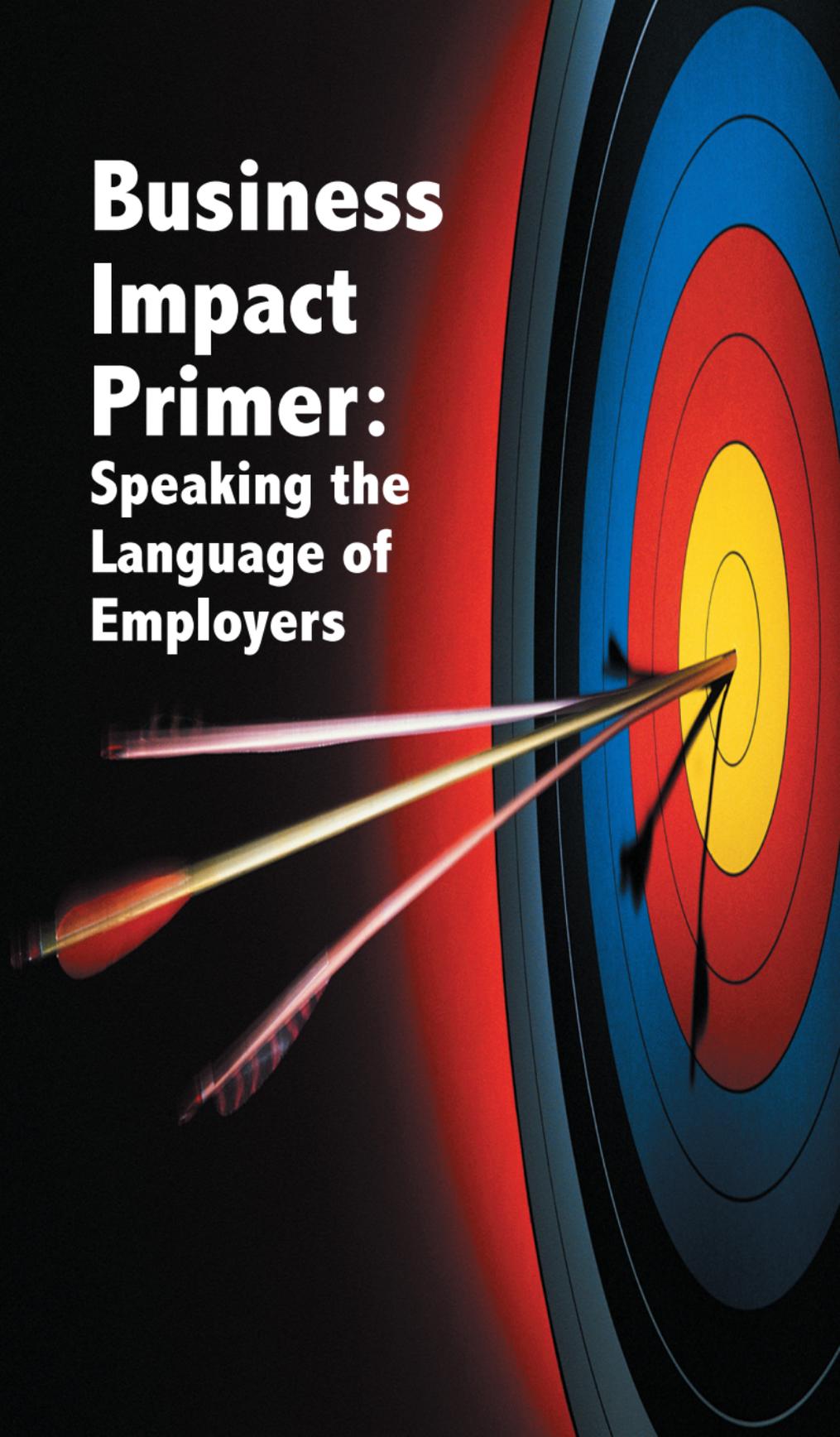


# **Business Impact Primer: Speaking the Language of Employers**



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# Business Impact Primer: Speaking the Language of Employers

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# **Business Impact Primer: Speaking the Language of Employers**

## **Introduction**

This handbook offers guidance to workforce development professionals on using business impact as a communication tool when building relationships with and assisting employer partners. Workforce development initiatives are greatly enhanced when employers' needs and language are incorporated into all stages of program design, delivery, evaluation, and performance management.

The *Business Impact Primer* is designed as an aid to be used in practice, although a complete skim through the book is recommended to get a sense of our philosophy and of how the material is laid out. **The guide consists of four key sections: Orientation, Communications, Identifying Impact Areas, and Building and Managing the Memorandum of Agreement.** Useful tools and real-life examples from our experience are provided to help you apply the concepts in practice. The tools can be easily found on the pages with the wide black borders.

# I. Orientation

## Why Focus on Business Impact?

- Because employers care about business impact and we want employers to be actively engaged in workforce development (WD).
- Because employers will stay engaged longer if they can see the benefit of WD interventions for their business.
- Because employers will contribute to/co-invest in WD interventions in more substantial ways.
- Because employers are more likely to hire/retain/promote participants who complete employer-designed programs.

**Business Impact or BI is the language of employers. More often than not, individual or participant impact is the language of WD professionals. While both perspectives are important, the synchronization of the two will garner the most successful results.**

The most successful publicly-funded workforce development initiatives (WDIs) are those that use a dual-benefit strategy—meeting the needs of local employers, while enhancing job opportunities for unemployed and underemployed individuals. Key

characteristics of the most successful dual-benefit WDIs include:

- **Involving employers** as partners and co-implementers from the earliest development phases of a project;
- Building long-term viability and/or **sustainability** into program planning (what gets left behind at program's end);
- Taking into account the **support service needs** as well as the skill development needs of job-seeker or worker participants; and
- **Measuring the performance** and impact of a program from the business as well as the individual participant perspective.

When only one perspective—employer or participant—is taken into account, the results are at best inadequate and at worst costly failures. The following anecdote demonstrates what can happen when business and participant needs are not synchronized:

*A nursing home worked with a local workforce investment board (WIB) to help the facility's largely immigrant workforce learn to speak English. After a 26-week ESOL program, all 16 program participants were reported to have completed the coursework with flying colors. All post-test scores were improved by at least 2 levels from the pre-program*

*baseline. In traditional WD program terms, the project was a success. The employer, however, reported that while the participating workers seemed happy about their improved English skills, they still could not communicate with their supervisors in specific work terms. The workers were making the same mistakes after the program as before.*

When our employer partners are highly satisfied with WD programs, they co-invest in projects, promote our work to their counterparts in other firms, and remain willing to work with us in the future. The above situation was rectified with additional resources for a short job-specific ESOL course for the participants; but how often do we have the option of making corrections after the fact? It is critically important that we find the correct satisfaction meters for our employer partners as close to the front of a project as possible—at the design phase.

## What Is Meant By Business Impact?

- How has business or an employer's viability improved as a result of the workforce development intervention? (*Businesses measure immediate improvements and project longer term and cumulative improvements.*)
- What has changed and by how much?
- How do we know that it has changed?
- Was the investment worth the return? (What staff and other resources were invested by the employer throughout the program?)

Generally speaking, a program can be said to have a business impact (BI) if it influences the business' operations in one or more broad categories:

- Cost of doing business
- Quality/customer satisfaction
- Productivity/efficiency
- Competitive stature/market share
- Workforce stabilization (retention/turnover)

Let the employers define where change is needed, by what margins, and how they will *recognize positive change when it happens*. What evidence will be used to determine if the desired BI has

occurred and by how much? Your role is to help the employer understand why this information is important to the design and management of an effective WDI.

Once the employer is willing to participate as a true partner, you will be able to secure the employer's commitment to identify and collect BI data and to share relevant data with program partners. However, hold firm to any confidentiality agreements about data-sharing that you make with employer partners.

It is not up to the WD professional to define the BI measures but instead to guide the conversation with employer partners to define *with them* the relationship between the WDI and the possible impact on the business. Together the WD professional, training and other partners and the employers will use this information to:

- Design the intervention;
- Establish success measures that can tell the employer whether or not the identified issues are being addressed and *to what extent*;
- Conduct scheduled reviews of the program against the identified measures;
- Make mid-course corrections when needed.

The four broad categories of business impact all have a relationship to a company's bottom line

or profit margin. But too often we confuse the pursuit of profit with the BI objective. They are not one and the same. In order to establish the right BI goals and measures, discussions with employers need to focus *above* the bottom line, on the business activities that *lead* to the bottom line. Accurate BI information—on issues that are of significant consequence to the employer—will help you to shape the most appropriate programmatic intervention.

Business impact is the lodestar of your project. It is the basis of your employers' participation, and all partners must set their course by its light. In the following section we describe a foundation element in bringing that star into view.

## **The Importance of True Partnership**

- All stakeholder perspectives are valid.
- All partners commit to a shared set of goals.
- All partner responsibilities are clearly articulated and understood.

True partnership requires that all collaborators are committed to a shared set of goals and have agreed on how to arrive at those goals. All partners in a

true partnership understand, have articulated, and have formally committed to their responsibilities in meeting the identified goals.

A frequent barrier to effective partnership is the lack of understanding or poor communication between and among partners from different sectors. The private and public sectors often do not speak the same language, or are viewing ideas and situations through different lenses. A focus on BI is one important way for program partners to engage employers, and keep them interested and invested from beginning to end.

The role of the WD professional is to facilitate dialogue that helps all partners understand what is needed to meet programmatic goals. It is important to be able to speak the language of and translate between and among all the partners. Making certain that all partners fully understand their roles and responsibilities is critical to the success of a partnership program. In this guide we focus on *employer-specific goals*, and on securing employer commitments, and therefore on the language of employers.

## **A True Partnership with Employers**

The creation of true partnerships with employers will be the barometer of your success in communicating with employers. You will recognize a true partnership with employers if they make substantial commitments to the program's design, implementation, evaluation and continuation. The Memorandum of Agreement, which we discuss more fully in the last section of this handbook, will help you negotiate and solidify employer commitments to some or all of these responsibilities:

- Identifying firm-specific needs;
- Providing relevant worker or job vacancy data;
- Developing curriculum and other program elements;
- Assisting with outreach, recruitment and selection;
- Providing instruction;
- Releasing workers for training;
- Paying employees while they are in training;
- Modifying work schedules when needed;
- Donating cash, equipment, materials, or training space;
- Providing work experience or job shadow opportunities;
- Assisting with job development/placement
- Advancement of participating workers;

- Program oversight and evaluation (i.e., serve on a project advisory board);
- Exploring program sustainability options, including fee generation.

In the remainder of this handbook we present strategies for engendering employer interest in workforce development programs, obtaining employer commitment and maintaining it over the course of the project. The process begins with establishing a relationship with the employer that enables you and the employer *together* to define the BI objectives and use them to design and manage a WDI. The foundation for this relationship starts with your understanding of the business itself. The following section describes the due diligence required to prepare for your first conversations with employers.

## II. Communication

### **Preparation: Due Diligence in Building Relationships with Employers**

Your relationship with employer partners will set the tone and chemistry of the project, and thus it is important to get it right. Diligent preparation will convey your intention to provide real and tangible benefits to the employer—*yours is not just another government program.*

Your first task is to understand the business or industry of the employer. Conducting due diligence effectively at this stage will make your meetings with the employers much more productive.

There are a variety of resources that will help you understand the issues confronting your employer's industry and individual business. Below is an outline of the types of information you should look for and possible resources for that information. You may not be able to find all the information elements listed below, but do your best to gather as much information as possible prior to your first meeting.

## **Preparation: Getting to Know the Employer**

### 1. *Who is this employer?*

It is important to understand how the company views itself as well as how it is viewed in other contexts. You will want to be able to speak in the terms that the employer uses when discussing workforce problems. Find out how the company portrays itself in relation to its customers, others in the industry, its workers, the community, and within the local and international economies? First check the company website. What seem to be the most important aspects of the business, its products or services from the company perspectives? If they are not available on-line, ask the employer if you might review the most recent annual reports or product brochures of the business prior to your first meeting. Not all businesses produce annual reports (only publicly traded companies are required to share their annual reports), but there may be product or other information available that can give you a good overview of what the company is and does. Some important conversation points that will engender the employer's confidence in your level of interest are:

- Significant products or services;
  - Market share and primary customers for key product or service lines;
  - Company size by workforce and by annual revenues (by product line if available);
  - Comparative position within the community (i.e., largest employer, primary employer of lathe operators, provides entry-level positions for low-income workers, imports high-level researchers, etc.).
2. *Has employer had a prior relationship with workforce development?*

Speak with your colleagues to identify prior experiences this employer may have had with workforce development. If the experiences seem to have been problematic, be prepared to offer strategies to ensure that the same problems won't occur in future projects. Whether or not you've found out about prior experiences in advance, do ask the employer to describe any interactions with the workforce development system from his or her perspective. Some questions to consider:

- Has there been a prior relationship with either the WIB, the One Stop Career Center, or the Youth Council? Others? What were the results?

- Has the employer used the local Career Center? How often? For what types of jobs?
  - Who were the primary contacts for prior relationships both within the company and within the workforce development system?
3. *You will want to understand the context in which this company operates, and the challenges and opportunities that the employer considers when assessing its current and future workforce needs.*
- What are the predominant issues within the industry sector that might affect this employer and its labor force?
  - What are current industry trends?
  - What are the opportunities that the industry is trying to take advantage of?
  - What are the problems, current and projected, that the industry is grappling with?
  - Use the internet and/or the library to find up-to-date trade information about the industry, and perhaps the company specifically:
    - *Wall Street Journal*, for general economic or financial information about the industry. Sometimes reports are quite substantial, or they may lead you to other sources of information.

- *Trade Association (state, national, and international) Journals and Websites:* A quick jaunt on the web will provide volumes of information about what the hottest trends are in an industry as well as the problems and opportunities currently facing that industry. You can learn a great deal about the environment in which a U.S. company operates by looking at trade associations from other parts of the world. For example, if you are interested in learning about the biotechnology industry, see if there is a biotechnology association in your state, but also look at the national-level Pharmaceutical Research and Manufacturers of America ([www.phrma.org](http://www.phrma.org)) as well as the European Federation of Pharmaceutical Industries and Associations ([www.efpia.org](http://www.efpia.org)).
- *Professional or Worker Association Journals and Websites:* If you are aware that a certain occupational area is of major consequence to this employer, nurses for a hospital for example, you should try to understand the workers' perspective by reviewing articles and reports generated by organizations representing the field. Look at both union and non-union affiliated

materials, as the perspectives may vary or provide insights into the issues of particular companies.

4. *What is the status of the current labor force for this industry? Will the industry have the workforce it requires over the next five years?*
  - Labor market information, job vacancy projections;
  - Employment numbers by job categories to as discrete a level as possible (e.g., number of electricians is more useful than number of building tradespeople employed);
  - Projected pipeline of new workers: How many graduates for a certain credential are expected over the next year? Five years? In your community? In your state?
  - Retirements? Is the workforce for this industry/company aging? What is the current average age and median age?

## **The Dialogue**

You are the *facilitator* of a very important dialogue with a local employer partner. You will also *translate* the employer's needs to other program partners. However conversation is initiated, by the employer, by the WIB, or another party, the role of the workforce development intermediary is to dig

beneath the surface, identify the most critical needs of the employer, and determine how the employer's workforce plays a role in solving the problems identified.

Don't assume that the initial problem that is presented is the actual problem, or the most significant. Remember that the employer knows his or her business, but does not necessarily know workforce development. You will bring your workforce development expertise to a mutual discovery process, which we describe a little later. First, an example:

One of our favorite stories took place very early in our history working directly with employers, and provides an example of how digging just a little deeper made a tremendous difference to addressing an employer's problems.

*A small manufacturer contacted us via a WIB. The employer and the WIB thought we might be able to help find resources to address the company's need for ESOL training specifically geared to the work of the manufacturer. The employer reported that the frontline workers were not able to follow instructions and felt that this was having a negative impact on productivity and product quality.*

*When we met on site with the owner and some key managers and supervisors, we learned that worker*

*tardiness and turnover was a more critical issue. They didn't know why workers were not showing up regularly or returning to work after an absence, but they believed that the lack of English communication skills was a factor. When asked if this was a new phenomenon, they reported that their workforce had shifted from being traditionally native and male to primarily immigrant and female over the prior couple years. They didn't remember having these issues when local males filled their jobs.*

*A couple focus groups with workers revealed that many had school-aged children for whom they were responsible. School buses did not pick up until after the work shift had started. Workers did not return to work when they felt "insurmountable tension" with their supervisors over their tardiness, which they could not explain because of the language barrier. They also felt that language was the primary barrier to doing a good job. So, the ESOL course was needed, but was only half the picture—the second half. The employer first had to stabilize his workforce, to make sure that workers were there when they were needed.*

*The innovation that resulted, beyond the customized ESOL program, was a school pick-up and breakfast program on-site at the company. The WIB arranged school bus pick up with the school department and the employer created the super-*

*vised breakfast program for the children. The company saw an immediate change in the attendance and stabilization of their workers. Almost all were coming in on time, every day.*

The dialogue guide presented below will help you to identify the root problems affecting an employer, and to work with the employer to find innovative solutions like the one described above. *Expect this conversation to take place over time.* It is rare to complete this conversation during the course of one meeting. Do not expect to get to the commitment stage right away. Often, it is necessary to bring other partners, like training providers, into the dialogue before commitments will be made.

The questions provided below are general in nature and offered as a guide. Subquestions are provided to help you think about the second tier or follow-on questions that might help you gather more in-depth information. While they are presented here as one tool, the process may be lengthy, taking place over many meetings. *Obtaining a commitment from the employer to partner with you will require patience, a keen ability to know when you can dig a little deeper into the causes of problems, and an enterprising attitude toward finding solutions.*

## A Word about Confidentiality

Before you begin, understand the critical role of confidentiality in the relationship-building process. Employers must be constantly aware of and concerned about their competitive stature. Firm-specific information about workforce issues or proprietary products or strategies must be doggedly protected. Public organizations, by contrast, share collected data widely, often by statutory requirement. Think through how your local policies and statutory or regulatory funding requirements will affect the employer's need to keep information confidential. Where do you have reporting leeway? Can you agree to report data in aggregate terms only, so that no one employer can be identified? Are you willing to negotiate with the employer about which data can be shared and which cannot? As you enter into a dialogue with an employer, *you must provide assurances that proprietary information can be kept confidential.*

# Employer Dialogue Questions

## A. Identifying the Employer's Problems

1. What are the workforce challenges facing your company/industry?

### Subquestions:

- Which workers or occupational areas are in question?
- What is the wage level for each targeted occupation?
- What are the skill levels and/or educational levels of workers in targeted occupational areas?
- How long do workers stay at each job on average?
- Are career ladder opportunities available for workers? What is the most common pathway? Are there other less common pathways?
- What is the nature of each targeted job, including, but not limited to, job descriptions, shift schedules, level of authority/autonomy, type and level of interaction with other workers/customers?
- How many workers do you have in each job category? What are current and projected vacancy rates?

2. What impact are these problems having on your business?

**Subquestions:**

- How does the problem impact the quality of your product? Customer satisfaction? Cost of doing business? Market share?

**B. Validating the Problem**

3. In trying to get a better understanding of the problems that you identified and how we might help, can you tell me about how you determined that that the impact that you see or what worries you is caused by the problems that you identified?

**Subquestions:**

- Is there data available that tells you when there is a problem?
- How might data be tracked? Who would be responsible?
- Do you know how your situation compares with others in your industry? Are there any industry or trade organizations that I should be contacting to find out about information or benchmarks on how others are handling these problems?

4. Have you spoken with others in your organization about these problems? Do they share your views? Why might their views be different?
5. Have workers been engaged in a conversation about these problems? Direct supervisors?
6. If yes, what do they say?

**Subquestions:**

- So that we might be able to track changes in how employees think about their jobs, is there an ongoing vehicle to gather information about employee attitudes or morale?
  - Do you think the role of the supervisor is important in solving the problems that you've identified? Are relationships between supervisors and workers evaluated in some way? Do you have an in-house program to develop or support supervisors in their role? Would you like some support with this?
7. Is there a union that might be involved in these issues? If the union been engaged in the conversation, can you tell me about their perspective or is it possible for me to meet with the steward?

### **Subquestions:**

- What is the relationship history between labor and management?
  - Where is the company in the collective bargaining process? When is the current contract up for negotiation?
  - How is worker education and training usually handled in collective bargaining agreement? Please describe.
8. If together we agree to go forward to develop a workforce development intervention, would you be willing to host meetings for us with other managers, union representatives, and workers to ask them for their perspectives on these issues?

### **C. Prior Solutions, Prior Experiences**

9. Have solutions been tried in the past? What happened?
10. What would you do differently now, based on what's been tried in the past?
11. Are the circumstances different now than in the past? In what ways?
12. Who else, what other organizations, have been involved in helping you to find ways to address these problems?

13. Have you been satisfied with their involvement? How could they be more responsive to your needs?\_

**Subquestions:**

- What role did salary or wage level play in the past? Is it different now?
- If training was part of the solution in the past, was the training program customized to meet your specific needs? Did representatives from your company help design the curriculum?
- Were the affected employees consulted about what worked and what didn't? What were the results of any surveys or evaluations that have been completed?

**D. Labor Force Status**

14. Are your workers hired with adequate and appropriate skills or must your company invest in their development?

15. Who trains and educates your workers now?

**Subquestions:**

- Is training and education for workers paid by the company, by employees, or by some combination?
- How are employees selected for training opportunities?

- How often do your workers receive training? What type and level?
16. Are you finding enough skilled workers to apply for your open positions? Is recruitment a problem?
  17. Is employee turnover an issue for your company?
  18. What is the distribution of experience within the targeted occupational area? How many workers have been with the company for two to five years? How about five to ten years? How many have been with you fewer than one year?
  19. What impact does this current distribution have on your company?
  20. What are the projections for retirements among skilled workers? Is there a succession plan to fill these slots?
  21. Are retirement slots being considered for obsolescence—not going to be refilled?
  22. How do individuals move up within your company?
  23. Do you tend to hire from outside or within your company? What proportion of supervisors and managers has been promoted from within

your company's ranks?

24. Is your workforce reflective of the local population in terms of race, ethnicity, and gender? How effective are your hiring practices at reaching diverse populations?

### **E. Other workforce issues**

25. Are there work/life issues that have an impact on your workers? What are they?

#### **Subquestions:**

- What percentage of workers take public transportation or need transportation assistance? Is the company on a public transportation route?
- Is childcare an issue?
- Are there workers who care for aging parents?
- How do your human resource policies address work/life issues?
- Have you worked with support organizations, public or private, to help your company address any of these issues?

### **F. Recognizing success**

26. How will you know that a workforce development intervention is successful?
27. What success indicators would tell you that the effort is successful?

28. What data elements can be collected to determine that the program is working?
29. Can a comparison group be established to better demonstrate that the effort is having an effect on outcomes?
30. Can we establish a baseline with data before the program starts in order to evaluate the program's effectiveness over time?

## **G. Employer commitment**

31. Would your company be able to financially support a results-oriented workforce development intervention if we could help you design and implement it, or will you require funding and support?
32. It is imperative that an employer be involved in the design, implementation, and oversight of a program from beginning to end if it is to deliver the best results for that employer. Would you be willing to work with us as a partner in this effort?
33. If a training intervention is needed:
  - Will the employer provide paid release time for incumbent workers?
  - Will the employer pay for the cost of training? Materials?

- Can the employer provide a training venue? If so, where?
- How many workers and supervisors will participate? (See Memorandum of Agreement section for additional employer commitments.)

### **III. Identifying Areas of Impact**

It is beyond the scope of this handbook to anticipate every business need that you may encounter as you work to create employer-responsive workforce development interventions. And it is beyond the scope of your role as a workforce development professional to know and understand every aspect of BI measurement. However, it is very important that you understand the general concepts of performance measurement in order to guide the employer to both identify the BI measures that will satisfy him or her, and to commit to reporting the data that will evidence your WDI's progress.

Donald Kirkpatrick, a marketing professor at the University of Wisconsin was the first to offer some basic guidelines for understanding if a training program had an impact on worker effectiveness (*Evaluating Training Programs*, Kirkpatrick, D., American Society for Training and Development, 1975). While other models have since been cre-

ated, few offer the latitude to customize impact evaluation across all sectors. Also, Kirkpatrick's tiers or levels of impact provide a structure for organizing your conversations and negotiations with employer partners.

The scope of Kirkpatrick's original model was worker-focused and was specifically designed to evaluate worker training programs. We've elaborated on Kirkpatrick's basic concepts to include employer interests, and to cover other workforce development interventions in addition to training.

There are four levels of impact for a workforce development intervention. The level of impact usually builds with time and resource investment, from Level I impact at the low end to a high of Level IV impact.

**Level I** encompasses the satisfaction of employers and participants with a particular programmatic intervention. There is also an expressed expectation, usually measured qualitatively, that additional positive benefits may result in the future (worker loyalty and retention, for example).

**Level II** includes the attainment, in concrete terms, of specific skills or knowledge of participants, or changes in participants' attitudes. For the employer, *Level II* measures would depict how the *company's*

capacity had changed because of skill attainment or attitude changes of workers.

**Level III** reflects the changes in workers' behaviors as a result of programmatic interventions. In what specific ways are workers performing differently? How do you know that what has been taught is now being applied on the job?

**Level IV** is where change in business practices and outcomes occurs, and where most employers hope to see results from their investments.

The following chart provides general evaluation questions for each level of impact. These questions will be asked at key points during the program's implementation, again at the end of the project, and perhaps at a time after the project is completed (usually three months to one year post-program).

In dialogue with the employer, discuss the levels and how questions might be answered if impact at each level is achieved. Anticipating the evaluation questions will help you guide the employer to decide the focus of the WDI and what level of investment is required to achieve desired BI results. In Level I, for example, you might ask the employer:

Almost everyone talks about their workplace to people outside the organization, and the same is true for workers in training programs. What story

would you like your employees to tell others outside the organization about the workplace and their training experience? How about what they might tell their colleagues within the organization?

What would it take to ensure that the participants are pleased with the program and will be able to tell that story? Can we arrange a focus group to ask them directly?

What would you like participants to be able to do with what they learn? May we ask them how the program can be designed to ensure that they can apply the most important skills to their jobs?

How can we be certain that you are getting the information that you need from us throughout the life of the project, and that there are vehicles for you to keep us up to date on relevant developments?

# Impact Level Guide for Employers

## Impact Level Evaluation Questions

Level 1: Reaction	Were the participants pleased?  What do they plan to do with what they learned?  Does the employer feel as though his or her concerns have been heard and incorporated?  Has there been ample time and resources for on-going evaluation, review, and mid-course corrections as needed?
Level 2: Learning and Capacity	What skills, knowledge, or attitudes have changed? By how much?  How has the employer's capacity changed and in which areas? By how much?
Level 3: Behavior	Did the participants change their behavior based on what was offered in the program?  How is behavioral change recognized/measured?
Level 4: Results	Did the change in behavior positively affect the organization? How? By how much?

## **Impact Levels and Resource Investment**

The hierarchy of potential programmatic effects unsurprisingly often corresponds to the level of investment and time dedicated to the intervention. In other words, the desire for a higher impact level may require a greater investment of resources, time and energy to achieve results.

For example, an ESOL class offered on-site at a company after hours may cause workers to feel better about the workplace, because the employer is offering an educational opportunity. Those who choose to attend regularly will most likely improve their English language skills. However, the same ESOL class, offered on-site during work hours—maybe with paid release time—will likely see a greater number of workers participating, better attendance, and so a greater improvement in language skills of workers. If the class is offered for more hours over the same period or for a longer duration, there will likely be skill attainment increases. If that ESOL class also incorporates occupational information, which will require customized curriculum development, the employer will likely see an improvement in participating workers' actual job performance.

Use the chart and questions above to help the employer ascertain what level of impact is desired,

and how much can be invested by the employer to achieve desired results. Remember, investments aren't always hard dollars. Help the employer think about in-kind resources that might enhance the project. Also help the employer use the chart as a tool for framing the basic parameters of the WDI project, and for checking results as the project is implemented.

It should be made clear that while workers and workforce development have an important role to play in helping the company reach its desired goals, unknown or unanticipated factors can often stymie WDI efforts. Here too, larger investments in programming can eliminate some deterrents to success—for example, renting a van to transport workers to class, or hiring a childcare provider to watch participants' children during training may ensure higher attendance. In another example, if a rush order from an important customer causes a hiatus in training, the employer may be able to pay the cost of extending the training period. If not, the workers may not be able to attain all desired learning objectives.

Consider with the employer what levels of uncertainty the project can tolerate. For example, an employer wants all workers in a unit to participate in a particular training program, but can accept an outcome in which only half of those workers are

able to apply what they learn on the job immediately. The employer may choose to provide the class on site after work hours and offer a bonus for skill application on the job—gambling that half the participants will be motivated to complete to the desired level. An employer who needed more certain results might instead pay for the workers' time during training as well as reward learning with pay increases or bonuses.

## **IV. Building and Managing the Memorandum of Agreement**

A Memorandum of Agreement (MOA) is an important tool in partnership development. It can be used as a tool to negotiate specific commitments, as well as to confirm commitments by each of the partners. The act of sitting with partners to discuss the project and their commitments for the MOA is an extremely useful method for securing common understanding of expectations.

- First, meet with each partner separately to discuss his or her commitments to and expectations from the project.
- Second, draft an MOA based on the discussion and send it to the partner; ask them to share the draft with others in the organization, including their supervisor.

- Third, incorporate their feedback into a final version for signature.

## MOA Guidelines

- **Be specific.** Include specific language on commitments, such as amount of release time, financial contribution, numbers of people served.
- **Use the MOA as a negotiating tool.** Developing the MOA gives you a chance to negotiate and get clarity around commitments from your partners. Meet with each partner before drafting an MOA to be clear about commitments. Send a draft of the MOA before sending the final.
- **Develop a separate MOA for each partner.** Each employer or partner may make different commitments. Also, there may be confidentiality issues defined in an MOA that should not be shared with other partners.
- **Use the MOA as a commitment.** Use a Memorandum of Agreement not a Memorandum of Understanding, as it is more binding. Have two people from the company/organization sign it—the contact person on the project and his/her supervisor, so that the commitment runs through the organization, at as high a level as possible.

➤ **Include your commitments to the partner.**

The MOA also assures your partner what commitments you or the project is making to them, including confidentiality agreements.

Following are two MOA templates that can and should be customized to meet the specific needs of your project. We offer one template for use with an employer partner and the other for a training partner, but the basic components should guide development of an MOA with any project partner.

## Template Memorandum of Agreement with Employers

Memorandum of Agreement between (Project Name) and (Employer Name)

- I. Brief description of project (i.e., occupation targeted, general services offered, overall goal)
- II. Brief description of employer (include facts relevant to the project, i.e., number of total employees, number of employees in targeted occupation, job vacancies)
- III. Employer statement of commitment to project; include project start and end dates, timelines and milestones when appropriate
- IV. Name of person responsible for project activities and either percent of time or number of hours of time dedicated to project
- V. Specific commitments by the employer, for example, employer will:
  - identify areas of firm-specific business impact to be addressed by project, measures to assess impact,
  - collect and share data to evaluate WDI impact
  - participate in curriculum design
  - serve on project advisory committee
  - identify workers and supervisors for training (include number of workers participating in each component of project)

**Memorandum of Agreement: Employers**

- provide instruction
  - release incumbents for training (specify numbers and release time details)
  - pay employees for time in training
  - donate cash, equipment, materials, or training space
  - provide internships or job shadowing
  - provide jobs for project graduates (include wage level)
  - advance incumbents receiving training (specify number, new job title, and wage increase)
  - provide program oversight and evaluation
  - support program sustainability
- VI. Commitment to continuous improvement:
- partner will participate in evaluation and continuous improvement, assess evaluation data throughout project, and participate in designing and implementing mid-course corrections
- VII. Specific commitment of WDI to employer, for example:
- recruitment and assessment of candidates
  - number trained for ESOL, ABE, or occupational skills
  - provision of supervisor training
  - provision of case management and support services
- VIII. Signed and dated by:
- project leader
  - employer contact
  - contact's supervisor or company CEO

## Template Memorandum of Agreement with Training Providers

Memorandum of Agreement between (Project Name) and (Trainer Name)

- I. Brief description of project (i.e., occupation targeted, general services offered, overall goal)
- II. Brief description of training provider
- III. Training provider statement of commitment to project; include project beginning and end dates, timelines and milestones as appropriate
- IV. Name of person responsible for project activities and percent or number of hours of time dedicated to project
- V. Specific commitments by training provider, for example, trainer will:
  - customize curriculum development to meet employers' needs
  - provide instruction and lesson plan development (number of participants trained in each component and session)
  - involve employers in training
  - assess and select students
  - track participants to determine if BI goals are achieved
  - serve on project advisory committee

**Memorandum of Agreement: Training Providers**

- VI. Commitment to continuous improvement:
  - partner will participate in evaluation and continuous improvement, assess evaluation data throughout project, and participate in designing and implementing mid-course corrections
- VII. Specific commitments by the WDI to training provider, for example:
  - rate of pay to trainer for services
  - role in recruitment and assessment of candidates
  - provision of case management and/or financial counseling
  - provision of job readiness or pre-vocational training
- VIII. Signed and dated by
  - project leader
  - training provider contact
  - contact's supervisor

## Project Management

The employer-derived BI objectives will drive the project design. The actual WDI features that will best suit your project goals will be up to you and your program partners. No matter which features are selected, however, you must have the right information to determine whether your project is producing the intended benefits, and what changes you need to make along the way to succeed more fully. The need for mid-course corrections is not only inevitable but also highly beneficial when change is based on the BI evidence provided by your employers.

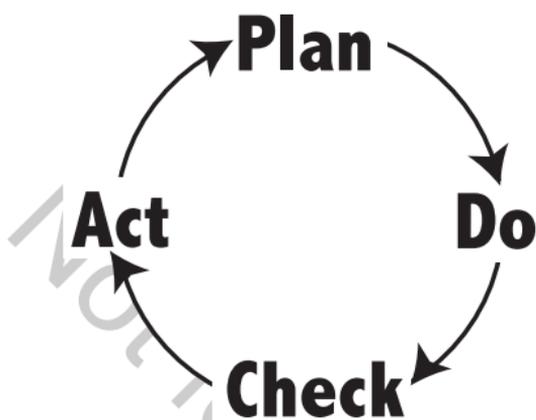
Use the MOA negotiation process to ensure that you will receive regular and reliable information from employers on program impact and progress over the course of the project. This is paramount and the only way to ensure continual alignment with business impact objectives. Optimally you will have sufficient resources to not only implement your program as designed, but to make necessary modifications along the way.

In addition to the MOA or as a component of it, jointly establish a project work plan with all program partners. The work plan describes project activities and intended outcomes over time and includes:

1. Each of the partners and their roles
2. Project management and oversight responsibilities
3. Outside vendors and their roles
4. Project timeline with significant programmatic milestones and predicted impact
5. Schedule of program review, including outline of data to be collected
6. Description of decision-making authority

The work plan in conjunction with partner MOAs are your most important tools for gauging performance and responding to program hurdles *and opportunities* as they arise. However, the work plan is only as valuable as the process by which it is reviewed. We recommend a simple, yet elegant Continuous Quality Improvement (CQI) technique called PDCA, which stands for Plan-Do-Check-Act.

## PDCA Model for Process Improvement



Plan-Do-Check-Act (PDCA) is a widely used process for managing a project for the *highest quality outcomes*. The four steps, which occur as a repeating cycle throughout the life of the project, refer to ways to move a project forward. The process must be built into the project work plan to be useful, and must involve all project partners in its execution.

PDCA effectively keeps projects advancing toward goals rather than toward the fulfillment of a work plan. PDCA is an evidence-driven process that requires data collection and analysis to verify whether strategies are working or in need of revision.

Bear in mind that consensus among partners is the primary decision-making vehicle in the PDCA

process. With partner involvement, the four steps to PDCA are as follows:

## **PLAN**

First, plan the action. Or, in the case of a project underway, plan the improvement or solution to an identified problem. If there is more than one possible solution or problem area, focus on those that are expected to have the greatest impact on the process. Generate a list of potential improvements, their expected results, and prioritize their implementation.

## **DO**

Undertake the steps needed to effect the change desired. Take risks. This step allows room for learning from experience. It is more important that you make something happen, than that you implement perfection. But do build in mechanisms for knowing whether the action is effective. What data will you collect and how will you know if you are achieving the desired results?

## **CHECK**

This is also known as the study or analysis step. What does your data tell you about what is working and what is not? Measure and monitor the impact on performance of initial actions or modifications. Determine what you have learned thus far.

## **ACT**

Decide whether to accept or reject the action or change based on its impact and whether any changes need to be made during the remainder of the project. The key part of this phase is to *put the lessons learned into wider practice*. Incorporating lessons learned takes you back to the **Plan** step of **PDCA**.

**Plan** how you will integrate lessons learned; **Do** implement new practices or other project changes; **Check** how the change is working or not; and **Act** on new data—taking you back to the beginning of the cycle once again. The **PDCA** cycle can be repeated to explore and improve one program area or can be used across a number of program areas. Use PDCA liberally until you reach the desired level of improvement in each targeted area.

## Conclusion

The strategies outlined in this guide – understanding employers’ needs, identifying areas of impact, developing MOAs – are crucial first steps to creating initiatives that respond best to the needs of your local employers.

The deep understanding that you develop of employers through the dialogue process will serve you well as you engage other program partners, design the project together, and jointly implement and oversee the project to the highest levels of performance. The MOAs are the tools you will use to manage commitments and continued negotiations with partners.

The relationships, knowledge, and commitments that you develop during this initial phase will also set the stage for important consensus-based decision-making during project implementation. You will build solid and lasting relationships within your employer community, and a foundation for effective program delivery that benefits both your employer partners and the participants involved.

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