



Transforming Systems to Achieve Better Careers for Californians

Balanced Stakeholder Relationships Lead to
Innovative Workforce Development Strategies

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Introduction

This is the third in a series of briefs highlighting the fact that millions of Californians who have jobs are unable to fulfill their families' basic needs, and exploring the need to redesign the state's education and training systems to help people get the skills that family-supporting jobs require.

In the first two briefs, published before the COVID-19 pandemic caused a nationwide medical and economic crisis, we described the challenges facing people in low-wage jobs that are being eliminated by automation and described innovative ways to help California workers access good jobs and advancement opportunities.

Now, however, we find ourselves in unprecedented times and an already serious problem has grown significantly worse. More than 1 million Californians have filed new unemployment claims since the pandemic began sweeping across the country, and the nation is falling into recession.

At some point in the coming months, recovery will be within reach and with it the opportunity—or, in fact, the obligation—to create a new normal. The COVID-19 pandemic has exposed the economic inequality that is deeply ingrained in our society, making it manifestly clear that we cannot return to business as usual.

What can innovations tell us about what equitable economic opportunity could look like in the post-pandemic economy, and how we might achieve it in the diverse regions of our state? This brief will address those questions.

The first [brief](#) in this series examined the shifts in relationships between employers, education and training providers, community agencies, and workers that will be required to help low-wage workers keep up with the rapid pace of economic change and technological innovation. The [second brief](#) described the work of organizations involved in The James Irvine Foundation’s Better Careers initiative, a statewide effort aimed at connecting 25,000 California workers to “better careers,” defined as jobs in growing industries that pay at least \$18 per hour to start and provide opportunities for advancement. The participants in the initiative have developed new capacities and practices that proved to be effective in enabling workers to access better jobs, and in so doing, they illustrated shifts needed in relationships between three groups of stakeholders—employers, workers, and training providers—that could lead to the design of more inclusive workforce development strategies across California.

State initiatives are actively exploring how to create this improved system. Governor Gavin Newsom’s Future of Work Commission posits job quality and improved working conditions as critical components of effective economic development. The High Road Training Partnership emphasizes employer-driven employment and training solutions and worker input as being key in creating a workforce system that can respond to business needs and connect more workers to career opportunities.

While the coming recovery period will be challenging, it will provide an opportunity to do this work better. We can learn from Better Career grantees and others that are working to transform practices across the career development continuum. Our research has shown that as Better Career grantees generated new ways of doing business, they changed mindsets and shifted relationships. This suggests that, in order to build an equitable and effective workforce development system, we need more balance of influence and power flowing among the key stakeholders.

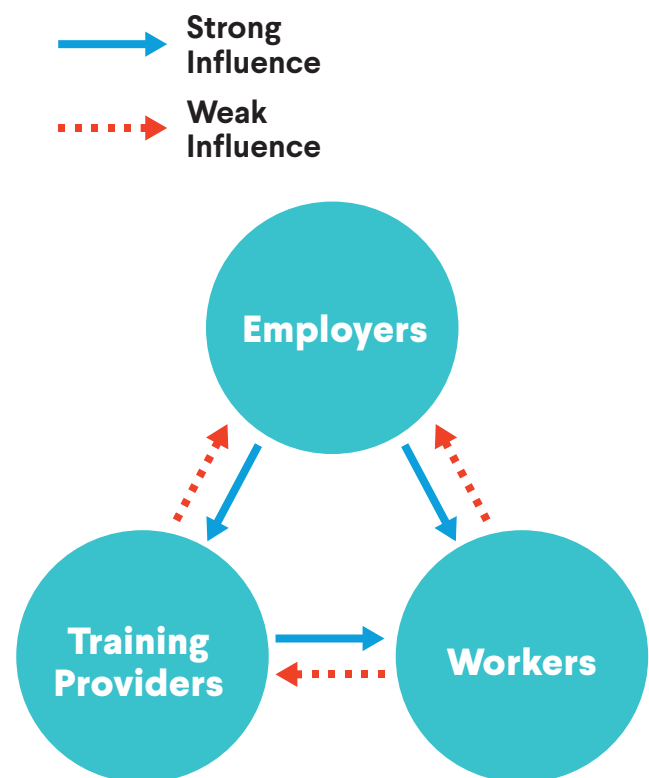
We’ll discuss these relationship shifts and their system implications below, then provide three recommendations drawn from lessons learned through the Better Careers initiative and reflect on how recovery efforts can lead to a new normal.



Balancing Power and Influence Among Stakeholders

Employers and the Public Sector and CBOs

The diagram to the right depicts the current state of stakeholder relationships. Employers typically exert strong influence on the public and private training providers. They inform skill development criteria and program design, and also offer work-based learning experiences and jobs to those who complete such programs. But the influence training providers have on employers is weaker. Even though public-sector agencies and community-based organizations (CBO) have access to training funds and can produce qualified trainees, they lack mechanisms for providing feedback to employers, and the unbalanced nature of the relationship can hinder the ability of partnerships to achieve their goals. Employers may, for example, have workplace culture barriers or unconscious biases in their hiring processes that they aren't aware of, and if those issues are not addressed,



new workers may not stay in their jobs even if they have the requisite skills, and employers may not see the maximum return on their investments in training and development.

Employers and Workers

Employers exert strong influence over workers because they're the ones who make job offers, set pay levels and provide benefits, and generally have the capacity to sustain or terminate any worker's employment. In contrast, workers aren't able to exert much influence over employers because there are few mechanisms that support or provide incentives for incorporating worker input and ideas into decisions that influence the direction of the talent-development ecosystem. Because of the

unbalanced nature of the worker-employer relationship, the flow of important information on job quality, workplace culture, process design, and customer service is limited. Workers have little opportunity to offer vital input that could help employers improve job quality and working conditions, as well as efficiency and customer service—all of which would ultimately make businesses more successful.

Workers and Training Providers

Public-sector and community-based training organizations have a strong influence on the behavior and choices of workers because they offer growth and development experiences and provide access to employment opportunities and career support services. But workers' influence on the providers of training, support, and employment is weaker. Workers may have some input into the type of support services they are offered, but they rarely have a voice in program design or operation. Some programs do have advisory boards or seek input from focus groups or the people who participate in their programs, but these are not common practices. Intermediaries or national organizations may elevate the voices of workers across a range of programs and use the information to influence employer partners, but this influence is indirect.



Inattention to the voice of the worker leads to a disconnect between the services offered and the services workers actually need, resulting in a lingering inability in the field to eliminate barriers that make it difficult for new and retraining workers to succeed.

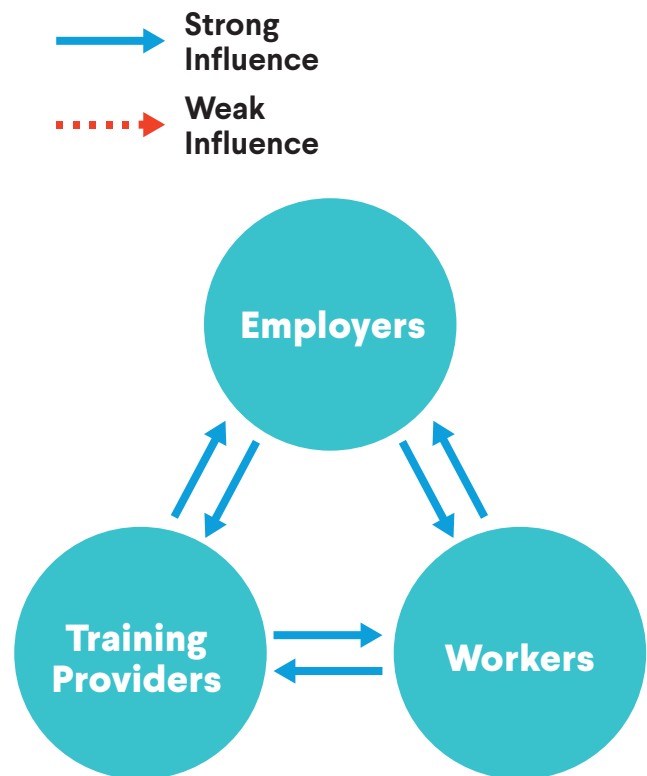
An Ideal State

The diagram on the left suggests a different dynamic: a better balance of power and influence among the stakeholders.

In this scenario, employers accept and react to input from workers in order to improve job quality and business operations. And employers are similarly more directly influenced by training providers, so their workplace opportunities and onboarding practices are more effective and worker-friendly.

For their part, the public-sector agencies and CBOs that offer training are more influenced by workers' input in this scenario, so training programs meet the needs of individuals who, for example, must balance multiple commitments yet still need training and financial support to access higher-wage jobs.

A more balanced relationship dynamic yields benefits for all parties. Employers get a more capable workforce, see improvements in retention rates, and



have access to a stronger, more reliable talent pipeline—all of which contribute to improved business results. Meanwhile, public-sector agencies and CBOs are able to offer training programs that are more accessible for workers and more effectively meet the talent needs of employers. And workers can more easily connect to quality training programs and get the support they need to enter and advance in high-paying occupations.

Public Sector and CBO Influence on Employers

Taller San Jose Hope Builders, a nonprofit that offers training and other services to young people in Orange County, used data to demonstrate to employers that its trainees represented a valuable talent pool and that the organization could deliver better results than traditional staffing agencies. As a result, employers increased their investments in Hope Builders programs and agreed to cover the costs of internships and hire Hope Builders' clients. In publicizing its services throughout the local labor market, Hope Builders emphasizes the fact that it prioritizes partnerships with businesses that offer high entry-level wages and commit to the advancement of their employees.

Chaffey College, a public community college in Rancho Cucamonga, works with Fontana-based California Steel to offer training in a renovated industrial building donated by local business. Recognizing a need for higher-quality training to meet employer demand for skilled workers, the college persuaded California Steel that the answer was to reach out to young people in untapped talent pools. Together, the partners designed an on-ramp to training, adding a paid internship component to attract and prepare workers looking for

better-paying jobs. Now the partners are developing a new state-of-the-art HVAC training facility opened in partnership with Chino Valley Adult School.

Worker Influence on Employers

Better Careers grantees are experimenting with innovative ways to amplify the voice of the worker.

LeadersUp, a nonprofit talent development accelerator whose goals include ending youth unemployment, aggregated the experiences of young people hired by its many business partners to build a feedback loop and now is providing training to employers on how to improve workplace culture to support more diverse workplaces and customer bases.

San Francisco's Turning Basin Labs (TBL) is a worker-owned cooperative staffing agency whose mission is to help San Francisco residents find jobs that pay at least \$18 per hour at employers that are committed to diversifying their workforces. Workers determine the course of operations at TBL, working cooperatively to, among other things, design the many career development services that help TBL members enter and advance in what the organization calls "high-road" careers.

Worker Influence on the Public Sector and CBOs

The Center for Employment Opportunities (CEO) is a national nonprofit that provides employment services to formerly incarcerated youth and adults, who are among the country's most vulnerable worker populations. Over the years, CEO has listened to and learned from its clients to determine how best to meet their needs. A striking example of that approach is the social enterprise model CEO adopted to respond to clients' often-articulated need to quickly connect to paid work. When participants are released from prison, CEO

immediately connects them to jobs with one of more than 100 transitional work crews at sites throughout California and across the country. Once participants are on stable footing, CEO provides them with various types of assistance, including skills training and employment services to help them find full-time work. CEO's approach is based on a belief in what it calls "the transformational power of work," and client testimony indicates that its model is effective: The organization reports that its clients have reduced recidivism rates and find acceptance and dignity in their lives.





Implications: Recommendations for Recovery

The examples discussed above suggest that we're witnessing a shift in the nature of the relationships between workers, employers, and the public-sector agencies and community-based organizations that provide funding and offer training programs. A more accessible and connected system is taking shape, and initiatives launched in this new environment can generate and scale effective solutions that benefit all parties. However, partnerships that embody this new dynamic will need support and investment—most notably the support of enabling policy. A full discussion of what is needed is beyond the scope of this brief, but we can offer some initial recommendations drawn directly from lessons learned through the Better Careers initiative.

Invest in and Build the Capacity of Training Providers to Partner with and Influence Employers

Private and public investors that provide funding for training programs should encourage the training providers to work closely and collaboratively with employers. Working with employers will require a new mindset and a new way of operating, so training providers will have to prepare their board members, leaders, and employees for the change in approach by offering appropriate professional development opportunities. They will also have to develop good data management systems so they have the facts and figures they need to make the case for investment in their programs. Incentives that encourage the public-sector agencies and CBOs to function as employers would also yield benefits. If training

organizations and agencies start hiring and supporting more workers, they will build firsthand knowledge about onboarding and retaining workers, and thereby improve their capacity to work effectively with employers.

Support the Growth and Viability of Intermediaries

Intermediaries have historically struggled with funding, yet they have key roles to play in building the new system. As described in the second brief in this series, intermediaries connect work-ready individuals to quality jobs, advocate for enabling state policy, and influence employers to change staff mindsets and workplace cultures. Because they are not direct participants in the employer-worker relationship, intermediaries have the power to significantly expand work-based learning experiences, move disconnected youth and adults back into the pipeline, and persuade employers to improve job quality. Effective local or regional intermediaries have critical work to do, and they deserve ongoing support and investment.

Invest in and Promote Innovations that Elevate the Voice of the Worker

There are a number of intriguing initiatives whose goal is to ensure that youth and adult workers have opportunities to play active roles in shaping workplace culture and designing training programs. Employers are experimenting with new union-like arrangements such as worker cooperatives, and training providers are embracing models that embed formal feedback mechanisms into their organizational structures (examples include youth leadership councils and standing focus groups) to inform and improve service delivery. Investing in this emerging body of work and in efforts to test and disseminate results will ensure that the people with the greatest stake in an employment or training enterprise have avenues to guide the work that is supposed to benefit them. As the popular rallying cry within empowerment movements declares, “Nothing for us without us.”



Conclusion: Toward a 'New Normal'

Thanks to the new, more balanced, relationship dynamic they are embracing, all of the stakeholders in the workforce development system should be well positioned to help build a “new normal” when they engage in and direct the recovery work that will lie ahead when California and the country are able to emerge from the shutdown necessitated by the COVID-19 pandemic.

As difficult as the current moment is, we may be seeing the outline of a new model of work and workforce development that could help us create a more equitable economic landscape. For example, the widespread move to remote working arrangements, accompanied by more extensive use of technology, creates new opportunities to, for example, adopt virtual training platforms and work experiences. And recent calls to expand broadband access to underserved communities so that all students have an equal opportunity to continue to attend class while sheltering at home can drive greater access to digital education and training programs in the future. As a more digitally-driven future emerges, accelerated technology innovation may well generate new, as yet unimagined ways for people to work remotely or to learn new skills on the job.

As we move into the recovery, we have a great opportunity to work together in new ways to build a more equitable society and create more opportunity for California workers.



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