Policy Matters Ohio

Workforce Policy
April 2013

Employment Connection

Demand-driven model increases employment

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Employment Connection is the combined workforce delivery system for the city of Cleveland and Cuyahoga County, serving Ohio's Local Workforce Area 3. In the middle of 2010, the agency implemented a demand-facing service delivery model that focuses on building relationships with regional employers and linking them to pre-screened, qualified job candidates.

As a result of this change, more of the agency's clients have been finding jobs, an increase in both the overall number of placements and as a percentage of total clients served.

Key findings include:

- The share of clients exiting the agency's programs who have found jobs has nearly doubled, growing to 84.4 percent in 2011from 43.6 percent in 2009;
- More than five times as many exiters are employed, increasing to 2,470 in 2011 from 471 in 2009;
- Although Employment Connection now emphasizes job matching and placement, the percent of exiters who have received training is on par with previous years, with slightly more exiting without training in 2011, and fewer exiting without training in the first eight months of 2012;
- The demand-facing model emphasizes employer-connected, shorter-term, on-the-job training, The share of exiters accessing on-the-job training grew to 12.5 percent in 2011, from just 0.8 percent in 2009;
- Earnings have rebounded for adults and dislocated workers exiting agency programs, from a low point in 2009, and are closer to earnings reported in 2008.

Key findings

Employment Connection, the workforce delivery system for Cleveland and Cuyahoga County, shifted to an employer-driven, demand-side model. This approach has:

- Doubled the agency's employment placement rate;
- Placed more than five times as many exiters in jobs;
- Increased the use of employer-driven, on-the-job training; and,
- Increased exiters' average earnings, and improved return on investment.

These improvements have happened even as the agency's budget and staff have shrunk in a period of relatively low regional job growth. The increase in placements does not appear to be the result of a shift in the educational attainment level of exiters. While the share of exiters with no college experience is smaller in 2011 than in 2009, the overall number of exiters with no college experience more than doubled, and the placement rate for this population has nearly doubled.

Conclusion

Employment Connection's outcomes have quickly improved after implementing the demand-facing model of service delivery. While the program's improvement has been remarkable, the most important lesson from the EC transition is not necessarily the model the agency is now using; rather, it's the idea that the service-delivery model must be closely tailored to the needs of the agency's clients, local employers, and the regional economy.

Diversity is one of the strengths of Ohio's economy. The state is home to several urban areas, each with distinct labor traditions, and to rural regions that range from agriculture to Appalachian Ohio's extraction-based economy. It should go without saying that what works in Cleveland will not necessarily work in other areas of the state. The process of building relationships with employers will be shaded by the local employer composition, and by regional and local cultural norms. Effective employer outreach in Cleveland will be very different from effective outreach in Portsmouth, but it should be happening in every Workforce Investment Act area in the state.

Recommendations

Evaluation and change are not easy to tackle, and if areas do not have relationships with workforce stakeholders, including employers, labor, and advocates, they may not have enough information to make good decisions about service delivery. The state could play a larger role in helping local areas bridge this relationship gap.

Sector partnerships function at the regional level and bring together workforce stakeholders, including employers, labor, training providers, the government, researchers, and community organizations to assess and address the workforce needs of specific industries. Such efforts have been linked to increases in employer productivity and to decreases in client poverty.

These partnerships can create the regional infrastructure needed to support the deep relationship building Workforce Investment Boards must undertake if they want to create closely tailored service-delivery systems. The state should use some of its workforce training funds, enlarged now through casino revenues, to support regional sector partnerships. Unlike training vouchers, which benefit individual employers and are often geared toward meeting immediate, short-term training goals, sector partnerships would support regional sector-wide productivity. Such funding would provide competitive grants to regional consortia for the development and implementation of employer and worker responsive curriculum and training. Grant criteria should prioritize partnerships that bring together a diversity of stakeholders, such as employers, training providers, workforce and community advocates, and labor and worker representatives, as well as partnerships that focus on building career pathways for moving low-skilled workers into higher-skilled jobs in in-demand occupations.

Employment Connection's transition also highlights the importance of funding. Funding cuts have meant fewer overall staff, and even though the agency is functioning with greater efficiency, increasing placements and the number exiting, Employment Connection is serving fewer total customers. With adequate funding, the agency could expand its service capacity, increasing the number served and maintaining both its traditional and on-the-job training programs. The choice would not be driven by funding but by which program best meets client and employer needs. Efficiency is essential stewardship of the public dollar, but it is not a replacement for adequate funding. Federal and state policymakers should take a balanced approach to public budgeting, restore revenue, and avoid further restrictions to this important set of services.

Acknowledgements

The author thanks Employment Connection leadership and staff for their assistance with this report, including David Megenhardt, the United Labor Agency's executive director and a founding member of Policy Matters Ohio's board of directors. Policy Matters intern Marcy Jagdeo provided research assistance for this report. As always, any errors or omissions are the responsibility of the author.