

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 199
April 20, 2016**

PROPOSED BUSINESS ENGAGEMENT METRICS

Background

The Workforce Innovation and Opportunity Act (WIOA) places a greater emphasis on engaging business than its predecessor, the Workforce Investment Act, with specific direction by the U.S. Department of Labor to develop new metrics. In line with this, one of the four strategic priorities outlined in the state's strategic workforce plan, *Talent and Prosperity for All*, is to increase business engagement and a key goal is to identify meaningful metrics to establish a baseline and measure increases over time. Board staff was tasked to work with system partners to establish such metrics

In consultation with a workgroup (consisting of agency, business, labor, and local area representatives) a handful of measures are proposed that would provide a baseline of how deeply businesses across the state are engaged with the workforce system, and the extent of efforts to increase this level of engagement.

Proposed Set of Metrics

For details on the proposed set of business engagement metrics see Addendum X

Board Action Requested: Adoption of the recommended set of business engagement metrics.

Proposed Business Engagement Metric(s) Methodology

The Business Engagement Workgroup has developed and proposes moving forward with creating two types of Business Engagement Metrics. First, it was important to note and track the difference between how well connected current businesses are with the workforce system. For this, we propose a metric called *Market Penetration*. The second proposed metric considers the reach of efforts to increase business engagement. This metric is called the *Scope of Business Engagement Efforts*. The intention for these metrics is to be inclusive of all Workforce Innovation and Opportunity Act (WIOA) titles I-IV as well as the entire workforce system to the extent that data collection allows this. The details of these two types of metrics are spelled out below.

Metric #1: Market Penetration

Definition: Percent of small, medium, and large businesses within a given Workforce Development Area (WDA) that is already engaged with the workforce system.

Formula =
$$\frac{\text{Businesses currently engaged in one or more of identified engagement activities}}{\text{All Businesses}}$$

Details:

- Count all businesses covered by the unemployment insurance system with employment over 8.
- Overall market penetration will be produced for small, medium, and large size businesses. The definitions used for small, medium, and large will have been agreed upon by the workgroup.
- At minimum, the metric will be put out by 2-digit NAICS, but we will consider custom industry aggregations that may be of interest.
- Where it is possible, given data confidentiality restrictions, the metric will be produced by industry and business size.
- At the start, the measures will track the top five engagement activities (as identified by the workgroup), but over time we will consider adding and changing the bundle of activities tracked. Examples of these activities would include activities such as skills assessment, hiring events, job listing, industry partnerships, workforce training, and applicant referral services.
- The metric will be produced on a quarterly basis as soon as a given quarter's data is available to process. Preliminary data for overall market penetration will be developed by July 2016.
- One consideration is that WIOA may end up creating a similar measure in the future, at which point we will have to think about the utility of having two such measures.

Metric #2: Scope of Business Engagement Efforts

Definition: Percent of small, medium, and large businesses within a given Workforce Development Area (WDA) that is actively engaged in negotiating a relationship with the workforce system.

Formula =
$$\frac{\text{Businesses Contacted in an effort to engage in the system}}{\text{All Businesses}}$$

Details: The details specified above for overall market penetration likewise apply to the *Scope of Business Engagement Efforts*, with the exception of the preliminary data being produced by July 2016.