“Employer engagement is the current battle cry of funders and policymakers as they urge workforce practitioners to become ever more “market driven”—meeting the needs of employers and, in the process, providing lasting benefits to low-income jobseekers. On the battlefield, however, the results have been disappointing. Too often, engagement involves simply inviting business leaders to join an employer advisory council—a pro forma box to be checked on a funding report. Beyond that, there is little agreement on what, exactly, employer engagement looks like.

This paper argues that now is the time to re-examine how we can effectively engage employers: The current U.S. labor market is tightening, and long-term demographics are inexorably diversifying the workforce talent pool. To remain profitable in this increasingly competitive labor market, employers need to learn how to hire, support and retain a far broader mix of age, gender, race, ethnicity, disabilities and sexual identity.

It is no exaggeration to say that employers now need high-quality workforce developers just as much as developers need employers—but the opportunity will be lost unless we forge a far more robust vision of what employer engagement means. At its core, it means providing services that are truly valued by employers. It also requires acknowledging a critical distinction: Workforce practitioners must pursue their business strategy by treating employers as their customers—and pursue their core mission by treating low-income jobseekers as their constituents.

Employer engagement is a two-way relationship. The workforce practitioner wants to engage with the employer, to influence whom that employer hires and how he or she employs. At the same time, the practitioner wants the employer to engage with the organization, to advise on labor needs, provide industry intelligence, and participate in advocacy and governance.

Employer engagement is thus not one-dimensional. Workforce practitioners can engage employers at multiple levels, on both sides of the relationship:

How the workforce practitioner can engage the business.

1. Core service delivery. Providing well-trained applicants to the employer is the heart of workforce development. This requires that the organization perform, or arrange for, a broad array of activities to prepare the jobseeker for successful employment—from simple resume preparation all the way to credential-based training. To state the obvious, the higher the quality of professionalism and service delivery, the stronger the engagement.

This core service is the foundation for all that might follow, though it requires no change in behavior on the part of the employer—other than perhaps to hire from a more diverse applicant pool.

2. On-the-job services and supports. While job placement is the immediate objective, retention and advancement are the long-term goals. To strengthen both, the practitioner can offer the employer a range of services either directly or through partnerships: e.g., in-service skills training; job coaching and peer mentoring; financial counseling; and facilitated access to public benefits and tax credits.

Similarly, this engagement requires little or no change in employer behavior—job quality stays the same; the role of the workforce within the business strategy remains unchanged—yet this does require that the employer undertake the profound step of allowing access to the practitioner inside his or her business.

3. Shaping the external environment. Sophisticated workforce organizations can be of great value to employers by offering a range of external development, research, policy and advocacy services. For example, in sectors populated by
relatively small businesses, such as machine shops or textile operations, employers may have few resources to invest in long-term business strategies.

In response, the workforce organization can act as a type of intermediary within the sector’s marketplace, coordinating direct-to-consumer marketing initiatives, or organizing a “value chain” of small producers to fulfill large contracts that no single firm could handle alone. Similarly, industries highly dependent on public financing and regulation, such as healthcare and childcare, can be greatly assisted by a workforce organization acting as a policy intermediary to facilitate employer-engaged advocacy.

By forging greater cooperation among employers, this level of engagement can encourage employers to act not only in the immediate self-interest of their individual businesses, but also in the long-term interest of the larger industry. Yet this level still does not require internal change on the part of the business related to the quality of the employer’s own jobs.

4. Strengthening internal job quality. As argued in the first Pinkerton Paper (Make Bad Jobs Better: Forging a “Better Jobs Strategy”), workforce practitioners can help their business customers improve frontline jobs in many ways—from employer-sponsored financial counseling to more predictable scheduling, and from improved supervision to participative management.

This level of engagement requires that workforce practitioners have highly sophisticated business skills, ideally specific to the employer’s industry. Yet finding individuals who have industry expertise combined with a “labor perspective” is not easy. Successful recruitment strategies include hiring leaders from within “high road” employers; finding union staff with experience in labor/management practices; contracting with semi-retired social entrepreneurs; and developing relationships with progressive business consultants.

Most importantly, this level requires the willingness of the employer to examine his or her own internal choices as to how frontline jobs might be re-structured and improved, requiring the highest level of trust between the employer and the workforce practitioner—a process that takes not months but years.

5. Becoming the employer. Over the past several decades, a few organizations have created their own for-profit businesses to employ low-income jobseekers—notably REDF of California, Greystone Bakery, and Cooperative Home Care Associates. Recently, many more nonprofit organizations have begun experimenting with creating similar employment-based social enterprises.

Creating a for-profit employer to generate stable employment for low-income jobseekers can generate enormous benefits, providing the workforce organization significant latitude to shape internal job quality, while simultaneously positioning the organization to influence the larger sector from within the industry. However, this is a strategy fraught with challenges worthy of an entirely separate analysis, which will be undertaken in a forthcoming Pinkerton Paper (Social Enterprises Are Important, and Will Not Save the World).

As the workforce organization shoulders these increasingly sophisticated roles, it moves beyond being a simple training and placement service provider, evolving toward a more complex intermediary organization. This evolution requires a wide range of industry knowledge and expertise, and thus far deeper financial resources.

How the employer can engage the workforce organization.

1. Informing the organization of the employer’s own needs. At the simplest level, an employer may be willing to help educate the job developer as to his or her own employment needs. This goes beyond simply an H.R. staff person describing which jobs are open—instead requiring extra time and effort to describe the company, the industry, and perhaps some of the unique labor challenges currently facing the enterprise.

In short, the employer can help the workforce organization do its homework. Over time, the practitioner might even be allowed to “shadow” H.R. staff, to understand more fully the employment needs that must be filled every day.

2. Advising the organization’s strategy. The “employer advisory committee” is what conventionally comes to mind when employer engagement is mentioned. Employers can be extremely valuable in advising the organization on critical strategic issues such as the overall direction of the industry, new employment opportunities arising in other companies, or shifts in regulatory policies that might impact labor standards.

The higher the level of employer staff involved, the more valuable to the organization. Yet the higher the level, the more precious the employer’s time. Rather than a standing “employer advisory committee”—which may appear impressive on a funding report—a few ad hoc, targeted focus groups with senior managers may prove much more helpful to the organization, and would be far more respectful of employers’ time.

3. Participating in governance. This level—serving on the organization’s board of directors or management committees—requires the greatest amount of mutual trust and respect between the employer and the organization, and
indicates that the employer deeply supports the low-income mission of the organization.

Engaging employers at this level can best occur when senior leaders of the organization and the business have forged a close professional bond, generating enormous rewards for both.

Finally, it is important to consider to what degree the employer truly values, or merely appreciates, his or her relationship with the workforce organization. If the employer welcomes the organization’s services, but pays nothing for them, then he or she may appreciate those services very much, but does not value them in relation to other business needs.

The greater the portion of workforce services the business pays, the greater the employer values the service. The highest degree of value is when an employer not only pays the market rate of services (acknowledging the organization’s true value to the business), but in addition contributes to core support (acknowledging the organization’s value to the wider community).

THE MYTH OF THE “dual customer” framework. To pursue successfully any of these levels requires that the workforce practitioner forge a clear relationship with the employer. Yet too often, practitioners enter the employer’s office without that clarity—with too much deference and too little self-confidence—without solid footing to establish an effective relationship of mutual respect and trust. Unfortunately, that lack of clarity can hold true not only for the frontline job developer, but right up through to the leadership of the workforce organization, and on throughout the entire workforce system.

For more than a decade, the workforce field’s primary attempt to clarify the practitioner’s role has been the “dual customer” framework. Within that frame, policymakers and funders have urged workforce practitioners to serve employers and jobseekers with parallel allegiance. Yet that dual customer framework is misguided, and ironically gets in the way of the practitioner effectively engaging the employer.

While the employer is indeed the practitioner’s customer, the jobseeker is the practitioner’s constituent. In contrast, the dual customer framework forces the practitioner to act within two false pretenses. The first is that jobseekers are nothing more than clients—when in fact they represent the very mission of the organization.

For the majority of practitioners, this is personal: They go to work each morning because of their commitment to, and relationships with, the individual jobseekers they serve. To ask practitioners to work solely within the relatively bloodless construct of “jobseeker as client” fails to acknowledge the fundamental, personal values that bind these professionals to their true constituents.

The second false pretense of equal allegiance is that meeting the needs of the employer is an end-goal of the workforce organization, when in fact meeting employer needs is a means, although certainly an essential one, to the end of achieving the organization’s mission on behalf of its constituents. Ironically, by overinflating the employer’s needs into an end-goal—as if all employers were partners—the sharp edge of treating the employer truly as a business customer becomes blurred by misplaced presumption.

This construct, of means and ends, is not unique to workforce services. It is the core of any business-to-business “selling relationship”. In my desire to sell you my services, my success is wholly dependent on meeting your needs. I must understand who you are, and how my services can meet your needs effectively and efficiently. Yet that does not mean that you are my partner, or that I should presume you would wish to be so.

Over time an employer may become deeply engaged with the workforce organization, perhaps even invited to participate in the organization’s governance. Yet that role should be considered not as a partner but as a stakeholder. As a key stakeholder, important employers can be invited onto the board of the organization along with other strategically important actors—such as city officials, community organizations, or local funders—who are similarly impacted by and committed to supporting the mission of the organization.

What should not be lost amid these distinct roles is that, to secure and maintain effective employer engagement, the employer must remain a customer first. No matter how deep the relationship might become over time, the workforce organization must never neglect to provide consistent, high-quality workforce services as its foundational, employer-as-customer responsibility.

Armed with this fundamental clarity of serving the employer as customer—and fueled by the mission of serving the jobseeker as constituent—the workforce practitioner can walk into the employer’s office with self-assurance, confident in offering a valued workforce service that meets the business needs of the employer, and the employment needs of the jobseeker.

WHERE IS THE VOICE of the constituent? Treating the employer’s needs as if they were core to the mission of the workforce organization—rather than a central means to achieving that mission—not only reduces effective employer engagement, but also results in a troubling imbalance of influence within the workforce field. Some policymakers and funders have gone beyond employer engagement, and now call for the workforce system to be “employer led.” Yet if workers are the true constituents of the workforce system,
is designing a system that is led primarily by employers an appropriate aspiration?

Lost amid calls for a more “market-driven” system is the voice of the jobseeker-as-constituent. Other than Taft-Hartley labor/management boards serving unionized workers, how many workforce organizations and advisory committees have strong worker representation equal to their employer representation? Indeed, the pendulum has swung so far that the federal Workforce Innovation and Opportunity Act (WIOA) not only requires that federally-funded workforce development boards have a majority of employers as members, but that the chair be an employer as well.

If the raison d'être of the workforce field is to improve employment prospects for low-income workers, surely those low-income workers themselves have insights as to what interventions will serve their needs most effectively. Just as people living with disabilities long ago developed the rallying cry “Nothing about us without us!” to insist on controlling their own health services, low-income jobseekers should not be considered simply helpless recipients of workforce services.

While the challenge of building worker voice into workforce organizations is daunting, there appears very little effort to even try—with no parallel exhortation from policymakers and funders to address this emerging imbalance. To engage jobseekers in consultation and governance, far more can be done. Workforce organizations can:

- **Engage representatives from among the growing number of worker centers, representing low-wage and immigrant workers, into workforce development organizations.**
- **Create formal “constituent councils” from among their workforce program participants to advise on program design and participate in board governance.**
- **Strategize directly with organized labor representatives to draw the successful lessons of Taft-Hartley labor/management experience into the workforce system.**
- **Leverage the voices of workers from within the growing number of worker cooperatives and other labor-based social enterprises into the governance of workforce development organizations.**

**“Lost amid calls for a more “market-driven” system is the voice of the jobseeker.”**

ACKNOWLEDGING THE FUNDER’S OWN ROLE. Finally, also lost within the employer engagement debate is the reality that public agencies and foundations are the primary funders of workforce organizations. In any other business arrangement, the entity that pays for the service is considered the customer—and thus the funder as third-party payer adds further confusion as to who actually is the workforce organization’s true customer. In acknowledging this reality, the funding community must recognize its own role in unintentionally distorting the efforts of workforce organizations to engage directly the employer-as-customer.

That distortion can occur in many ways: in the sheer time and attention that funders require of their grantees to attend to the funder’s own proposal and reporting needs; in the often artificial design of program interventions to meet rigid—and sometimes arbitrary—evaluation strictures; in requiring metrics that may be important to the funder, but are of little or no relevance to measuring outcomes for the employer; and in the substantial influence over program strategy that funders can exercise within the funder/grantee power dynamic.

If the goal is to help workforce organizations treat employers as customers and jobseekers as constituents, then funders should help practitioners design their programs, and track their metrics, in ways that first and foremost are of value to both employers and jobseekers. And when carefully designed, those metrics can become essential management tools that will help workforce practitioners improve their performance.

Most importantly, sophisticated employer engagement strategies require a depth of professional expertise. Attracting and developing high-quality expertise in turn requires far deeper levels of funding. Urging workforce organizations to engage employers without provisions for high-quality staff is like sending out a mountain climbing party without adequate gear. Failure is guaranteed.

This is not a call simply for larger grants to create larger organizations. Rather, it is a call for deeper investments in order to create stronger, more skilled and highly professionalized organizations. Granted, the logical result of larger grants may be fewer workforce organizations funded. Yet the time for consolidation within the workforce field may well be at hand, and the Pinkerton Papers will examine this question of capacity building within the workforce field in a forthcoming piece (Capacity Building is Forever).

TOO MUCH HEAT; too little light. Exhortations for increased employer engagement generate a high degree of consterna- tion among practitioners, funders, policymakers and employers—yet surprisingly few attempts have been made to discuss this critical challenge in settings that bring together all of the field’s key actors. As a result, it remains unclear what each means by “employer engagement,” or even what the appropriate aspiration is for how the workforce system should be informed, designed and governed.

At just the moment when a tightening labor market is offering a rare opportunity not only to access more jobs but also to improve job quality, the workforce field can ill afford to remain off-balance, unsure of its posture and unclear of its own design. Employers themselves are beginning to make different choices in response to their changing labor needs—
raising frontline wages; standardizing schedules; offering expanded education benefits—and so too policymakers, funders and practitioners should re-examine their own roles and strategies.

The place to begin is a dialogue that engages all the key actors within the workforce community. If “employer engagement” is to remain the battle cry, it is now incumbent upon us to agree on exactly what battle it is we are all fighting.

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This opinion brief is the second in a series on job-quality issues for The Pinkerton Papers. For reactions, disagreements, questions and competing strategies, go to the Pinkerton Papers tab at www.thepinkertonfoundation.org, or directly to the author at: StevenLDawson@outlook.com.