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## Defining and Measuring Workforce Development in the United States in a Post-Bipartisan Era

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**Defining and Measuring Workforce Development in the United States in a Post-Bipartisan Era**

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**Abstract**

The bipartisan acceptance of a federal role in workforce development policy is no longer in play as a result of ideological differences in the definition of workforce development which arise from a lack of coherent and misunderstood outcomes. My attempt here is to posit a new definition for workforce development that explains what these activities actually are and to raise three criteria for outcome metrics that can be used to evaluate the success of workforce investment under this new definition. By suggesting the process of workforce development and by proposing metric criteria which we can use to measure progress, I believe that a new bipartisan consensus can re-emerge, while recognizing the limitations of federal public expenditure. This consensus can, then, be used to generate a more appreciative role of active labor market policy at the national level using a process-evaluation model.

**Keywords:**

Workforce development; employability; public policy; outcomes framework; process-evaluation

**JEL Classifications:**

J68, J24, I38, I32

## **Background – The Current Political Context in the United States**

Unity on the federal role in workforce development in the United States has deep roots, with some efforts across party lines that began with the Job Training Partnership Act (JTPA) of 1982 and a tacit agreement of Democrats and Republicans seeing a national role in this policy arena has carried forward with the Workforce Investment Act and later with overwhelming two-party support of the Workforce Innovation and Opportunity Act (WIOA) of 2014.<sup>1</sup> To date, however, the Trump Administration has presented mixed signals on the federal role in workforce development policy that could suggest the end of the bipartisan consensus.

On the one hand, there is rhetoric, with little or no policy definition, about how to address the need for large-scale federal investment in infrastructure improvements and revision/cancellation of trade agreements, though these pronouncements suggest job creation and job protection, respectively, as the goals of workforce policy. By the same token, however, the Administration's Federal budget blueprint for FY 2018 (U.S. Office of Management and Budget 2017: 31-32) and more detailed budget (U.S. Office of Management and Budget) draws heavily on The Budget Book issued by the Heritage Foundation (2015). The Budget Book calls for dramatic reductions in WIOA formula spending and the Dislocated Worker National Reserve fund, elimination of some Job Corps centers, eradication of the Senior Community Service Employment Program (SCSEP), and repurpose of the Reemployment and Eligibility Assessment program and the Office of Disability Employment Policy.

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<sup>1</sup> Reauthorization of the Workforce Investment Act of 1998 (WIA) was proposed during the Bush Administration but did not pass Congress. This result did not reflect lack of bipartisan support for the overarching goals of workforce development but, rather, reflected partisan differences about whether to consolidate the formula funding streams for youth, adult and dislocated worker training into one stream.

Indeed, the Trump Administration's reliance on the Heritage Foundation policy recommendations are a conservative, reductionist view of the federal place on workforce development. They are premised on earlier GAO damning testimony that asserts that:

Despite the progress that has been made in improving the system's performance data, little is known about what the workforce system is achieving. Labor has not made such research a priority and consequently, is not well positioned to help workers or policymakers understand which employment and training approaches work best.

Knowing what works and for whom is key to making the system work effectively and efficiently (US GAO, 2009:14).

Regardless of whether the proposed cuts are enacted, the blueprint suggests a directional signal away from the bipartisan view of a federal role in workforce development.

As there is also a strand to support federal largesse from infrastructure spending and some bright lights by the Administration and U.S. Labor Secretary Alexander Acosta on expanding the number of apprenticeships by 5 million in the next five years, it appears that there is a lack of clear understanding by the Right on what workforce development is. Concurrently, while there has been a righteous outcry from progressives about maintaining the menu of federal workforce development programs at previous levels, national public expenditures on these efforts constitute only 1.7 percent of the amount spent on training in the education and training system, netting incrementally positive gains for the long-term unemployed and traditionally underserved populations (Carnevale et al., 2015) in FY 2013.<sup>2</sup> The defense for these public investments relies on metrics where there is a causal, but not direct, link between training and employment with lagging measures of success that can be evaluated longitudinally. It is

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<sup>2</sup> Carnevale et al. note that only \$18 billion of the nearly \$1.1 trillion is spent on workforce training programs at the federal level.

purported, then, that workforce development is the end-product of a pro-growth, national employment policy. Yet given political pressure for quick returns on public investment, with businesses offering case studies for workforce investment rather than a deeper review, and the limited results that are generated by these reviews, the justification for workforce development programs is not clearly articulated.

I would suggest that the bipartisan acceptance of a federal role in workforce development policy is no longer in play as a result of ideological differences in the definition of workforce development which arise from a lack of coherent and misunderstood outcomes. My attempt here is to posit a new definition for workforce development that explains what these activities actually are and to raise three criteria for outcome metrics that can be used to evaluate the success of workforce investment under this new definition.<sup>3</sup> By suggesting the process of workforce development and by proposing metric criteria which we can use to measure progress, I believe that a new bipartisan consensus can re-emerge, while recognizing the limitations of federal public expenditure. This consensus can, then, be used to generate a more appreciative role of active labor market policy at the national level using a process-evaluation model.

### **Toward a Comprehensive Definition of Workforce Development**

Policy makers and decision makers define workforce development by using shorthand descriptions. Most often, these rapid conceptualizations point to “education and training” and “people-oriented economic development.” While there is some validity to these notions, the exclusive use of either term presents an incomplete picture of the activities of workforce development. To analogize, it would be as if to say that housing policy can be reduced to the

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<sup>3</sup> The reader is encouraged to view the recommendations advanced in this paper in the context of other reviews about workforce development metrics (Wander 2010; King and Heinrich 2011; Wolf-Powers 2012; Eberts 2015; and Berman 2015) and related efforts to improve the performance of workforce development programs using the existing outcome frameworks (Barnow and King 2000; Eberts and O’Leary 2004; Osterman 2007; and Holder 2012).

construction and rehabilitation of residential units or, alternatively, the public role for housing should only consider the affordability and access to these residential units. Of course, whether one sees a federal role in housing, the terse definitions here are simplistic rather than the well-understood complexity of process that includes the development, financing, accessibility and maintenance of residential units by the real estate industry, lenders, landlords, homeowners, tenants, government agencies, and nonprofit organizations to create an ecosystem for housing.

By contrast, recognition of the interplay of workforce development ecosystems has not yet fully penetrated the public square, even as there is generic conversation about a public workforce system that bridges job seekers (labor supply) and the needs of employers (labor demand). This broader view is well expressed with a definition that reflects how:

Workforce development is the coordination of public and private-sector policies and programs that provides individuals with the opportunity for a sustainable livelihood and helps organizations achieve exemplary goals, consistent with the societal context. (Jacobs and Hawley 2009: 2544).

Their valuable contribution is to illustrate that workforce development needs to be seen comprehensively and how the workforce development function overlaps and requires integration with other programs.

So what exactly is the function of workforce development? In attempting to sketch out a comprehensive systems view, Holland suggested that workforce development broadly encompasses “a set of processes that govern the identification, recruitment, assessment and training job seekers into employment as well as the maintenance and advancement of these persons in their careers that enhance self-sufficiency and revitalize the communities in which

these individuals live” (Holland 2015: 55). In this conceptualization, these processes involve three interconnected phases:

Phase 1 – the identification, recruitment and assessment of job seekers

Phase 2 – the training of job seekers into occupations

Phase 3 – the placement of job seekers into positions following training.

If we accept this framework, then identifying new or alternative criteria for outcomes measures need to be derived (see Table 1). Critically, though, it is important to note that these outcomes are **process-oriented** as this interpretation suggests workforce development is the **means** to the end goals of a national economic policy. Too often, evaluation metrics for workforce development focus on the endpoints – job placement, earnings, training completion – of the workforce system.

**Table 1 – Proposed Outcomes Framework Criteria**

	Phase 1 Identification, Recruitment and Assessment	Phase 2 Training of Job Seekers into Occupations	Phase 3 Placement of Job Seekers into Positions Following Training
Work Readiness	Efficiency		
Job Readiness		Effectiveness	
Career Readiness			Equity

**Criterion 1: Efficiency**

I contend that the first criterion of metrics should answer questions about the **efficiency** of workforce development programs as they correlate the Phase 1 of work readiness activity.

What is less apparent in the conceptual framework that Jacobs and Hawley (2009) and Holland



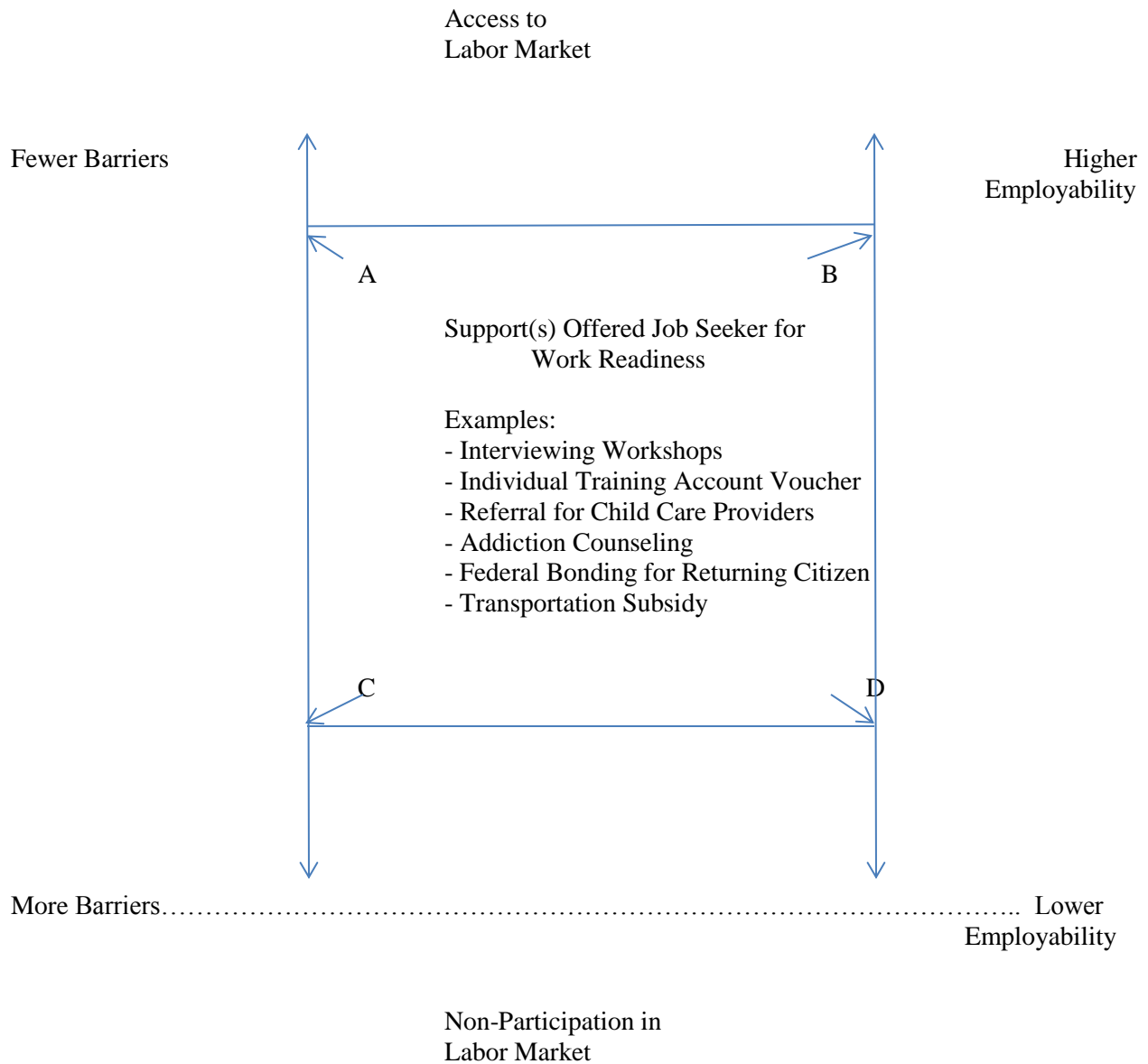
identified (2015) is that workforce development initiatives are not only linear with the feedback loop to illustrate its fluid nature, but a workforce system is also spatially distinguished by vertical and horizontal directionality. Vertical workforce development is addressing the challenges facing the job seeker to enter, maintain and progress within the labor market. This vertical component recognizes that the act of getting ready for work involves some level of investment in oneself, as this self-investment is a dynamic activity with progression toward being able to access the labor market. To be sure, this self-direction may involve identifying career interests and aspirations, writing resumes and preparing for interviews, and applying knowledge to address the skills and competencies for job opportunities.

But this vertical workforce development activity also calls upon other interventions from workforce entities to assist in addressing the direct and indirect barriers that a job seeker faces as s/he aims to penetrate the labor market (Iversen and Armstrong 2006; Holland 2016). Direct barriers are those impediments to employment that are related to employment, either by job history, experience or skills capacity as well those challenges that address the means to access and means to employment (e.g., lack of or a poorly written resume, limited knowledge of where to look job opportunities, or not having the skills that are required for an occupation/industry). Indirect barriers are more environmentally-based that prevent or inhibit the job seeker to enter and sustain employment (e.g., transportation, internet access, poor housing) as well as those non-cognitive challenges that related to social, family or support (e.g., lack of dependent care, limited or no medical insurance to address chronic health concerns) that are specific to an individual job seeker on a case-by-case basis.<sup>4</sup>

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<sup>4</sup> A comprehensive listing of direct and indirect barriers that job seekers encounter are identified in Holland (2016).

**Figure 1 – Vertical Workforce Development from Job Seeker Perspective**



Vertical workforce development occurs along the continuum of the first axis. Evaluation of the success of vertical workforce development activity should be measured as to the correlation in remediation of barriers (from point C to point A) in correspondence to a northward alignment along the second axis (from point D to point B)

As depicted in figure 1, it is clear that a job seeker with a greater number of barriers, there is further distance that separates the job seeker from labor market participation. By extension, then, the job seeker, whose barriers are addressed effectively, has greater opportunity

and is more likely able to enter the labor market. If the goal of workforce development is employment, then in the absence of the interventions necessary to address the barriers, the job seeker is continually thwarted from self-sufficiency. Thus, a narrower outcome framework for workforce policy to reflect job placement, credentials earned and earnings – as often is currently used now to assess the effectiveness of these programs - will likely suggest that workforce development programs are ineffective, if evaluation only looks at the endpoint. By contrast, I suggest that the outcome metrics should reflect **employability** rather than employment as it seems that program and policy evaluation of workforce development is asking the wrong question (compare with Eberts et. al. 2002; Brown et. al. 2003; McQuaid and Lindsay 2005; Hong 2013; and Robinson 2014). Workforce development activity has a service-orientation and can also be evaluated on those grounds. Thus, workforce development should not be measured for employment, per se, but on the increased employability of persons that an American Job Center, non-profit organization, workforce intermediary, or training provider serves.

Yet job seekers who enter the public workforce system are uniformly presumed to hold direct and/or indirect barriers to employment, and while the creation of an Individual Employment Plan (IEP) is designed to move the job seeker forward and address the barriers, the metrics for workforce development do not capture the progression and process of advances toward employability when these impediments are addressed in piecemeal fashion.

**Table 2 – Identifiable Barriers to Employability: Representative Sample**

<i>Job Seeker 1</i>	<i>Job Seeker 2</i>	<i>Job Seeker 3</i>
Fired from last 5 jobs – anger management	Has two children and is single parent	In need of drug counseling to address addiction to marijuana
Needs to address hypertension	Needs to be able to pay rent on time	Is returning citizen as a result of conviction for misdemeanor robbery conviction

Table 2 illustrates three job seekers with barriers to employment and would uniformly be considered unemployable and none of these three job seekers is likely to gain successful employment unless or until the barriers are addressed. It is hard to distinguish who is more likely able to move toward employment. Would Job Seeker 2 be closer to employment if this person had access to quality daycare? Would Job Seeker 1 be more successful in labor market entry if this person had access to medication and a doctor’s care? Would Job Seeker 3 move to employment if this person could pass the drug screen?

In short, this suggests that there needs to be some mechanism to rank job seekers likelihood of entering and sustaining employment and no such algorithm currently is widely adopted. (Maybe a job seeker can more readily enter employment if they have day care than if a job seeker needs to receive longer-term counseling to address substance abuse addiction that interferes with job performance?) But Hong and Holland (2017) illustrate that:

What is lacking is how the job seekers themselves view the success path and how much of the job readiness content is retained by making it their own process. A bottom-up process starts from the question of who the job seekers are and what meaning they make in their learning and career goal setting ... this transformative process may look very messy and less targeted, intentional and practical, but it is more empowering by tapping into one’s true, intrinsic and purposeful goals.

With this in place, the metrics for employability are then created to address the efficiency of workforce development programs to build the bridge that connect the job seeker into the other members of the workforce system. The success of workforce development under this alternative construct is to suggest that the more barriers are removed, the closer the job seeker is toward labor market participation and the role for government in workforce development (whether directly funded or channeled to nonprofit organizations) is to act as the facilitator of this employability by offering comprehensive services. To this end, a probabilistic evaluation model might generate an algorithm with the results needed to demonstrate the effectiveness of addressing barriers and movement toward greater employability.<sup>5</sup>

Moreover, positive vertical workforce development outcomes might be useful as a supplement to determine the value of work-first efforts compared to providing soft skills training prior to employment. Some of the effects of soft skills training – such as workshops on time management (get to work on time!), anger management (don't sass at your boss or customers!), or professional presence (dress appropriately for work!) – might then be evaluated as a pre-condition of public assistance, either from Temporary Assistance for Needy Families (TANF) or unemployment or both as a more effective intervention for longer-term employability for hard to employ job seekers.

In this regard, the scope of American Job Centers (AJCs) should include a more comprehensive reach to identify applicants, at wherever stage of work readiness they may be, provided that the AJCs are genuine One Stops where multiple resources are co-located and leveraged.<sup>6</sup> This collocation reflects not only employment services but also to offer additional

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<sup>5</sup> Some attempts are being made, including the Employment Hope Scale developed by Hong (2013).

<sup>6</sup> This point was well articulated by Greenberg and Noyes (2004) and subsequently recommended by the US GAO (2011) in reviewing WIA implementation. It should be noted that the Heritage Foundation Budget Book (2015) makes no reference to the cost-efficiencies to be gained from collocation.

support services under one roof to address the complex needs of the job seeker that directly or indirectly impact work readiness on an individual basis. Under this new set of metrics, the workforce development system can transcend a post-bipartisan era by addressing the needs of job seekers for greater social services (which can be supported by progressives) that leads to greater employability and access to job placement (which can be supported by conservatives) and to sustainability and success in the labor market.

## **Criterion 2: Effectiveness**

The definition offered by Jacobs and Hawley (2009) also suggests a horizontal workforce development alignment of partners. Horizontal workforce development is a process in which the alignment of government, education and business resources is built to bridge labor supply and demand to ready persons as they prepare for current and future jobs. This perspective requires that we recast this type of horizontal workforce development with a systems view (Holland 2015), where each entity works interactively with the other two and where each of the parties can be broken down into component parts.<sup>7</sup> The challenge, then, of the process of horizontal workforce development is to assemble the component parts that lead to providing tools and access for the employability of a broad spectrum of job seekers and a talent pipeline for multiple companies and industries (Giloith; 2000; Carlson et. al. 2011; Lowe et. al. 2011; Soares and Steigleder 2012; US GAO 2012; Andreason and Carpenter 2015). This horizontal connection among government, education institutions, and employers is the most intuitively understood component of workforce development. But the hard work of building the partnerships is either ignored (again, the focus currently being on the endpoint rather than focus on process) or the outcomes of a partnership is assumed too paltry and the results rendered are deemed as

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<sup>7</sup> For this perspective, please see Holland (2015), "A Workforce Development Systems Model for Unemployed Job Seekers, *Journal of Adult and Continuing Education* 21(2): 55-76.

ineffective. By contrast, a definition of workforce development that focuses solely on employment as the end goal is reliant on the demonstration of a direct link between education/training and employment or, alternatively, that technical skill acquisition has a positive correlation with increased employment and wages.<sup>8</sup>

Yet I will reiterate again that to measure the effectiveness of workforce development, correlating to the Phase 2 of the workforce system continuum, one needs to view job readiness (the point of education and training – to get ready for the jobs) with a lens that evaluates the process or means by which training can occur. Thus, a second criterion for the metrics of success should be placed on **effectiveness**. These effectiveness metrics, from the process-orientation, should include outcomes that best measure the partnership building process and how the breadth of horizontal collaborations supports greater connectivity and appropriate intervening response among workforce partners.<sup>9</sup>

The point that I want to suggest is that workforce development, as a process for job readiness, is effective by a set of proximate but not direct links between training and employment. Acquisition of credentials enables a job seeker to have tools that create greater employability opportunities but the possession of the credentials does not mean that a job seeker is going to be successful in every application for job openings that require a specific credential (after all, it is employers not government who make hiring decisions). But the workforce development system, whereby a job seeker who does not receive a job offer from an employer with a vacancy for a job with a set of credentials, should not be penalized for the investments in time, equipment and money to get the job seeker ready for position. Rather, the process of

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<sup>8</sup> Compare Laffer (2002) and Lalonde (1995) on this point.

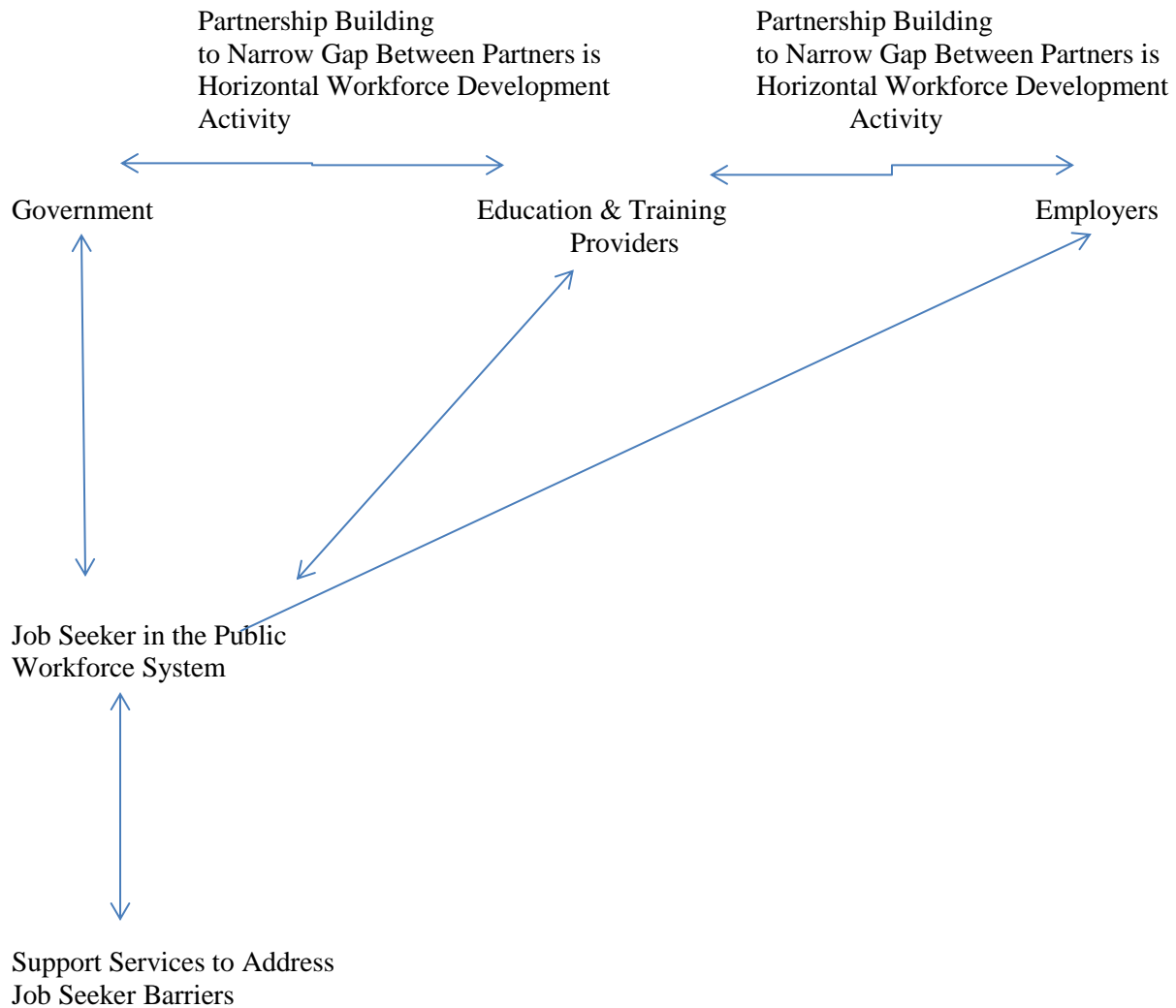
<sup>9</sup> The Heritage Foundation Budget Book (2015) makes no reference regarding how horizontal workforce development alignment can address earlier criticisms of the public workforce system. To that end, there is no citation of the US GAO (2012) report that presented the benefits of workforce collaborations; a report which superseded the US GAO (2009) testimony that Heritage relied on in their call for a reduced federal role.

training for a market-based credential is something that can and should be chalked up as a success for the investment in workforce system, because the job readiness of a candidate is enhanced by the credential and public workforce development investments have narrowed the gap between labor supply of skilled workers against the labor market demand by employers for persons with a certain, yet, marketable credential.

Further, though, the employer needs to provide and engage the labor market with signals about what skills, competencies and knowledge are requisite for given occupations and industries where vacancies are created by the employers themselves (Clymer 2003; Conway and Giloth 2014; Barnow and Spaulding 2015; and Spaulding and Martin-Caughey 2015). Thus, workforce development should be adjudged as effective if there is sufficient catalyst within government to articulate those signals to job seekers. So, therefore, public-private partnerships to engage in the design of curriculum, sharing of job leads and development of position descriptions, or providing in-depth feedback (rather than a simple rejection letter or email) are useful process steps that enhance the employability (and sustainability) of job seekers. The convening and bridge building in this horizontal alignment, while measuring increased numbers of applications, enhanced numbers of interviews, improved relevance of curriculum and training to mirror employer expectations, should be used as the metric for success for effectiveness of this horizontal alignment in workforce development. Again, workforce development function and its metric for evaluation is on the extent of gap closing – not gap filling – between supply and demand as the enhanced employability is the value-added proposition that is not captured by the an endpoint outcome framework.



Figure 2 – Horizontal Workforce Development as the Alignment of Partners in Collaboration



By the same token, job readiness and the alignment of horizontal workforce development (see figure 2) must also take into account the connection – or the depth of connection – between the job seeker and the ability to enter the labor market. Suggesting that low retention/graduation rates for job training programs are absolutes and should be used to discount the value-added proposition of funding training programs is incomplete. Without trying to blame the job seeker for deficiencies, it is necessary to review more closely the details—to peel back retention rates to learn if trainees did not complete training because of lack of preparedness for prerequisites for

courses, inability to arrange transportation or child care or address emergencies that occur during training, or that other non-cognitive barriers may have interfered with progress toward completion. In this deeper review of retention rates, it becomes apparent that the correlation between work and job readiness is best addressed when addressing the needs of a job seeker, now trainee, comprehensively to address all the challenges one might face to enter and participate through the duration of a training program. And, if tuition is an impediment, which it often is, building a process where scholarship or training equity resources (or leveraged support from lifelong learning accounts or individual training accounts – drawn from public, private and philanthropic support) could be valuable toward raising retention rates. If this process building to create the scholarship resources, or address the other barriers faced by a job seeker/trainee to become job ready, raises retention and completion rates, then this process intervention is how the success of workforce development is to be measured.

Beyond that, success metrics for effectiveness in vertical workforce development evaluation might also include whether the intervention of case managers and employment specialists has resulted in a job seeker to apply for more job opportunities and/or receive more job interviews than they would have received without the assistance. Again, this more aggressive job search and pursuit by the job seeker demonstrates greater employability, hence, the ROI for public workforce dollars might be justified. And, the horizontal workforce development component comes into play, as there is more integration of sharing job leads by employers with the public workforce system.

A bipartisan consensus on workforce development, using effectiveness metrics, might be attainable if both parties can agree that the bridge building (the horizontal workforce development alignment) among workforce partners results in increased job readiness as the job

seekers are more likely able to complete training and enter employment AND the ROI for increased intervention results in a wider pool of well-trained candidates from which employers can select as the skills gap is narrowed and scarcity of available labor is diminished, resulting in fuller employment for a jurisdiction's able bodied workforce.

### **Criterion 3: Equity**

By self-reference, workforce development suggests that preparation for entering work is the end goal for workforce policy. As a result, it is commonplace to suggest that an outcomes framework will include placement of job seekers, since this seemingly represents an intersection point of vertical and horizontal workforce development activities. Yet there is no mandate that a job seeker report back that they are now employed, so there can also be an undercount in the initial placement metrics that are reported or, at minimum, there is a lag in the placement data, since there are often challenges to follow up with and reach the job seeker who is now back in the workforce. Further, without an effective monitoring system to mandate job seekers report their placement, or without the supportive services after a job seeker is hired (assuming that s/he has reported a job offer), there is little incentive for the public workforce system, as presently constituted, to work toward the career readiness and the progression of job seekers with opportunities to advance within the labor market. The lack of these incentives suggests that workforce development fails to meet the criterion of **equity** that I propose here.

Under the current Workforce Innovation and Opportunity Act environment, there has been an increased emphasis on creating and supporting a demand-driven workforce that meets the needs of employers, even as the dual customer approach remains intact from the preceding Workforce Investment Act framework and guidance (Holland 2016). This demand-driven approach makes a work-first mindset with an emphasis on job placement over job quality more

paramount, as local and regional governmental entities have, with the continuous tilt toward business engagement in the process, view workforce development as linked to a broader set of economic development strategies and goals (Harper-Anderson 2008; Garmise 2009). Indeed, the competitiveness of a jurisdiction is driven by the availability of a highly skilled labor pool over incentives to include, but not limited to, property tax abatements and accelerated depreciation allowances. Thus, the ability of employers to have access to labor, while reducing the costs for recruitment, can then generate support for the workforce system for one set of stakeholders. For the other set of stakeholders, that is the job seekers, particularly those who possess an “I’ll take any job” mentality, the short-term positive gains of job placement and an immediate boost with wage income (compared to the financial hardship of exhausting unemployment insurance or long-term dependency of public assistance) provide a positive rationale to utilize the public workforce system.

But measuring the success of workforce development as solely a shift from an unemployed to employed status, raises concerns in a long-run view. From the employer perspective, there are inherent losses of productivity and inefficiencies by firms, if their workers are marked by absenteeism or other “soft skill” dysfunctions that impede performance in the workplace. Occasionally, public investment in workforce development stops when the job seeker exits the system upon hire. Yet the rush for placement shortchanges the job seeker by not offering the supportive services needed to maintain employment. One can see, for example, if a job seeker’s need for dependent care is not adequately addressed, then attendance issues might pose an issue for the employability of a working parent. Alternatively, if continuity in “anger management” counseling is not provided to address job seeker employability, it is possible that the first confrontation with a co-worker, supervisor or customer might lead to the termination of

the job holder. Thus, unfortunately, the cycle of unemployment-employment-unemployment continues unabated, since the workforce system is not meeting the employability challenges faced by some underserved persons and the job seeker returns back to the public workforce system with a new barrier (i.e., poor job history) for labor market participation.

This same emphasis on work-first and job placement as a metric for success in workforce development also may present challenges for the job seeker. While obtaining employment is the stated objective of any unemployed job seeker, the work-first mindset to evaluate the system might consign workers to “lousy” jobs with no opportunities for advancement which raises issues of high employee turnover and longer-term job retention for the unmotivated worker (Peck and Theodore 2000; Maxwell 2006). Further, the idea of “making work pay” might be infeasible if a household’s expenses exceed the low wages paid in some entry-level work (Iversen and Armstrong 2006). Clearly, with a long-range lens, neither employers nor job seekers are able to have a vested stake in workforce development by relying solely on placement and employment and, as a result, workforce development might be adjudged as a failure to meet the challenges faced by both sets of customers. In turn, this failure leads both customers to bemoan public investment in workforce development which further erodes the bipartisan consensus.

As a consequence, I would suggest that greater imagination is needed to build social equity with public workforce development activity as the connection of vertical and horizontal components take firmer hold. The importance of equity is underscored by developing a policy agenda that sees the value in these types of investments. As Giloth (2007: 24) notes:

Making explicit investments to connect low-income populations to economic opportunities is important for two reasons. First, a great deal of what has come under the banner of poverty alleviation has focused on perceived individual or community deficit

rather than changing the economic opportunity structure experienced in neighborhoods and cities. Second, and despite much progress, significant racial and ethnic barriers remain that get in the way of individuals and communities taking advantage of the opportunities that do exist. For both reasons, targeted investments that make these connections are necessary as a complement to more universal efforts to grow the economy, enhance access and education, and ensure fair play.

So what type of investment is needed to complement these efforts? Perhaps the creation of career ladders might be one example of publicly-funded investments for the long-run activity of career readiness in the third phase of the workforce development system continuum as career pathways speak to the need for maintenance and progression of job seekers in the labor market. (Benner et. al. 2007; Bird et al. 2014; Bragg 2014; Clagett and Uhalde, 2011; Strawn 2011).

The incorporation of a career pathways approach into WIOA by offering a definition of what these pathways are and support for the design and implementation of the pathways approach as a fundable activity is a positive step in the direction toward longer-term employability of job seekers.

But in a dual customer workforce system, Fitzgerald (2006) also suggests that “significantly more employers need to be convinced that this approach is in their self-interest.” Possible buy-in from employers for career pathways could be that firms will be able to not only recruit persons from the public workforce system pipeline, but also with an identified ladder in place, these same businesses will realize productivity gains and reduced turnover from employees who are committed and can see and realize the advancement potential within an industry sector. Moreover, the company with a career ladder might also be perceived as an “employer of choice” by job seekers who seek the stability of long-term employment with

continuous and increased sets of non-monetary benefits. The stability of organizational headcount and the ability to access a talent pipeline at different stages of a career pathway can be viewed as the equity that employers might gain from utilizing public workforce development programs.

The advances along a career ladder with declining levels of public support demonstrate that the job seeker has become more and more employable as the greater self-confidence, new and improved skill sets, increased responsibilities and higher job titles (roughly correlating to wage progression) along the hierarchy demonstrate stronger career ready behaviors with greater social equity in wanting to participate in the economic mainstream. It would seem, then, that identification and measuring the improvement in levels of social equity could, then, be used to justify and articulate a bipartisan consensus behind public workforce development dollars. Partisans who tend to favor employers will be supportive of workforce development as the increase in equity means commitment to a region's employer and successful career ladders, financed in part by WIOA, will result in productivity gains and enhanced bottom-line results for company shareholders. Advocacy for job seekers, using an equity agenda in workforce development, can point to a benefit-cost ratio where wage progression generates economic gains against the costs incurred in public assistance and/or income subsidy that was necessary to move underserved persons into higher levels of employability. Since both job seekers and employers might have a win/win solution with career ladders and increased social equity, a bipartisan unity can re-emerge and affirm the dual customer base of workforce development.

## **Summary**

The vested interests of job seekers and employers in workforce development are manifested by a dual customer system and representation of these constituencies is addressed by

the interests of Democrats and Republicans. Hence, the conceptualization of WIOA and its predecessor, the Workforce Investment Act (WIA), brilliantly recognizes that the intervention in imperfect labor markets – and its efforts to establish an equilibrium point between supply and demand with active employment policies – requires that both interests are heard and articulated, thus, incentivizing the need to create a bipartisan consensus for workforce policy.<sup>10</sup> The fact that workforce development serves a dual customer base is the shared definition between both parties. But there are mixed signposts in the implementation of WIOA and the development of federal workforce policy under the current Administration where there is an inappropriate reliance on endpoint outcomes – job placement, earnings, attainment of credentials – to guide the reconstruction process under competing definitions of workforce development.

The use of endpoint outcomes, instead, confuses the definition of what workforce development actually is and has the potential of compromising the stability of the workforce system as one constituency receives emphasis over another. This instability erodes, then, the foundation for bipartisanship consensus. However, a post-bipartisan era consensus can be attained with the needs of both constituencies being met. My hope is that the alternative definition of workforce development and the new set of criteria for a set of process-oriented outcomes, reflecting efficiency, effectiveness and equity, as reflected here, this new unity can be struck. Then, the public workforce system's delicate balancing act of serving job seekers and employers can regain the stability it requires to make a positive impact on the people and communities which workforce development ultimately serves.

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<sup>10</sup> Compare with Barnow and King (2000).



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