Introduction

The job quality initiatives launched by the National Fund between 2017 and 2019 were specifically designed as multilevel collaborations, supported by the National Fund, regional funder collaboratives, and participating employers. In this paper, we focus on a challenge identified by our regional collaborative partners: work to redesign jobs and workplaces to make jobs better requires substantial resources.

All the participants involved in the job quality initiatives acknowledged that workers and employers benefited from the various interventions at each of the sites. To achieve these results, however, each collaborative had to dedicate at least one staff person or contractor to managing the project and, in some cases, providing direct services. The value of the work was undisputed, and the collaboratives were committed to continuing it, but they noted it will “look different” when the funding from the National Fund is no longer available.

Through the initiatives, the collaboratives learned that working with employers on job design changes took far more time than their traditional activities focused on skills development and job placement. Building relationships with employers (see Employer Readiness: What Makes a Good Partner) and adjusting to ever-changing business landscapes takes constant attention. Additionally, the collaboratives required time to build teams with the necessary competencies (see Practitioner Competencies: It Takes a Team) and resources to be effective partners.

This paper takes a deeper look at the funding challenge, focusing on emerging co-investment models that could help bridge the funding gap. We explore four sources for funds: employer contributions, fee-for-service models, incentive models, and philanthropic support. The strongest outcomes are associated with some combination of these models, particularly those that ask employers to share in the cost of interventions.

Lessons Learned

Direct Employer Contributions

One of the most direct, but not necessarily the easiest, ways to add funding capacity to job redesign efforts is to have employers share the cost of interventions. Three collaboratives, based in Cincinnati, Syracuse, and Wichita, built this kind of employer partnership from the beginning. The intent behind this strategy is the classic “require the beneficiaries of the services to have skin in the game” so their commitment to the work is deeper and they better understand the cost and value of the services they receive. In each case, the collaboratives established the expectation that if the pilot interventions proved successful, the employer would sustain the work financially going forward.
Construction

Baltimore Workforce Funders Collaborative
Worked with the intermediary Civic Works to improve training and career pathways for incumbent workers in the solar installation and energy efficiency sector.

Atlanta CareerRIse
Partnered with construction companies Astra and DPR to develop training programs and career pathways for their frontline workers.

Milwaukee Area Workforce Funding Alliance
Partnered with the Wisconsin Regional Training Partnership to engage employers and unions in addressing the disproportionately high drop-out rates for women and people of color in construction apprenticeship programs and careers.

Food Processing

Incourage (Central Wisconsin)
Partnered with Mariani Packing Co. to improve recruitment and retention by developing a skills-based career ladder with clear wage progressions.

Manufacturing

Partners for a Competitive Workforce (Cincinnati)
Partnered with Richards Industries and Indy Honeycomb to improve communication, raise wages, and increase engagement of frontline workers.

Workforce Alliance of South Central Kansas (Wichita)
Partnered with Cox Machine and XLT Ovens, two local manufacturers, to improve retention and strengthen the internal talent pipeline through upskilling and improved benefits.

Workforce Solutions Collaborative of Metro Hartford
Partnered with WepCo Plastics and several other manufacturers to improve employee satisfaction by introducing new training and learning opportunities and improving communication across the organization.

Chicagoland Workforce Funder Alliance
Focused on new training opportunities for frontline workers and their supervisors, and articulating career pathways to enhance advancement opportunities.

Healthcare

Pathways to Work (Dallas)
Partnered with three healthcare systems to improve job retention rates of patient care technicians and reduce vacancies.

SkillWorks Boston
Partnered with Spaulding Rehabilitation Network to improve recruitment and retention of certified nursing assistants and pharmacy technicians, with The Boston Home to evaluate the impact of a new long-term care universal worker position; and, with burrito chain Boloco on company-sponsored professional development opportunities.

Work Train (Syracuse)
Partnered with healthcare employers to implement changes in the way entry-level workers are hired, supported, and provided opportunities to advance in their careers.

Partners for a Competitive Workforce (Cincinnati) required the two participating employers, Richards Industries and Indy Honeycomb, to pay as much as 50% of the cost to test interventions that included hiring a consultant to assess employee satisfaction, provide supervisor training, provide training on new work and communication processes, and provide coaching to C-Suite managers.

Work Train (Syracuse) shared the cost of a career navigator—a coach who works with employees to assess their interests and put together a professional development plan—with the participating health care employers. Employers were also charged fees for recruiting services. To sustain its work going forward, the collaborative is considering a more robust fee-for-service model similar to that being implemented by SkillWorks Boston (described below).

The Workforce Alliance of South Central Kansas (Wichita) also required employers Cox Machine and XLT Ovens to pay as much as 50% of the costs associated with skills training and financial wellness programs. The value of the skills training was clear: it prepared employees to use new automated systems that greatly enhanced productivity and job satisfaction.

Fee for Service

Business leaders assess the value of goods and services to their business on a regular basis. They tweak supply lines, look for efficiencies, determine where best to invest for future long-term growth and success. In the same way, if business leaders see value in workforce development services, they will pay for those services.

JVS, a workforce intermediary that partners with SkillWorks Boston, used this “business proposition” in its approach to Spaulding Rehabilitation Network, proposing that Spaulding pay JVS like they would any other business consultant to address an entrenched recruitment and retention challenge. After negotiating a contract, JVS provided the technical assistance, training, and recruitment services that helped Spaulding better recruit and retain workers in certified nursing assistant and pharmacy technician positions.

This fee-for-service approach to workforce development is a relatively new concept for nonprofit organizations, which have generally used philanthropic funds to provide services. But when services are offered for free, they are more often seen as a kind of “social service” for workers, rather than something of value that effects the employer’s bottom line. The service may be appreciated but it is not valued—i.e., the employer sees it as a gift not something worth paying for.

The Boston Foundation, in partnership with SkillWorks and JVS President and CEO Jerry Rubin, developed the fee-for-service model in an effort to increase the effectiveness and sustainability of workforce organizations. They envisioned “next generation” workforce organizations as business savvy service providers, capable of speaking the language and understanding the needs of businesses from their perspective. Positioned as experts in recruitment and retention, next generation workforce organizations charge their clients for valued services that increase the business’s long-term competitiveness. (For more detail on next generation workforce organizations, see next page).
In his Catapult Papers, JVS President and CEO Jerry Rubin explains how next generation workforce organizations can develop a business-oriented strategy that will make them more effective partners for business leaders and more financially sustainable. Rubin recommends the following to nonprofit workforce development organizations:

- Use common for-profit business practices to improve and market the quality and value of your services and to differentiate your organization from other providers. Once you are recognized for providing valued services, you can require payment for those services, just like any other business-to-business transaction.

- Leverage your resources — the talent you are preparing for work through high quality job training — to negotiate better quality jobs and terms of employment. Choose employers to work with who are committed to supporting and advancing their employees.

- Offer to help employers improve their jobs, for a fee, in the context of addressing their recruitment and retention challenges.

- Ensure your organization’s culture and structure reinforces being market responsive. Build staff competencies and recruit people with industry experience to engage employers in a business-to-business approach.

- Build awareness of your organization in targeted industries and in the region to enhance credibility for broader policy work that can unlock additional aligned and pooled funds for supply side (e.g., SNAP, Employment and Training Administration funds) and demand side (e.g., economic development incentives to improve job quality) approaches.

- Encourage funders to invest in long-term capacity building, since this work takes time. Moving at the “pace of business” sometimes means very slowly. Ask funders to incentivize fee-for-service and/or social impact bond models to unlock additional sources of funding.
workforce development strategies in a series of papers for the Pinkerton Foundation. The National Fund incorporated Dawson’s critical thinking into the structure of the job quality initiatives, particularly centering the employer as the customer of the participating workforce organizations and refraining from setting requirements that have no relevance for employers and employees.

Looking Ahead

To build a more equitable economy, where employers value workers and support them with appropriate training, supervision, wages and benefits, and advancement opportunities, will take significant change in attitudes of business and community leaders as well as consumers. Until there is demand to do better, business leaders will continue to put the interests of shareholders above those of other stakeholders, including their employees and the communities that host them.

But we are beginning to see shifts in attitude that open new avenues for funding and scaling workforce development and job redesign. Employers participating in the job quality initiatives made significant investments through direct contributions; fee-for-service consulting, training and recruitment services; and increases in pay and benefits for frontline workers. And those investments appear to be paying off.

Thus far, initial reports from the collaboratives indicate that, despite the sudden economic downturn in spring 2020, the employers are maintaining at least some of the job design interventions tested as part of the 2017-2019 job quality initiatives. Notably, some employers are reporting increased responsiveness and agility during the COVID-19 crisis because of the improved communication systems, teamwork, and culture driven by their job quality work. This is a sign that these investments may stick, even as the labor market enters a period of high unemployment.

The National Fund for Workforce Solutions’ mission is to collaborate with workers, employers and communities to advance a skilled workforce, promote good jobs, and invest in equitable outcomes. As a network of 30+ regional communities across 25 states with over 80 active industry-led partnerships in many sectors, the National Fund tests and scales workforce development strategies through five integrated solutions. First, we activate employers to invest in the frontline workforce and make jobs better by adopting policies and practices that make them employers of choice. At the same time, the National Fund equips workers for success and works to change systems that get in the way of good jobs and career advancement opportunities for people of all backgrounds. Finally, the National Fund co-invests for greater impact with its partners to leverage philanthropic, government and business resources at the local and national level.