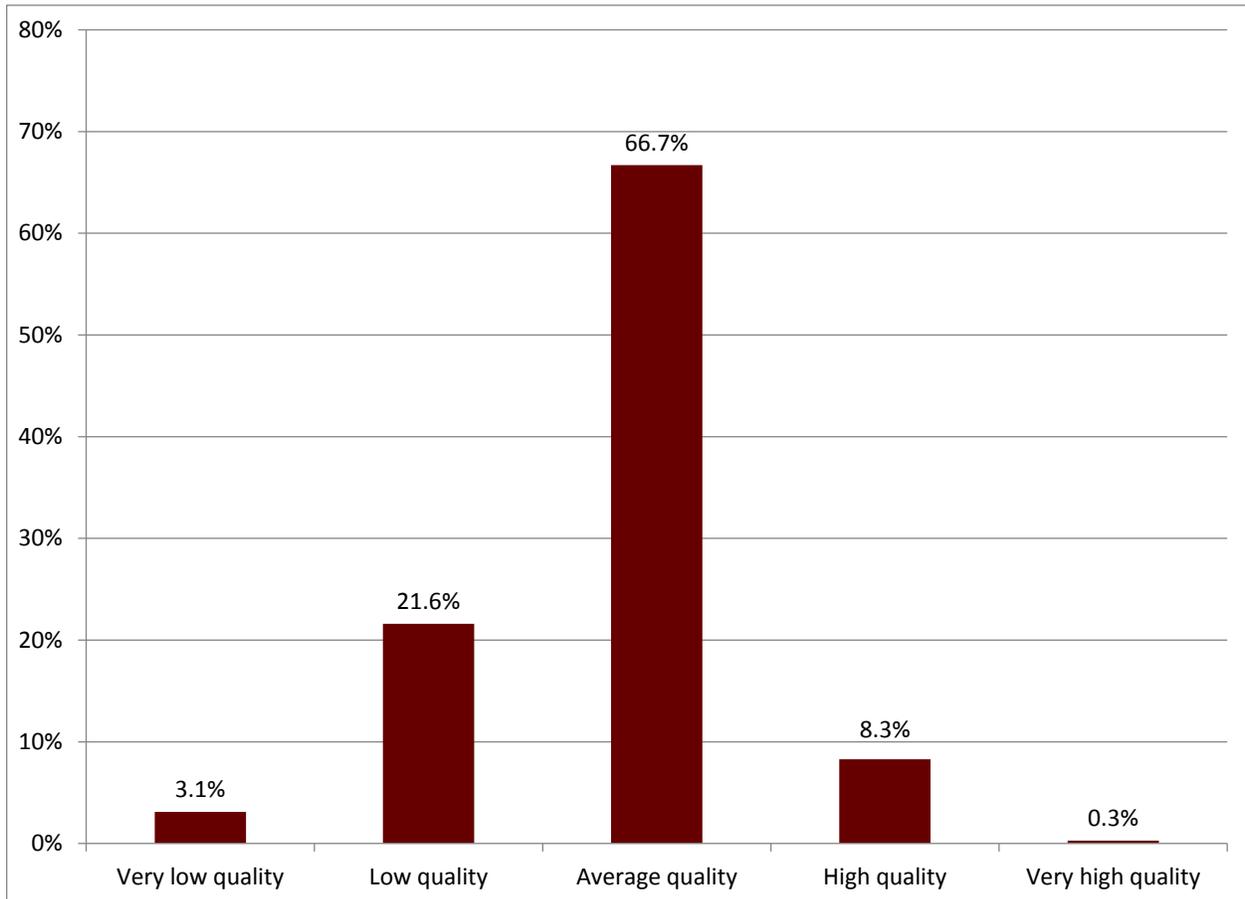
- Employers in the accommodation and food services; health care and social assistance; and professional, scientific, and technical services industries were more likely than employers in other industries to give jobseekers above-average ratings.
- Employers in the finance and insurance industry and the administrative support, waste management, and remediation services industry were most likely to rate jobseekers as below average.

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<sup>1</sup> It is important to note that the outcomes analysis cannot isolate the causal effect of *Skills Wisconsin* on any of the outcomes of interest because other factors besides the grant (such as general economic conditions or other changes to the workforce system) may also affect these outcomes.

<sup>2</sup> For the survey, "workforce system" was defined broadly to include organizations such as the state's system of Job Centers; local WDBs; state, local, and regional economic development organizations; and the Wisconsin Technical College System (WTCS).

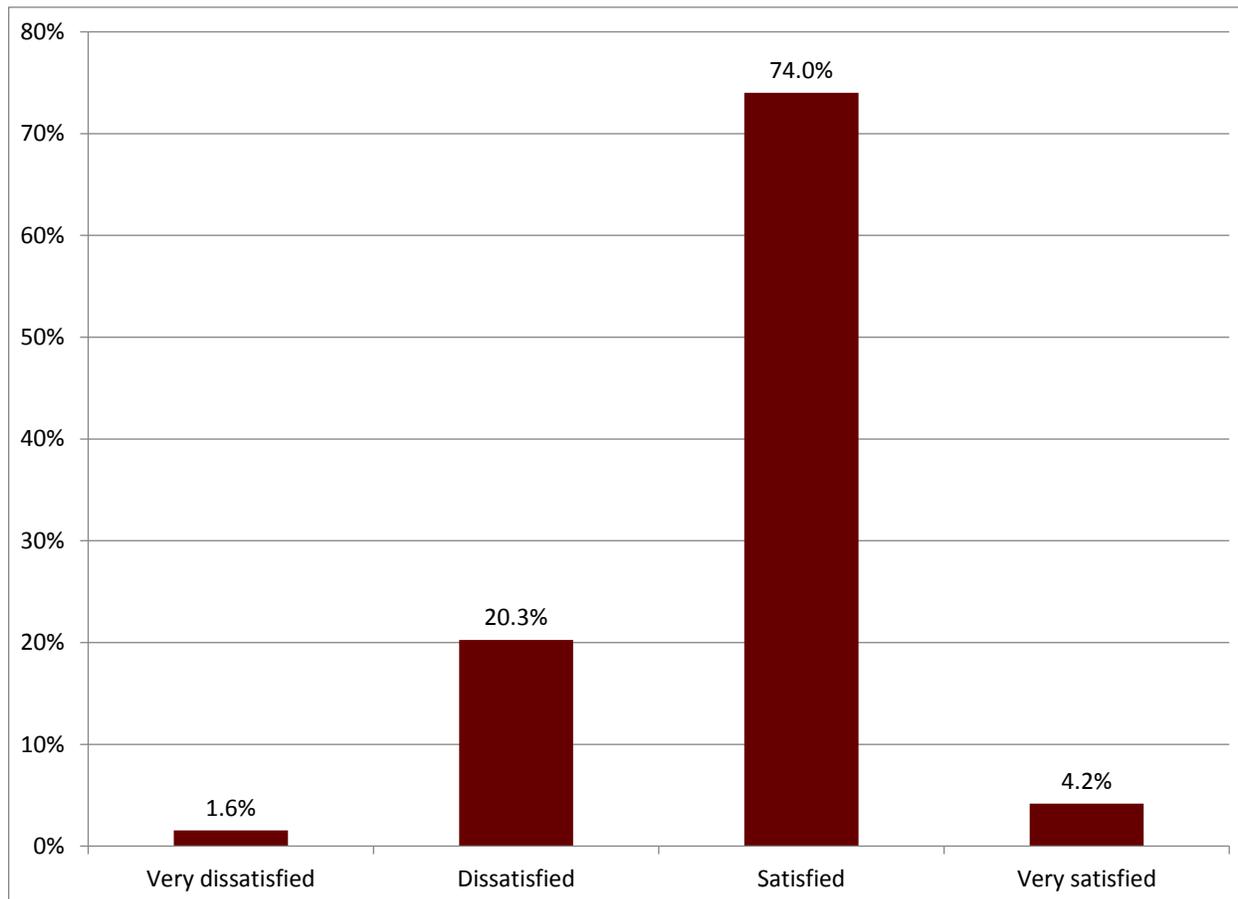
### Exhibit ES.1: Employer Rating of Jobseeker Quality



Turning to general satisfaction with services received from the workforce system, Exhibit ES.2 shows that over three-quarters of employers reported being satisfied or very satisfied. Examining the results in relation to industry and employer size showed that:

- Employers in two industries were most likely to report being either satisfied or very satisfied. Among employers in the accommodation and food services industry, 88 percent fell into this group. Among employers in health care and social assistance, 87 percent did so.
- The smallest employers were more likely to report negative views. Among businesses with fewer than 50 employees, 28 percent of reported being either very dissatisfied or dissatisfied. This was about 10 percentage points higher than for mid-sized employers and about 6 percentage points higher than for large employers.

## Exhibit ES.2: Employer Satisfaction with Services Received



Finally, the survey results indicated that employers have mixed feelings about how well the workforce system is serving businesses in the state. As shown in Exhibit ES.3, about 45 percent said the workforce system does a good job; 15 percent had a more positive view and 41 percent had a more negative view.

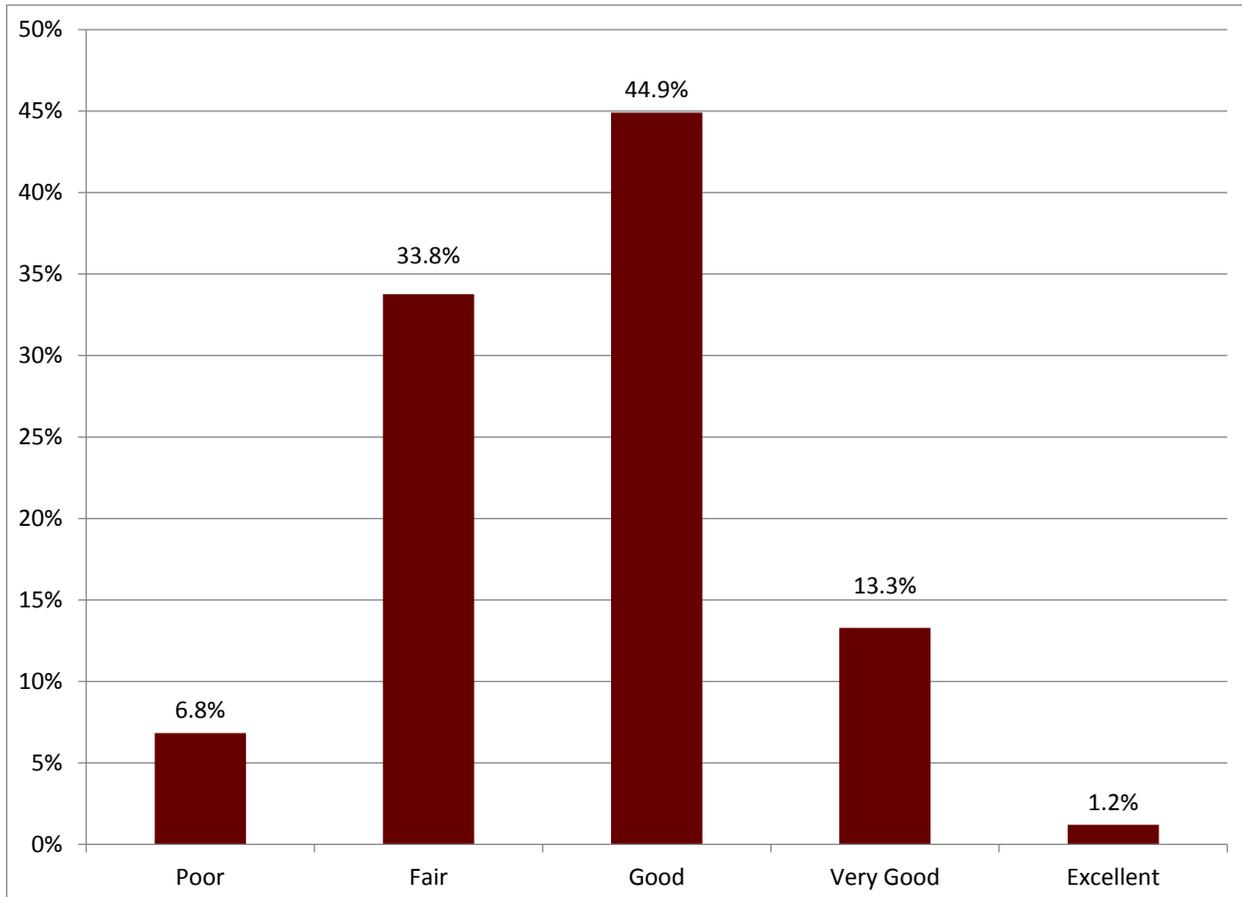
Employer sentiment regarding this question also showed relationships with industry and size:

- Employers in the accommodation and food services industry gave the workforce system higher ratings than employers in other industries, with 23 percent saying the system does a very good job serving businesses.
- Employers in the health care and social assistance industry and the retail trade industry also gave the workforce system high ratings. About 17 percent of employers in the former industry said the workforce system is doing a very good job; 15 percent of employers in the latter industry said likewise.
- The proportion of employers reporting that the workforce system does a poor job serving businesses was highest in professional, scientific, and technical services (12

percent); construction (12 percent); retail trade (11 percent); and transportation and warehousing (10 percent).

- Compared to employers of other sizes, the smallest employers (i.e., those with fewer than 50 employees) were much more likely to say that the workforce system does a poor job serving businesses. Roughly 11 percent of small employers said so, compared to only 5 percent of other sized employers.

**Exhibit ES.3: Employer Ratings of How Well the Workforce System Serves Businesses**



Overall, the analyses presented in the *Baseline Report* provide a detailed description of how the different stakeholders in Wisconsin’s workforce system communicate with one another and how they work together to serve the state’s jobseekers and businesses. Further, they give a thorough account of how the state’s employers feel about their interactions with the workforce system and their opinions about how well the workforce system serves businesses. This baseline understanding of how Wisconsin’s workforce system operated *prior* to the implementation of *Skills Wisconsin* will serve as a benchmark from which to measure progress in key areas once grant operations have been completed.