

# national business learning partnership

**Moving to a Demand Driven Approach:  
Blurring the Lines between Workforce & Economic Development**



Idaho

Commerce & Labor

## For More Information

First Edition

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# About the

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# National Business Learning Partnership

The National Business Learning Partnership (NBLP) has matched local workforce areas that have exceeded their performance standards while delivering effective business services with local sites that wish to improve their performance by engaging businesses more successfully.

Nineteen mentor and twenty-five protégé workforce areas participate in the project. A protégé site is matched with a mentor to help develop a work plan to accelerate transition to a demand-driven system. The matches are made by the protégé sites based in part on traditional factors, such as urban or rural nature, demand occupations, industry needs, population, unemployment rates, and on additional factors, such as strategic approach, service delivery design and organizational requirements and capabilities.

One-on-one consultation and case studies are provided through the NBLP. NBLP mentor and protégé sites work together. Protégé sites are encouraged to work with more than one mentor site depending on needs. Similarly, a mentor may consult with more than one site.

In addition to peer-to-peer consultation, NBLP case studies provide a wider audience access to the partners' experiences and learning. Each case study includes practices and principles proven by mentors and protégés to improve performance outcomes by addressing the workforce needs of businesses and industries in our communities. A brief "guide" is included as a part of each case study to facilitate shared learning and promote action.

The NBLP is a collaborative effort among the forty-four State and local WIBs, all ETA Regional offices and the Business Relations Group to facilitate the transition to a demand-driven system, accelerate improvements and encourage innovation.

# Acknowledgements

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The National Business Learning Partnership (NBLP) is grateful to the forty-four State and local Workforce Investment Boards who opened their doors, welcomed their peers and shared their insights and experiences in creating demand-driven business service organizations. One key goal of NBLP is to demonstrate and document through case studies how these organizations have become demand-driven in more effectively and efficiently serving the workforce needs of business while helping workers find good jobs at good wages. NBLP would like to thank these organizations for helping in the development of these case studies that will ultimately aid other areas in transitioning to a demand-driven system.

NBLP is especially appreciative for the strategic leadership provided by DOL Assistant Secretary for Employment and Training, Emily Stover DeRocco, for her vision and resourcefulness in the development of a demand-driven and innovative 21st century workforce system.

Further, NBLP is grateful for the management and support provided through ETA's network of Regional Offices, in particular, the work of Project Manager, Nick Lalpui, under the direction of Regional Administrator, Joseph Juarez; for assis-

tance from ETA's Business Relations Group; and for the tireless efforts of ETA's NBLP regional representatives nationwide.

In a demand-driven system, partnerships of federal, State and local organizations and individuals are required to effectively assist businesses and the workforce to adapt to the challenges of the 21st century. We are proud that NBLP exemplifies such a partnership which continues to grow and strengthen by continuing to identify workforce challenges and implementing and sharing demand-driven solutions.

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# How to Use

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# the Idaho Case Study

The National Business Learning Partnership goals are to facilitate the transition to a demand-driven system, accelerate improvements and encourage innovations. To accomplish these goals each case study documents the development of a partner's demand-driven workforce investment system with stories, practices and principles illustrating the approach and its successes.

"Moving to a Demand Driven Approach" highlights the strategies and success of Idaho's Department of Labor in meeting the needs of business as a primary customer and its successful collaborative efforts that lead to the agency's eventual merger with the Department of Commerce. With the understanding that each State's responses are based on its own unique circumstances, the author confines his generalizations and conclusions to the Idaho experience; but the State's experience may prove helpful to others.

To explore how your organization may benefit from Idaho's experience, please use the "Inquiry Guide" to steer discussions, explore alternatives, promote action and achieve positive results.



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# Chapter 1

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## Introduction

Idaho is a large, sparsely populated state with a population of 1.3 million living in 44 counties – only eight of which are considered “urban.” Boise is the only city with a population exceeding 100,000. Historically, the State has recognized six geographic regions for the purpose of planning and delivering a variety of state and/or local services – including employment and training services. With the passage of the Workforce Investment Act (WIA), the Governor designated each of the six regions as workforce investment areas (five areas are designated under the governor’s discretionary authority provided in the Act).

Each of the six regions contains at least one “urban” city/county, several rural counties and numerous smaller communities separated by large distances. Funding allocations are relatively small. For example, the State received \$3,145,036 for WIA adult programs for PY 2004, and its allocations to the regions ranged from \$171,941 to \$990,998. As a consequence, local Workforce Investment Boards (WIB) are significantly challenged to organize one-stop systems for their areas that provide access to a continuum of education and workforce development services across their widespread communities.

Fortunately, the State had the foresight several years ago to commit supplemental state funding toward retention of a statewide network of 24 local Job Service Offices operated by the Idaho Department of Labor (IDOL). Today, this network

of offices serves as the backbone of the state and local IdahoWorks One-Stop System.

Idaho Department of Labor (now merged into the Department of Commerce and Labor) is a member of the One-Stop operator consortium in all six areas of the state, and five of the six local WIBs have chosen the Department to house and operate the One-Stop Career Center in their area. The agency is also the statewide program operator for several of the mandatory partner programs under the One-Stop system. Additionally, it provides WIA services for dislocated workers in six regions, adult workers in five regions, and youth in four regions and employment services under the Temporary Assistance for Needy Families (TANF) program in two regions.

In light of the Department of Labor’s wide-ranging responsibilities in the statewide workforce system, it has played a very powerful leadership role in how Idaho’s system related to the business community, and consequently, how the business community has perceived the value of the workforce system.

The Idaho Department of Labor’s strategies and success in moving to a demand driven approach are the primary focus of this case study. However, a very important backdrop for the Department’s story includes the special priority placed on economic development over the past ten years by Idaho’s Governors and legislature—a priority that focused on meeting the expansion and growth

needs of business and required the close collaboration of economic development, education, and employment services. The success of the Department of Labor in both fulfilling its mission of serving the needs of business and partnering effectively with other agencies to meet the Governor's economic development goals did not go without notice. Governor Kempthorne officially announced the merger of the departments of Commerce and Labor during his 2004 State of the State and Budget address.

With the Governor's announcement to create the new Idaho Department of Commerce and Labor, the traditional approaches of cooperation and coordination between economic development and employment were instantly inadequate. The merger created expectations for real synergy: instead of cooperation, there would be unified leadership and decision making; instead of coordination, there would be delivery of information and services through a common network of offices; and instead of shared business customers, there would be one customer. Idaho Commerce and Labor has undertaken a tremendous amount of work since the new agency became official on July 1, 2004, and much more is planned.

Other players in the State's workforce system are also continuing to move the demand driven approach forward. The State Workforce Development Council recently adopted a challenging set of new goals and strategies to better meet business' needs. Local WIBs are continuing to find new and innovative ways of addressing business needs, and they are reaching out to the broader community and finding new ways to facilitate and broker improved workforce services. Additionally, the education community is working very hard to address the preparedness of youth for the workforce as well as the shortage of skilled workers in key sectors of the economy. Significantly, the State's colleges and technical schools are continu-

ing to play major roles in helping to attract out-of-state companies and meeting the needs of relocating and/or expanding businesses for trained workers.

The business related initiatives by the Idaho Department of Labor and its ultimate merger into the Department of Commerce and Labor are the principle focus for this case study, but those events should not be confused with the completion of Idaho's efforts to better meet the needs of its business community. In reality, the merger represents a mere marker as the beginning of the next phase in moving to a demand driven system. Even as this case study is being written, new services are being developed by ICL and many of its partners across the system.

## Chapter 2:

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# Overview and Chronology

The State's success in moving to a demand driven workforce system begins with leadership that has maintained a consistent focus on the importance of helping Idaho businesses expand and thrive. This leadership begins with the Governor and the legislature, extends through state agency directors and their management staff, and includes state and local workforce boards.

### The Drivers of Change

Chronologically, the first foundation stone for the current system was laid in 1991 when the Legislature created the Special Administration Fund, providing the Idaho Department of Employment\* several million dollars per year of state supplemental funding for the express purpose of maintaining a high quality statewide network of 24 local offices that provided both labor exchange and unemployment insurance services. This action served to offset standstill federal funding that was slowly strangling the well regarded network of offices providing valuable services in local communities across the state. The supplemental funding was much needed, and it allowed the agency to continue to focus its energies on delivering good services to its traditional primary customers - Unemployment Insurance (UI) claimants and unemployed job seekers. Businesses were sometimes acknowledged as customers of the system because their UI payroll taxes funded the system; but, beyond involving them on the Employment Service Advisory Council and local

Job Service Employer Councils (JSEC), there were no sustained, systematic strategies to address their individual workforce needs as primary customers.

In the mid-1990's, several things happened that set the system on its present demand driven path. Beginning in 1995, newly elected Governor Batt began to vigorously promote economic development; and that focus has continued to this day through Governor Kempthorne who has declared economic development his number one priority. Governor Batt appointed Roger Madsen as Director of the Idaho Department of Employment in 1995. The move to a demand driven approach within the Department of Labor has taken place under the guiding hand of Mr. Madsen, who serves today as Director for the Department of Commerce and Labor. The strategies and approaches pursued by leaders in the Department of Labor (covered in Chapter III) have been consistently pursued since their adoption and remain in place today.

Idaho's legislature has also been highly supportive of economic development. Similar to most states, the Legislature has funded various economic development efforts (including some tax and financial incentives) for business expansion, development of international trade, promotion of tourism, and assistance for rural community development. Unlike many states, however, the Legislature has also supported the State's workforce system by funding several important efforts, such as the Special Administration Fund, the

\*The Department of Employment became the Department of Labor in 1996.

Workforce Development Training Fund, and system upgrades using Reed Act funds.

The State's economic development agenda was advanced significantly in 1996 when the Legislature authorized the Workforce Development Training Fund (WDTF). The fund was created as an economic development incentive tool to help out-of-state and expanding companies to address their immediate workforce training needs. WDTF was designed to be very flexible in order to best meet the exact workforce needs of each business (refer to Chapter VI for more details). Coincidentally, when the Legislature required that the Workforce Development Training Fund be jointly administered by the departments of Commerce and Labor and the State Division of Professional Education, the Department of Labor became a recognized player in the economic development agenda.

During 1996, Governor Batt, with significant assistance from then-Lieutenant Governor Otter, took action to create a new Governor's Workforce Development Council with responsibility to advise the Governor and the State Board of Education on policies affecting all workforce development services in the state. The Council was created through the merger of four state advisory councils (School-to-Work, Vocational Education, Job Training Partnership Act (JTPA), and Employment Service), and it has maintained the focus on business as a primary customer since the beginning.

The Council's mission, vision, and goals speak jointly to development of a demand driven system that understands business needs and delivers a workforce that meets the productivity needs of a market driven economy. Karen McGee, serving as Chair of the Workforce Development Council since 1996, has been a major driver for coordinating economic development, education and employment throughout the period of movement to a demand driven approach. She served as Chair of the committee that implemented the Workforce

Development Training Fund. She also served as Chair of the State's Welfare Reform Task Force and currently serves as a member of the State Board of Education.

“Idaho's ability to compete in a global economy depends upon the quality of our workforce. By giving our workers an opportunity to attain the skills needed in the new economy, Idaho will be positioned to lead the country in attracting the jobs that improve wages and quality of life for all Idahoans. I am committed to the creation of new high skill jobs by harnessing the combined energy and resources of employment, education, and economic development to achieve success for all of Idaho.”

Governor Kempthorne,  
2003 Annual Report  
Workforce Investment Act

## Raising the Bar

Elected in 1998, Governor Kempthorne established economic development as his highest priority. To

assist diversification and continued expansion of Idaho's economy, Governor Kempthorne put forward initiatives to foster rural economic develop-

ment, increase overseas marketing of Idaho products, and achieve greater integration of the State's scientific, educational, and business communities. The Governor is described by various agency personnel as a driving force and very engaged in bringing together organizations and individuals, both inside and outside government, to further his goals. Within state government, he clearly signaled that education, workforce development, and economic development are major partners who must work hand-in-hand to achieve the level of economic prosperity sought for Idaho.

As company recruitment efforts got more emphasis from the Governor, the departments of Commerce and Labor and the education community became more experienced in working together to develop proposals that addressed a full array of economic and workforce benefits to relocating companies. Dell Computer Corporation's decision in 2001 to locate a technical support call center in Twin Falls in 2001 demonstrated very visibly that effective agency collaboration was critical for success in bringing new businesses into the state (see Chapter VII for further details).

## Making Great Strides

By 2003, the strong and vigorous resolve of IDOL to transform itself into a demand driven agency had become tangible in numerous ways.

- Every local office in the state network had been either remodeled or built new. Modern electronic lobbies provided access to all the resources available through the IdahoWorks electronic network and each office also had a Resource Center with interview facilities and computer/copier/fax services available for employers' use.
- Major initiatives in staff training provided local office staff with the opportunity to obtain national certification as Career Development Facilitators. Aspiring managers were given access to management development training leading to becoming Certified Public Managers. As part of a major Business Relations Initiative, all staff within the agency had been trained on various aspects of marketing their services to business.
- Technology was providing an increasing portfolio of customer services, including easily accessible labor market information, internet wage reporting and UI tax filing, and multiple options for listing job orders and receiving job applications. Internet web sites were providing valuable information related to business workforce needs. Electronic job search available through the IdahoWorks system was making job listings visible to many more qualified applicants. Technology was providing more self-service options and this provided staff more time to offer customized service to those who needed it.
- Every local office was actively reaching out to the local business community through participation in business oriented organizations and maintenance of a business advisory group to identify business service needs. The focus of Regional Labor Economists (refer to Chapter V) had been redirected to emphasize serving the specific labor market information needs of their local communities.
- The model for core business services offered through the local offices was based on the philosophy that business was the first customer, and services would be customized to whatever extent the customer requested. Employment Consultants were fully trained to serve both job seekers and businesses effectively (see Chapter IV for details).

- In 2003, the legislature appropriated \$7,000,000 of Federal Reed Act funds for use by the Department of Labor to support necessary upgrades in the system, including new customer lobby furniture, One-Stop customer computers, mainframe and front-end applications for the Unemployment Insurance tax system, on-line learning programs, and staff training that supported professional certification.

## Discovering Synergy

The success of the Department of Labor in fulfilling its mission and partnering effectively with other agencies did not go without notice from the Governor. In rapid succession, the Director was appointed by the Governor to rescue the struggling State Arts Commission, serve as interim Director for the problem-plagued Disabilities Determinations Service, direct the work of staff for the Governor’s 2020 Blue Ribbon Taskforce<sup>1</sup>, and serve as temporary Director of the Department of Commerce until a permanent director could be hired. After experiencing the two agencies (Commerce and Labor) being lead by a single director, the Governor realized the potential for synergy through the combination of agencies that shared business as a common primary customer. During his 2004 State of the State and Budget address, Governor Kempthorne proposed the merger of the Department of Commerce and the Department of Labor. The legislature agreed with the proposal, making the merger effective July 1, 2004.

The creation of the new Department of Commerce and Labor provided the workforce system with the

opportunity to send a renewed and more powerful message to business that it has the expertise, resources and tools to work directly and effectively with the business community to meet both its workforce and economic development needs.

Leadership is intent on capitalizing on the respective strengths of each of the former agencies in order to achieve improved benefits to business, job seekers, and the general public alike. In the short time since the merger became effective, Idaho Commerce and Labor (ICL) has developed several new business oriented products and is piloting the Business Response Team project as a more comprehensive approach for helping businesses solve their business operations problems. Refer to Chapter VIII for more details on the merger.

Along side the development of new business approaches by Commerce and Labor, the Governor’s Workforce Development Council continues its long standing efforts to focus the workforce system on the needs of business. It recently adopted a challenging set of goals and strategies for better meeting business needs, and it authorized the regional allocation of WIA 15% Discretionary Funds for High Growth Business Pilots. This initiative will fund four customized/incumbent worker training projects that will prepare new employees or lower-skilled, lower-wage incumbent workers for employment in higher-wage skilled occupations. Previously, the Council authorized the allocation of WIA incentive funds to each of the six workforce regions for business pilot projects. The pilot projects provided local Workforce Investment Boards with supplemental funds that were not tied to traditional WIA program outcomes, and the results were commendable (see Chapter 10 for more details).

<sup>1</sup>The 2020 Blue Ribbon Task Force was organized by the Governor to assess the immediate and long-term needs of the state through the year 2020, identify priorities, analyze the organization and structure of State Government, and make recommendations to align the operations of government to meet the demands of the 21st Century.

## Chapter 3:

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# In the Beginning— Idaho Department of Labor

As noted in Chapter II, the Idaho Department of Labor's (IDOL) transformation to a demand driven organization began in earnest during the mid 1990's with the election of a Governor very interested in economic development and with his appointment of the current Director. Prior to that time, the agency was a traditional, well performing, Employment Service that was constantly challenged to maintain its good performance while confronted with year after year of stand-still budgets from the US Department of Labor. The legislature's passage of the Special Administration Fund in 1991 began providing supplemental state funding for the express purpose of maintaining the statewide network of 24 offices that would provide both labor exchange and unemployment insurance services.

Prior to 1995, the primary customers for local office services were Unemployment Insurance (UI) claimants and unemployed job seekers. Businesses were sometimes acknowledged as customers of the system because their UI payroll taxes funded it, but there were no systematic, sustained strategies to address the individual workforce needs of businesses as primary customers.

Soon after his appointment in 1995, IDOL's new Director was faced with a funding crisis that required some significant budget cuts and also revealed that continued support for the Special Administration Fund was eroding, particularly from business. In response to both the Governors' economic development goals and the legislature's

interest in assuring that business got real value from the State's supplemental funding, leadership in the Idaho Department of Labor made a strong commitment to re-focus the agency's mission to serve both job seekers and business as primary customers. The Director's particularly clear commitment to serving business as a primary customer was probably stronger than elsewhere in the country because the source of the several million dollars per year of state supplemental funding was interest earnings on a set-aside reserve fund within the overall unemployment insurance fund – a fund created from UI taxes on employers. Currently, the fund supports about one-third of labor exchange staff in local offices.

While there can be no mistake that the Department of Labor was committed to serving Idaho's business community, it also worked hard to maintain its long and successful record for providing excellent services to its job seeker customers, including those applying for unemployment insurance.

With the goal of continuously improving services to both job seekers and business, the agency's leadership moved vigorously to clarify that its mission included service to two primary customers – “We are a business consulting organization with a dual mission – assisting business in solving employment and training related challenges, and helping people with career transition.” It also adopted three fundamental strategies to ensure that the agency would be successful in serving the needs of busi-

ness. The strategies were to serve customers with modern professional facilities, highly trained staff, and cutting edge technology. In addition, marketing the agency's capabilities and successes to the public and business community was determined to be essential for gaining recognition, credibility, and continued financial support.

Those strategies have been consistently pursued in the ten years since their adoption and remain in place today.

## Facilities

With special funding from the Special Administration Fund, IDOL firmly committed to maintaining a high quality network of 24 local offices that provide both labor exchange and unemployment insurance services for local businesses and job seekers. The decision to deliver UI services through the local offices ran counter to the national trend of delivering the program through centralized call centers; and, currently, Idaho is the only state in the country that has remained firmly committed to keeping UI in the local offices. State officials believe that keeping UI in local offices is a genuine issue of service quality, which they are committed to maintaining. Interestingly, the State has been successful in capturing some of the efficiencies of a call center system by creating virtual call center capabilities through its state-of-the-art Voice over Internet Protocol system that allows seamless call management among its 24 local offices.

With the firm commitment to 24 offices, the agency has pursued an aggressive program to create a network of facilities that are well located, modern, and professional ("business quality") in appearance. Over the past ten years, every office in IDOL's network was either remodeled or built new. Modern electronic lobbies provide access to all the resources available through the IdahoWorks electronic network. Each office also has a Resource

Center with interview facilities and computer/copier/fax services available for employers' use. The agency has been very resourceful in finding multiple funding sources for achieving its remodeling and building goals, including access to the State's Permanent Building Fund, which historically had never been made available to the Employment Service because of its exclusive federal funding.

## Training

The agency's leadership made a strong commitment to the knowledge and skills development of its employees. This is evidenced through the agency's devotion of resources to major training initiatives as well as to regular ongoing training needs necessitated by hiring new staff, implementing new policies and procedures, and introducing new or changing technology. The commitment of resources extends to maintaining five fully equipped in-house training labs, delivering technology-related training through highly skilled staff, and developing an extensive library of on-line learning modules that make training available in the most cost efficient and timely manner.

IDOL undertook several major training initiatives during the past several years to help ensure an ever-continuing improvement in the quality of services provided to both its job seeker and business customers:

- In 1998, the Department made a commitment to the professional development of local office Employment Service staff by instituting a program to provide all staff with nationally recognized training as Career Development Facilitators. This training was designed for local office staff to acquire knowledge and skills in 12 competency areas, which were developed by the National Career Development Association, the professional association for career development in the United States.

The training involves 120 hours of classroom instruction delivered in eight modules, each requiring 2 to 3 days. After completion of the training, the individual may apply for and receive national certification through the Center for Credentialing and Education, a subsidiary of the National Board for Certified Counselors (NBCC). All local office staff who work as Employment Consultants have participated in the training program, and approximately one-half have completed all the modules and received national certification. During 2004, 425 staff members participated in 32 training sessions. The Department's Career Development Facilitator program received the USDOL/NASWA Customer Service Award in 1999.

- In 2001, the Department used seed money from the U.S. Department of Labor (USDOL) to begin a Business Relations Initiative designed to provide information and skills to all employees in the organization regarding serving business as a primary customer. The Business Relations Initiative is highlighted in more detail below.
- Management development has also been a focus for delivering quality customer service over the long term. Similar to many other organizations, Commerce and Labor is faced with the prospect of large numbers of senior manager retirements over the next few years. As a proactive measure, departmental representatives participated in a state team that developed a program for Certified Public Managers. The program is operated by the Division of Human Resources but is used extensively by the Department to support its development of a cadre of trained managers.

Capitalizing on the Department's technological expertise, the use of on-line learning is prevalent and growing across the agency. Given the large distances between the many local offices across

the state, the traditional "gather together in a central place for training" approach is a financially unsupportable model for providing the constant flow of training opportunities needed to serve the needs of new staff, programs, and technology. During the past two years, the agency has dedicated significant resources toward developing a library of on-line learning modules that are available to staff via the internet at any time. Several of the modules are targeted to new staff and sometimes serve as pre-requisite courses before attendance at planned instructor-lead training. As a means to keep the training as interactive as possible, the agency is experimenting with combining on-line training with instructor and/or group interaction through web meeting technologies. More traditional face-to-face group training is also supported through maintenance of five high tech learning labs in the largest local offices in five regions of the state.

A Learning Management System is currently under development and will be used to help plan, coordinate and track the training experiences of staff across the agency.

## Technology

The agency has invested heavily in using technology to expand the services provided to its customers as well as the tools available to staff to improve their effectiveness and efficiency. As with improvement of facilities, much of the progress in technology was made possible by creatively using a variety of grant funds and supplemental funding sources to achieve the desired results.

Electronic lobbies were initially installed in local offices across the state in 1995/96 with the help of the Federal One-Stop grant and the State's Special Administration Fund. In 2003, the State was able to upgrade/replace all the lobby computers using a portion of the Reed Act funds that were dis-

tributed back to all states by the U. S. Department of Labor.

Without a doubt, the most significant technology development for the State's workforce system has been the IdahoWorks information system. This is a comprehensive system used to deliver a variety of unemployment insurance (UI) and employment and training services throughout the state. The system's internet-based design was initiated in 1995 using One-Stop grant funds and it has continued to evolve and grow in scope since that time.

IdahoWorks is constructed using internet technologies thus allowing it to be used both internally in ICL local offices and externally by customers over the internet. The user interfaces are standardized across programs thus maximizing ease of use and overall satisfaction for both staff and customers. The largely self-service aspect of the system has greatly increased the number of customers who obtain service and frees up staff to help those with special needs. The State believes that the system provides substantial savings when compared to traditional approaches.

The IdahoWorks system combines a full array of unemployment insurance, labor exchange, and training programs within one system that meets the needs of both job seeker and business customers. Job seekers and UI claimants use the system to file initial and continuing claims for unemployment insurance, register for work, scan available jobs, obtain information about available training programs, and search an extensive array of labor market and career information. Businesses can register on-line, enter job orders on-line, use the Internet system for reporting wages and filing UI taxes, as well as access labor market information and an extensive body of related information on topics such as business expansion, tax credits, and employment services.

IdahoWorks serves as the One-Stop information system for the Workforce Investment Act in Idaho.

All six areas, as well as the State, use the system for case management, program management, financial management, federal reporting, etc. Uniquely, IdahoWorks also houses the State's Human Resource System as a system component. In 2002, ICL partnered with the Division of Human Resources (DHR) to design a system that includes on-line job announcements, on-line applications, on-line testing, and on-line hiring registers. In the first year of operation, the system took 72,000 applications for state jobs from 31,000 people.

The On-line Business Registration System, the Unemployment Insurance Internet Claims System, the Job Seeker Registration System, the Employer Job Order Entry System, and the State's Human Resource System have each received Information Technology Achievement awards from Idaho's Information Technology Resource Management Council. The UI Internet Claims System was also recognized by the National Association of State Workforce Agencies.

In mid-2004, ICL further enhanced its business services when it rolled out a new Employer Job Entry (EJoE) system that allows employers to write, enter and manage their own job listings. Employers control how the job seekers contact them from the job posting. Through the system, they can also review lists of candidates who have inquired about a job listing and screen applicant profiles and resumes. Self-posting is optional and Employment Consultants in the local office are available to help businesses, as needed, to write good job descriptions and/or navigate the system. This system has been received very positively in the short period since its launch.

More recently, in response to the medical community's special need to recruit employees, Commerce and Labor used its technological expertise to develop a customized electronic job listing/resume posting systems for the Idaho Hospital Association. The customized job bank

provides a simple process for member businesses to post their jobs and for job seekers to post their resumes.

Many businesses probably view Unemployment Insurance more as a tax requirement than a service provided for their benefit. However, the program requires extensive interaction between the agency and individual businesses, and each contact provides a service opportunity that can affect the general relationship between ICL and the business. Over the years, the Department of Labor used both technology and the human touch to improve its customer relationship. As noted previously, employers were recently provided the option to report wages and file taxes through IdahoWorks. On the more human side, and as a means to improve decisions for UI eligibility, local office staff now telephone employers directly to obtain information related to employee separation thus achieving better response and better decisions. At the same time, extensive document imaging (becoming paperless) provides the agency with more opportunities to conduct quality control reviews of records. The agency strives to be "number one" in the quality of its UI decisions, as that helps build the confidence and support of business in the overall agency. In the year ended March 31, 2005, the agency actually was "number one" in the country on quality of UI decisions.

Labor market information is another customer service that has helped business benefit significantly from the agency's commitment to technology. Idaho's Labor Market Information (iLMI) website helps businesses make decisions that may be related to a wide variety of issues including availability of skilled workers, pay and benefits by occupations, economic profile of the state and counties, area demographics, industry growth and composition, and number of workers by occupation. During PY 2003, the iLMI website experienced 117,525 visits comprising well over 1,100,000

hits. Customer interest in iLMI is continuing to grow. The agency conducts continuous analysis of website usage as well as customer feedback to keep the site up-to-date with data, reports, and publications that are in demand.

## Business Relations Initiative

In 2001, the Idaho Department of Labor undertook the Business Relations Initiative, which was designed as a means to more fully implement the Department's goal to better serve business as primary customers. This was a major initiative to attain stronger alignment between the Department's desired mission to serve business as a customer and the ability of employees throughout the agency to effectively communicate to business the value of the services provided. As part of its efforts to shift the focus away from "placing job seekers" to "recruiting the best workers for business," the Department established the following marketing statement:

The initiative was centered on providing training for all staff throughout the agency, entitled "Communicating Our Message." All local office staff and many One-Stop partners were provided Business Marketing Training. Local office manage-

We are a business consulting organization with a dual mission:

We assist business in solving employment and training related problems; and We help people with career transitions.

ment staff were provided Implementation/Sales Training, and central office staff were provided a half-day overview of the entire marketing approach.

In order to keep the focus on serving the business customer first, the training was designed to help staff better understand their roles in communicating the agency's services for business, the value of services provided for business, various techniques for marketing to and targeting businesses, and methods to market intangible services. The foundation of the curriculum was the complete understanding and acceptance of the new marketing statement by employees. Once staff could easily answer the question "what do you do?" (hint: recite the marketing statement), they learned the importance of using a business vocabulary, putting a dollar value on the "pre-paid" consulting services that they provide, and selling their intangible service through presentation of tangible evidence. A few of the tangibles discussed included location and appearance of the physical office, how staff present themselves, labor market information and other resources available, testimonials of customer success, and data quantifying business savings when using the services.

The Business Relations Initiative was designed to be more comprehensive than just training. It included developing marketing brochures and providing prototype letters that use business language and communicate the value of the "pre-paid" consulting services. A Chamber/Business PowerPoint presentation was developed for staff to use as speaking opportunities arose. Finally, an array of actual business success stories from around the state was developed for presenters to incorporate into their presentations as needed.

Key concepts and aspects of the "Communicating Our Message" training were incorporated into the curricula for New Employee Orientation and the Career Development Facilitator (CDF) training. In so doing, the focus on business as a primary cus-

tommer was permanently made a part of every employee's knowledge and skills development.

With the merger of the Departments of Commerce and Labor, there is an expectation that local offices will expand their traditional workforce portfolios to include economic and community development elements from the Commerce side of the organization. Business relations for the agency are now much broader in scope than they were less than a year ago. Consequently, ICL is in the process of developing a new business relations training curriculum to expand the knowledge of all staff in the total package of services that will be made available through the state/local offices of the new agency.

# Chapter 4:

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## Labor Exchange Services for Business

The Department of Labor's long term commitment to its three strategies (facilities, training, and technology) and business relations created an environment for continuous improvement of approaches to best serve its customers. The approaches and services described in this chapter are in place today. They represent the cumulative progress made since IDOL began its move to a demand driven approach in 1995.

### Business Outreach

Business outreach is a significant focus for the IdahoWorks One-Stop Career Centers and affiliate offices. Each ICL local office has a plan for reaching out to the local business community. In many areas, the core of the business relations effort involves two thrusts: maintaining a business advisory mechanism to get input from local employers and participating in local business oriented groups and associations, particularly Chambers of Commerce.

The business advisory mechanism used in many offices is a permutation of the Job Service Employer Committee (JSEC) program that was supported and encouraged for many years by the US Department of Labor throughout the nationwide Employment Security system. Each ICL local office has the flexibility to maintain its own employer committee or use an already existing group, such as a committee of the Chamber of Commerce. The purpose of maintaining the

employer groups is to get ideas on current and prospective business services and to sponsor employer events. The most often sponsored employer event is a workshop on Unemployment Insurance. Examples of other workshop topics include: Drugs in the Workplace, Re-employment Rights for members of the National Guard and Reserve, Lean Manufacturing, and Internet Scams. The groups also help sponsor job fairs.

Participating in local business related groups is a significant part of the local business relations plans. One-Stop and local office managers and their key staff actively participate in Chambers of Commerce, Workforce Investment Boards, Rotary, economic development associations, and other local organizations. The level of involvement in the various organizations ranges from attendance at events to chairing key workforce related committees or groups. Many offices also encourage line staff to participate with these same groups as well as other workforce related entities such as college technical committees and veteran outreach groups.

### Company Recruitment

Idaho's approach to recruiting new companies to the state most often involves a multi-dimensional effort that includes state and local government, economic development, education, and employment. ICL local offices are expected to be key players for providing labor market information and for recruiting and screening highly qualified

workers for the new jobs that companies will be filling. The Dell technical support call center experience, described in detail in Chapter VII, provides a good example of the types of workforce services that local offices are expected to deliver. For Dell, the local office provided thousands of hours of customized recruitment, screening, and interviewing services. In every opportunity similar to this, local offices are granted, and expected to use, the flexibility to customize their services to fully meet the needs of the new/expanding business.

## Core Business Services

One-Stop centers and all other Commerce and Labor local offices across the state offer a core set of business services that include electronic job listing, recruitment, matching, referral, rapid response/layoff assistance, on-the-job training, customized training, labor market information, and a business resource center that has interviewing facilities that include computer, fax, copier, and video equipment. Workshops and forums on a variety of special interest topics for business are also provided. With the merger of Commerce and Labor, information about the Commerce-based resources will soon be offered through all ICL offices as well.

Idaho Commerce and Labor's approach to business services is based on the philosophy that all staff must regard business as their first customer. Every ICL office has a plan of action for reaching out to the business community; and, operationally, all staff are involved in business relations work through their day-to-day interaction with both the job seeker and business customers.

Organizationally, there are no separate business units providing business-only services. ICL's Employment Consultants serve both job seekers and businesses. In fulfillment of one of the major focus areas of the agency's leadership, all local

office staff providing labor exchange functions have received training toward certification as Career Development Facilitators. Additionally, all staff throughout the Department (before the merger) were provided extensive training in business relations, which served to reinforce shifting the primary customer focus of the entire agency from job seekers to employers. As mentioned previously, the business relations training was incorporated into the basic curriculum for Career Development Facilitation training and is available to staff on an ongoing basis.

The focus on the employer's needs as a primary customer means that local offices display an instant willingness to customize the recruitment, screening, referral, and interviewing services in any way that the employer wishes. Most dealings with employers are handled via phone, fax, e-mail, or through direct entry by the employer into the electronic job listing system. Employers that are new to an area are personally contacted by ICL staff, either by onsite visit or by letter/phone follow-up, to describe the services available and offer needed assistance.

In order to ensure the best quality job match, ICL's Employment Consultants provide detailed assistance to employers, when needed, to assure that job descriptions sufficiently reflect the requirements of the job. Recruitment can range from mass community-wide announcements, to using the auto-dial system to reach UI recipients, or to simple posting in the local office. The referral services can also be tailored to be as wide open or as restricted as the employer wishes. A good number of employers take advantage of the interviewing facilities available through the IdahoWorks One-Stop Career Centers (five of which are ICL offices), as well as through ICL's other local offices across the state. Job fairs are also organized and offered at these sites. When a company-specific event or a job fair requires additional space, existing office

meeting space is also made available to meet the employer's needs.

Past surveys and direct feedback from employers have expressed the need to better match referrals to job listings. Improving this aspect of service has caused more attention to be paid to the detail of skills and experience described in the job listing. Additionally, it has caused more scrutiny of the skills and experiences of job seekers who request referral. Since all employment services staff have responsibilities that include both taking job listings and referring job seekers, everyone is held accountable for a good referral. Staff admit that it is sometimes hard to refuse a jobseeker's request for referral, but as one staff said: "Everybody knows that the employer takes priority."

Supervisors monitor the level of action on open job orders and follow up whenever service appears to be lagging. Significantly, staff follow up personally with every employer on each job listing – asking how well the process worked and what improvements could be made.

# Chapter 5:

## Regional Labor Economists

Through its Communications and Research Division, Idaho Commerce and Labor maintains a network of Labor Economists who are out-stationed in each of the State's six regions. Locally-based Labor Economists add a very valuable dimension to Idaho's demand driven system. Over the past several years, the work of these individuals has been significantly redirected to emphasize serving the specific labor market information needs of their local communities. In many regions of the state, the local Labor Economist is the single best source of local economic, population, and workforce information and analysis. Community needs for labor market information can be quite varied, but they most often relate to real business needs such as economic development, business start-up, industry initiatives, and human resource issues including wages, benefits, and diversity.

What follows is a brief synopsis of one Labor Economists' recent activities for responding to the needs of various locally-focused groups.

- Relocating companies: county level data on occupational availability, wage rates, diversity, potential customers/suppliers, and skills.
- Business start-ups: information on resources for new businesses; assessment of demographic and socio-economic factors that may affect success.
- Economic Development Groups: analyses by county on population, educational attainment, local labor availability, industrial make-up, and

occupational wages; occupational availability in a local labor market.

- Chambers of Commerce: articles to further understanding of the local economy; assessment of local economic conditions; assessment of success/failure of economic development efforts.
  - Industry Groups: special analyses on manufacturing, tourism, and logging.
  - Human Resource Managers: projected occupational growth; wage analyses; workforce trends; introduction to the Idaho LMI website; compendium of internet resources.
  - Grant applicants: special socio-economic analyses for use by businesses and economic development agencies in preparing grant applications.
  - Local Office Employment Consultants: briefing papers to broaden consultants' understanding of the global and national economic and demographic trends affecting business.
  - Newsletters: articles on various aspects of labor market information written for newsletters published by various business and industry groups.
- ICL's local Labor Economists put a human face on all the data that lies behind them in the State's computers. Their presence in the community reinforces the notion that ICL is serious about serving community and business needs.

## Chapter 6:

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# Workforce Development Training Fund

“Well-trained workers are the key to business success. Many Idaho businesses are using the Workforce Development Training Fund to expand their operations and are becoming more productive and profitable as a result.”

Governor Kempthorne

The Workforce Development Training Fund (WDTF) was authorized in 1996 by the legislature as an economic development tool to help companies train new employees and/or upgrade skills of current employees who are at risk of being permanently laid off. The WDTF is the primary incentive tool that Idaho has to offer expanding companies, and it has been used very successfully as a recruiting tool for many out of state businesses. It is well received by business because it is simple, easy, and very flexible.

As a means to ensure that the WDTF is used to help bring new revenues and jobs into the state, the program is targeted primarily to companies that sell a majority of their products and services out of state. Companies in industries, such as retail, that sell products or services locally are eli-

gible only if a compelling economic benefit to the state can be shown.

The fund pays up to \$2,000 of the direct costs of job skill training for permanent, full-time employees. At least five jobs must be created. Training in basic skills and quality practices are funded only in conjunction with job skill training. Generally, training contracts are written for 12 months, but longer contracts are approved when necessary. The employer is expected to provide matching funds totaling at least 25 percent of the total budget. The WTDF has a special “Rural Component” that eliminates the employer match, waives the five job requirement, and increases the maximum funding per trainee to \$3,000.

The training may be delivered, individually or in partnership, by state technical colleges, universities, other public or private training organizations, or the employer itself. Training plans are reviewed and approved by the State Division of Professional Technical Education. Businesses applying for funding can obtain technical help from the state technical schools or universities in developing a curriculum, defining competencies, and evaluating the impact of the training.

The fund receives approximately \$3 million annually through a special three percent training tax that is offset by a three percent reduction in the state UI taxes paid by employers. Prior to merger, proposals were reviewed and approved jointly by the Departments of Commerce and Labor. Now, Idaho Commerce and Labor coordinates its por-

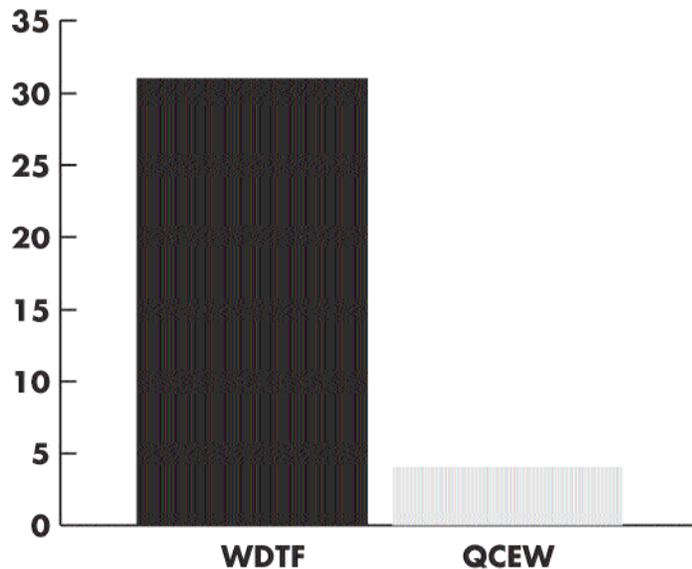
tion of the review internally and is responsible for overall program and project management. Since inception through February 2005, the fund has reimbursed training costs for 15,020 employees in 121 companies.

An analysis of wage gains between 2001 and 2003 shows that WDTF trainees gained thirty-two percent in pay during the period compared to approximately four percent for the overall workforce across the state, using data from the Quarterly Census of Employment and Wages (QCEW).

The program is currently experiencing great success – having more requests for funding than funds available. As a result, priorities are being given to companies that offer better wages, full benefits, career ladder opportunities, wage progression, and/or higher investment through match. The average wage for the employees trained through the program has been \$10.66 per hour, at an average training cost of \$1,671 per employee.

## WDTF vs. QCEW Percent Change in Wages 2001 & 2003

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WDTF consists of 849 individuals. In order to capture pre and post training wages, 2001 and 2003 wages were compared to accommodate contract durations of one year or less during 2002.

## Chapter 7:

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# The Dell Experience— A Model of Collaboration

In October 2001, Twin Falls civic leaders came to final agreement with Dell Computer Corporation (Dell) for start-up of a technical-support call center in the city. Dell's decision to locate in Twin Falls was the result of extraordinary collaboration between a multitude of local and state organizations involved in economic development, community development, workforce preparation, and employment services. Since its start-up in 2002, the facility has grown to more than triple Dell's originally planned staffing level, now employing over 700 people.

The agreement with Dell involved financial incentives, infrastructure improvements, purchase/lease of property, employee training, and worker recruitment and screening. The deal included the following major elements:

- The Urban Renewal agency purchased the building and financed its lease to Dell through issuance of bonds; additionally, it constructed an employee parking garage and provided a \$500,000 grant for infrastructure improvements.
- The City of Twin Falls purchased \$500,000 of Urban Renewal Agency excess property so the agency could use the funds for telecommunications upgrades; additionally, the city secured a \$500,000 Community Development Block Grant to buy down Dell's lease on the parking garage. The city also waived several construction-related local fees.
- The Chamber of Commerce provided a \$500,000 grant for building improvements.
- The College of Southern Idaho (CSI) began offering a PC Prep class for workers interested in applying for Dell's jobs. CSI also developed a curriculum for training technical-support workers and committed to delivering it to all new hires. Additionally, CSI provided technical assistance to Dell in preparing its application for state Workforce Development Training funds.
- The Department of Labor's Magic Valley (Twin Falls) Job Service office provided detailed labor market information to company officials prior to culmination of the deal. Subsequently, the office provided customized recruitment, telephone interview screening for over 3,000 applicants, orientation assistance, interview scheduling and support for Dell's interview teams.
- The Department of Labor, in coordination with the Department of Commerce and the Division of Professional Technical Education, approved a Workforce Development Training grant for up to \$2.4 million to train new workers.

The overriding sentiment expressed over and over again by Dell representatives associated with the decision to select Twin Falls was: "The maximum performance and solid collaboration of every entity involved in the effort convinced us that Twin Falls was the place for Dell to locate." Landing the

Dell deal was a giant achievement for the city and state, but similar levels of involvement and cooperation by state and local organizations are being repeated in localities all across the state as more and more companies explore Idaho for possible relocation or expansion.

The merger of Commerce and Labor has greatly increased the level of involvement of local workforce representatives during the early discussions with companies considering major expansion plans. Being at the table early provides important opportunities for devising and providing customized services that will be valuable for both job seekers and companies. As with the Dell experience, when a business experiences high quality custom designed services, the chances are increased substantially that they will conduct future business with the workforce system— thereby expanding the job opportunities available for the job seekers in the One-Stop.

## Chapter 8:

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# The Merger of Commerce and Labor— An Emerging Story

“ As Idaho’s economy continues to grow, so do the synergies between the departments of Commerce and Labor. Merging these agencies means we maximize resources, maintain a progressive business climate, and create good jobs—with benefits—for Idaho citizens. ”

Dirk Kempthorne, Governor

The Governor’s announcement to merge the departments of Commerce and Labor was followed by the Director’s listening tour throughout the state in order to hear the ideas and concerns of community leaders, citizens and customers for the new combined agency. Two statewide Director Forums, attended by local elected officials, business leaders, labor representatives, state legislators, etc. from all across Idaho, were also conducted. One very encouraging point of feedback about the merger was that the agency’s employment and workforce services were now being given more attention and credibility by the business community. Plans are underway for a second Director’s Tour to local communities across the state to hear the ideas and concerns of local officials, citizens, and agency customers.

The Department of Commerce and Labor is responsible for administering federal programs and funds provided by the Department of Housing and Urban Development (Community Development Block Grant only), the Social Security Administration (Disability Determinations Services) and the Department of Labor. Additionally, the agency administers several state programs for promoting tourism, expanding international business, supporting science and technology, rural community development, and workforce training. Through the Rural Idaho Initiative, 12 full-time professional economic development positions are funded to work in partnership with local areas and the Department of Commerce and Labor to bring new jobs and investment to rural Idaho.

The work within the agency is guided by the advice and directives of four councils: the Science and Technology Advisory Council, the Economic Advisory Council, the Idaho Travel Council, and the Workforce Development Council. Additionally, the Director serves as co-Chair of the Board of Directors for the Idaho Rural Partnership, which was established to identify issues and facilitate solutions for rural communities in Idaho.

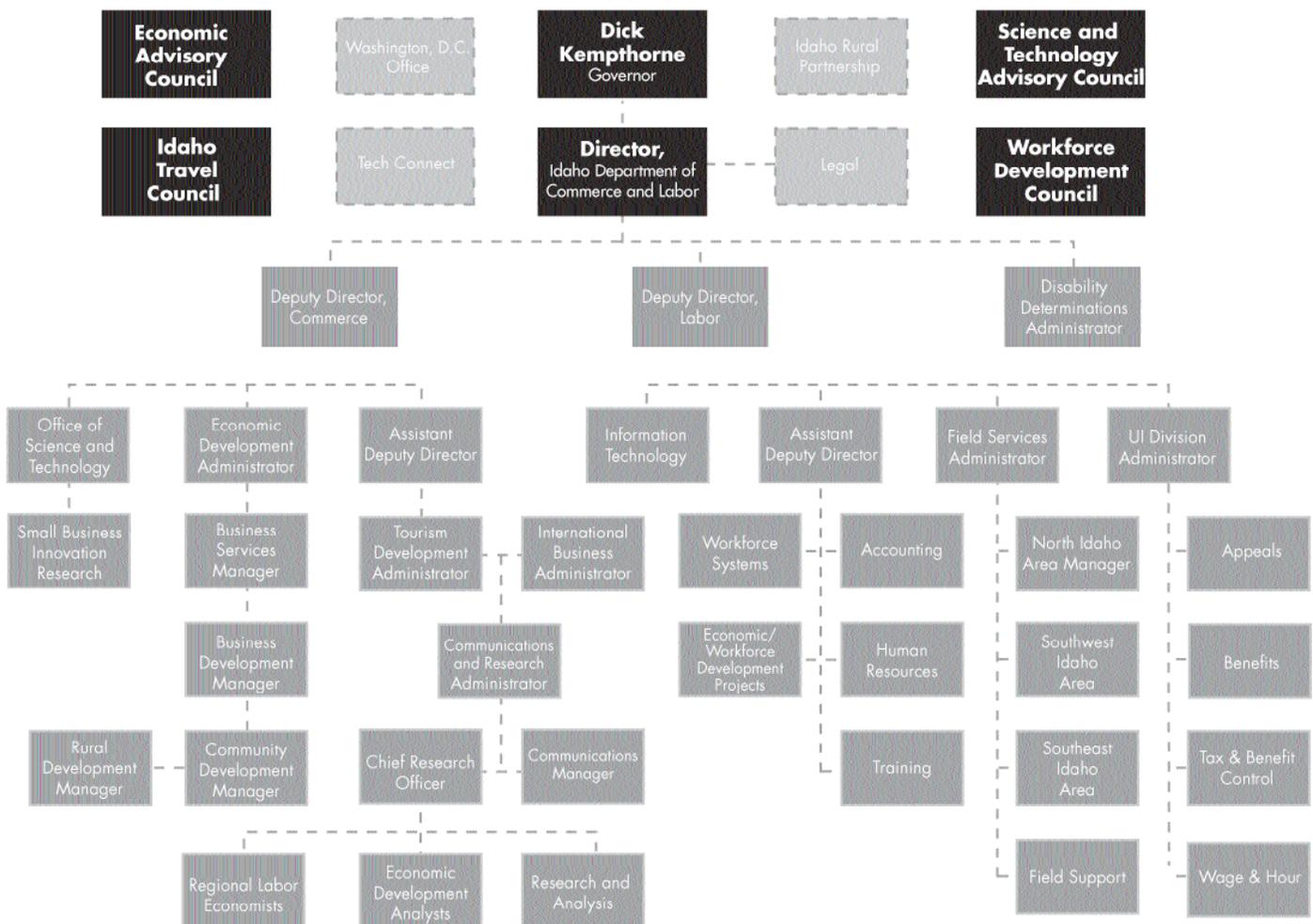
Organizationally, the lines of state-level responsibilities for management of the various programs are readily apparent and generally consistent with what existed under the prior two organizations, except a recent change that placed Research and Analysis and the Regional Labor Economists under the Deputy Director for Commerce.

The initial efforts of the new agency were spent creating a new public identity for the expanded organization. The recently approved Idaho brand logotype was used to provide a new look for the new agency. New letterhead, office signs, and promotional material were created, distributed, and installed across the entire organization.

Commerce and Labor is revising all its current marketing messages, brochures and documents to reflect the expanded mission and services. A new agency website and homepage were created to

present the agency mission - "We create jobs, strengthen communities, and market Idaho" - and to provide customer support through expanded links to the many program-oriented web pages that were maintained previously by the two agencies. Considerable time and effort has been spent revising menus and creating links to provide connections to both economic and workforce development resources when appropriate. Several websites were maintained by the two agencies and work continues to integrate them.

## Department of Commerce and Labor Organization Chart



Utilizing the technological expertise and infrastructure that had been developed within the Department of Labor, ICL has the capacity to expand the use of technology into many more functions and services. Internally, a new tracking system for community infrastructure grants is being developed. Externally, new business expansion services have also been developed:

- ICL partnered with local economic development professionals and real estate brokers to create the Idaho Land and Building Inventory. This website application provides companies looking to relocate or expand with information about available properties throughout the state.

- ICL developed the Idaho Business Network (IBN) that helps companies access the markets available through government bids. IBN maintains a webpage offering a searchable listing of current government bid opportunities and also provides an automated matching and notification service for those who enroll.
- The agency maintains a one-stop internet portal (Business.Idaho.gov) devoted to providing links to assist businesses in starting, operating, relocating, or closing a company.

Idaho's network of 24 local Job Service offices became Commerce and Labor offices as a result of the merger. This was more than a name

## Marketing executed to announce Merger

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change. These offices will continue to provide the traditional workforce services, but they will take on new responsibilities relative to the expanded mission of the overall agency. One example of the new types of services under consideration includes the Business Response Team (BRT) project (more fully described in Chapter IX below) that is currently being piloted in nine Commerce and Labor Offices across Regions I and II in northern Idaho. The model for this project originated in Maine, which has operated for six years a very successful business outreach program to help local businesses avoid closure.

Expectations are that local office staff will be able to respond to a wide range of commerce-related business needs in addition to the traditional workforce service needs. It is anticipated that businesses that successfully use Commerce-related resources will also return to ICL for subsequent workforce services – thereby expanding the pool of available jobs.

With ICL staff working locally with businesses and community leaders on a daily basis, they now serve as eyes and ears for new economic development opportunities throughout the state. Local office managers are now routinely involved in developing workforce solutions as part of Economic Development’s proposals to new companies. They also serve to help facilitate the working relationship on joint economic or business development efforts between the local community organizations and state government.

Tourism is a significant industry in Idaho, and Commerce and Labor’s network of offices will serve also as outlets for travelers to obtain recreation and visitor information.

In keeping with the Director’s continuing attention on facilities, training, and technology, local office personnel will receive extensive training in the Commerce-related functions of the agency and their new roles and responsibilities relative to

them. While the former Commerce Department is much smaller than Labor, its employees will receive substantial training on the various workforce programs and services offered by the agency. The expectations are that all ICL staff will be able to address a much broader range of business needs through their knowledge of all the services available through the expanded agency.

## Chapter 9:

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# Business Response Team Project

The Business Response Team (BRT) project is currently being piloted in nine Commerce and Labor Offices across Regions I and II in northern Idaho. The goals of the project are to help businesses survive, thrive and expand, and to develop and enhance the relationship between Idaho Commerce and Labor and the business community. The strategy for achieving the goals involves assessing the needs of an individual company, providing consultation and brokering services, and following up with ongoing support.

The idea for the project originated through Idaho's participation in the National Business Learning Partnership (NBLP) project wherein Idaho linked up with Maine to learn more about its business outreach program. Maine originally designed the program to help businesses avoid closure, and the State has operated the program very successfully for the past six years. Serving as mentor, Maine provided five days of training to Idaho's seven-member implementation team, which was made up of six Commerce and Labor local office representatives and the State's Economic Development Administrator.

The process used during the pilot involves three-member teams (two ICL local office Employment Consultants and an ICL Economic Development specialist) conducting guided interviews with selected business owners. The intent of the interviews is to elicit from the company owners their thoughts and concerns about the principal challenges to thriving and expanding. Upon completion of the

interview, the Business Response Team develops a Business Action Plan that identifies the major issues raised during the interview and provides specific ideas and referrals to resources to solve the problems. The BRT serves as a broker, including conducting follow-up to assure that identified third-party resources are responsive. Examples from a recent business plan include: Web page redesign – college; new business plan – SCORE; obtaining federal contracts – Commerce and Labor; equipment upgrade – college; local equipment repair – Business Directory.

Team members are not expected to be experts in running a business; they serve as resource brokers and consultants. The training for team members provided background information on the global and state economies, various business structures, and manufacturing processes; and more importantly, it focused on interviewing skills, identifying business resources, and developing business action plans.

The Business Response Team project was initiated in October 2004 and will be evaluated in spring 2005. Based on the first round of team visits, initial responses from businesses have been very positive.

- Kathy Moore of Creative Agricultural Packaging stated: "Idaho Commerce and Labor referred me to the North Idaho College Computer Information Technology Program to get help in updating my computer system. One of the students spent well over 100 hours

advising and installing a new network system in my office, at no charge to me. The new system has saved me 45 hours per week. 75 percent of my time is now free to work on other projects. "

- Anita Jacobs of Mary Richardson's Pot Pies stated: "My husband and I were looking for ways to increase our business. Kathy Moore of Creative Agricultural Packaging referred us to Idaho Commerce and Labor in Coeur d'Alene. She stated that staff in their office had done a great job of assisting her with business needs. ICL staff provided us with a list of area businesses to contact and promote our products. We had no idea where to turn before they offered to help. In less than a month, we catered a lunch to one of the large businesses on the list. Several others have requested that we send them menus. ICL also helped us with recruitment of a new employee. They have been 'super' to work with!"
- Don Masterson, Owner, North Idaho Metal Works stated: "As a sole proprietor and business owner, I am challenged by 'not enough hours in the day to manage what's on my plate!' The time you and the Business Response Team members have spent to identify my business goals and challenges and then your follow-up measures have been, and continue to be, an invaluable service to me personally and to North Idaho Metal Works, its employees, and our expansion efforts. The Resource Directory and the referrals you have furnished me have had a positive impact on helping me to time manage and address all the avenues available to impact my bottom line. The Greater St. Joe Development Foundation (Timberplus ~ Economic Development Council) along with Greg Seibert, ICL, Boise, also brought much-appreciated resource information along with your local office members. Why, you are just bundles of information!"

At this point, the project appears to be delivering solutions to needs expressed directly by businesses, and it is creating relationships between companies and Commerce and Labor offices at levels never before explored. Employment Consultants praise the project for deepening their understanding of the range of business needs and the scope of resources available in communities to address those needs. The project has also served as an excellent training tool for Commerce and Labor staff to learn more about the entire portfolio of services that can be made available to business through the newly merged agency.

# Chapter 10:

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## Continuing Progress through State and Regional Boards

During 2004, the State Workforce Development Council adopted a challenging set of goals and strategies based on work accomplished by a state team participating in a 21st Century Workforce Policy Academy sponsored by the National Governor's Association. Grouped under three major goals, the majority of the strategies address various aspects for better meeting business needs, including:

- improving labor market supply-demand information;
- creating a system of professional-technical and community colleges to better respond to employers' needs for skilled workers;
- developing a process to identify and deliver education and workforce services to targeted industries;
- ensuring access to business and workers to the full array of workforce and education services;
- developing measures to test the system's responsiveness to the business community;
- marketing the workforce development system;
- engaging local WIBs for outreach to chambers of commerce and other business organizations; and
- providing programs to develop an entrepreneurial workforce.

The Council has organized multi-agency teams that will be actively working on each of these strategies over the next year. Several strategies involve Idaho's local Workforce Investment Boards, which are slowly moving away from an exclusive role as overseers of the WIA program toward a broader role of convener and facilitator for workforce development issues within their communities. The larger community efforts are often being undertaken in conjunction with local Chambers of Commerce or other business oriented organizations.

As referenced previously in Chapter II, the Governor's Workforce Development Council began an initiative in 2003 to encourage the local WIBS to focus more specifically on business needs and services. The Council authorized the allocation of WIA incentive funds to each of the six workforce regions for business pilot projects, which were not required to meet the traditional WIA program outcomes. Overall, the results were commendable. One region partnered with Idaho State University to develop six on-line learning courses for nurses as part of a distance learning option for a new Associate Degree in Nursing. Another region conducted a survey of employers in eight business sectors to assess workforce recruitment, hiring, and training practices. And yet another region used the supplemental funds to develop a process for forming Business and Industry Clusters that will tackle workforce problems common within the health and construction industries. The latter two projects are featured below.

## Region IV– Business Survey

The South Central IdahoWorks Board oversees workforce services for eight counties in south-central Idaho. The population of the area is approximately 162,000 or about 12 percent of the state's total population. The Region IV One-Stop system is made up of a single One-Stop Career Center and 16 additional affiliate locations throughout the 10-county area. A consortium of partners serves as the One-Stop Operator, and ICL's Twin Falls local office serves as the One-Stop Center for the region.

The Board's mission focuses on development of the individual for success in the labor market. This approach reflects the reality of very small funding allocations; e.g., \$223,000 for WIA adult training in PY 2004. Currently, the Board is pursuing three broader based initiatives: convening health care providers to find ways to expand the local training capacity, encouraging businesses to increase the value of the high school diploma through their hiring practices, and reducing the dropout rate for Hispanic youth.

The Board's strategic goals include to "assist employers to get, grow, and keep employees." In 2003, the South Central Board initiated a project to conduct a special survey of employers in the region to assess their workforce training and skills needs. The goals of the survey, conducted by Commerce and Labor's Regional Labor Economist, were to determine what skills employers look for when hiring, what factors employers consider when evaluating job applicants, and where they look for these applicants. It also attempted to identify what level of education employers look for most often and what types of positions they need to fill most often.

The survey experienced a statistically significant response rate of thirty-two percent covering eight employment sectors. The survey was judged to provide extremely useful information to a variety of partners, and as a result, the decision was made

for Commerce and Labor to conduct the survey statewide in 2005.

## Region III – Business Industry Clusters

WorkSOURCE is the local board that oversees the IdahoWorks One-Stop System for Region III. The region is comprised of 10 counties with a population of slightly over one-half million, making it the largest of the state's six planning regions with 42 percent of the state's total population. The WorkSOURCE One-Stop system is made up of a single One-Stop Career Center and 14 additional affiliate locations throughout the 10-county area. A consortium of partners serves as the One-Stop Operator, but day-to-day center management is the responsibility of a private non-profit organization that operates the WIA Adult and Youth programs throughout the region. Commerce and Labor operates programs for dislocated workers throughout the region and programs for youth in a remote area of the region.

The Purpose, Vision, and Mission statements of the WorkSOURCE Board speak directly to serving the workforce needs of employers and increasing business profitability. The Board's strategy for accomplishing its mission includes active business involvement in its committees, such as One-Stop, Youth, Communications/Outreach and Accountability, but it also includes the chartering of a special regular committee, named the Employer Training Consortium, whose purpose is to focus on meeting the long-term, evolving workforce needs of employers in the region.

The Board's charter for the Employer Training Consortium (ETC) includes the responsibility to "[c]reate a streamlined approach to workforce preparation, which seeks out critical skill and occupational shortages, by establishing more efficient training options for targeted regional industries." In 2003, the ETC initiated the Business and

Industry Cluster (BIC) Project. The purpose of the project was to develop a process for giving a voice to businesses in industries that are experiencing high employment demand and facing critical workforce issues. Too often, the broad and varied makeup of an industry is such that, without help, no single business can clearly articulate current workforce issues and desired solutions that represent a consensus within the industry. When industry lacks a clear voice, the workforce training system is unable to address its workforce needs effectively.

The Business and Industry Cluster (BIC) project has been successful in developing a process for bringing industry representatives to the table to discuss common issues regarding their workforce. The process begins with research to develop the needs assessment methodology and identify industry sub-sectors. After completion of the research phase, informational interviews are conducted with a representative sample of businesses within each industry sub-sector to learn about their particular needs. The interviews are semi-structured and open-ended to learn about the hiring practices, turnover rates, skills gaps, advancement opportunities, training, and workplace culture issues. The interview phase of the process also includes information gathering from ancillary organizations such as state agencies, educational entities, and other industry related organizations. The interview process is followed by more structured surveys in order to increase the breadth of businesses providing input.

After all the basic information is gathered, Business and Industry Clusters are created by inviting businesses to meet, learn about the results of the information gathering process, and discuss common issues and possible solutions to the workforce issues discovered through the process. The Employer Training Consortium has organized three BICs in the health care industry representing the sub-sectors made up of hospitals, physicians'

offices, and long-term care/assisted living. Each BIC is being facilitated by the ETC and is actively pursuing solutions to one or more key workforce issues.

The businesses that are participating in the BIC process have found it to be informative and helpful. Vivian Ransom, Administrator for Idaho Sports Medicine, commented on her experience: "Working with the team at WorkSOURCE has been a real eye opening experience for me. It has been the best example of a publicly funded program and private industry working together to provide a real solution to displaced, unemployed workers and help in fulfilling needs for trained workers in the medical administrative field. Idaho Sports Medicine Institute will benefit from my experience in sitting on this panel in the form of trained people applying for our entry level positions."

Most recently, the ETC has turned its attention to the construction industry and is currently in the process of conducting the informational interviews.

# Chapter 11:

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## Conclusion—The Attributes of Idaho's Success

Idaho has achieved considerable success in moving to a demand driven approach for delivering workforce services. The State's accomplishments, spanning nearly ten years, were nurtured by an environment that fostered economic development and by leaders who considered workforce services to be valuable contributors to the overall economic development effort. The merger of the departments of Commerce and Labor signaled the Governor's recognition that the Department of Labor had achieved success in making business a true customer of its services. There have been a number of the factors contributing to the success achieved to date.

- Leadership, from the Governor and the legislature down through agency directors and their local office managers, is aligned toward achieving the common goal of helping Idaho businesses expand and thrive. Strong and consistent leadership has been essential for keeping the mission clear and the customer in focus. Treating business as a customer has been part of the mission for the past ten years; it has been a long term commitment – not a flavor of the day.
- The availability of supplemental state funds has been invaluable in maintaining an effective statewide network and providing customized services that meet business needs. The Special Administration Fund, Permanent Building Fund, and the special Reed Act allocation have been crucial for maintaining and

upgrading a statewide network of modern and professional offices, well trained staff, and current technology. Additionally, the state-funded Workforce Development Training Fund has had great success in meeting the specific needs of expanding business by providing customized training for employees as part of an economic development agenda. And the availability of flexible WIA program funds, such as those provided by the Governor's Workforce Board, has proven valuable for finding innovative new approaches for addressing business' needs.

- The Idaho Department of Labor's long term strategy to provide professional facilities, highly trained staff, and cutting-edge technology has successfully provided essential infrastructure improvements that have delivered tangible products to the agency's customers. Pursuit of innovative technology has been particularly effective in introducing more efficient administrative processes and self-service processes that have freed resources that now allow staff to provide more customized services.
- Getting to know business customers personally, hearing their needs directly, and building lasting relationships have been important aspects to Idaho's demand driven approach. The personal touch philosophy is evident in many ways such as local office procedures that include a welcome letter and /or visit to each new business in the community and personal follow-up calls on all job listings to obtain

immediate feedback. The UI program has instituted personal contacts as part of its eligibility determination process. The Business Response Team Project is premised on personal visits to businesses, and Region III's BIC project involves extensive interviews and group interaction with business. Commerce and Labor's Director has completed one statewide listening tour and held two statewide Director Forums.

Maintenance of local employer advisory committees and involvement with Chambers of Commerce and other business oriented organizations are two more approaches used successfully to build personal relationships with local businesses.

- The State has been successful in developing a system that can offer a broad array of workforce services customized for the needs of individual businesses. The customization of labor exchange services, in particular, has been critical for proving to business that the workforce system can deliver quality services that have real value. Staff in local offices espouse a "whatever it takes" attitude and have been trained for the skills necessary to provide services at any level of need desired by the business customer. Staff are supported by office systems that are designed to facilitate the customization approach. The Business Resource Centers in local offices provide the space, materials and equipment to meet a wide range of business needs. Additionally, technology has been used to provide new levels of customized services for customers; e.g., on-line UI wage reporting and tax filing, industry-based job bank systems, and the State's electronic self-managed job order system. The Workforce Development Training Fund is premised on providing custom designed training. Similarly, the Business Response Team pilot and the Business Industry Clusters projects are designed

to provide service that responds directly to needs expressed by business.

- With only a few exceptions, Idaho's primary workforce services are delivered through a single agency – Idaho Department of Commerce and Labor. Single agency delivery provides the opportunity to speak to business with a single voice and better control the customer experience by providing professional facilities, uniform quality standards and highly trained staff. Services from various programs are coordinated behind the scenes to appear seamless to the user. ICL local offices serve job seekers and businesses through a single labor exchange unit where services are integrated and staff are accountable for providing the best service to both customers.
- Marketing has been an important activity for raising awareness among businesses about the value of workforce services. Through the Business Relations Initiative, all agency staff were trained in the principles of marketing and techniques for effectively communicating their message. Marketing activities have also included development of user-friendly websites, outreach to local business oriented organizations, brochures, success stories, news releases, and PowerPoint presentation material. The merger of the departments of Commerce and Labor substantially increased the visibility of the workforce system to the business community.
- Interagency collaboration has been a vital aspect of Idaho's success in meeting business' workforce needs. Education, economic development and employment have operated as close partners to meet the Governors' economic development goals. The responsiveness shown by state and local organizations to meet Dell's financing, plant, and workforce needs

served successfully as a model, with many future variations, for recruiting new business to the state – a model that recognizes workforce as a key partner in addressing business needs.

The successes that have been achieved thus far, including the creation of Commerce and Labor, represent milestones in the journey of helping business succeed, thrive and expand; but they are not the end. The move to a demand driven system will continue to evolve as the new Department of Commerce and Labor grows and matures under its expanded mission and as other state and local workforce system partners find new ways to collaborate and innovate to better meet business' needs. Moving to a Demand Driven Approach is a work in progress.





## **Inquiry Guide:**

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Moving to a  
Demand Driven Approach

**1. A large part of Idaho's success in moving to a demand driven approach involved a variety of leadership actions that contributed to a constant, long-term focus on serving the needs of business to help them expand and thrive. Assess the leadership situation in your State or local area.**

- A. Are leaders, including elected officials, aligned in their belief and support for serving business' workforce and economic development needs as a priority in the community? If not, what can be done to achieve the necessary alignment?
- B. Have leaders clearly and consistently communicated their priority goals to all involved agencies, their employees, and the general public?
- C. Have leaders been creative and persistent in finding and using supplemental funds that can be used to improve the type and quality of services provided to businesses?
- D. Are all the agencies that have some role in meeting business needs (especially education, economic development, and employment) collaborating effectively in order to provide a coordinated set of business services for new and expanding companies? What barriers are impeding better collaboration?

**2. The Idaho Department of Labor employed a long-term strategy for better meeting business (and job seeker) needs by providing professional facilities, highly trained staff, and cutting-edge technology. Assess how the principal workforce organizations in your State or local area have addressed these key operational elements.**

- A. How does the business community view the One-stop system's facilities in your area? Are they well located and do they project a professional image that will appeal to companies across the entire range of industries, especially those with higher wage jobs?
- B. Do your workforce facilities house business resource centers that provide the space, materials, equipment, and information needed to meet a wide range of workforce related business needs? How do you evaluate the effectiveness of the resource centers?
- C. Do your principal workforce agencies have a well designed and funded strategy for employee education, training and development? How are the activities under the strategy tracked and evaluated?
- D. Is technology leading the way to new services? How is technology being used to deliver more efficient and better service to business?





# About the Author

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This case study was prepared by Michael Brauser, an independent consultant with extensive experience in designing and evaluating quality workforce systems at the federal, state, and local levels.

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# National Business Learning Partnership

## Participating Organizations

Career Opportunities Cape Cod, MA  
Pikes Peak Workforce Center, CO  
Chicago Workforce Center @ Pilsen, IL  
San Diego Workforce Partnership, CA  
Delaware WIB  
East Central Georgia Consortium  
Tulare County WIB, CA  
Eastern Arkansas WIB  
Hampden County WIB, MA  
Idaho Career Centers  
Maine Career Center  
Lower Rio Grande Valley WDA, TX  
Frederick County JTA, MD  
Merrimack Valley WIB, MA  
Mayor's Office Employment Development, MD  
Nevada JobConnect  
NW Tennessee WIB  
NW Georgia Workforce Area  
Oakland WIB, CA  
Pasco Hernando Jobs & Education, FL  
Pacific Mountain Consortium Workforce Development Council , WA  
Southern Essex WIB, MA  
North Valley Job Training Consortium, CA  
Southern Maryland Works  
Gulf Coast WIB, TX  
SW Washington Workforce Council  
Tampa Bay Workforce Alliance, FL  
Workforce Essentials, TN  
The Employment Source, OH  
Topeka Workforce Center, KS  
Northwest Concentrated Employment Program, WI  
Dept. of Employment Services, Washington, DC  
Utah Department of Workforce Service  
West Central Arkansas Workforce Centers  
West Piedmont WIB, VA  
North Central WIB, PA  
West Virginia Region 7 WIB  
NW Nebraska Workforce Development  
Workforce Alliance, KS  
Pee Dee Regional Council, SC  
Workforce Investment Council of Clackamas County, OR  
Boston Private Industry Council  
WorkSource of the South Plains, TX  
Capital Area Michigan Works



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