



Creating Pathways to Advancement

A Manual for Project Developers

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I. The Pathways to Advancement Pilot Project

Pathways to Advancement is an employer-driven workforce development model operated by the public workforce system. Developed by Jobs for the Future with support from the U.S. Department of Labor, it is an innovative example of a growing field of practice in career ladders and low-skilled worker advancement models.¹ The Pathways model presents a framework for providing publicly funded employment and training services that meet the needs of employers, job seekers, and incumbent workers—particularly those in low-wage, low-skill jobs.

Through its initial demonstration in Seattle, Washington, Pathways to Advancement proved to be an effective strategy for fundamentally changing the way the public workforce development system operates. By making employers central to the service delivery strategy, it addresses the long-term workforce needs of regionally important sectors; at the same time, it creates advancement opportunities for current and former TANF recipients and other low-income populations.

In September 2002, JFF selected Seattle as a pilot site for the model and awarded the Seattle-King County Workforce Development Council a \$50,000 grant to partially support the project. JFF also provided the council with intensive technical assistance for one year, October 2002 through September 2003.

Career Pathways, as the project is known in Seattle, has proven successful at serving entry-level hospital workers and creating advancement opportunities for them. In the pilot year, the project served over 560 incumbent workers in four hospitals. It provided 440 workers with assessments of work-related skills, interests, and abilities, 290 with career counseling, and 165 with training in workplace literacy, nursing, and other areas. Participants included 120 hospital workers in low-wage, low-skill jobs, about 15 of whom advanced within the pilot year to new jobs or achieved wage gains, which averaged about \$5 per hour. The effort to “backfill” vacancies created through these advancements was just beginning as the pilot year ended, but by March 2004 50 current and former TANF recipients had been referred to employers, and 8 had been hired into entry-level jobs as a result of the program.

Perhaps the greatest indicator of the project’s success is that the Seattle partners decided to continue Pathways beyond the pilot phase and after initial funding ended. The project is taking further steps toward addressing workforce shortages facing the health care industry in King County, and the program operators are assessing their ability to respond to employer demand by adding additional hospitals and developing strategies for obtaining financial support from employers and other sources for its ongoing operation.

Jobs for the Future prepared this guide for other Workforce Development Councils and Workforce Investment Boards interested in replicating Seattle’s Pathways to Advancement strategy. *For more on the lessons learned during the pilot project, see Appendix A.*

I.1 The Pathways to Advancement Model

The Pathways to Advancement model is designed to marshal public resources and partner with employers in order to:

- Advance low-skilled workers to better jobs; and
- Fill newly available vacancies with referrals from the One Stop system.

The Pathways model has six components:

- Public workforce partnerships;
- Blended funding;
- Engagement with Targeted Employers;
- Delivery of services to a target population;
- Advancement and backfill; and
- Scale and sustainability.

Public Workforce Partnerships

The Workforce Investment Board (or an agency it contracts with) manages the program. The WIB also provides access to services and funding, promotes information sharing, and fosters collaboration around rules and regulations. Partnerships with the state TANF agency, state employment services agency, and local community colleges are vital to developing and operating the program. Pathways uses the One Stop delivery system to provide system resources, make referrals for backfilled positions, and market services to employers, incumbent workers, and job seekers.

Blended Funding

Funding through the local workforce development system, including WIA and TANF funding, is a core element of the Pathways model, but additional resources must be tapped to give the program the flexibility needed to tailor services to serve employers and participants. To serve the target problem, without restrictions on eligibility, the program must blend funding streams. Although the goal is to focus on advancing entry-level incumbent workers and backfill vacated jobs with TANF recipients and others with similar characteristics, the ability to serve *anyone* who seeks assistance is key to gaining credibility with both employers and participants.

An important element of the model is effectively utilizing the public workforce development system to meet the needs of the critical regional industry sectors. Part of this effort is to leverage the resources available to the system effectively. The WIB, as the lead of the public workforce system, organizes, secures, and blends a wide range of financing types, so that it can provide services that reflect the realities of the workplace, not categorical limitations of typical public funding streams.

Engaging and Targeting Employers

Employers are central to the Pathways model. Employers commit to being active partners in developing and managing the program, thereby driving much of the service delivery design and strategy.

The employer-driven nature of Pathways services means that the One Stop system provides access to employment and training assistance at the work site. This facilitates the connection of incumbent workers to program services and increases the flexibility of the One Stop in responding to employer needs.

The model aims to help employers in targeted industries or occupational clusters address long- and short-term workforce needs. The targeting must be done carefully. A selected industry or occupational cluster must have a critical workforce need that Pathways can address. Also, there must be employers within the industry or cluster who are willing to partner with the public workforce development system to address those needs.

Delivery of Services to a Target Population

As participants, Pathways targets current and former TANF recipients and other job seekers with similar characteristics. Included are the unemployed, as well as people employed in jobs that do not pay a family-supporting wage.

Strategically, though, Pathways serves a broad population that includes but is not limited to the targeted population. This gives Pathways more credibility with employers and with program participants. All participants can receive a range of training and support services designed to promote advancement and job placement.

Advancement and Backfill

The Pathways model advances participants in entry-level jobs to second-tier jobs, and then “backfills” the resulting first-tier job openings. This “advancement and backfill” strategy relies on growth industries that both hire entry-level workers *and* have advancement opportunities.

Scale and Sustainability

The long-term viability of a Pathways program depends on achieving scale and sustainability, which requires the program operators to consider demand for services, financing, population in need, and systemic support.

Systematic support is critical. Systematic support means that:

- The advancement of current and former TANF recipients and other low-income populations is a regional priority for the workforce development system.
- Long-term, sustainable relationships exist among Pathways partners, including the regional WIB, the One Stop system, training providers, community-based organizations, employers, and other organizations.
- The partners of the workforce system are committed to flexibility, change, and innovation.
- Employers are committed to modifying their human resource practices to support advancement.

I.2 The Pilot Project in Seattle

Seattle's Pathways project is creating career ladders in the health care sector, specifically hospitals. Seattle has developed each of the six components of the Pathways model.

Public Workforce Partnerships

Career Pathways is a project of the Workforce Development Council of Seattle-King County. In designing Pathways, the council involved health care employers, the local TANF agency, community colleges, and employment and training providers affiliated with the local One Stop (known as WorkSource). It then contracted with two WorkSource partners—Pacific Associates and TRAC Associates—to provide services. They did this by “out-stationing” *Career Specialists* at participating hospitals for one to two days per week, giving the employer a single, easily accessible point of contact with the project.

The choice of TRAC and Pacific Associates was deliberate. These agencies have well-established reputations for being employer-oriented and employer-responsive. Both are WorkSource partner agencies, and Pacific Associates is part of the management consortium that operates WorkSource. Staff of both agencies have access to and knowledge of the One Stop system of resources.

Having a single point of contact has been key to Career Pathways' responsiveness to employer needs and concerns. The Career Specialists build employer relationships and bring the workforce development system's training, services, and resources to employers, to help meet employer needs.

For incumbent workers, having Career Specialists on-site at their employer location facilitates access to the services of the workforce development system. Many Career Pathways participants were not aware of the public system or the services available through it. As a result of co-location, the resources of the workforce development system are being used more effectively to meet the career goals and objectives of health care workers.

Hospitals also see Career Pathways and the out-stationing of Career Specialists as a way to increase the workforce development system's understanding of the health care sector and its workforce, training, and related needs—and thus better meet these needs. To this end, Career Specialists convey to the broader workforce development system what they learn about the hospital industry and its labor market needs, as well as what they learn about how to provide employer services.

Another benefit of out-stationing staff, according to the Career Specialists, is access to real-time labor market information. This can be used throughout the workforce development system.

Blended Funding

Seattle's funding for Career Pathways comes from a variety of public sources, including U.S. Department of Labor funding for the project, Community Jobs, the Workforce Investment Act, the H1B Visa program, and Washington State's Industries of the Future Skills Training program. In addition, private resources, including employer tuition reimbursement funds, are key to program operation. This mix-

ture has made it possible to meet the needs of employers and a wide range of incumbent workers, as well as to provide seamless services. While the pilot grant has ended, the project continues to tap the other sources of funding.

Flexible funding is critical to the success of Career Pathways. In particular, the flexibility of the HIB grant has made it possible to serve a wide range of workers. Seattle also has been careful about blending its multiple funding sources so neither eligibility requirements nor funding silos affect either employers or participants.

Engaging and Targeting Employers

The health care sector is a key part of the Seattle-King County economy, a regionally significant employer and a relatively high-wage industry. Over 3,800 firms generate 88,785 jobs and about \$3.5 billion a year in wages. Health care accounts for about 7 percent of the region's employment and 6 percent of all wages. Overall, the health care sector is projected to continue to grow at a rate faster than average.

Hospitals are particularly important: they employ over 35,000 people in the region, or 3.2 percent of the region's workforce. Hospitals are also a growth sector: employment increased by two thirds between 1990 and 2002. In addition, hospitals have an average wage of over \$48,000 a year.

While health care was an obvious choice for the Career Pathways, the project could also build on prior work done by the Seattle-King County Health Care Staffing Crisis Panel. The panel, convened by the Workforce Development Council and the Washington State Hospital Association established relationships among representatives of the hospital industry, labor, two- and four-year colleges, and the K-12 system.

After extensive research and discussion, as well as an examination of best practices in workforce development, the panel identified a number of issues that impede Seattle-King County's hospital industry and its workers. A major challenge identified through this process was the difficulty that hospitals face in encouraging career progression in the health care sector.

At the outset, Career Pathways targeted its efforts at four of Seattle's largest hospitals, all of which participated in the Seattle-King County Health Care Staffing Crisis Panel: Overlake Hospital Medical Center, Children's Hospital and Regional Medical Center, Group Health Cooperative, and Swedish Medical Center.

Delivery of Services to a Target Population

Although the objective of Career Pathways is to serve current and former TANF recipients and other low-income individuals with similar characteristics, the model does not limit participation to such individuals. Instead, Pathways serves incumbent workers at participating hospitals, with a special concern for people in low-wage, low-skill jobs. It is easier to engage employers effectively around certain job classifications (and workers in those job classifications) than it is to target workers with certain characteristics, such as current or former TANF recipients.

Many but not all of those served are current or former TANF recipients. Services include:

- Formal and informal assessments of skills, interests, and abilities;
- Individualized career planning;
- Career planning workshops, covering such topics as resume writing and interviewing techniques;
- Links to training resources and other support services (e.g., child care, transportation assistance); and
- Help navigating the workforce development system.

Advancement and Backfill

Career Pathways’ priority is to first help incumbent workers advance beyond entry-level jobs by providing access to career planning, various kinds of training, resources, and support services—and then to backfill the resulting job openings. This reflects the workforce needs of the hospital industry, including those specifically articulated by the industry panel. For example, the Pathways hospitals consider the backfill component to be especially important: they find it more difficult to fill skilled positions than entry-level positions. The panel also stressed the need to make the public workforce development system more responsive to the industry in general.

Career Pathways has successfully provided entry-level workers with advancement opportunities. After about one year in operation, Career Pathways had served over 560 incumbent workers, assessed 440, provided career counseling to 290, and enrolled 165 participants in training in workplace literacy, nursing, and other areas. Among those served were almost 120 hospital workers in low-wage, low-skill jobs, about 90 of whom received skill training. Fifty people completed skills training. Career Pathways referred 50 current and former TANF recipients to entry-level jobs, but only 8 were hired, demonstrating the challenge of placing entry-level employees in the health care field.

In that same period, about 15 Career Pathways participants advanced to new jobs or obtained wage increases. Most started out in housekeeping or food services jobs and, with training and other resources and support services, moved into a variety of patient care jobs. Examples of participants’ starting jobs and wages, services provided, and current jobs and wages are provided in the following table.

Career Pathways Advancement and Wage Progression, Selected Examples

Starting Job		Assistance Provided	Current Job		Hourly Wage Increase
Title	Hourly Wage		Title	Hourly Wage	
Environmental Services Tech	\$12.54	Training resources*	Patient Care Tech	\$12.92	\$.38
Dietary Aide	\$ 8.49	Training resources	CNA	\$ 9.50	\$1.01
Caregiver	\$ 9.00	Training resources, case management	Medical Assistant	\$14.34	\$5.34
Laundry Aide	\$ 7.43	Training resources	CNA	\$10.00	\$2.57
Greeter	\$10.15	Training resources	Pharmacy Assistant	\$12.63	\$2.48

* Training resources include employer tuition assistance, public training dollars, information about training programs, and a variety of other activities to increase participant access to appropriate training opportunities.

Scale and Sustainability

The main considerations in achieving scale and sustainability are demand for services, financing, population in need, and systemic support.

Demand for Services. There continues to be strong demand for health care workers in the Seattle area, especially at the skilled level. The four hospitals participating in Career Pathways report an interest in engaging with the workforce development system and accessing its resources to address their labor shortages. In addition, they have been willing to modify their human resource practices to support Career Pathways by providing tuition assistance to incumbent workers in low-wage, low-skill jobs and by paying incumbent workers for a portion of the time spent in training. Other hospitals in King County have expressed interest in developing Career Pathways programs, and the Career Pathways operators are exploring the possibility of obtaining operational resources from the hospitals where Career Pathways is established.

Financing. Seattle initially identified \$5.1 million from public sources that could be tapped to provide funding support to the operation of Career Pathways. Sources included a combination of federal and state grants. Federal grant resources included H1B (\$830,000) and WIA (\$2.7 million). State grant resources included Community Jobs (\$1.3 million), and Industries of the Future Skills Training (\$150,000). In addition, Seattle leveraged \$400,000 in employer training dollars and received the \$50,000 Pathways pass-through grant from Jobs for the Future and the U.S. Department of Labor.

Population in Need. The experience of Career Pathways suggests there is a ready supply of low-wage, low-skill hospital workers—a significant portion of whom are current or former TANF recipients—interested in advancing to higher-wage, higher-skill jobs in health care.

Systemic Support. Systemic support for Career Pathways is evidenced by the program's priority on advancement, the strong relationships between the Career Specialists and participating hospitals, the commitment to flexibility, change, and innovation, and employers' commitment to modifying human resource practices and investing their own resources.

II. Key Operational Factors for Success

The program operators in the Seattle Pathways project have identified five factors as critical in developing a successful program:

- Employer buy-in;
- Internal company strategy;
- Link to One Stop: The Career Specialist;
- Financing; and
- Monitoring program performance.

II.1 Employer Buy-in

The key to developing a successful Pathways program is to make it “employer driven.” This means responding to needs identified by employers, who must be involved in designing and developing the overall program *and* how it is implemented in their individual organizations.

Within each company, a “champion” at the highest level must be prepared to intervene if necessary to ensure the program’s smooth operation and its full integration into company operations. To maximize the program’s impact, the “champion” should have authority across all departments. This person would be the director of human resources if the program is implemented organization-wide or the manager of the targeted department if the program is implemented within one division.

As the program is implemented, mid-level operational managers must support it as well. This requires higher-level support for the program, a full explanation of the program’s benefits explained to affected managers, the delivery of the promised benefits as the program develops, and an on-site Career Specialist who fits into the company culture.

The importance of employer buy-in suggests a number of key characteristics to look for in participating companies:

- A recognized need for workers in certain job categories;
- An openness to trying new approaches to recruitment and training;
- The commitment of a senior manager with company-wide (or department-wide) responsibility;
- The participation in the planning process of a senior manager who can make commitments to the program on behalf of the company; and
- An agreement to provide the program with necessary support (e.g., space, employee support, some paid time off for training, on-site logistical support, financial resources for training scholarships).

Example: *After the selection of the health care industry as the target for the Career Pathways program, several hospitals expressed their interest in participating in the pilot effort. The four hospitals chosen had been active partners in the Seattle-King County Health Care Staffing Crisis Panel, signaling their interest in addressing their workforce needs and in working closely with staff from the Workforce Development Council to do so. The*

four hospitals, Children's, Group Health Cooperative, Overlake and Swedish, identified specific workforce needs for the program to focus on and committed the staff and resources to make the program work. In the more successful Seattle hospital sites, a key high-level staff member fully embraced the program and proactively championed it.

II.2 Internal Company Strategy

There are two options for implementing Pathways within a company: across the whole company through the human resources department or within one department or function through the division director/manager.

Working across the entire company creates an opportunity to develop more career paths and potential options for employees wishing to upgrade their skills and earning capacity. For an employer who wants to recruit and train incumbent workers for open positions, a company-wide approach widens the field of potential recruits and increases the program's impact. However, this strategy raises the level of risk while the program smooths out the inevitable wrinkles during development and implementation. It also requires gaining early "buy-in" from many managers, which a program may find hard to achieve. This approach requires the program to demonstrate early success, and program managers must respond quickly to any related concerns that arise from any part of the company.

Working within one department or function creates the opportunity to refine the strategy in a limited environment before taking it to additional departments or company-wide. Also, after the program's reputation has been established in one department, that department can serve as an advocate to other departments. However, this approach may lessen initial impact, which could make it harder to promote.

Example: *Both strategies were used in Seattle. At the four partner hospitals, key hospital and Career Pathways staff worked together to decide which strategy to employ and how to structure the program. This allowed for individual consideration of each hospital's particular needs and environment. Overlake Hospital, which is preparing to dramatically expand its facility, has long-term staffing needs across a wide range of positions. Career Pathways is an initiative of Overlake's Human Resource Department and has been implemented company-wide. At Group Health Cooperative, the highest priority has been to address a shortage of nurses. For that reason, Career Pathways is managed by the Director of Nursing and focuses on cultivating the nursing staff at multiple skill levels.*

II.3 Link to One Stop: The Career Specialist

An important Pathways objective is to use One Stop resources effectively to address an industry's human resource needs. For this reason, Career Specialists are the center of the Pathways system's day-to-day operations. Career Specialists are either One Stop staff or work for One Stop partner organizations. They are representatives of the One Stop system, and their clients are the employers. Their mission is to help employers address staffing needs by recruiting and training incumbent workers. Additionally, Career Specialists help employers backfill vacancies created by the promotion of incumbent workers, ideally using the resources of the local One Stop.

Career Specialists perform a number of functions, including:

- Providing short-term and long-term counseling to incumbent workers on their career options;
- Identifying/defining career paths for incumbent workers;
- Helping incumbent workers access appropriate training needs;
- Helping eligible workers access training funds;
- Administering training funds;
- Working with employers to resolve particular issues related to the progress of incumbent workers served by the Pathways program;
- Working with employers to address human resource needs;
- Providing a link between employers and the resources of One Stop centers;
- Informing One Stops about the employer's workforce needs;
- Marketing the program and their own services to managers and low-level employees; and
- Screening, preparing, and referring candidates for backfill positions.

The Career Specialist must be very responsive to the demands of employers and able to leverage public resources and services to meet employer needs. Typically, this will be a person who works for a One Stop partner or provider and who knows the landscape of the resources available for workforce development and to job seekers. Career Specialists should also have counseling experience and experience with, and a broad perspective on, the private sector and employer needs.

The Career Specialist will come from an organization that can bridge two worlds: employers and the public employment system. That organization's continued involvement in the program depends on its performance *as perceived by the employers*. It must be highly flexible and employer-responsive, immediately replacing any Career Specialist who does not perform well or who does not fit well with the employer's culture.

Career Specialists increase the One Stop system's ability to respond to industry needs by communicating in-depth knowledge they gain about their client companies and industries to staff in that system. More qualified job candidates can be referred to the employer because One Stop staff better understand industry skill needs and culture; as a result, they can select and prepare job candidates more effectively. The One Stop can post job openings in a more timely fashion because Career Specialists work directly with human resource staff within the industry. In addition, One Stop services can be tailored to better meet industry needs over time as the One Stop system becomes more employer-oriented and as industry gains a better understanding of the available public resources.

This synergy is achieved in a number of ways. Ideally, Career Specialists work at the One Stop when not on-site with employers. Thus, Career Specialists can share knowledge with their One Stop colleagues by, for example, holding regular seminars for employment specialists about each industry, including the types of jobs available, the skills and qualifications needed, and the potential career paths. Another way to share knowledge is for Career Specialists to arrange for employment specialists to visit participating employers. Also, human resource or other key employer staff can be invited to One Stops to discuss their industry in person or to gain a better understanding of the services available to their employees through the public system.

Whatever mechanism is selected, this process builds the capacity of the One Stop system. With connections to both the employer and the One Stop system, these staff provide a vital link between the two. The overall goal is to make the system more industry responsive and to enable industry to more effectively utilize the system. “Knowledge sharing” activities should be built into the program upfront.

Career Specialists must have adequate resources. Particularly important is a private office so that workers seeking their services can speak frankly about workplace, personal, and financial matters. In addition, Career Specialists need access to the Internet and to the employer’s intranet to keep in touch with the people they serve. A Career Specialist serving an employer with more than one site needs a notebook computer and portable printer, with office space available at each site.

Example: *Seattle approached the Pathways program as a strategic opportunity to further develop the employer responsiveness of the One Stop system and to effectively utilize public resources to address the long-term human resources needs of a key regional industry. With a Career Specialist inside each hospital, employers use One Stop resources more efficiently, and the One Stop system gains deeper employer relationships and an increased capacity to respond to employer needs. The Career Specialists represent the One Stop system and are co-located at hospitals at least one or two days per week.*

The Workforce Development Council of Seattle-King County selected TRAC and Pacific Associates to supply Career Specialists. Both organizations had demonstrated success in developing strong employer relationships through prior contracts with the council, including its Welfare-to-Work program. Both organizations are One Stop system providers, and both have reputations for being employer responsive and savvy.

In the beginning stages of Career Pathways at one partner hospital, the human resource manager expressed concern over the style of the Career Specialist assigned there. In response, the provider immediately replaced the Career Specialist with another staff member who better fit the culture of the partner hospital.

Three of the four Seattle partner hospitals have designated office space, with access to the Internet and intranet, for the Career Specialists. The fourth hospital has many clinics across a wide region, making a central Career Specialist office impractical. In this instance, the Career Specialist conducts the Pathways program primarily over the phone and through e-mail, arranging in-person meetings when necessary.

II.4 Financing

Ensuring adequate and flexible financing for the Pathways program is essential. The strategy of serving anyone who walks in the door of the Career Specialist is key to gaining company support. WIBs must effectively manage eligibility requirements and funding silos so that, from employer and worker perspectives, the financing is as near to “seamless” as possible and no one is turned away from program services.

In general, financing falls into two major categories: funding provided directly to the Pathways program and funding provided directly to individuals participating in the program. Across these categories, potential sources of program funding include:

- The Workforce Investment Act;
- Temporary Assistance to Needy Families;

- Special federal training funds, as and when they become available;
- State workforce development and training programs;
- Industry training programs (e.g., joint industry/union/government training programs where they exist); and
- Private foundations. A number of national and local foundations support innovative workforce development programs targeted at low-income workers. Such foundations may help support the development of Pathways programs, although they are unlikely to finance operational costs over the long term.

In addition to general funding for the Pathways program as a whole, program staff can help participating workers secure direct financial support for specific needs, primarily tuition assistance. Possible sources of direct financial support might include:

- Federal programs (primarily Pell grants);
- State tuition reimbursement programs;
- Company tuition reimbursement programs; and
- Other private and public sources.

Internal company training funds are another important source. Every large company budgets for internal training each year. Generally, these funds target middle and senior managers. As more companies come to appreciate the return on investments in training lower-level workers, a portion of these funds should be available to support Pathways programs.

Obtaining company financial support for the management of the project may be possible in the long-term. In this respect, it is important to note that a Pathways program is a long-term investment. There is an immediate pay back as some incumbent workers take advantage of opportunities of which they were unaware or did not know how to access before Pathways, but many benefits appear only after a year or more. Consequently, taking time to make the case to employers about why they should contribute to the program may necessitate a longer-term draw on public resources.

Example: *In Seattle, the Workforce Development Council has blended financing from a number of sources in order to serve a wide array of incumbent workers. Funding has come from a variety of sources, including U.S. Department of Labor funding for the Pathways to Advancement project, Community Jobs, the Workforce Investment Act, the H1B Visa program, and the state's Industries of the Future Skills Training program. This has made it possible to meet the needs of employers and a wide range of incumbent workers, and also to provide seamless services. The council leveraged almost \$380,000 in training subsidies to support Career Pathways. Employer training contributions totaled over \$400,000.*

For the long term, Seattle chose to manage the program at no cost to employers for six months. This allowed time to demonstrate an ability to work effectively with employers and to achieve results. The Workforce Development Council also plans to continue using state grants and other funding sources to support Career Pathways.

II.5 Monitoring Program Performance

The long-term future of a Pathways program depends upon continued buy-in by employers and potential funders. Hence, it is important to quantify impact. Before the program is implemented, a key decision is what to measure and how to measure it—and to then build monitoring into the program design. Program performance indicators and reporting systems should be discussed and mutually agreed upon at the outset by the employer and the program operator. This will ensure that the employer receives information it finds valuable and that the program operator establishes a manageable monitoring system.

Example: *Seattle has used the WIA reporting system as the foundation of its results monitoring. In addition to an array of participant demographic information, Seattle works with partner hospitals to track the numbers of: assessments provided, people enrolling in and completing training, advancements to new jobs, wage gains, referrals to entry-level jobs, and hires into entry-level jobs.*

III. Implementation, Step by Step

There are four phases in establishing a Pathways to Advancement program. Estimate about seven months to reach the final and ongoing phase, operating the program:

Phase 1: Selecting the Target Industries and getting buy-in from companies to participate takes about three months. However, it is hard to estimate the amount of time needed to interact with and recruit a range of companies; it depends to some extent on the schedules of key industry players.

Phase 2: Program Design should take about three months. While it, too, depends largely on the calendars of parties outside the Pathways sponsoring agency, all have a significant self-interest in moving ahead quickly by this stage. The limiting factor is the time it takes to issue an RFP seeking a contractor to design and implement the program, evaluate responses, and engage the contractor.

Phase 3: Implementation at each site is driven largely by the Career Specialist. It should take less than one month.

Phase 4: Operations begin once the first three phases are complete.

Phase I: Selecting Target Industries and Sectors

Overview

Employer workforce needs drive the Pathways program. This is the starting point, rather than the skills of job seekers. To ensure that the program meets employer needs, employers are heavily involved in designing and implementing it. The program must operate at employers' work sites and bring the full resources of the One Stop system directly to those sites.

It is also critical to target the most appropriate industry sectors and the right employers within those sectors. The most appropriate industries and employers are those that:

- Employ a significant number of people (for the sector, both through one or more large employers in the sector and for the sector as a whole);
- Are unlikely to move employment out of the community in the immediate future;
- Provide entry-level jobs and jobs that incumbent workers can fill if training courses are accessible to them;
- Recognize an unfilled or critical need for workers in certain job categories; and
- Are prepared to consider new approaches to recruiting staff and training people to meet critical employment needs.

The last two points are crucial. A Pathways program cannot succeed unless employers recognize a critical need and are prepared to consider new approaches to meeting that need.

Step-by-Step Approach

Chart 1 illustrates the steps involved in selecting the industry sectors that the Pathways program will address.

Identify major local employment sectors. The first step is to identify those sectors of the local economy that both provide large numbers of jobs *and* are unlikely to move out of the region in the near future.

Identify industries with significant recruitment needs. Next, narrow the resulting list of sectors. Work closely with industry leaders and local trade associations to identify those sectors that are experiencing, and recognize, a serious problem in filling certain job categories.

Identify sectors with appropriate skill needs. The Pathways program has two objectives: to place incumbent workers in hard-to-fill job categories and to place unemployed workers into the positions they vacate. To be appropriate for such a program, an industry sector must be one in which incumbent workers can, with training, qualify to fill higher-level vacancies and where the program can access appropriate financial resources to support the necessary training. For example, if the program depends heavily on financing from WIA, TANF, and state training programs, select an industry in which a significant percentage of incumbent workers using the program are eligible for support by those funding sources.

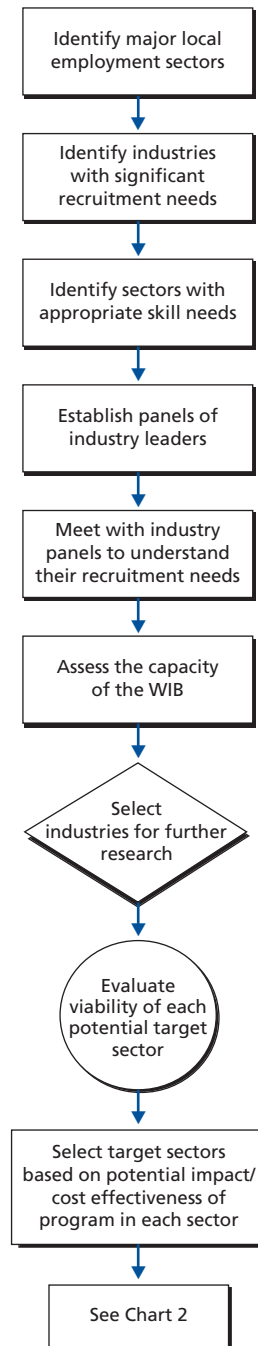
Establish panels of industry leaders. For each potential sector, the Workforce Investment Board or other program organizer convenes industry panels to explore further the development of a Pathways program. Getting the right people on these panels is important. The leaders should include senior staff with the authority to make decisions on behalf of their companies, which are major employers in the industry. Panel members could also include senior staff from the industry association. Who a company assigns to a panel says a lot about its commitment to the program.

Meet with each industry panel. With industry representatives, the program organizer explores:

- What job category or categories in which there are recruitment needs;
- Projected opportunities for advancement for the next two to five years;
- Whether incumbent workers, with appropriate training, can meet those needs;

CHART 1

Phase I: Selection of Industry Sectors



- The estimated cost of training;
- The industry's readiness to rethink traditional pathways to advancement; and
- The resources the industry and individual companies can contribute to the program.

The panel meets monthly for about three months during the planning process. Thereafter, it meets less frequently, perhaps every other month to monitor overall progress.

Assess the capacity of the WIB or other program organizer. Even if funds are available to serve a number of sectors and employers, the WIB must assess its internal capacity to develop and run a Pathways program. A measured approach to scaling up is advisable if a WIB has limited resources to respond to employer needs on a large scale.

Select industries for further research. Given an understanding of each industry's needs, the WIB has a preliminary understanding of the commitment of major companies to supporting the Pathways program and can assess whether it can make a meaningful impact on recruitment and training needs. Eliminate industries that do not pass this preliminary screen; those industry panels can focus on issues that are more pressing.

Evaluate the viability of each potential target sector. Chart 2 outlines the process for evaluating each sector. The WIB works in depth with each industry panel, and in particular with the sector's key companies. Together, they refine the details of how the program will work in practice, identify potential partners to provide training and career support services, and secure employers' commitment to the program.

The commitment required of employers includes:

- Making office space available to on-site Career Specialists;
- Having managers adjust schedules to accommodate training program times;
- Providing Career Specialists with email access to staff members; and
- Participating in meetings to supervise and manage it.

(Employers also may contribute to the program financially at this point.)

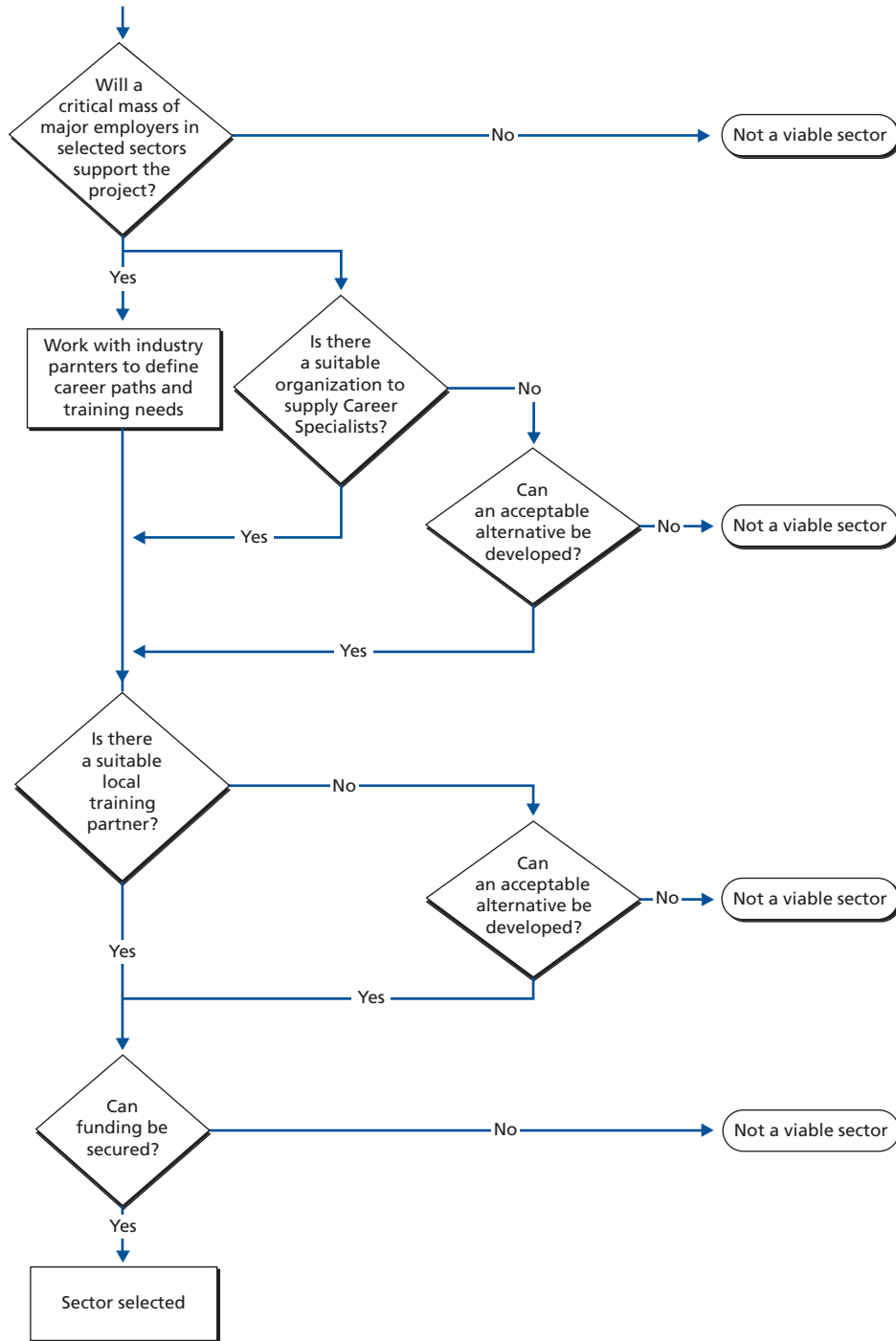
This is the critical decision point for the companies and for the WIB. A sector is not suitable for implementing a Career Pathways program if too few employers are prepared to make the required commitments.

The panel also defines potential career paths leading to (and through) positions targeted by the Pathways program. Employers identify their training needs, based on the skill sets of their incumbent workers. Then, the program organizer talks to potential training institutions about meeting those needs. Generally, program organizers work with community colleges to develop appropriate training courses. Alternatively, it may be possible to collaborate with local community-based organizations to develop customized training programs. If appropriate training programs cannot be identified or developed, the industry sector is probably inappropriate for implementing a Pathways program.

The final and absolutely critical step at this point is to ensure that funds will be available for the programs to be developed. A successful Pathways effort blends financing from a number of sources to make the program appear as seamless as possible to employers and to job seekers and incumbent workers.

CHART 2

Individual Sector Evaluation Process



Generally, financing falls into two major categories: funding provided directly to the program and funding provided directly to individual participants (see Section 2.6). In addition, employers can support the program by giving participants paid time off to attend appropriate training courses.

The Pathways program cannot be implemented for a sector if the industry panel is not confident that enough financing can be secured to support the program.

Select target sector(s). Begin by selecting those sectors and sites that yield the highest return in terms of job openings filled for the program investment. Initially, the program may not be able to meet employer demand—whether because multiple industry sectors qualify or because too many employers within a sector wish to participate.

By the conclusion of Phase 1, the program organizer has identified the industry sectors and employers that will participate in the Pathways program. The WIB is confident that the necessary resources are in place—Career Specialists, training institutions, and financing.²

Phase 2: Program Design

Overview

During Phase 2, Program Design, the program organizer works with the industry panel and representatives of each employer to:

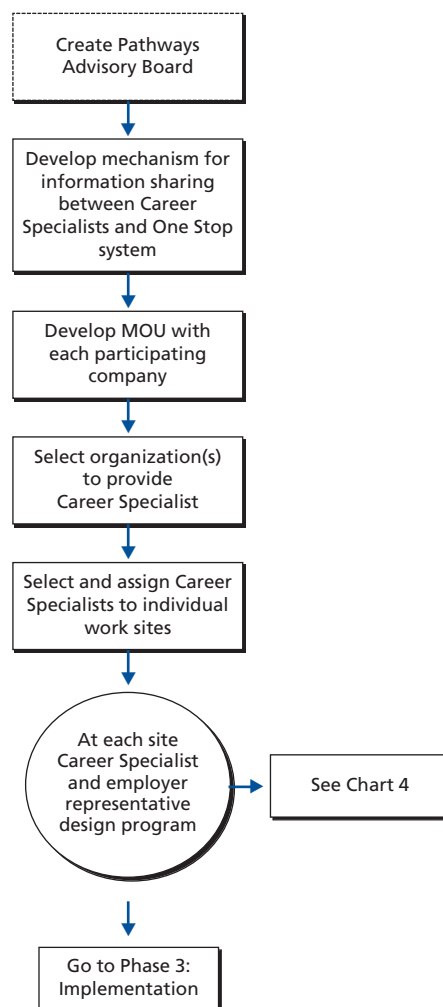
- Select a One Stop or One Stop partner organizations to provide Career Specialists and connections to One Stop services;
- Develop the details of the programs to be implemented on each site;
- Define potential career paths;
- Confirm, in a written Memorandum of Understanding, the roles and responsibilities of the WIB, Career Specialists, and employers;
- Identify training programs with local educational institutions;
- Agree on monitoring and outcome measures; and
- Develop a mechanism for integrating the learning from Pathways into the knowledge base of One Stop centers.

Step-by-Step Approach

Chart 3 summarizes the steps in designing the Pathways program at each site.

Create a Pathways Advisory Board. This step is only necessary when the WIB is implementing Pathways programs across more than one industry sector. In such situations, it may be necessary to create an overall advisory board to handle relationships among the different programs, identify where resources and training programs can be shared, and identify areas for cooperation. The advisory board contains

CHART 3
Phase 2: Design Program



representatives of the WIB and each industry panel. For more strategic issues, such as allocating scarce resources across different industries, the WIB makes final decisions, with input from the panel.

Develop a mechanism for integrating Career Specialists into One Stop operations. By operating at the workplace, Career Specialists gain insight into the companies' employment needs and the internal career paths available to incumbent workers. This is invaluable information for One Stop job counselors and the job seekers they advise every day. Getting this information into the hands of job counselors is also a plus for the participating companies: One Stop centers can better screen candidates they refer to employers, both now and in the future. Setting up a mechanism for transferring this knowledge is a win-win situation for all parties.

A number of mechanisms serve this purpose:

- Career Specialists work in the One Stop centers for a few days each week.
- Career Specialists give seminars to One Stop job counselors on the needs of the partner companies.
- Senior managers from the organizations who provide Career Specialists sit on the Board overseeing the One Stop centers.
- Career Specialists network informally with other One Stop staff members.

Other approaches can be tried, but whatever the mechanism, this feedback loop is essential if the WIB, participating companies, and job seekers are to maximize the potential benefits of a Pathways program.

Develop a Memorandum of Understanding with each participating company. A Memorandum of Understanding between the WIB and each employer secures the active involvement of each participating company and helps prevent misunderstandings. The MOU spells out the responsibilities and commitments of each party. On behalf of the WIB, it describes what the Career Specialist will provide, how often s/he will be on site each week, and the resources the WIB will commit to the program. The MOU also spells out the support the employer will give to the Career Specialist (e.g., office space, access to company email and internal company communications channels), the adjustments the employer will make to enable staff to participate in the program, reporting relationships, and internal training funds and other resources that the Career Specialist will be able to access on behalf of incumbent workers. (See Appendix B for a Sample Memorandum of Understanding.)

Select organizations to provide Career Specialists. Career Specialists must be employer-responsive and connected to the One Stop system. In some cases, One Stop system staff may be appropriate Career Specialists, or the WIB may contract with local organizations to provide these staff. In either case, Career Specialists are experienced career counselors who can work well with employers' senior and middle managers. They must be sensitive to the culture of the participating companies, responsive to the demands of local management *and* incumbent workers, and familiar with the resources available through local One Stops. If the WIB cannot provide Career Specialists from its own staff, it can issue a Request for Proposals to solicit bids from interested contractors. The WIB, with input from the industry panel, chooses the provider organization.

Assign Career Specialists to specific work sites. The provider organization proposes certain individuals, and the WIB reviews these recommendations—but each employer has final sign off on the Career

Counselor assigned to it. If an employer later becomes dissatisfied with the Career Specialist for any reason, the organization should have the resources needed to assign a new Career Specialist *immediately*.

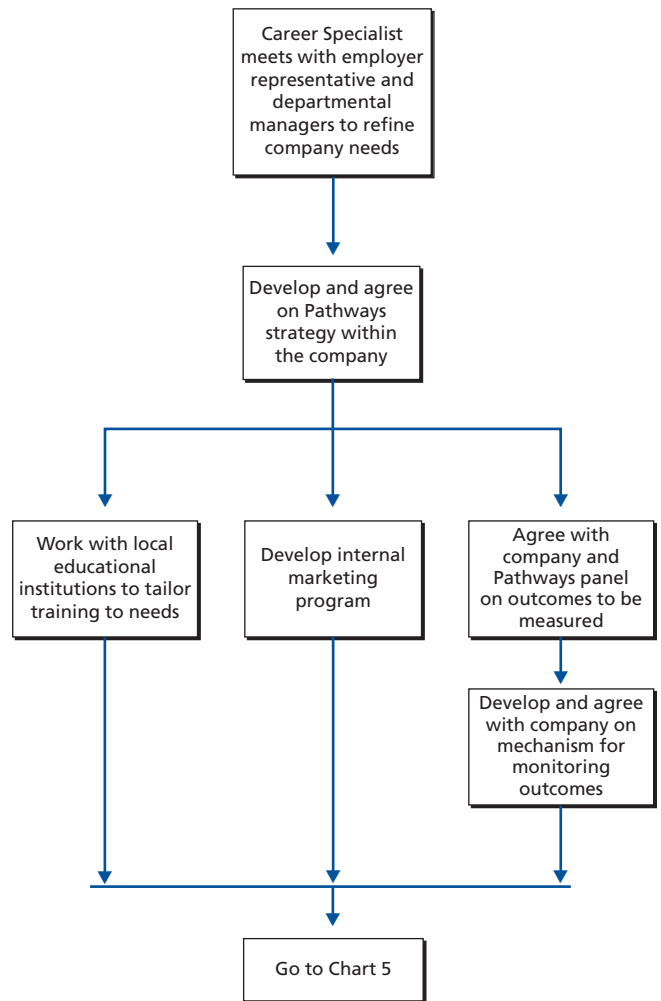
Developing a site program at each participating company. Chart 4 shows the steps involved in completing the design process. The Career Specialist and each employer’s director of human resources or other key staff refine the program to meet the company’s specific needs. This involves understanding and defining the career paths within the company and expressing them in terms of internal job descriptions, training requirements, and personnel structures.

The Career Specialist will advise incumbent workers on opportunities and career paths available within the company. Thus, the Career Specialist must learn the requirements of all potential advancement opportunities that she or he will discuss with incumbent workers. Time spent becoming familiar with the company’s jobs and reporting relationships is time well spent: it contributes significantly to the Career Specialist’s impact on incumbent workers.

Many incumbent workers need no additional training in order to advance. Simply making them aware of available opportunities enables them to select avenues for advancement. Other workers may need specialized training that the resources of this program will not support directly. For them, the Career Specialist must be able to identify places to obtain such training and potential ways to pay for it. For certain key training courses (e.g., LPN training for hospitals), the demand may be enough for the Career Specialist to take a more proactive approach.

For “high volume” training needs, the Career Specialist works through the partnership formed between the workforce system and the training partners to connect individuals to training opportunities. Career Specialists can also identify ways to integrate training into the employer’s operations, and they can determine the costs involved. The Career Specialist works with training providers and the employer’s operations managers to ensure that the necessary training will be accessible to incumbent workers. Generally, trainers have to adjust course schedules to times that are accessible to incumbent workers, and line managers have to allow some flexibility in work hours to enable incumbent workers to attend the training.

CHART 4
Developing a Site Program



To succeed, the program must be marketed to potential program recipients (incumbent workers) and to line managers who the program will directly affect, both by generating an increased supply of qualified applicants for hard-to-fill jobs and by causing schedule disruptions when employees attend training. The Career Specialist and key employer staff agree on the broad outlines of a program marketing plan that identifies *who* gets information about the program and *what* information they receive.

Finally, the Career Specialist and key employer staff agree on the measures to use to evaluate the program's impact. To ensure consistency across the program, the industry panel overseeing the Pathways program approves these measures.

At the same time, the company and Pathways agree on a practical way of tracking and recording the outcomes that measure the program's success or failure. It does not serve the program well if they later find that tracking outcomes is too costly or impractical.

At the conclusion of this phase, Career Specialists—the people who will operate the program—are in place and have worked with employers to agree on the specific programs that will be implemented at each employer.

Phase 3: Implementation

Overview

During Implementation, Phase 3, the Career Specialist works with local management to integrate the Pathways program into the company's daily operations and to bring the program to the point of being ready to provide direct services to incumbent workers. Chart 5 outlines the steps involved.

Step-by-Step Approach

Meet with key company staff to agree on working relationships. The Career Specialist works closely with members of the human resources department if the approach is company-wide or the director of a selected department if the approach is targeted. The Career Specialist and key company staff determine how to integrate the Pathways program into company operations. They identify which staff to involve, identify the line managers who need to understand the program, and agree on internal communications and reporting arrangements.

Meet with line managers to the explain program. For the Pathways program to succeed, the line managers and supervisors who it directly affects must support it. The Career Specialist meets with these staff to ensure that they understand the program's benefits to them and their role in ensuring its success.

Line managers and supervisors must buy into the program in part because they will have to be flexible in scheduling so that staff can participate in counseling sessions and training. Line managers must also anticipate losing workers who take advantage of advancement opportunities and move up the career ladder.

Line management must also understand the benefits. One such benefit comes as the program generates more internal applicants for hard-to-fill positions—and without much of the screening and refer-

ence checking normally associated with new hires because these applicants come from within the company. Moreover, employees often see Pathways as an employment benefit, which improves company morale and may well improve recruiting as the company gains a reputation for offering and even encouraging advancement.

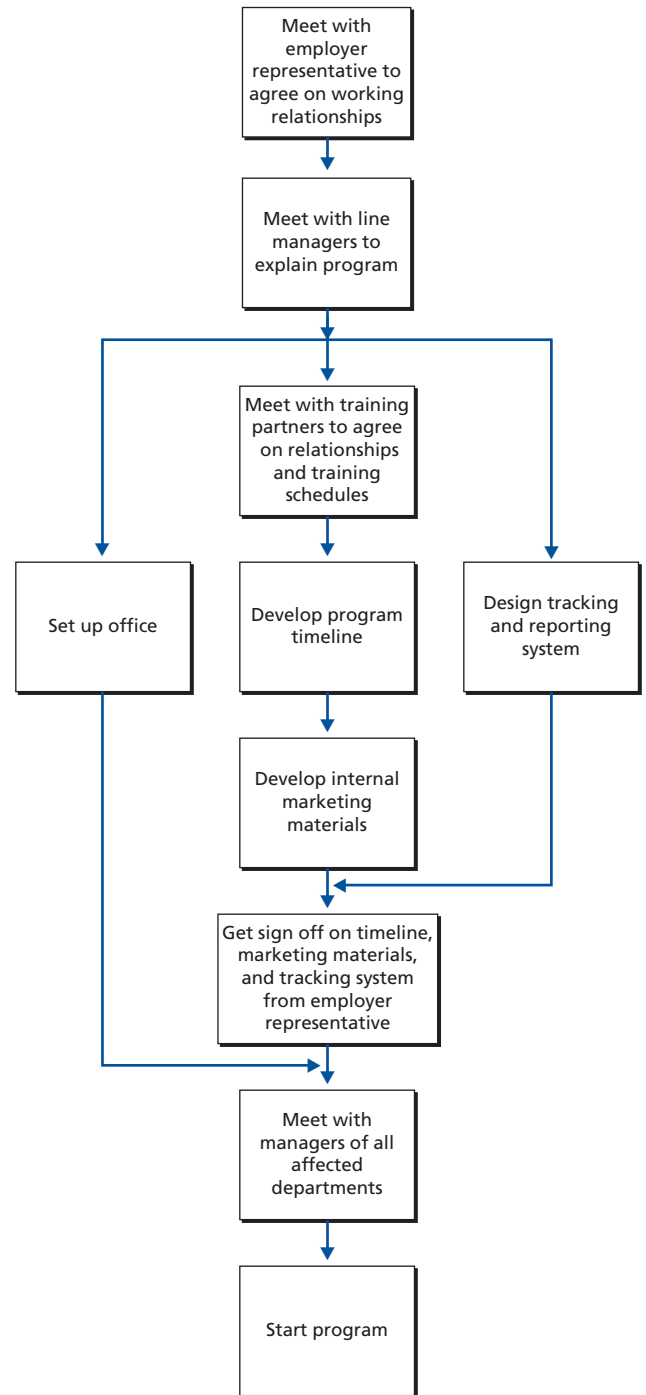
Finalize training options and arrangements. With the training partners, flesh out the details of the training they have agreed to provide. As incumbent workers evaluate their options, this will enable Career Specialists to provide details on all relevant training programs. For each training option, the Career Specialist and training partners must agree on course dates and times, prerequisites, and costs, as well as potential sources of scholarship support.

Develop a program timeline. The Career Specialist develops a timeline for the program using the information he or she has compiled on the employer’s operations and recruitment needs, the numbers and skill sets of the incumbent workers targeted by the program, and the dates of the various training programs. In addition, the Career Specialist estimates the numbers of people who will be assisted, attend training courses, and move into hard-to-fill positions over the first year or so.

Develop internal marketing materials. Information about the Pathways program must be disseminated in an appropriate form to all potential participants. The broad outline of the internal marketing program was developed and agreed upon during Phase 2. At this point, the Career Specialist has enough information to develop detailed materials for distribution to potential program participants.

Design a tracking and reporting system. Ideally, the company and the Career Specialist determined during Phase 2 what data to track and how to do so. Now finalize the detailed systems and responsibilities for tracking data and develop the project timeline and marketing materials.

CHART 5
Phase 3: Implement Program



Get sign-off on the program timeline, marketing materials, and tracking system. The person who is ultimately responsible for the program on the company’s behalf (e.g., the director of human resources) must sign off on the design and materials. As the program progresses, clear all internal communications about it with an employer representative to ensure that everything complies with company policies and procedures.

Set up an office. The Career Specialist needs an on-site office with the employer, equipped with a phone, a computer, a printer, and Internet access. The Career Specialist also needs private space where incumbent workers feel free to talk confidentially.

If a single office space isn’t logistically feasible—for example, an employer might have multiple sites—the Career Specialist requires Internet and company intranet access, as well as an e-mail address within the company’s system. This eases communication with employees who may be geographically widespread. Career Specialists working under these conditions will still need space for private, face-to-face meetings, which should be available on an as-needed basis.

Meet with line managers and launch the program. Before the Pathways program is formally launched, the Career Specialist meets again with line managers to share the marketing materials with them and let them know when the program will be announced. The meeting ensures that line managers know at least as much about the program as the workers in their departments do, which is important to their “buying in” to the program.

At the completion of this phase, everything is in place to formally launch the program.

Phase 4: Operating the Program

The Career Specialist is responsible for the program’s day-to-day operation. His or her activities fall into four broad categories:

- Client support;
- Partner relations;
- Program management; and
- Program monitoring.

All four activities take place simultaneously throughout the life of the program.³

Provide support to clients. Support for incumbent workers includes outreach, counseling, and follow-up. Any incumbent worker is eligible to meet with a Career Specialist, but the level of services provided may be based on need and available resources. (See Part IV for the paths participants take through the program.)

- *Outreach to clients:* Outreach identifies potential participants. Typically, turnover is relatively high among entry-level workers, so outreach is an ongoing activity. Possible outreach approaches include posted notices, payroll stuffers, emails to and informational meetings with targeted workers, and educational meetings with front-line managers and supervisors.

- *Client counseling:* This involves an initial confidential meeting with incumbent workers, skills assessments, and follow-up meetings as clients progress along their chosen career development path.
- *Client follow-up:* Follow up with program participants to find out how they are progressing, what help they may need, and their reactions to and ideas for improving the program.

Maintain partner relations. The Career Specialist stays in regular contact with all program partners: line managers, training program staff, and One Stop staff.

- *Line managers:* The line managers and supervisors of targeted workers can help the program succeed, or they can make it difficult to implement. Regular communication with them ensures that problems can be addressed as they arise and that needs are being met to the extent possible. This can go a long way toward ensuring program success.
- *Training programs:* The Career Specialist works with training programs to ensure that their offerings are “user friendly,” as well as to iron out day-to-day problems that inevitably arise and to ensure that the clients receive all support to which they are entitled.
- *The One Stop system:* The Career Specialist works with the Pathways board to develop and implement a program to set up effective communications. In addition, the Career Specialist and the One Stop system are ready to make backfill referrals to the employer once incumbent workers begin to advance. (Section 2.3 describes the relationship to the One Stop system in more detail.)

Manage the program. The Career Specialist meets regularly with the employer’s director of human relations or other key staff and, separately, with the Pathways industry panel or advisory board to monitor the development of the program, modify it as necessary, and iron out any difficulties that arise.

Monitor the program. The Career Specialist is responsible for ensuring the implementation of the tracking and reporting system.

IV. Participant Impact

The ultimate success of a Pathways to Advancement project is measured by its impact on the people served and their perception of the effort. Chart 6 shows the ways in which an incumbent worker who enters the Pathways program might progress. In practice, the process is not clear-cut, and some participants drop out at each stage. Nevertheless, the most common path for successful participants has three steps:

- An appointment with the Career Specialist;
- A skills assessment and a discussion of career development options with the Career Specialist;
- Pursuit of one or more career development options.

Make an appointment with the Career Specialist. The participant takes the first step. S/he hears about the program through the outreach effort or from another employee who has used the program and makes an appointment to meet with the Career Specialist. Whether this meeting takes place on company time or not depends upon the arrangements the program has made with the employer and the participant's supervisor.

Complete an assessment and discuss options with the Career Specialist. At the meeting with the Career Specialist, the participant completes a skills assessment and discusses career development options. The Career Specialist also provides written information about the options, which the client can take away to read, consider, and discuss with family and friends. This step may involve a single meeting or a series of meetings during which the participant gradually focuses on a career development path.

Pursue career development options: The outcomes of this meeting (or series of meetings) fall into several broad categories.

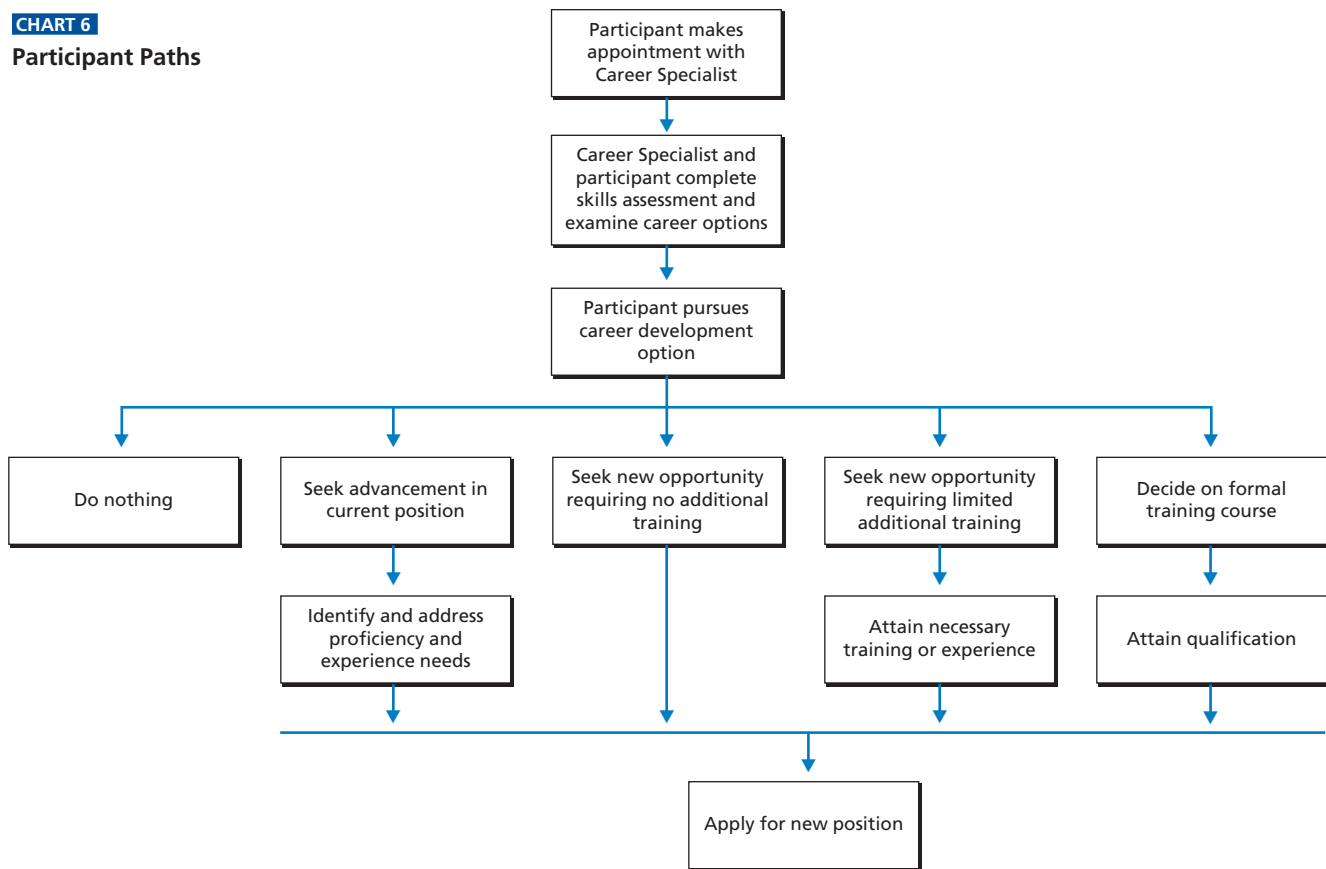
▶ *Do nothing.*

After learning about the options to advance, and the additional investment needed in terms of time commitment, skill development, and cost, some participants decide to take no further action for the present. Many people need time to think about their options, particularly if action involves juggling family responsibilities to enroll in a formal training course or taking on more responsibilities at work. However, a “do nothing” response is often temporary. Also, all participants gain by knowing more about their career options. Moreover, the fact that the employer makes this information available translates into better employee morale and performance.

▶ *Seek advancement in the current position.*

Some participants may be restricted for promotion within their current position because they lack a basic skill (e.g., basic proficiency in math or English) or because they have not gained the level of proficiency and/or types of experience needed to move up. The Career Specialist helps the participant identify and address these needs through additional services or exposure to new work tasks, opening the way for the participant to climb to the next step in a career.

CHART 6
Participant Paths



► *Seek a new opportunity that requires no additional training or experience.*

Frequently, the participant is unaware that he or she qualifies for other opportunities at the workplace. The Career Specialist informs the participant of such opportunities, along with the future career path that each opportunity opens up. The participant can then make an informed choice among the options.

► *Seek an opportunity that requires limited additional training or experience.*

In many cases, opportunities are available for which the participant is well qualified except for a weakness in a particular field or a lack of experience in some specific area. If the weakness is educational, the Career Specialist can help the participant identify a suitable remedial program and access financial resources that can help defray associated costs. If the gap is one of experience, the Career Specialist can work with the participant and company supervisors to develop ways in which the participant can get the necessary experience and on-the-job training.

► *Decide on a formal training course.*

Some participants may decide that they are ready to enter a program that leads to formal credentials or other qualifications for moving to a better job with the employer. For example, a Certified Nursing Assistant at a hospital may decide to train to become a Licensed Practical Nurse. The Career Specialist and the participant identify training that is appropriate, accessible, and has a schedule compatible with work and family commitments. Sometimes, this means cooperating with the participant’s supervisor to adjust work schedules to accommodate course hours. How much training can take place on work

time is covered in the MOU with the employer. The Career Specialist reconfirms this with the participant's supervisor. In addition, the Career Specialist works with the participant to access scholarships that might offset the course costs.

To meet the qualifications for some jobs, the participant might have to complete a certain number of hours of practical experience in one or more fields. The participant and Career Specialist work with the participant's supervisor and other front-line managers to ensure that the participant receives this experience and that it is appropriately recorded and documented. At the completion of the training, the participant can apply for the new position.

V. Conclusion

Pathways to Advancement is a promising model for building strong relationships between the workforce development system and employers while creating opportunities for those at the lowest end of the labor market. By integrating One Stop services into worksites, services can be streamlined to meet the needs of employers and their employees. Through the advancement of incumbent workers, the One Stop system can backfill vacated job openings with current and former TANF recipients.

While the model requires a long-term investment—particularly in health care and other fields for which meeting certification and training requirements takes time—the pay-offs are significant, for both workers and employers. As public workforce development systems become smarter about leveraging resources to effectively meet the human resource needs of key industries, they will become important players in the economic health of the regions they serve.

For further information about the Pathways to Advancement model, please contact:

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Appendix A

Pathways to Advancement Pilot: THE LESSONS LEARNED

The Pathways to Advancement model—co-developed by Jobs for the Future, the U.S. Department of Labor, and the U.S. Department of Health and Human Services—aims to help workers in low-paying, entry-level jobs in targeted sectors advance to higher-wage, higher-skill jobs that are in demand *and* meet employers' need for skilled workers. As entry-level workers move up, the PTA model also seeks to help employers fill the job openings created with individuals who have barriers to employment.

With a grant from the U.S. Department of Labor, JFF piloted the PTA model in Seattle and San Francisco. In Seattle, the PTA pilot, called Career Pathways, promotes career ladders in the health care sector, specifically hospitals. It aims to address shortages of skilled workers by helping hospitals' incumbent workers move into higher-wage, higher-skill jobs that are in demand, then backfilling the job openings created. The San Francisco pilot promotes career ladders in the information technology sector. The Information Technology Consortium aims to prepare low-income San Francisco residents for IT jobs (e.g., computer programmer, help desk and technical support worker, networking, Web developer), as well as for entry-level jobs that require basic computer skills (e.g., clerical and administrative support jobs). At the same time, ITC aims to help IT employers meet their need for skilled workers.

Creating Pathways to Advancement: A Manual for Project Developers is based on the Seattle pilot primarily because the downturn in the Bay Area economy, in general—and in the IT sector, in particular—hampered the effort in San Francisco. With the dot.com bust, the IT sector went from a shortage of skilled workers to an oversupply of highly educated, skilled, and experienced IT workers. This dampened the enthusiasm of employers of entry-level IT workers for the advancement-backfill initiative.

Based on the experience of both pilot projects, JFF identified lessons about implementing models designed to help: low-wage workers advance to higher-wage, higher-skill jobs; other low-income populations to fill the resulting job openings; and help employers to meet their need for skilled workers. These lessons have implications for the Pathways to Advancement model and its use by others in the future.

The advancement and backfill model is extremely sensitive to labor market realities.

Because the model focuses on incumbent workers and their advancement, the labor needs of employers of low-skill, low-wage workers are critical to project success. Strong demand for workers in the targeted sectors is also critical. In San Francisco, which launched its pilot just as the dot.com boom was going bust, weak demand made it difficult to recruit employers for an advancement initiative.

Moreover, demand must be strong across several tiers of jobs, from entry-level into second-tier jobs. A strategy that combines advancement and backfill must have enough demand for both of these model components. In some sectors (e.g., health care), this can be achieved by working with a few large employers; in other sectors, this requires working with a core group of small and medium-sized employers.

Advancement and backfill models pose unique challenges due to their emphasis on linking advancement for incumbent workers with backfill opportunities for unemployed workers.

Both sites found it more difficult than they had expected to link the model's advancement and backfill components. In San Francisco, as noted, the labor market demand in IT was too weak to support significant advancement for incumbent workers. In Seattle, Career Pathways found that preparing incumbent workers for advancement did not necessarily or automatically lead to backfill opportunities for the jobs of participating incumbent workers.

Several challenges must be overcome to successfully implement advancement and backfill models. These include:

- The training that incumbent, low-skill workers need to move up to better paying opportunities can take a long time. This can create a lag between the advancement preparation and the opening of a backfill opportunity.
- Training and preparation for advancement do not guarantee advancement to another job. While workers may gain new skills, it may take time for that to translate into either wage gains or actual job advancement, particularly in a slow economy. Again, this can make planning for backfill opportunities difficult, although participating workers are likely to be better prepared to advance once demand for skilled workers increases.
- Employers may not replace workers who move up to better jobs. They may restructure the work rather than hire a replacement employee.

Advancement and backfill models must include a skill development component for incumbent workers if they are to advance to greater responsibility, pay, and job stability.

Training for incumbent workers must be available at convenient and flexible times. In addition, support from both the employer and the managing organization is critical to success. Skill training needs to be made accessible to incumbent workers (e.g., training offered in the evening or on weekends; training at or near the work site; training at or near home via distance learning). It also needs to be structured to meet the particular constraints and challenges that incumbent workers face when pursuing training. For example, incumbent workers find that training that is modularized; open-entry, open-exit; and competency-based is more convenient than traditional curricula.

Advancement and backfill models are more likely to have success when certain conditions are met.

These conditions include:

- *Strong relationships with employers:* Strong relationships with employers are required to: ensure that training and other services respond to their needs; gain access to incumbent workers in

entry-level jobs and help them advance to higher-wage, higher-skill jobs; and help backfill job openings created as incumbent workers advance. They are also required if employers are to modify human resource practices or provide in-kind services and supports aimed at helping low-wage workers advance.

- *Targeting of workers by job characteristics, not program eligibility status:* In programs that target incumbent workers at the work site, it is easier to engage employers if the program targets job classifications or groups of workers (e.g., those in low-wage, low-skill jobs) rather than workers with certain characteristics (e.g., TANF recipient).
- *Support for incumbent workers provided at the work site:* In Seattle, the initiative out-stationed workforce development system staff at the hospitals, making it easier to do outreach to and provide support for incumbent workers. This approach is more feasible with large employers.
- *Creative bundling of resources:* Advancement and backfill models are more likely to succeed if program designers and managers can bundle together resources from a variety of public and private sources, given the complex combination of targeting of services and workers that the model requires.

The public workforce development system has a variety of important roles to play in developing and managing successful advancement and backfill programs.

These roles include:

- *Vision:* The public system—the WIB or its designee—can provide leadership in defining and promoting the advancement/backfill vision and in keeping the partners focused on the model and its core elements.
- *Managing the partnership:* Advancement and backfill efforts typically involve multiple partners—multiple employers, multiple service providers, and multiple funders. Managing the partnership to be efficient, focused, and effective is critical.
- *Addressing the needs of both employers and job seekers/workers:* Advancement and backfill efforts involve services to incumbent workers and their employers and also to unemployed job seekers and the organizations that typically prepare them for and connect them to work. Thus, the lead agency must be a sophisticated broker, negotiator, and balancer of different needs and agendas.
- *Assembling and bundling resources:* Identifying and assembling diverse resources from the public and private sectors is critical. The managing agency can and should look beyond the Workforce Investment Act or any single source of funding for advancement and backfill initiatives.
- *Accountability for results/information system:* Clear and well-defined placement, training, and advancement goals are needed if a partnership is to coalesce around common strategies. To know whether goals are being met, an efficient and responsive information system is needed. This can be difficult when different funding sources have their own reporting requirements. However, without good data on outcomes and clear agreements on expected outcomes, advancement and backfill programs, like any complex employment and training program, are difficult to guide toward success or to redesign as labor market and other conditions change.

Appendix B

Sample Memorandum of Understanding

Pathways to Advancement Program

Memorandum of Understanding between

XXX Workforce Investment Board and YYY Company, Inc.

Purpose of Agreement

The purpose of the Memorandum of Understanding (MOU) is to establish the general parameters governing the responsibility of XXX Workforce Investment Board (“the WIB”) and YYY Company (“the Company”) in the development and implementation of a Pathways to Advancement Program at the Company. The program will start on _____ and continue until _____, unless the parties mutually agree to extend its duration.

Company Responsibilities

The Company agrees to:

- Provide a workspace with a phone, private computer, and Internet access—the workspace will be suitable for conducting confidential conversations;
- Designate a senior staff member with company-wide responsibility as the main point-of-contact for the project;
- Ensure the full cooperation of human resources staff, other key staff, and line managers with the program;
- Ensure that collective bargaining units representing incumbent workers targeted or impacted by the program are involved in coordinating the program;
- Collaborate with the Career Specialist hired by the WIB to promote the program to incumbent workers;
- Provide support to incumbent workers seeking advancement—this support will include, to the extent permitted by the internal financial and operational constraints of the company, allowing incumbent workers to schedule visits to the Career Specialists during working hours at times that are mutually convenient to the employee and his/her line manager, assisting incumbent workers overcome internal barriers to career advancement, adjusting work schedules to accommodate training classes, offering training scholarships, and providing opportunities for in-house internships;
- Give incumbent workers, trained through the program, priority in hiring once training is complete;

- Assist the Career Specialist in gathering the necessary data to evaluate the impact and effectiveness of the program, including information on the number of people assisted by the program, number of people who took advantage of career advancement opportunities they found through the program, number of internal hires into the key hard-to-fill positions that were originally identified by the company as a reason for initiating the program and client satisfaction with the program. *(Note: the measures should be tailored to reflect the overall goals of the company in setting up the program.)*

WIB Responsibilities

The WIB agrees to:

- Engage a contractor to provide a designated person (the Career Specialist) to provide on-site career information, services, and/or referrals to employees of the company. These services may include:
 - Formal and informal assessment of skills, interests, and abilities and how these assets relate to career advancement/progression;
 - Individualized career planning and assistance in effectively and efficiently navigating the public and private training systems;
 - For eligible employees, assistance in accessing training scholarships, grants, and other funds, such as WIA for career advancement and/or employment retention;
- Locate a Career Specialist at the company one day per week, with the option to increase the frequency of on-site services based on demand, available WIB funds, and agreement with the Company;
- Work with the Company to ensure that the Career Specialist is acceptable to the Company and to arrange for the immediate replacement of the Career Specialist if requested to do so by the Company;
- Link the Career Pathways program to the One Stop system to address service requests of the Company and/or its employees that cannot be addressed directly by the on-site staff, and to educate employment counselors at the One Stop program about the employment opportunities (and skill requirements), at the Company; and
- Clear all public communications about the program with the Company.

Mutual Responsibilities

The parties agree to work together to:

- Develop press releases and publicity about the program;
- Periodically review, refine, and, as appropriate, enhance the scope of the program;
- Develop measures of program effectiveness and value; and
- Evaluate the impact and efficiency of the program.

Either party can terminate this agreement at any time upon the provision of a written notice of termination to the other party.

Notes

¹ Career ladders link together a set of occupations by common or complementary skills; these linkages provide workers with opportunities to advance, and they expand the recruitment opportunities for employers. For additional information on career ladders and other innovative program examples, see JFF's *Career Ladder Guide* (<http://www.jff.org/jff/approaches/econopp/showcase/wins.html>).

² For more information on the step-by-step approach to analyzing an industry's potential for a career ladder project, please see the appendix to *Retention and Advancement in the Retail Industry: A Career Ladder Approach* (JFF 2003), available at www.jff.org/jff/kc/library/0197.

³ For additional information on planning and operating a career ladder project, see *Career Ladders: A Guidebook for Workforce Intermediaries* (JFF 2003), available at <http://www.jff.org/jff/approaches/econopp/showcase/wins.html>.

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About JFF

Jobs for the Future seeks to accelerate the educational and economic advancement of youth and adults struggling in today's economy. JFF partners with leaders in education, business, government, and communities around the nation to: strengthen opportunities for youth to succeed in postsecondary learning and high-skill careers; increase opportunities for low-income individuals to move into family-supporting careers; and meet the growing economic demand for knowledgeable and skilled workers.