

Better Alignment, Better Results

PITTSBURGH'S COLLECTIVE APPROACH TO WORKFORCE SOLUTIONS



with Marty Miles and Three Rivers Workforce Investment Board

Foreword

Alcoa has long had a commitment to workforce development. In this increasingly challenging global economy, we believe helping workers all over the world to upgrade their skills is key to their self-sufficiency in the future. Alcoa's work with The Rensselaerville Institute over the past several years has demonstrated the power of using a "results trail" framework to align resources and efforts in our own grantmaking. So we were pleased to support TRI's work with the Three Rivers Workforce Investment Board (3RWIB) on a similar results framework through its Pittsburgh Works initiative, as described in this report.

With the passage of the Workforce Innovation Opportunity Act, there is a clarion call for companies to be active players in government-funded workforce development and training programs. The "result trail" for job training, placement and retention result can be seen as a common language for companies, workforce investment boards and community-based service providers to agree on program outcomes and impact, and to have a holistic view for what is to be achieved system-wide.

We are especially excited about 3RWIB's initiative to engage local workforce service providers and other Pittsburgh funders to work collaboratively, using the results framework to drive their efforts. We believe this collaboration is important and innovative work that is key to being able to meet the needs of both businesses and families. It is not typical for a WIB to play this kind of convening role – but we believe such leadership is the only way that the system can be reshaped to be relevant in the future. We think this work will lead to exciting results in Pittsburgh, and we hope this report can inspire similar collaboration in other cities.

Scott Hudson

Principal Manager, International Social Responsibility and Community Outreach

Alcoa Foundation

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Introduction

The Rensselaerville Institute (TRI) is “The Think Tank with Muddy Boots.”ⁱ Our mission is to achieve clear and quantifiable outcomes for human gain by training, supporting, and partnering with the innovators who are the sparkplugs for change to use a results framework. Currently we do this with nonprofits, schools, communities, universities, corporations, foundations, and government agencies. Our mission is not simply an idea, but rather a tangible promise whose results are seen in people and places throughout the country.

TRI has been helping communities and organizations define, track, and improve human gain for over 50 years. From turning around low performing schools to transforming communities from the inside out, we’ve learned how to “get to impact” in the hardest to serve areas. And it’s clear that it takes the long-term collective effort of many players.

In our work of helping funders become investors, collaborative alignment around results becomes the lightning rod for community-wide change. The Alcoa Foundation transformed the impact of its giving and its collaborations by better defining the results of that investment—the changes in behavior and condition that grant partners contribute to. In our work with collective impact efforts across the country in a variety of areas, TRI has found that such a core set of shared results (those changes in behavior or condition)—implemented with the support of a comprehensive backbone organization—are the strongest levers available for collective success.

We have therefore been pleased to work further with Alcoa and the Three Rivers Workforce Investment Board on a shared results framework for 3RWIB’s Pittsburgh Works initiative. Leveraging the resources of private funders, Pittsburgh Works is strategically engaging local providers, educators and employers to create a more cohesive response to regional workforce needs while achieving higher employment for community residents in need.

This brief report highlights 3RWIB’s initial efforts to take a more collective system-building approach. While long-term results are not yet available, we believe this is very much a “promising practice” for WIBs and other funders who want to ensure that their region’s future employer and job seeker needs are met. In some communities, various players focus dollars and efforts on their own priorities and agendas, with little collaboration toward shared impact. We believe that by working collectively in Pittsburgh they can move the needle much farther.



We have partnered in this effort with Marty Miles, a lead consultant for the national Workforce Benchmarking Networkⁱⁱ. For almost a decade the project has collected results data from workforce providers around the country to determine useful performance benchmarks. The project has also helped providers make better use of their data for program improvement, assisted funders to establish more consistent, shared workforce metrics, and provided resources on effective program practices. Marty's experience and that of the Benchmarking network have been valuable additions to our work.

Finally, we echo the comments of **Ron Painter (CEO, National Association of Workforce Boards)** about 3RWIB's work:

By leading a collective system-building approach to workforce development 3RWIB is playing a critical WIB role not seen in many cities. The convening of local funders and providers to work together toward a shared set of outcome and interim result measures is an important first step. As a result of this work, resources across the region will be leveraged to make the most difference. This collective impact work is a cutting edge example of the kind of the innovative 'local activist' role envisioned in the new Workforce Innovation and Opportunity Act (WIOA).

We believe 3RWIB is doing critically important work and we are pleased to share this information with the larger field.

Wendy Watson-Hallowell

Executive Director, Results Consulting
The Rensselaerville Institute



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Overview: 3RWIB and Pittsburgh Works

3RWIB is a collaboration of Pittsburgh-area employers, educators, labor unions, policy makers, and community-based organizations united to bridge the gap between job seekers and companies in need of talent. 3RWIB has three main functions throughout the greater Pittsburgh region:

- 1) **Educate:** 3RWIB promotes thought leadership through in-depth labor market analysis at national, state, and local levels.
- 2) **Invest:** 3RWIB invests \$10+ million dollars annually in workforce agencies to deliver quality services to jobseekers and employers in Allegheny County and the broader Pittsburgh region.
- 3) **Connect:** 3RWIB acts as a connector to ensure the efficient use of funds, maximize effectiveness, and improve collaboration.

As in other regions across the US, workforce funding in the Pittsburgh region is highly fragmented. More than 20 public and private entities annually administer an estimated 120 grants focused on workforce development activities. To address this fragmentation, in 2012 3RWIB created Pittsburgh Works — a collaboration of public and private organizations aligned to deliver skilled and work-ready talent to employers.

Pittsburgh Works strives to increase the number of Allegheny County jobseekers placed in well-paying, sustainable careers. This network of public and private workforce development programs collectively serves diverse populations of jobseekers — the long-term unemployed, refugee populations, individuals with criminal backgrounds, persons with disabilities, veterans, mature workers, dislocated workers, and the underemployed — and provides them with the specialized support they need to overcome often multiple barriers to employment. Pittsburgh Works' membership includes the PA CareerLink® Pittsburgh/Allegheny County systemⁱⁱⁱ, local community-based organizations, and other nonprofits and training providers^{iv}.



Background: The Regional Challenge

In 2012, Western Pennsylvania's philanthropic community formed a cross-organizational team to gain a better understanding of the challenges and opportunities present in the region's workforce development system. Team members who volunteered their time included 3RWIB and representatives from the Richard King Mellon Foundation, Claude Worthington Benedum Foundation, Allegheny Conference on Community Development, and Allegheny County Department of Human Services. McKinsey & Company and 3RWIB supported the effort by providing a fact-based analysis^v. Based on publicly available sources as well as interviews with key regional employers, educators, government and nonprofit agencies, the messages in the analysis report were clear:

A Skills Mis-Match: Roughly 100,000 individuals remained unemployed in the region, unable to meet the requirements of approximately 40,000 job vacancies. To address this opportunity, it was critical that the system focus on four areas:

- Closing occupational / technical skill gaps
- Closing foundational or work readiness skill gaps
- Reducing barriers to employment (e.g., child care, former incarceration, etc.)
- Improving the mechanisms for effective job matching

Limited Employer Engagement: The McKinsey report found that only 10% of all employment vacancies in the SWPA region were included in the Commonwealth Workforce Development System (CWDS), the central data repository used by Pennsylvania's one-stop workforce centers, branded as PA CareerLink®. Further, there were very limited examples of employer engagement in the design of curriculum for training and educational programs. Employers contacted for the report noted challenges accessing the CWDS database and knowing who to contact in the system, as well as negative experiences with ineffective business advisory boards.

System Fragmentation: The fragmentation of the system's funding and delivery systems created additional challenges:

- There was no shared vision or strategy for addressing the skills gap.
- There was no central repository of information or consistent data to understand and measure the performance of workforce providers across the system in addressing employer needs.
- Similarly, there was no systematic way to share best practices among service providers.
- Without an infrastructure for sharing information about results and services, it was harder to encourage collaboration and to avoid redundant efforts.



Leading a Collective Response to Better Connect People to Careers

The McKinsey report provided the context and urgency for 3RWIB's 2012–2014 Strategic Plan, which envisioned 3RWIB as an innovative community leader focused on these strategic objectives:

- **Thought Leadership:** knowing the local labor market to deliver key messages to diverse audiences.
- **Youth Pipeline:** inspiring youth to pursue meaningful careers and bright futures.
- **Job Seeker Connection to Careers:** investing in Pittsburgh Works public-private partnership to connect job seekers with careers.
- **Systemic Employer Solutions:** delivering new solutions to address systemic workforce challenges.

As part of this strategic plan, 3RWIB decided to lead a collective “supply side” response to SWPA’s labor market challenges, rather than be part of a series of isolated and independent efforts by funders and service providers to create solutions.

“The 2012 report revealed a fragmented system with a significant supply-demand imbalance. Three Rivers Workforce Investment Board is answering the call to do more — and to do better — for the City of Pittsburgh and Allegheny County. The board has aligned its mission and work to address this imbalance, to defragment the system, to prepare and connect job seekers with careers while meeting the talent demands of employers. We are raising the bar to create a thriving local workforce and economically viable region.”

—Mark Latterner, President of 3RWIB
Executive Vice President, Regional Senior Credit Officer, RBS Citizens



Concrete Results to Date

As seen in Figure 1, the intentional creation of Pittsburgh Works and the Business Solutions Team as the backbone structures for a collective effort to better address market needs has already begun to produce significant results.

In shaping 3RWIB's strategic response, the components of a "collective impact approach" ^{vi} to community challenges have proven to be a useful framework. These conditions for success, which 3RWIB is beginning to put in place, include:

1. **Backbone Support Structures:** commitment of designated staff to plan, manage and support the initiative with facilitation, technology, communications, data collection/reporting, and other logistics to enhance result achievement.
2. **A Common Agenda:** a shared understanding of the problem, the results that need to be achieved in order to address it, and a strategic approach to accomplishing them.
3. **Continuous Communication:** regular, ongoing communication opportunities among individual organizations to develop the trust needed for good collaboration.
4. **Mutually Reinforcing Activities:** encouraging participating organizations to focus on the set of activities at which they each excel, in ways that support and are coordinated with others to achieve results.
5. **A Shared Measurement System:** collecting data and measuring results consistently on a short list of indicators across participating organizations with similar services.

Pittsburgh Works Results as of 12/31/14

Figure 1

965 job seekers have received over **2,740** hours of training focused on specific workplace skills

244 job seekers have had their workplace skills validated through WorkKeys certification

203 job seekers have received National Career Readiness Certification, and **49** of those have already been matched to full-time employment

12 employers have customized job postings for **17** specific occupations that could lead to **500+** openings a year, and **167** job seekers have already received specific skills training to meet those needs



1. Establishing Backbone Support Structures: Pittsburgh Works and the Business Solutions Team

3RWIB focused first on establishing Pittsburgh Works as the infrastructure to support a more collaborative approach among regional workforce service providers to improve overall outcomes. Pittsburgh Works has become a focal point for sharing information about the workforce system as a whole in SWPA and for understanding the assets, needs, and gaps on the supply side. With a dedicated full-time staff person and other part-time support, it has engaged and coordinated the efforts of more than 80 organizations offering workforce services. Pittsburgh Works strives to support multiple pathways to viable employment opportunities through employer-driven training and a continuum of services to address job seeker needs.

A key 3RWIB role has been securing the support of other local funders for the provider collaborative. Pittsburgh Works is very much a public/private partnership, with more than a total of \$1 million in funding from United Way of Allegheny County, The Pennsylvania Fund for Workforce Solutions, the Walter S. Meyer Memorial Fund and the Martha Edwards Lazear Fund of The Pittsburgh Foundation, Highmark, Chevron, Richard King Mellon Foundation, BNY Mellon, Alcoa Foundation, and the National Fund for Workforce Solutions.

The other key infrastructure addition has been the creation of an outward-facing Business Solutions Team to address the issue of limited employer engagement. The team was developed to leverage and strengthen employer relationships and to offer services beyond talent supply. By utilizing partnerships and the strength of its Board of Directors, 3RWIB's Business Solutions staff are offering solutions related to staffing, incumbent worker training, capital development, market expansion, industry trends and labor market information, youth pipeline development opportunities, and vendor solutions. The 3RWIB Business Solutions Team works closely with the Pittsburgh Works network and the PA CareerLink® Allegheny County offices and staff, particularly related to hiring needs. The team concentrates on strengthening a referral network for medium to small business development.

2. Beginning to Inform a Common Agenda

Pittsburgh Works' initial focus has been on developing a baseline of knowledge among providers about each other's services and results, and on creating more awareness of labor market demand and specific industry needs. A variety of activities have helped build that knowledge:

- **A comprehensive survey of Pittsburgh Works providers** was conducted in 2012 to map the services and results of the “supply” side of the workforce marketplace. Eighty-two organizations

responded to the survey, with information on 107 programs they identified as providing “workforce services” in Allegheny County. The survey analysis illuminated facts and issues such as these:

- Only **20%** of the 82 organizations have workforce development as their primary mission, while the rest are focused on other social services that are important to ensure that someone is eventually “ready” to succeed in employment: education, disability services, housing, behavioral health, etc.
 - **71%** reported delivering pre-employment “work readiness services” such as resume assistance and interview prep, but there was no clear or consistent definition of what “work ready” meant.
 - **5%** of programs provided technical training that leads to attainment of an industry credential.
 - Only **10%** offered specific job placement and employer services (with designated staff), and no organization said they specifically provided job retention or advancement services.
 - **80%** of organizations were providing workforce services to fewer than 500 job seekers annually, with **41%** serving fewer than 100 each.
 - Of those served by responding organizations, only **20%** were reported as placed in jobs.
-
- **“Demand side” forums with employers and community-based providers**, to create a better understanding about overall labor market trends and specific employer recruiting needs. Pittsburgh Works has provided a platform for organizations serving jobseekers to have honest conversations with employers about their hiring processes and their need for talent. PNC Bank, University of Pittsburgh Medical Center, Presbyterian Senior Care, Burns and Scalo, Peoples Natural Gas, and US Steel are among those participating in “Employer Talks” conversations with Pittsburgh Works organizations. These have helped providers better align their services to employer expectations.

3. Supporting Continuous Communication Among Providers

With only 20% of community providers identifying workforce development as their primary mission, 3RWIB has developed a more robust communication strategy to improve the capacity of the larger system. A full-time Communications Manager is now implementing a variety of strategies to link providers across a continuum of services together, laying the foundation for more collaborative efforts in the future:

- **Regular Pittsburgh Works member convenings** provide opportunities for learning about current job openings and specific employer needs (e.g., the Employer Talks series), discussing system-wide performance data and broad labor market trends, and useful networking among providers about the services they offer.



- A **directory of Pittsburgh Works organizations** pulls together useful information about services offered, locations, and appropriate contact persons.
- A **workforce development events calendar** compiles comprehensive information about opportunities such as job fairs, onsite recruiting opportunities, and networking events. The calendar is used as a tool for providers to refer jobseekers to the most convenient, readily available service location for their needs, regardless of which provider they visit.
- A **communications portal** provides a forum for networking and sharing of advice or best practices among providers as well as a Facebook page^{vii} for interaction.
- The **dedicated Pittsburgh Works webpage**, through which provider staff can access the above resources, refer jobseekers to “hot job” employment opportunities, gain information on WorkKeys, and access 3RWIB analyses of the regional labor market.

4. Launching Mutually Reinforcing Activities

Through Pittsburgh Works, the 3RWIB has also launched specific strategies to better align provider workforce services with employer need and to make those services more consistent across the system.

- Pittsburgh Works staff facilitated the creation of a **shared work readiness checklist** for use among providers. This checklist must be completed by providers to recommend any talent to the Business Solutions Team for employment opportunities.
- In the **Talent Pipeline project**, 3RWIB has entered into an MOU with five provider organizations and two PA Career Link sites to respond with qualified talent to open job orders secured through the Business Solutions team, and to accept referrals from other service providers in the Pittsburgh Works network. All referrals must be certified with the Work Readiness Checklist.

“Through Pittsburgh Works we experience a real partnership with the 3 Rivers WIB and other peer organizations. The meetings provide great exposure to companies and their needs, and we make connections with peers we feel comfortable referring our families to for other services. As our part of the deal, we know we’re accountable to provide candidates who will meet the quality standards needed by businesses”

–Carol Washington, Executive Director,
The NorthShore Community Alliance



- For employers that request it, referrals are also being screened using the **workforce assessment tool ACT WorkKeys**. The Business Solutions team offers WorkKeys screening as one of its services, and regularly analyzes trend data related to applicant demographics, skill levels, and WorkKeys scores.
- Pittsburgh Works is also funding **job driven short-term pre-employment occupational skills training** to prepare job seekers in areas such as Commercial Driver's License and employer-specific skills. Pittsburgh Works member participants are priorities in recruitment for these trainings.

As a result of these strategies, social service organizations providing basic “start-up” workforce services as part of a larger social service mission can now connect with established workforce development organizations more focused on skill building. Because of Pittsburgh Works activities, it is easier for cross-referrals between agencies to happen. Providers who had never met each other are beginning to see themselves as part of a larger whole focused on the shared goals of increasing employment and earnings for their participants.

5. Laying the Groundwork for a Shared Measurement System

A shared measurement system is critical for workforce system partners to know what the collective impact is of their work on their overall goal. 3RWIB's long-term vision is that intermediaries in the SWPA workforce system will eventually use a shared measurement platform to better track how well the system is meeting job seeker and employer needs. Important first steps have included establishing some initial agreement on what the system's outcomes need to be, and piloting a data collection process to capture those outcomes.

- **Agreement on a shared “Results Trail” of outcomes to be accomplished:** With funding from the Alcoa Foundation, 3RWIB staff worked with a team from The Rensselaerville Institute (TRI) to develop a “Results Trail,” a continuum of intended results for jobseeker stakeholders. Using the Results Trail, providers are able to identify which results on the continuum they expect to achieve with their services, and to define with more specific target measures what those results will look like for those they serve.

Funders can use the Results Trail to clarify which results they want to invest in, and to understand where gaps exist or more capacity is needed in terms of the services and supports to achieve those results. For example, 3RWIB's initial work with TRI in developing a Results Trail confirmed that roughly three quarters of Pittsburgh Works providers are focused on early “work readiness” outcomes, with only 25% of provider services targeted to the results of skill and credential attainment, job placement, and retention.

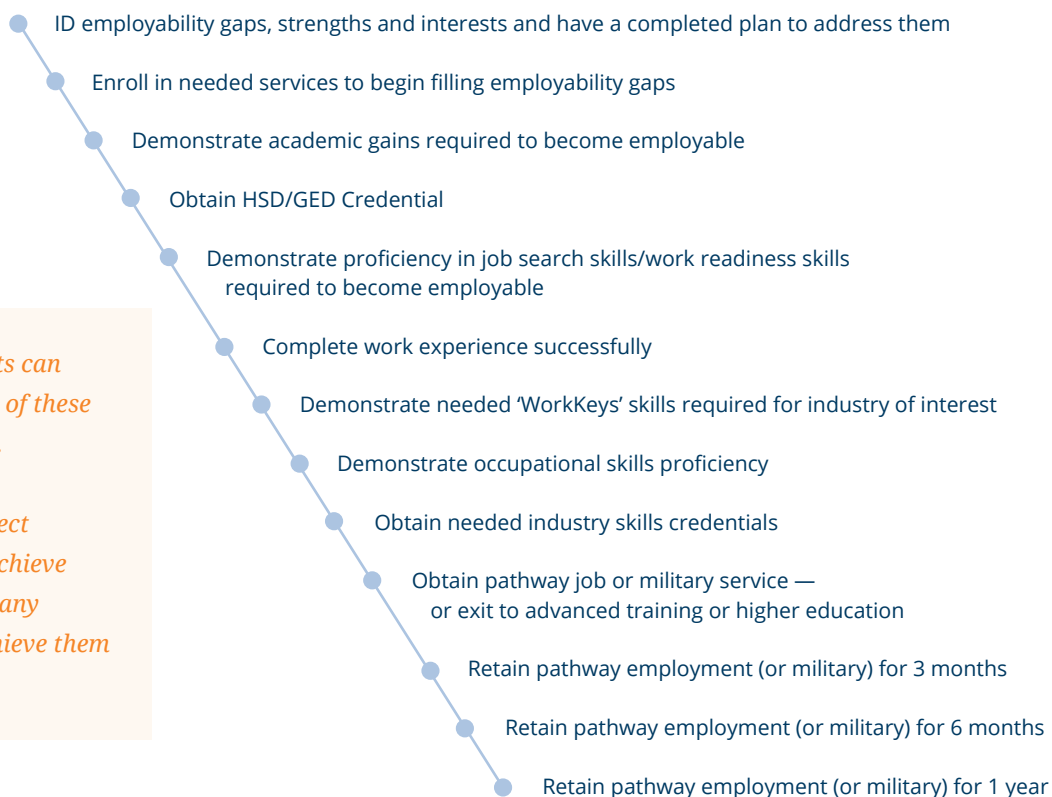


Results Trail

Job Training, Placement and Retention Results Trail for 3RWIB Unemployed Workers

Program participants can achieve one or more of these stops along the trail.

Program leaders select which results they achieve and estimate how many participants will achieve them in a program year.



- **Piloting a data collection process:** Pittsburgh Works has begun the move toward a shared data system by piloting Social Solutions' Efforts to Outcomes® software (ETO) to track the results of those providers funded to do specific employer-driven occupational skills training and those that are part of the Talent Pipeline Project. With the assistance of the TRI team, 3RWIB has also mapped currently-collected ETO data to the Results Trail and has prioritized data that need to be collected across all grantees, including jobseeker employment history, services and training received, assessments taken, credentials received, placement and retention outcomes.

Once 3RWIB has collected an initial set of data on these priority measures from its pilot group of providers, it will share that information with local private funders. It will then facilitate dialogue about how all or some of these measures might be used in a more consistent way across the larger funder group. The ETO data will also help 3RWIB look at which types of services and interventions are most associated with good employment results.



Moving Forward: Leading a Shared Funder Focus on Workforce System Change

The collaboration of 3RWIB with other local funders to generate the McKinsey regional workforce report catalyzed many useful cross-sector conversations, especially about how private funders could leverage their more flexible resources in an effective way to address the challenges and opportunities identified. The funding support to develop the infrastructure of Pittsburgh Works was a critical first step.

But the experience of the past two years with Pittsburgh Works has only intensified the awareness that the system faces significant challenges that cannot be addressed without a collaborative strategy involving both public and private funders. One of 3RWIB's lessons has been that in an environment where providers are accustomed to competing with each other for limited funds, collaboration cannot fully happen unless there are clear incentives to do so. The funding “system” of funders needs to recognize the different contributions on the Results Trail made by different organizations, holding providers accountable for but also providing resources for those results.

In July 2014, 3RWIB convened a group of local private funders to update them on Pittsburgh Works' accomplishments and lessons learned so far. It highlighted the challenges created by the fragmented workforce funding system, and proposed a vision for how the system could better connect people to careers. The vision has these elements:

1. A **comprehensive continuum of workforce services**, with the public system providing an infrastructure of meaningful opportunities for providers to connect, access resources, and collaborate.



2. **Systemic collaboration** that allows providers to make an effective contribution of results to the continuum without having to provide all components of workforce services — and new funding mechanisms that incentivize that collaboration and reward specific results produced along the “Results Trail.”
3. **Shared data collection** across funders that would support shared goals, standards and outcome measures throughout the workforce system and increase the ability of providers and funders to work together effectively.

There is strong interest among the Pittsburgh private funders in pursuing such a vision that could lead to better outcomes for both job seekers and employers in the SWPA region. A shared agenda of specific objectives is now beginning to emerge for future collaborative effort, focused on:

- Developing better alignment among public and private funders about priority results and ways to leverage funding to improve the workforce system overall.
- More consistent data collection across funders, with the use of data to drive and improve results.
- Broader, deeper engagement of employers across the system to increase understanding of priority needs.
- Expanded work with shared assessment tools, ensuring that participants have the skills and work readiness to meet employer needs.
- Increased professional development of provider staff, and infusion of best practices into their work.

“The Pittsburgh Works funder collaborative is leading efforts to guide and define a common platform for job-seeker readiness and outcome tracking. By focusing on standard outcomes and definitions, we’re leveling the playing field among Pittsburgh-area service providers and raising the quality standard of services provided to job seekers and employers. Ultimately, this work will produce a pipeline of assessed, job-ready talent to in-demand careers in the region.”

–Jane Downing, Senior Program Officer,
The Pittsburgh Foundation

Funders and providers are looking to 3RWIB to lead the way in proposing priority program results and related data and facilitating stakeholder consensus around those. Future meetings of the funder group will focus on this question and how to more consistently measure short-term results such as “work readiness.”



A Promising Model for Other Communities

Working against the status quo of a fragmented workforce system to build an integrated one—with a common agenda, shared result measures and collaborative activities across providers, employers and funders—is a slow process of managing and deepening relationships. But TRI believes that 3RWIB is addressing one of the most difficult aspects of collective impact—agreement on the workforce results that are most important to the Pittsburgh community. As 3RWIB continues to engage community and business leaders, funders and service providers to align their efforts towards achieving those results, we affirm this advice of Ron Painter from the National Association of Workforce Boards: “it’s important that the partners commit to the discipline of staying focused on those results, and that they trust each other to provide what’s needed to accomplish them.”

3RWIB’s current investment in establishing shared data collection and metrics, strengthening employer engagement, and facilitating provider collaboration is already improving results for job seeker and employer customers. We believe it is laying a good foundation for a larger collective effort that can have significant impact on Pittsburgh’s economy.

ⁱ For more information on The Rensselaerville Institute, visit <http://www.rinstitute.org>

ⁱⁱ For more information on the Workforce Benchmarking Network, visit <http://benchmarking.skilledwork.org/wp-content/uploads/2015/01/The-Workforce-Benchmarking-Network.docx>

ⁱⁱⁱ The system of PA CareerLink offices (info here: <https://www.cwds.pa.gov/cwdsonline/Admin/ViewHomePage/PublicHomePage.aspx>) is part of the larger federal American Job Center network. This network includes nearly 3,000 federally-funded employment centers designed to be an access point to help people find a job, identify training programs, or access resources for gaining skills. See here: <http://www.dol.gov/dol/topic/training/onestop.htm>

^{iv} For more information on Pittsburgh Works, visit <http://www.trwib.org/pittsburghworks/>

^v Western Pennsylvania’s Workforce Development System: Challenges and Opportunities, 2012. See full copy of the report here: <http://www.trwib.org/admin/uploads/Western-Pennsylvania-Workforce-Development-FINAL.pdf>

^{vi} Kania, J. and Kramer, M., Collective Impact, Stanford Social Innovation Review, Winter 2011. See article here: http://www.ssireview.org/articles/entry/collective_impact

^{vii} See Pittsburgh Works Facebook page here: <https://www.facebook.com/pages/PittsburghWorks/359645314196331>



