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# **Building Industry Partnerships in Dane County**

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**Center on Wisconsin Strategy**

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The Dane County Economic Summit Council is a public-private Partnership that provides leadership on economic and workforce development in Dane County. In order to pursue its vision of *jobs with a future* for Dane County residents, the Economic Summit Council has retained the Center on Wisconsin Strategy at the University of Wisconsin to develop industry Partnerships, analyze the labor market, and help design a better integrated system of labor market administration. These efforts have been financially supported by the Joyce Foundation, Dane County, City of Madison, Madison Area Technical College (MATC), Greater Madison Chamber of Commerce, UW-Madison, and United Way of Dane County.

This document is intended to provide an overview of this work to date and to highlight promising areas for policy effect.

## **Dane County Economic Summit Council**

- Increasing local role as a leading forum for discussion of economic and workforce development issues which includes key public and private sector leaders (see attached membership list).
- Broadening mission to provide advice to the County Executive on areas of economic development that relate to workforce (i.e., welfare reform, land use, transportation, etc.).
- Stronger commitment to and understanding of the work of the Jobs With a Future Partnerships.
- Explicit and public support of using Jobs With a Future Partnerships as a pathway to family supporting employment for those trapped in poverty-wage jobs
- Leadership seeking to spark a county-wide conversation on the basis of the Dane County Labor Market Indicators report.
- Membership increasingly representative of Jobs With a Future Partnership industries.

## *Policy Effect*

The Dane County Economic Summit Council has a growing reputation as a forum for the discussion of key issues relating to economic and workforce development in Dane County. As such, it has been especially active in highlighting the problem of low-wage employment and the need for new systems of career advancement. (One specific instance of this is the Summit Council's release strategy for the Dane County Labor Market Indicator Report, described below.) Its support of the Jobs With a Future Partnerships and continuing interest in them is based fundamentally on that concern. Having such a high-profile forum for these issues is of great benefit to the project in terms of recruiting support, disseminating information, and improving programs. In all areas of its work, the Summit Council's message and concerns carry into the community, influencing community conversations. Finally, as a sounding board for policy, the group provides

both guidance and a strong outreach network to private and public sector leaders in the community.

The Summit Council will continue to provide a key forum for discussion of emerging labor market issues in Dane County. Additionally, by monitoring and advertising the progress of its Partnerships, it will continue to contribute to that model.

### **Jobs With a Future Partnerships**

#### *Health Care*

- Developed “Agenda For Training Reform” which provides framework on external and internal training issues.
- Developing an industry-wide forum for better prioritization of training with MATC.
- Collaborating on report on best practice for reducing turnover among Nursing Assistants to be released this spring.
- Continuing focus on standardizing pathways into and up through the industry.
- Developing a shared course for workers to advance into medical transcription positions.
- Investigating possibilities in the School to Work area, including better communication of industry opportunities to children.
- Cross-firm learning on increasing and improving customer service skills.

#### *Finance & Insurance*

- First Programmer Trainee Class to commence April at MATC. Strong interest in future classes.
- Formed working group to document performance of class and benchmark against other training.
- Exploring more advanced training for first class of graduates and developing new classes.
- One working group focused on developing career pathways into and up through the industry.
- One working group focused on School to Work, both contributing to design of state IS/IT curriculum and encouraging business and school Partnerships at the local level.
- Cross-firm learning on improving retention.
- Partnership work on calculating turnover costs for an organization.

#### *Manufacturing*

- Members working on three committees: recruiting and retaining workers; building training systems; and the effect of change on work and work organization.
- Focus on cross-firm learning about new approaches to work and to problems at work.
- Discussion and cross-firm learning on the best means of retaining new employees.
- Discussion on benchmarking of industry practice and seeking out models to do so.

### *Policy Effect*

Work on this project has concentrated on the development of strong industry partnerships. Each of the three Partnerships meets on a monthly basis in order to discuss issues and move forward the agenda of a quality workforce and quality jobs in each of the industries. In each of the three industries, the most clear effect has been to create an arena for industry dialogue. All Partnerships have had spirited discussions on recruitment, retention, turnover cost calculation, and turnover reduction. This may be the first effect of the Partnerships: to give leaders a chance to think on an industry basis and to learn from others in the area. One powerful example of this sort of cross-organization learning and relationship building has been in the Health Care Partnership, where a team is helping to review and develop the report on best practice for reducing CNA turnover. This sort of report will be of much greater use in the community having been molded and reviewed by the experts in the Partnership. In the Manufacturing Partnership, in presentations and discussion, companies are learning about how others have successfully transformed their own organizations. These sorts of shared discussions would not happen without the opportunity provided by the Partnerships. In the long run, developing a more navigable and training oriented labor market will be impossible without the relationships that are being developed in the Partnerships.

As this industry focused thinking grows, the Partnerships have begun to develop an industry agenda on training and other pressing issues. There is the opportunity not only to learn together, but also to bring forth concerns with a single voice. Perhaps the best example of this has been in manufacturing, where firms have finally been able to introduce shared concerns about improving basic skills in their own organizations. Also, members in the health care Partnership have noticed that, while the MATC advisory committee structure allows for good input on the program level, there is no good forum to discuss overall issues of program direction and emphasis. The Health Care Partnership is working with MATC to improve that more strategic conversation. In finance & insurance, participating organizations are concerned about improving School to Work programming in banking, insurance, and information systems. State Department of Workforce Development (DWD) School to Work developers now attend Partnership meetings to get information from firms on these issues.

Finally, the Partnerships are able to develop solutions to problems that no single firm can solve and these solutions often build advancement pathways in firms and within the industry. The best example of this is the Programmer Trainee program, developed by the Finance & Insurance Partnership and administered by MATC. This program targets current workers who are topped out or unsatisfied in their current work and provides them with short-term training to move into IS/IT positions. This means that participating companies are now looking inside for needed IS staff instead of simply recruiting from one another. This program helps to put a "top" on the very short customer service and clerical ladders that most participating companies have. Without the opportunity afforded by the Partnership, this program would not have been developed. The Health Care Partnership is now seriously exploring short-term customized training for medical transcription. This too would help strengthen the advancement opportunities of clerical workers.

In sum, the Partnerships have contributed to policy change in specific companies, inside the industry, and within the public sector. While many of these changes are very small, their effect, taken together, is not insignificant. Perhaps most importantly, the work proves that building industry Partnerships is possible both in manufacturing and the service sector. Institution building is a slow process but, with consistent attention, these Partnerships can grow in strength and influence and begin to contribute to the direction of public sector programming. Improving the quality of labor market information, the efficiency of training programs, and the awareness of the public sector will require that such structures be built. In the future, we anticipate that our understanding of these Partnerships and the ability to recommend means of replication will contribute to other areas that seek new models for labor market administration.

### **Basic Labor Market Data**

#### *Reports*

- *Dane County Labor Market Indicators* documented stagnant earnings and very little decline in the share of the labor force with very low earnings, in spite of extremely low unemployment in the county.
- 2 articles in the local paper highlighted the report results and linked the issue of W2 to the problem of low wages in the county.
- *Dane County Labor Market Survey* showed the importance of wage and family concerns to the workforce.
- *Dane County Labor Market Survey* showed that informal networks were the predominant means of access to work for those with less than a HS degree (39 percent found current job through informal networks compared to only 27 percent of all job seekers). This fact has been used to emphasize the importance of getting improved labor market information to those at the bottom of the labor market.

#### *Policy Effect*

The Economic Summit Council has taken ownership of the Dane County Labor Market Indicators report and is working with the County Executive to use the report to spark discussions in the County. First, the report will be distributed to opinion leaders in the area with a letter from the Council Chair and the County Executive encouraging them to review the information, schedule presentations, and start conversations. Additionally, a series of edit board meetings is being scheduled and other contacts with TV and radio news shows are being pursued to get more press on the story. Finally, we are scheduling presentations to civic organizations in the area. The Summit Council is leading this outreach because they believe the report strongly documents the challenges that continue to face low-wage workers in Dane County, even in the context of exceptionally low unemployment rates. Most importantly, this report has helped focus recent discussion of W2 to the issue of low-wage work generally. The Summit Council and the W2 Steering Committee both use it as evidence that reducing caseloads will not be enough to bring families out of poverty.

## **Integration and Improvement of Regional Labor Market Services**

As mentioned above, both the Partnerships and the Summit Council are contributing to the further integration of regional labor market services. The Job Center, MATC and School to Work programs (both school district and state levels) have all been active participants in the Partnerships.

### *Madison Area Technical College*

- Has committed considerable resources to working with the Partnerships.
- Has developed stronger relationships with industry representative by working in the Partnerships.
- Uses Partnerships as an effective means of both marketing and improving services.
- Increasing interest in more flexible delivery systems, more direct contact with industry, and improved means of meeting industry needs.
- Collaborating with Partnerships, COWS, and the Job Center to develop new systems to move poverty-wage workers into family supporting employment.

### *Dane County Job Center and Implementation of Welfare Reform*

- Collaborating with Partnerships, COWS, and MATC to develop new systems to move poverty-wage workers into family supporting employment.
- Working with W2 Steering Committee and the Summit Council to improve the chances that W2 supports successful transition to family sustaining employment.
- Using Partnerships to provide better information on industry demand and make good connections for clients.
- Using evidence from the Labor Market Survey to emphasize the need for improved labor market information to those at the bottom of the labor market.
- Working with Partnerships to identify successful recruitment and retention strategies in Dane County's tight labor market.
- Developing a stronger community understanding (through the labor market indicator report, presentations to the Partnerships, presentations to others) of the real opportunities in Dane County and the prospects for people at the bottom of the labor market.

### *Policy Effect*

The list above states many of the direct policy changes that have resulted from or been hastened by the existence of the Dane County *Jobs With a Future* projects. It is clear that the Partnerships have already proven their worth to public sector players. Public sector representatives can use the Partnership meetings to make contacts, describe resources, gather information, and develop new programming and priorities. When we built the Partnerships, we presumed this would be true, but now the evidence is clear. Also, the structure for collaboration provided by the Summit Council and the Partnerships allow for the development of new ideas and means of acting on those ideas. Together, this work helps to improve the efficiency of regional labor market administration by increasing information and strengthening communication.

## **A Model for Others?**

### *In the State*

- Continuing discussions with leadership at DWD-Division of Workforce Excellence on how this model may serve in other communities and how to best disseminate knowledge developed in the project.
- DWD interest especially in implications for how to link with business, how to create career advancement systems inside communities, and how to build representative and responsive Workforce Development Boards.
- DWD assigned the Director of the Bureau of Performance Outcomes to the Economic Summit Council in order to observe and contribute to this model.
- The Secretary of Commerce gave a strong endorsement of this work at his keynote speech at the Manufacturing Conference in November. We have continuing discussions with Department of Commerce on Partnerships as a model for private sector driven organization on workforce and economic development issues.
- Summit Council leadership has just begun discussions with the Governor's staff on gaining state support for programming that can move poverty wage workers into family supporting jobs within the Partnerships.
- Conversations with private sector leaders in Milwaukee about applying this model for regional workforce development in Milwaukee.
- Portage County Human Services and Business Council staff have consulted with COWS on Jobs with a Future concepts and implementation, and are working on a plan to develop industry Partnerships in Portage County.
- Presentations to the Wisconsin Labor/Management Committee Conference, a statewide conference on substance abuse, conference on alternative schools (for returning adults), and multiple other forums in the state to promote the concepts and principals being developed in the Dane County project.

### *Nationally*

- Consultation with those interested in the COWS model of community career ladder development with state program developers in Delaware, Colorado, Pennsylvania, Massachusetts, Oregon, Tennessee.
- Discussions and consultation with community organizations interested in community job advancement programs in Boston, San Diego, Los Angeles, and Philadelphia.
- Presentations on COWS career advancement concepts to national audiences including the Midwest Regional Labor Management Conference, the National Governors Association Workforce Development Conference, and a Jobs For the Future forum on Living Wage jobs.
- Participation in workshops and round table conversations on restructuring the labor market and its effect on low-income individuals (specifically those sponsored by the Russell Sage Foundation and the W.T. Grant Foundation).
- Consultation with the Office of the Vice President on planning and content for a Conference on Lifelong Learning.
- Conversations with IRP principals on how to disseminate information through their networks (i.e., Focus article, WelPAN presentation, etc.).
- Ongoing outreach and dissemination on the Dane County project through information requests and phone conversations with people across the nation.

We have begun to develop a strong reputation for the work in Dane County and the overall vision for regional labor market reform developed both in Dane County and our work in Milwaukee. Accordingly, we increasingly provide information, advice, consultation and presentations on this work to a variety of audiences in the state and nationally. As our experience in Dane County becomes more developed and our model more fully tested, the knowledge developed can only become more important to policy makers, academics and funders.

We feel that we have a solid foundation of success and we are looking to move forward with the partnerships over the next two years. Below, we describe our plans for the next two years.

### **Connecting Poverty Wage Workers To Family Supporting Jobs**

Anecdotal and survey data show that in Dane County, labor market information is very constrained, especially among those without post-high school education. As a result, many workers are consistently employed in poverty-wage jobs, while companies with good wages find it hard to recruit and retain entry-level worker. This area of activity focuses on the needs of workers for family supporting jobs and the need of family supporting employers for workers with some consistent work experience. Dane County's Jobs With A Future Partnerships are perfectly situated to play a role in identifying entry-level jobs, extending Partnership opportunities to county residents trapped in poverty - wage jobs will make a real difference in access to good jobs. Because these Partnerships are designed to focus on all human resource issues, workers will be moving into industries where career ladders and training systems are being built. Our project work here will be to help integrate the provision and direction of services; notice that we propose to use the Partnership structure to improve linkages rather than to develop new services.

Our proposed strategy seeks to improve disadvantaged workers' access to family supporting jobs by increasing the flow of information in the labor market. Participating firms that offer family-supporting wages will be expected to contribute to the program by working on orientation programs, developing mentoring and buddy systems for retention, and building pathways for advancement inside the firm. Even with these costs, firms are very interested in being able to recruit from a pool of workers with good work history (documented by the Job Center) and real interest in moving up. They also want to learn about the sorts of work organization and peer advising that can help them keep workers. Many employers are faced with a "rotating door" in their entry-level job, especially in the first three months; this system will help them develop the sorts of screening and post-placement supports that can ensure a good fit before workers are hired. The gains to firms are obvious: reduced search costs, improved retention systems, and more reliable assessment activities.

As a result of this project, labor market opportunity information will flow to workers in new ways. The Dane County Job Center will survey Food Stamp recipients and W2 alumnae regarding current work experience, wages, benefits, and interest in new



opportunities.<sup>1</sup> Workers will receive information on labor market opportunities and be recruited to attend an orientation to these opportunities. Orientation activities are critical and will range from basic introductions to site visits and job shadowing. At the basic introduction, prospective participants will hear about opportunities in all three industries. Firm and workforce representatives will provide the overview of what work in target occupations involves. On the basis of this information, participants will be able to identify the occupational opportunity that they find most interesting. Plant visits and job shadowing will allow interested prospective employees a chance to see what jobs are like on a daily basis. Presentations that merely address wages and hours, or discuss workplace challenges, can never really match the experience of actually seeing the work. Both workers and firms have been disappointed when new jobs didn't work out simply because the nature of the work was not clear from the start.

In the next two years, a minimum of 100 recruits from poverty-wage employment in the County will be oriented to occupational possibilities and to further investigation of these possibilities, through work site tours and job shadowing. Basic training will be provided as needed. In each year, at least 30 individuals will be placed in and retained for at least 6 months in family supporting jobs in Partnership firms.

### **Building Systems of Advancement Inside Industry**

It is not enough to build the above system that moves people from poverty wage jobs to the first rung of family-supporting work. First, many of these jobs do not pay enough to provide for decent family living. Second, if workers in these jobs are not moving up, fewer jobs will be open and new entrants will be resented. And finally, overall, the goal is to build pathways up through the Partnership industries. The Finance & Insurance Partnership's Programmer/Analyst Trainee Development Project is the first example of this sort of program. The Trainee program would not have been developed outside the context of the Partnership. While the demand for the program existed, no single firm provided all the demand. Moreover, some firms influenced the design of the class, but were not in the position to send students to the first class. Other did not participate in curriculum development, but had faith in those who did contribute to the design of the course that they sent students to the program. While MATC was able to design the curriculum with participating firms and they are able to discuss the idea. The Program, and the level of interest in it, is proof that the Partnerships can play a powerful and unique role in solving training problems.

By working together, Partnership members can identify shortage occupations and develop the list of skill requirements for those occupations. They can work together to identify current positions that may provide a good skill base to build on. They build trust in each other in the process. More important for workers in the industry, they also build

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<sup>1</sup> Currently, that potential participant population includes approximately 4,000 workers. Their average age is 29 years, eleven years younger than the average Dane County worker. Fifty-seven percent are female. Approximately 52% of the targeted population is white, 40 percent black, 4 percent Southeast Asian, 1.5% Hispanic and 0.5% Native American (2% unknown). Just over 40 percent have high school or general equivalency diplomas. Among young workers without high school diplomas, average wages were \$6.66, one dollar per hour below the poverty wage. None currently earn more than 130% of poverty level.

industry acceptance of common standards for specific jobs. And they increase the resources committed to training and the real effect of that training.

The Programmer Trainee program is the most obvious example and we are already planning for more classes. Not only will there be an additional Programmer Trainee class in the fall, but also there is interest in developing a second tier training as well as a similarly modeled PC programming class. In the Health Care Partnership, there is very strong interest in developing short-term classes to move workers stuck in filing and typing positions up into medical transcription. Health Unit clerk is another position that firms are interested in developing short-term training. This training would allow CNAs, file clerks, and clerical workers to move up into those jobs. Finally, there may be opportunities to move CNAs into phlebotomy positions after a short course. In manufacturing, it is not yet clear where the higher paying occupational shortages are. If such shortages are identified, a similar model could be pursued. More likely, manufacturers may develop their own workplace education centers learning from each other, adopting and adapting training models as they do. In these cases, workers can develop skills in training centers, on site.