



TAKING CARE OF BUSINESS

Employer Engagement in Workforce Data

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WORKFORCE
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Introduction

In order to keep pace with rapid economic and technological changes, business leaders need more systematic information about education pipelines, career pathways, and workers' credentials to assess whether regions can provide workers with the skills their companies need now and into the future. Employers can use quality data to make more informed decisions when managing their businesses, and also strategically engage with their communities and local leaders to improve workforce development.

For two years, Workforce Data Quality Campaign (WDQC) has worked to engage all stakeholders in efforts to create, maintain, and use data systems that will help business leaders, workers, policymakers, educators, and students make better decisions about future investments, career choices, and education and training opportunities.

A number of states have made progress

in their creation and governance of state longitudinal data systems (SLDS). Some systems have matured as states use data to create consumer information tools, work with economic development agencies to attract industry and jobs to their states, and provide information to policymakers that assure public confidence in education and workforce investments.

Many state advances have been supported by federal grants. The U.S. Department of Education awards SLDS grants to empower states, districts, schools, educators, and other stakeholders to make data-informed decisions to improve student learning and outcomes; as well as to facilitate research to increase student achievement and close achievement gaps.¹ The U.S. Department of Labor's Workforce Data Quality Initiative (WDQI) grant program funds development of state workforce longitudinal databases to provide a comprehensive picture of

workers' skill development and earnings throughout their careers.²

Even with significant state progress, more could be done. In particular, employers and business communities often seem to be missing from the conversation around development, governance, and use of these state data systems. These unique stakeholders could help create engagement strategies to ensure workforce data outcomes are being considered and elevated as state data systems evolve.

Business leaders play a role in the P-20W continuum because they need workers with up-to-date skills to fill open positions and keep pace with changes in their industries. Many employers are struggling to find qualified workers and they are unsure of whether education and training providers are preparing enough people with the right skills to meet current and future industry needs.

If business leaders are armed with data on education pipelines, credentials, and career pathways, they will know where skills gaps exist or are likely to emerge.



The U.S. Chamber of Commerce Foundation explored how employers can make better use of their own data in its recent report, “Analyzing Talent Flow: Identifying Opportunities for Improvement.” In addition to data they collect through their human resource offices, businesses have long relied on publically-funded data sets to make decisions.

An informal survey conducted by WDQC asked more than two dozen employers from Business Leaders United for Workforce Partnerships (BLU) to report on their usage of public data sources, and found that more than half of these employers turned to U.S. Bureau of Labor Statistics (BLS) data when determining where to locate or expand a business or make future investments. Likewise, a 2014 survey by BLS suggests that hundreds of industry associations and private businesses use its data.³ State data systems could be another important source of information.

If business leaders are armed with data on education pipelines, credentials, and career pathways, they will know where skills gaps exist or are likely to emerge. They can advise colleges, universities, and training providers about the types of courses and competencies that students will need in order to be hired.

Through varied engagement strategies, employers can become part of an active process to help cultivate talent within their states. Business leaders can thus be confident that state systems are doing more than just collecting data: they are helping regions and states to make informed decisions about education and workforce planning, and can eventually strengthen economic development.

This paper demonstrates two states where employers have been leaders in state data systems. In Mississippi, a business leader is active in data governance. In Alabama, a group of business leaders were strong advocates for the development of a longitudinal data system.

YOKOHAMA TIRE CORPORATION

Mississippi uses its SLDS, commonly known as **LifeTracks**, as a marketing tool for the expansion of jobs in the state. For example, the Yokohama Tire Corporation built a new manufacturing plant in West Point, Mississippi that could provide up to 2,000 jobs. When the company was searching for a site, executives had questions about whether the region had a workforce with the skills they needed. The National Strategic Planning and Analysis Research Center (nSPARC) at Mississippi State University, which manages LifeTracks, was able to provide answers. Researchers used longitudinal data to make projections about numbers of high school career and technical education students who could take courses at area community colleges to prepare them for new jobs. They also looked at the number of current workers in the region with the necessary credentials. The data helped to assure Yokohama that they would be able to find qualified employees for the new facility.⁹

Governance in the Magnolia State

Mississippi began to establish its state data system in 1999. From the beginning, Mississippi recognized that for data to be used effectively, the state needed to accomplish three important goals. First, it had to clearly articulate the scope and vision of data use. Second, the state needed to address threats to confidentiality and privacy associated with data sharing and use. Third, Mississippi had to create the structural, technical, and scientific capacity to handle large volumes of data.⁴

Building the data system

As the system partners began to articulate the scope and vision for data use in the state, a central theme emerged: any investment in education and workforce development should be geared toward creating more and better jobs. With this belief

at its core, system partners developed four research questions that would guide the growth of Mississippi’s SLDS:

- 1) Do people get jobs?
- 2) Do people remain attached to the labor market with opportunities for a career?
- 3) Do people get jobs that pay livable wages?
- 4) Are the investments meeting the demands of the business community?

It took three years to develop the scope and vision, and to settle on the four questions. During this time, a series of meetings, forums, and workshops were held across the state with a diverse set of stakeholders to focus on how data should help address these questions.

The state began establishing memorandums of understanding (MOU) with each stakeholder that saw the benefit of participating in data sharing. Stakeholders included state agencies and entities such

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as: Mississippi Department of Education, State Board for Community and Junior Colleges, Board of Trustees of State Institutions of Higher Learning, Mississippi Department of Employment Security, State Early Childhood Advisory Council, Mississippi Department of Human Services, and State Workforce Investment Boards. Once all the data contributors were on board, the state formalized the data system through legislation that created the SLDS Governing Board. The board was established in July 2013 and charged with developing and disseminating rules and regulations for the use and safeguarding of data.⁵

Engaging business leaders

Mississippi recognized the importance of taking legislative action to fuel the success of its SLDS, branded as Mississippi LifeTracks. State legislation mandates that the head of the state's workforce investment board, who is a business leader, also chairs the LifeTracks governing board.⁶

The current chair is Jay Moon, Chief Execu-

tive Officer and President of the Mississippi Manufacturers Association. He is currently the only private sector representative on the data system's governing board.

"Employers are interested in workforce development. We have a stake in it because we are the group that is going to supply employment for these graduates," Moon said. "Having a skilled, qualified workforce is absolutely essential. By having me on the board to represent the private sector interest, it added a dimension that was missing."⁷

Moon said the idea was always to link SLDS to workforce in an effort to understand the impact of programs on individuals and how they thrive in the workforce. "With employers you always have to talk about the end game," he added. "The private sector is about results. You have to show employers the value proposition."⁸

As part of the state's economic development efforts, LifeTracks is used regularly to respond to requests for information from

prospective businesses and developers. If the businesses express additional interest, the team at nSPARC will use real-time information available through Mississippi Works, an interactive web tool that brings together job postings, jobseeker resumes, and labor market information.

Using solid data that have been verified is a key to working with the business community and creating an economic development engine. According to Moon, LifeTracks is a model that appears to be working for the state.

A strong governance structure to support the SLDS will ensure long-term growth and support for the system. Moon said that the governing board spent a lot of time creating policies and procedures, and that they continue to make improvements with input from a variety of stakeholders that represent the public sector, private sector, and research community.

Eventually, Mississippi hopes to fine tune LifeTracks so it can perform analysis for pol-

icymakers in real time, to help them make policy determinations for appropriations and other matters.

LifeTracks is operated by the National Strategic Planning and Analysis Research Center (nSPARC) at Mississippi State University and serves as the state data clearinghouse. The nSPARC provides the scientific and technical expertise necessary to manage the SLDS under the direction of the Governing Board.

Advocacy in the Heart of Dixie

Coming out of the national recession, leaders in Alabama realized that the state will continue to face economic changes as the baby boom population retires and demand rises for a more skilled workforce. Consistently experiencing a high unemployment rate, despite the availability of certain skilled positions, the state is anticipating significant challenges ahead.¹⁰

Those were the conditions cited in a report by the “College and Career Ready Task Force,” which was established by Governor Robert Bentley in 2013 to bring together leaders from business, education, and government to formulate recommendations to “leverage the strengths of education and industry to improve educational outcomes and to promote workforce and economic development in the state.”¹¹

Promoting data improvements

The Task Force led to the creation of a permanent statewide business advisory group which has championed better workforce data. The Governor created the Alabama Workforce Council (“the Council”) in 2014 to foster dialogue and create actionable connections between the state’s education and business entities.

The Council recently presented specific recommendations for the creation of a SLDS with the capacity to link data from early childhood, K-12, postsecondary, and

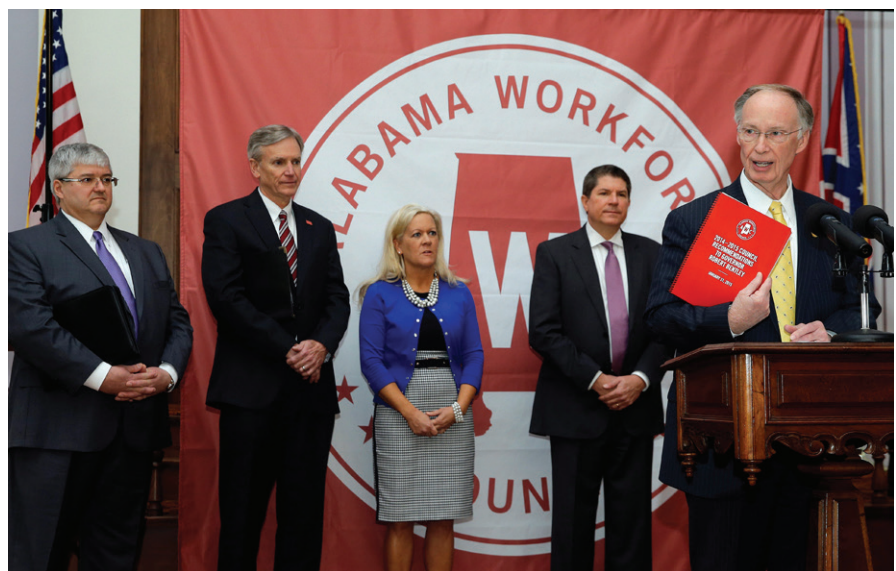
The Council said a centralized system would not increase the amount of data being collected by agencies, but would instead connect existing information.

workforce programs. The state currently has a K-12 longitudinal data system, but limited ability to link it with other data sets. (Alabama is one of only three states that have not received SLDS funding from the U.S. Department of Education.)

The SLDS would collect data from state education agencies, the state’s Department of Labor, industry, and other parties to evaluate education and workforce trends. The purpose of the system is to provide better information to key stakeholders, such as: “businesses currently operating or considering expansion in the state, potential businesses considering moving to the state, economic developers, and state and local education leaders so that the state can be more competitive in the overall education arena and business marketplace.”¹²

The Council’s report says that the collection of data could serve as a driver to improve the state’s educational outcomes, assist with education and workforce development marketing efforts, assess the efficiency of current programs, and align funding with programs that have proven results. The SLDS would not be focused on the progress of individual students, and no individual level information would be made publically available. Instead, the data system would provide insight into how effectively Alabama is providing critical education and workforce skills on an aggregate level.¹³

The Council said a centralized system would not increase the amount of data being collected by agencies, but would instead connect existing information.



Source: Jamie Martin, Office of Governor Robert Bentley

In addition, the Council suggested establishing the SLDS via state legislation to ensure funding support, creating a governance board, and making the system operational by the end of 2016.

Turning recommendations into reality

The Governor, explicitly citing the Council and echoing its recommendations, issued an Executive Order in May 2015 to create the Alabama P-20W Longitudinal Data System.¹⁴ The Order also establishes the Office of Education and Workforce Statistics as a separate entity under Alabama's Department of Labor, to be headed by a Chief Policy Officer "who will be appointed by the Governor from nominations made to the Governor by the Advisory Board of the Office." Among its duties, the Office will oversee the establishment and maintenance of the Alabama P-20W Longitudinal Data System.

The Advisory Board, which will be drawn from different education and workforce sectors including private and government representatives, will "oversee the development of a detailed data governance policy before the implementation of the Alabama P-20W Longitudinal Data System ... conduct an annual review of such policy thereafter; establish the research agenda of the Office," and oversee compliance with state and federal laws.

The Order also provides detail on the provision of data to the SLDS, and stipulates the system's main data governance policies, which will be carried out by the Chief Policy Officer, with the approval of the Advisory Board. These include policies to protect data privacy and security, which are recognized as being of the "utmost importance."

Finally, the Order explicitly calls for the state to seek federal funding to support the establishment of the data system and Office

of Education and Workforce Statistics.

To enable the P-20W data system to eventually inform policies and decisions that reduce skills gaps, the state will need to follow the Council's suggested course of action:

"Using the System, education and industry should provide feedback to one another by reviewing and improving curricula, sharing metrics and hiring criteria, using transparent and industry-recognized accreditations and certifications, creating internships, extra-curricular opportunities and apprenticeships, and aligning resources with effective programs."¹⁵

The case of Alabama shows how business and industry leaders, serving as advisors to top state officials, can become effective advocates for data use and help to solidify their position as stakeholders for SLDS applications in the future.

LESSONS LEARNED AND GOING FORWARD

For other states that want to engage business leaders in developing and governing data systems, there are several lessons to keep in mind:

- Cultivate the support and backing of political leadership;
- Have the right leadership and representation at the table (i.e. you might not need the company president if the human resource executives are better representatives);
- Set out with the goal to make meaningful change, as well as constant improvements where warranted;
- Reach out to other states to draw on their experiences when creating advisory councils or data governance rules; and
- Include the business community as a full partner, not as an afterthought.

Incorporating these strategies can help states more effectively meet employer demand for human capital, and improve workforce development overall.



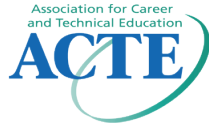
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