



SOCIAL POLICY RESEARCH  
ASSOCIATES

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# Literature Review: Intermediaries and FBCOs Working Together

**FINAL**

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# I. INTRODUCTION

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Workforce intermediaries play an important role in connecting businesses to jobseekers and incumbent workers. These quasi-governmental organizations convene businesses, labor unions, educational institutions, social service agencies, and faith-based and community organizations (FBCOs) to design and implement programs and policies to improve labor market outcomes. In this report, we provide an overview of workforce intermediary organizations and how they can support FBCOs that seek to partner with businesses. This report builds on the research that Social Policy Research Associates (SPR) has conducted for the U.S. Department of Labor (DOL)'s Center for Faith-Based and Community Initiatives (CFBCI) on partnerships between businesses and FBCOs. This previous research suggested that many FBCOs are developing strong partnerships with businesses and are in a good position to expand and deepen those partnerships. Our goal for this report is to provide information about how intermediaries can further support FBCOs' efforts to connect to businesses.

*Intermediaries serve dual customers—businesses to help fill their critical staffing needs and workers to help them advance their careers.*

To meet this objective, we highlight the following in this report:

- Key characteristics of intermediary organizations, including the types of organizations that perform intermediary functions.
- Effective features of intermediaries, including FBCOs, that have partnered successfully with businesses and service providers.
- Strategies that intermediaries use to connect FBCOs with businesses.

Information for this report is drawn from an extensive review of the literature about workforce intermediaries. We draw heavily on

existing reports, articles, case studies, and abstracts to inform our analysis.

This report is organized into three chapters. For the remainder of this chapter, we provide a working definition of intermediaries and describe the institutions that function as intermediaries. Chapter 2 describes the roles and strategies that intermediaries use to connect FBCOs with businesses. Chapter 3 describes features of intermediaries that make them successful in working with both businesses and workers. We conclude with a discussion of how FBCOs can benefit from workforce intermediaries.

## Defining Workforce Intermediaries

Workforce intermediaries **serve dual customers**—businesses looking for qualified workers and workers seeking to advance their careers. For businesses, intermediaries identify the labor and skill needs of businesses in order to connect businesses to qualified workers. For workers, intermediaries provide training and/or supportive services or else broker these services with community agencies to provide to workers.

*Intermediaries help employers improve their human resource systems.*

### What are Workforce Intermediaries?

“Workforce intermediaries *help employers improve their human resource systems*, build career ladders, improve job quality, and sharpen their competitive edge. They provide training and support services to workers by *integrating public and private sector programs and funding sources*. As generators of new ideas and innovations, intermediaries assist companies and communities so that they can prosper. Many intermediaries serve dislocated workers, disadvantaged youth and adults, and the working poor.”<sup>1</sup>

One report by the Partnership for Employer-Employee Response Systems noted that, as of 2003, there were over 200 examples of

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<sup>1</sup> Klein-Collins, Rebecca. “There’s No Place Like Home.: A Look at Local Support for Workforce Intermediaries.” Forum and News, Council for Adult and Experiential Learning (CAEL). Chicago: IL. February 2006. Accessed from <http://www.cael.org/pdf/LocalSupportforWorkforceIntermediaries.pdf>.



workforce intermediaries located in 39 states.<sup>2</sup> There are a diverse range of institutions that function as intermediaries, including the following:

- Business associations and chambers of commerce
- Non-profit, community-based organizations, including faith-based organizations<sup>3</sup>
- For-profit staffing and temporary agencies
- Educational institutions, including community colleges and technical or vocational schools
- Labor unions and labor-management collaborations
- Workforce Investment Boards (WIBs)

In a recent survey by the National Network of Sector Partners (NNSP), 66 percent of workforce intermediaries reported that they serve more than 500 individuals each year, more than half of whom are low-income or low-wage workers. Workforce intermediaries also provide services to many employers—82 percent serving more than 11 employers each year.<sup>4</sup>

Intermediaries sustain their work with diverse funding sources, including Workforce Investment Act (WIA) and foundation funds. Some organizations also generate revenue from fee-for-service activities. Twenty-seven percent of workforce intermediaries

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<sup>2</sup> Partnership for Employer-Employee Responsive Systems (PEERS). November 2003. “Workforce Intermediaries: Generating Benefits from Employers and Workers.”

<sup>3</sup> According to a recent study, a small percentage of intermediaries identify themselves as FBCOs (7%). Montiel, Lisa, D. Wright. “Getting a Piece of the Pie: Federal Grants to Faith-Based Social Service Organizations.” Albany: NY. Roundtable on Religion and Social Welfare Policy, 2006. Accessed from [http://www.religionandsocialpolicy.org/docs/research/federal\\_grants\\_report\\_2-14-06.pdf](http://www.religionandsocialpolicy.org/docs/research/federal_grants_report_2-14-06.pdf).

<sup>4</sup> Marano, C. and Tarr, K. 2004. “The Workforce Intermediary: Profiling the Field of Practice and Its Challenges.” pp. 93-123 in R. Giloth (ed.) *Workforce Intermediaries for the 21<sup>st</sup> Century*. Philadelphia: Temple University Press.

reported receiving corporate business contributions to support employment and training efforts.<sup>5</sup>

As described in the next chapter, what distinguishes workforce intermediaries from other workforce development organizations that serve both employers and workers is that intermediaries adopt high-performance strategies—strategies that go beyond job matching to demand side strategies that focus on improving employers’ human resource systems and overall competitiveness.

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<sup>5</sup> Ibid.

## II. ROLE OF WORKFORCE INTERMEDIARIES

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In the last decade, workforce intermediaries have become increasingly important players in the workforce development system. These third-party institutions have greatly expanded in size and are unique in their ability to serve “dual customers”—businesses and jobseekers. In this chapter, we discuss their key functions and activities and describe how they have effectively linked FBCOs with businesses and other community organizations.

### Key Roles of Workforce Intermediaries

There are many ways in which intermediaries work with businesses and workers to strengthen the workforce development system. As mentioned in Chapter 1, some intermediaries provide overall leadership and vision to specific workforce initiatives, while others provide services directly or broker services through their network of providers. In general, intermediaries typically engage in the following activities:

- Provide leadership and guidance to partnering organizations.
- Convene key stakeholders, including businesses, educational institutions, and other service providers.
- Leverage public and private funding to advance goals and objectives.
- Analyze and redesign jobs within specific sectors or industries.
- Provide and/or broker services to workers and businesses.

*Workforce intermediaries work with businesses to identify their staffing and training needs and broker or provide relevant skills training for their workers.*

Exhibit II-1 summarizes these roles and the specific activities related to these roles.

**Exhibit II-1:  
Workforce Intermediary Roles and Activities**

<b>Role</b>	<b>Description</b>	<b>Activities</b>
Provide Leadership and Guidance to Partnering Organizations	<ul style="list-style-type: none"> <li>• Motivate and guide partner organizations to pursue a common agenda through innovative and promising practices.</li> <li>• Build consensus, engage in strategic planning, and mobilize partners to overcome funding constraints and institutional misalignments.</li> </ul>	<ul style="list-style-type: none"> <li>• Lead innovative approaches to training, such as sectoral initiatives.</li> <li>• Provide partner organizations with technical assistance to develop or refine their mission, improve service delivery, enhance performance, and administer funds.</li> <li>• Provide opportunities for partners to share best practices.</li> </ul>
Convene Key Stakeholders	<ul style="list-style-type: none"> <li>• Convene, organize, and mobilize businesses, faith-based and community organizations, labor unions, social service agencies, and jobseekers to plan, design, and implement strategic workforce initiatives to ensure workers and business are successful.</li> </ul>	<ul style="list-style-type: none"> <li>• Build or maintain relationships with key community, industry, public, and political figures.</li> <li>• Draw on key contacts to secure buy-in from the above-mentioned figures' constituencies.</li> <li>• Conduct resource mapping to identify community leaders who could contribute to workforce development efforts.</li> </ul>
Leverage Funding	<ul style="list-style-type: none"> <li>• Leverage public and private funding and pool these resources to support workforce development activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify funding sources.</li> <li>• Pool community and business resources to support workforce initiatives, such as sectoral initiatives.</li> </ul>
Analyze and/or redesign jobs	<ul style="list-style-type: none"> <li>• Analyze job functions and labor market information to document worker shortages, in-demand jobs, and high-growth industries and focus on training and employment services in those areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop worker standards and credentials.</li> <li>• Design job or career ladders.</li> <li>• Identify employee skill deficiencies.</li> </ul>

Role	Description	Activities
Provide and/or Broker Services	<ul style="list-style-type: none"> <li>• Provide job training and employment and labor market services or broker these services through partner organizations.</li> <li>• Create career ladders and career advancement opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide business needs assessment, job matching, job placement, skills training, and employment supports.</li> <li>• Plan and provide education and training with partners, such as FBCOs.</li> <li>• Recruit labor pools and refer/match them to jobs.</li> <li>• Collect and disseminate labor market information.</li> <li>• Assist with childcare and transportation.</li> </ul>

### Examples of Workforce Intermediary Activities

As shown in Exhibit II-1, workforce intermediaries engage in a myriad of organizational, convening, and service brokering activities. We highlight these activities below.

- Provides technical assistance to FBCOs to implement customized training.
  - Capital IDEA, a central Texas workforce intermediary, partnered with local business leaders and Austin Interfaith, a coalition of regional congregations, to create the Capital Area Training Foundation to provide employment services for local jobseekers. The training foundation then partnered with the Greater Austin Chamber of Commerce and received substantial support and assistance on developing in-demand job training and placement for the foundation’s customers.<sup>6</sup>
- Provides technical assistance to FBCO to enhance performance.
  - The Milwaukee Private Industry Council (PIC) was interested in engaging small-to-medium sized FBCOs with strong community connections to improve the PIC’s outreach to low-income workers. As part of

*Intermediaries provide technical assistance and training to FBCOs on delivering workforce training program and strategies to enhance performance.*

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<sup>6</sup> Looney, S. and C. King. 2005. “Expanding Opportunities for Businesses and Workers: Promising Practices for Workforce Intermediary Initiatives.” Working Paper. Austin, Texas: University of Texas at Austin.

DOL's Touching Lives and Community project, the Milwaukee PIC assisted the Faith Partnership Network (FPN), a workforce intermediary, in building the capacity of grassroots and mid-size FBCOs to partner with the workforce development system. As a result of this work, several FBCOs met the requirements under the PIC's Request for Services, a pre-requisite to becoming eligible to provide services to WIA participants.<sup>7</sup>

- Provides guidance to FBCO on training and service delivery.
  - The New Commandment Baptist Church, became the satellite site for the North Carolina workforce intermediary, Jobs for Life. The intermediary supplies the church and other congregation partners with a standard job skills training curriculum and guidance on service delivery. As a result:
    - ~ More than 250 low-income individuals graduated from the program.
    - ~ Eighty percent of graduates became employed after graduation.
    - ~ Ninety percent of those employed after graduation remained employed after six years.<sup>8</sup>
- Links FBCO to other community agencies and businesses.
  - In Memphis, Tennessee, the leader of Uptown Alliance, a faith-based workforce intermediary, initiated a partnership with the Memphis Marriott Downtown to provide customized training for low-income jobseekers. This intermediary partnered with training organizations, such as the Klemmons Wilson School and the American Hotel & Lodging Educational Institute's Skills, Tasks, and Results

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<sup>7</sup> Voll, M., L. Johnson, and W. Wubbenhorst. 2004. "Experiences from the Field: Fostering Workforce Development Partnerships with Faith-Based and Community Organizations." Touching Lives and Communities Pilot Initiative. Washington, D.C.: ORC Macro. Submitted to USDOL Center for Faith-Based and Community Initiatives, Office of the Secretary.

<sup>8</sup> Parkinson, Deborah. 2006. "Achieving the Six Core Results: The Role of Faith-Based Organizations." New York, NY: The Faith Center For Community Development, Inc.

Training Program (START). This customized training program allowed the FBCO intermediary to build and foster relationships with local employers, as well as the local WIB and the Assisi Foundation, which provided funding for the initiative.<sup>9</sup>

- Includes key business and political leaders on boards or in other decision-making positions.
  - International Institute of Boston (IIB), a workforce intermediary, has included the Hilton Hotel Corporation on its Planning and Evaluation Committee to provide input on the design and evaluation of IIB’s customized, hospitality training program for new workers.<sup>10</sup>
- Leverages funding from key industry, political, and community stakeholders.
  - In Milwaukee, Wisconsin, the Wisconsin Regional Training Partnership (WRTP) received funding from business and political leaders for its proposed Worker Training Center. Additionally, it reached an agreement with community-based organizations to provide resources, such as staffing, once the center was up and running.<sup>11</sup>
- Convenes multiple businesses to identify industry standards.
  - Philadelphia, Pennsylvania’s Customer Service Training Collaborative (CSTC) aimed to change the labor market dynamics among local retailers by increasing the number of skilled customer service workers in the metropolitan area. To do so, CSTC

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<sup>9</sup> Voll, M., L. Johnson, and W. Wubbenhorst. 2004. “Experiences from the Field: Fostering Workforce Development Partnerships with Faith-Based and Community Organizations.” Washington, D.C.: ORC Macro. Submitted to USDOL Center for Faith-Based and Community Initiatives Office of the Secretary.

<sup>10</sup> Hebert, S. and B. Siegel. 2005. “Baseline Report of the SkillWorks Initiative.” Cambridge, MA: Abt Associates. Somerville, MA.: Mt. Auburn Associates.

<sup>11</sup> Fischer, David. 2005. “Workforce Intermediaries: Powering Regional Economies in the New Century.” New York, NY: Center for an Urban Future.

convened Philadelphia-area employers and the National Retail Federation Foundation (NRFF), a business association representing over 1.4 million retail establishments, to identify core skills that are required of customer service employees. The group concluded that customer service positions were all based on the same specific core competencies, and as such, employees and jobseekers could benefit from a single training program. As a result, CSTC partnered with the Jewish Educational and Vocational Services (JEVS) and received WIA Dislocated Worker and state Welfare to Work funds to provide job training and placement for participating businesses.<sup>12</sup>

- Convenes business and training partners to analyze skill gaps and to provide targeted training.
  - Project QUEST received feedback from employers that nursing homes were having difficulty identifying qualified employees. In response, the intermediary advocated that a local college not eliminate a Licensed Practical Nurse (LPN) course on geriatric care as previously planned to ensure that local worker skills would match employer needs.<sup>13</sup>

These examples illustrate the diverse roles that intermediaries generally undertake in the workforce development system. The next chapter describes key characteristics of intermediaries that make them particularly effective in working with businesses, FBCOs, and other community agencies.

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<sup>12</sup> Ibid.

<sup>13</sup> Zandniapour, L. and M. Conway. 2002. "Gaining Ground: The Labor Market Progress of Participants of Sectoral Employment Development Programs." SEDLP Research Report No. 3. Washington D.C.: The Aspen Institute.



### III. QUALITIES OF SUCCESSFUL INTERMEDIARIES

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*A successful intermediary organization provides valuable local knowledge for reaching new markets, builds trust as companies work with established community institutions, and offers broader community credibility.*

~ Susan Beresford, President, Ford Foundation<sup>14</sup>

As the quote above suggests, intermediaries have a range of characteristics that affect their ability to organize, broker, and convene multiple partners in the workforce development system. As mentioned in Chapter 2, intermediaries include a variety of public and private organizations seeking to improve access to good jobs for workers by connecting them to high quality education and training and developing career ladder programs. Intermediaries also help employers by connecting them with qualified workers. For these reasons, FBCOs can link with workforce intermediaries to enhance their capacity to develop business partnerships.

*Successful intermediaries bring together key partners and functions to advance careers for all workers in order to increase business productivity and improve regional competitiveness.*

In this chapter, we explore the qualities of workforce intermediaries that make them particularly successful at working with businesses, workers, and FBCOs to achieve strong labor market outcomes. We begin with a discussion of the specific features of successful intermediaries and discuss examples of best practices. We conclude this chapter with a discussion of how FBCOs can benefit from relationships with workforce intermediaries.

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<sup>14</sup> Ford Foundation. 2001. “Win-Win: Competitive Advantage Through Community Investment.” New York: NY: Ford Foundation.

## Features of Successful Intermediaries

*We create opportunities to network with employers. We get employers to the table and talk about what they are looking for in employees. After we meet with employers, there is an opportunity for FBCOs to network with employers and ask questions.*

~ Colleen Doyle, Business Representative,  
Workforce Organization for Regional  
Collaboration (WORC)

Successful workforce intermediaries bring together a broad network of community stakeholders, including FBCOs to enhance the workforce system. Intermediaries' dual customer focus—businesses and workers—enable them to both help workers advance their careers and help businesses identify labor market trends to make informed decisions about successful human resources practices. Successful intermediaries also build “on-the-ground” partnerships with a range of providers, design and implement specific career pathways, integrate a wide variety of resources to support workers and businesses, and focus on achieving ambitious outcomes. In some cases, intermediaries bring new resources to the table, including public, private, and philanthropic funding.<sup>15</sup>

Exhibit III-1 summarizes key features of successful intermediaries and specific practices to illustrate those features.

*We talk with our employers about job quality and career pathways. If jobs are temporary, pay no benefits, or are low wage, we discuss ways to improve job quality. If the employer isn't interested, we may refer them to another organization for help.*  
--Terri Feeley, Director,  
SFWorks

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<sup>15</sup> Giloth, R 2004. “A case for workforce intermediaries.” pp. 3-30 in Giloth, R (ed.) *Workforce Intermediaries for the 21<sup>st</sup> Century*. Philadelphia: Temple University Press.

**Exhibit III-1:  
Features of Successful Intermediaries**

Feature	Description	Sample Practices
Advocates for improved workforce policy	<ul style="list-style-type: none"> <li>Promotes the advancement of low-skill workers by working to improve job quality and opportunities for advancement. Workforce intermediaries provide employers with best practices to improve the working conditions of low-income workers.</li> </ul>	<ul style="list-style-type: none"> <li>The Center for Employment Training (CET) advocated for employer tax credits through its healthcare and telecommunications training programs.</li> <li>The Wisconsin Regional Training Partnership (WRTP) convinced state legislators to set aside \$20 million of surplus TANF funds for a Workforce Attachment and Advancement Fund that supported incumbent worker training.</li> </ul>
Develops strong community ties and connection to businesses	<ul style="list-style-type: none"> <li>Works with community stakeholders (businesses, social service agencies, and other providers) to improve labor market outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>A major bank in Cleveland, Ohio needed to quickly fill 50 jobs in three to four job categories. The bank called the Greater Cleveland Growth Association (GCGA), an intermediary. By the next day, GCGA had organized a job fair. By the following week, the providers had recruited 32 individuals to apply for the jobs, and those 32 individuals had first and second interviews that same week.</li> </ul>
Maintains ongoing communication with businesses	<ul style="list-style-type: none"> <li>Maintains ongoing and proactive contact with businesses to stay abreast of their needs and priorities.</li> </ul>	<ul style="list-style-type: none"> <li>SFWorks convened an employer breakfast to understand the skills that employers needed for a new automotive training program.</li> <li>Wire-Net staff called businesses once a month and visited them twice a year to identify their business needs (<i>i.e.</i>, staffing, training).</li> <li>Jewish Vocational Services (JVS) hosted “Strictly Business” luncheons to acknowledge the businesses that had hired staff who were referred by JVS. These luncheons also enabled JVS to cultivate and nurture their relationship with their business partners.</li> </ul>

Feature	Description	Sample Practices
<p>Implements professional development activities to foster business growth and learning</p>	<ul style="list-style-type: none"> <li>Organizes learning groups, workshops, and forums to promote shared learning and best practices in addressing human resource needs.</li> </ul>	<ul style="list-style-type: none"> <li>WIRE-Net sponsored employer workshops and learning groups to raise awareness about the needs of new workers and promote collaboration among participating businesses. These workshops included supervisor training programs, customized training, and retention supports. As part of the learning groups, employers toured each other's facilities and met three to four hours a month for several months to address key topics that the employers identified. Topics have included sustainability of partnerships with workforce intermediaries, productivity, and workforce training. Participation in learning groups cost \$800 per company.</li> </ul>
<p>Conducts thorough research and development</p>	<ul style="list-style-type: none"> <li>Researches and analyzes business and industry-specific needs through surveys, focus groups, and other methods.</li> </ul>	<ul style="list-style-type: none"> <li>Cleveland's Jobs and Workforce Initiative (JWFI) conducted a detailed survey of 1,200 employers and conducted focus groups with employers to understand their hiring priorities and training needs.</li> <li>The Greater Cleveland Growth Association (GCGA) in Cleveland, OH maintained a biannual Information Technology "Barometer" based on a survey of local business and used the survey results to better focus their training efforts. Survey results were also used to guide training providers so that they could match employers' needs.</li> </ul>
<p>Develops strategic alliances with other companies</p>	<ul style="list-style-type: none"> <li>Partners with other companies to advance industry-specific goals and/or stimulate economic development.</li> </ul>	<ul style="list-style-type: none"> <li>LEED-Sacramento is a school-to-career intermediary that convenes and organizes multiple school-to-career partners, including businesses, school districts, post-secondary institutions, CBOs, and other types of partners. LEED included over 135 businesses in an industry consortia representing a variety of industries. Businesses in the consortia provided students enrolled in career academies with work-based learning opportunities.</li> </ul>

Feature	Description	Sample Practices
Implements successful marketing and media strategies	<ul style="list-style-type: none"> <li>Invests in professional marketing materials to communicate outcomes and accomplishments to community stakeholders. Sample materials may include brochures, newsletters, media campaigns, and other marketing materials.</li> </ul>	<ul style="list-style-type: none"> <li>Cleveland's Jobs and Workforce Initiative (JWFI) included a media representative on its advisory board to help create press releases and media briefings to attract media attention about its work.</li> <li>WIRE-Net has sent newsletters to businesses about upcoming events and updates about its work. Newsletters also included information about market trends and news about companies in the same industry.</li> </ul>
Focuses on ambitious outcomes	<ul style="list-style-type: none"> <li>Sets high performance standards.</li> <li>Seeks high quality jobs that lead to careers so that both workers and businesses achieve strong labor market results.</li> </ul>	<ul style="list-style-type: none"> <li>SFWorks looks for business partners that provide jobs with starting hourly wages over \$9.</li> </ul>

As shown in Exhibit III-1, several features of successful intermediaries stand out. These include:

- Focus on particular industries.*** Successful workforce intermediaries typically target specific industries so that they can focus their efforts and develop expertise in those industries. Focusing on particular sector(s) also enables intermediaries to customize education and training efforts, develop industry-specific career ladders, and target specific employers within those sectors.
- Emphasize building relationships with businesses*** and maintaining ongoing relationships with them. Working with businesses is a central part of intermediaries' mission. Successful intermediaries, therefore, engage businesses on a regular basis through frequent communication and active participation on decision-making bodies, such as policy and advisory boards.
- Maintain connections with communities.*** Successful intermediaries have strong ties to the community, are politically savvy, and have support from private and public sector leaders.
- Pursue ambitious outcomes.*** Successful intermediaries have an entrepreneurial spirit and focus on outcomes, such as long-term

*Successful intermediaries work within a particular sector to fully understand one industry's workforce needs.*

job retention, wage progression, and career mobility. To meet these objectives, many intermediaries seek business partners that offer jobs with liveable wages. Perhaps because of these ambitious goals, many workforce intermediaries are outperforming other workforce development entities. Research shows that outcomes of successful intermediaries are noticeably better than outcomes of other workforce development agencies. Typical hourly wage rates at job placements achieved by workforce intermediaries range from \$9.50 to over \$11.00, compared to outcomes achieved by other workforce development providers, which range from \$5.15 to \$7.50.<sup>16</sup>

- ***Advocate for enhanced workforce policies.*** While not all workforce intermediaries seek to change or modify public policies, many of them seek to improve labor market conditions that will foster self-sufficiency for low-income workers and their families. For instance, SFWorks engages in policy advocacy by “identify[ing] opportunities to promote [career] advancement strategies and help[ing] connect workers with the legislature and the media.”<sup>17</sup>

*Intermediaries set high performance standards.*

Research shows that workforce intermediaries with these traits have achieved positive outcomes. For example,

- An evaluation of Project Quest, a workforce intermediary in San Antonio, Texas, found that participants gained an average of \$7,000 more in their annual income after they participated in Project Quest’s training and supportive services.<sup>18</sup> In addition, program participants increased their wages an average of \$4.03 per hour above what it had been prior to receiving training.<sup>19</sup>
- The Wisconsin Regional Training Partnership (WRTP) convinced state legislators to set aside \$20 million of surplus

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<sup>16</sup> Marano, C. and Tarr, K. 2004. “The Workforce Intermediary: Profiling the Field of Practice and Its Challenges.” pp. 93-123 in Giloth, R. (ed.) *Workforce Intermediaries for the 21<sup>st</sup> Century*. Philadelphia: Temple University Press.

<sup>17</sup> Kazis, R. 2004. “What Do Workforce Intermediaries Do?” pp. 73-92 in Giloth, R. (ed.) *Workforce Intermediaries for the 21<sup>st</sup> Century*. Philadelphia: Temple University Press.

<sup>18</sup> Giloth, R. 2004.

<sup>19</sup> Zandniapour, L. and M. Conway. 2002. “Gaining Ground: The Labor Market Progress of Participants of Sectoral Employment Development Programs.” SEDLP Research Report No. 3. Washington, DC: The Aspen Institute.

TANF funds for a Workforce Advancement Fund that supports incumbent worker training for low-wage workers.<sup>20</sup>

- The Baltimore Alliance for Careers in Healthcare—comprised of nine hospitals, five state and federal agencies, and seven local foundations—committed over \$500,000 to projects that developed customized, employer-based career pathways, provided basic skills and occupational training in healthcare careers, and partnered with hospitals to implement career coaching programs.
- Intermediaries outperformed other workforce development agencies.
  - Fifty-five percent of workforce intermediaries reported an average wage at placement that exceeded \$9.50 per hour, compared to \$5.15 to \$7.50 per hour among other workforce development entities.
  - Twenty-nine percent of workforce intermediaries reported an average wage at placement that was over \$11 per hour.<sup>21</sup>
- Benefits to employers are also noteworthy. In a recent survey conducted of intermediaries:
  - Thirty-four percent of workforce intermediaries reported that when workers participate in training programs, there are reduced worker recruitment costs for employers because workforce intermediaries can screen and match workers to specific jobs.
  - Thirty-two percent reported lowered training costs for employers.
  - Twenty-two percent reported increasing the promotion potential of workers.<sup>22</sup>
- The five intermediaries that participated in the Investing in Workforce Intermediaries Initiative, funded by the Anne E. Casey and Ford Foundations, established a funding consortium that included 34 local and regional foundations that committed nearly \$24 million in new dollars to support workforce

*Successful intermediaries target high-wage jobs.*

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<sup>20</sup> Kazis, R. 2004.

<sup>21</sup> Marano, C. and Tarr, K. 2004.

<sup>22</sup> Ibid.

intermediaries. These consortia have also attracted over \$13 million dollars of investments from local and state governments, and more than a dozen major employers have invested almost \$3 million in worker training and supports to date.<sup>23</sup>

These successes stem partly from intermediaries' ability to engage in multiple activities—broker services, organize key workforce development partners, and provide training and/or employment supports. Because of their multiple roles, workforce intermediaries can reach a cross-section of the community that is working to provide good jobs for workers and businesses with staffing and training support. For example, a director of a workforce intermediary noted that it was important to engage in a range of activities in order to gain buy-in and support from businesses and workers. As this director explained,

*Successful intermediaries won't all do the same thing. However, they all need to do more than one thing. We found that being a credible data source and providing workforce development services makes our policy work more influential. On its own, our policy work would not have enough traction.*

~ Fred Dedrick, Director, Reinvestment Fund in Philadelphia<sup>24</sup>

Businesses also value the role that intermediaries play in supplying them with a steady pool of qualified workers to fill job vacancies and providing supportive services to enhance job retention. As one business representative noted,

*We got involved with WIRE-Net because retention of new workers was a problem. We also needed to keep the pipeline of skilled workers full—we have to be able hire dye makers; a lot are going to retire soon.*

*Businesses that have used intermediaries to develop training have lower turnover than those that have not.*

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<sup>23</sup> Scott, Geri. "Funder Collaboratives: A Philanthropic Strategy for Supporting Workforce Intermediaries." Boston: MA. Jobs for the Future, 2007. Accessed from <http://www.jff.org/Documents/FunderCollab.pdf>.

<sup>24</sup> Kazis, R. 2004.



*Our biggest fear has been that we aren't going to be able to keep skilled people.*

~ Pete Accorti, Manager, Talan Products, small metal stamping manufacturer<sup>25</sup>

Further, workforce intermediaries represent a strong sense of professionalism that garners trust from businesses that may otherwise be reluctant to turn to the other workforce development entities for support. As one business owner explains,

*Working with Jewish Vocational Services in San Francisco is a transparent process. By that, I mean they are businesslike, they have organizational processes down well, they are classy, they are located in downtown San Francisco, which means a lot. They make it very easy to do business, they know how to relate to employers on protocol and etiquette, and they're nice.*

~ Jason Mooring, Manager of Staff Development, Tiburon, California

*Many intermediaries are not able to provide the full spectrum of services that jobseekers need and, instead, broker with other organizations (e.g., educational institutions, other training providers, social service agencies, One-Stop Career Centers, and FBCOs).*

## **How FBCOs Can Benefit from Workforce Intermediaries**

Workforce intermediaries can play an important role in supporting FBCOs that seek to partner with businesses and other community agencies. While some FBCOs are making progress in partnering with businesses, many require additional support to deepen their relationships with businesses so that they can help jobseekers and low-income workers meet their career objectives. For example, Colleen Doyle of Workforce Organization for Regional Collaboration (WORC) has facilitated partnerships between FBCOs and businesses. In this work, she noted, some FBCOs require technical assistance to enhance their capacity to connect with businesses.

*We build the capacity of small FBCOs so that they are better able to engage with employers. We talk to them about the skills*

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<sup>25</sup> Clymer, C. 2003. "By Design: Engaging Employers in Workforce Development Organizations." New York: NY. Public/Private Ventures.

*that employers look for, how to present their organizations, and how to talk to them using business language.*

~ Colleen Doyle, Business Representative,  
Workforce Organization for Regional  
Collaboration (WORC)

As Ms. Doyle explains, her intermediary serves as a “buffer” or “interpreter” between FBCOs and businesses. She helps businesses understand the public workforce system, including its role and requirements, addresses misperceptions that may exist about FBCOs, and helps build trust between businesses and other community entities, such as FBCOs.

FBCOs can also benefit from the work of intermediaries because intermediaries have a broad community focus and take a comprehensive approach to addressing the workforce development needs of local communities. Intermediaries set high standards for their performance by working with businesses to create good jobs through career ladders and advancement opportunities. For example, SFWorks, a workforce intermediary that has a strong community presence, convinced several employers to change the probationary period for employee benefits from 150 days to 30 days. Project Quest and the Center for Employment Training (CET) also have strong ties to local providers and businesses. CET, for example, has been particularly successful linking with businesses because of its close ties to community leaders who have advocated for CET’s work.

Further, FBCOs may benefit from the “connecting” role that intermediaries play. As small organizations, FBCOs seek to develop partnerships with other service providers with similar goals and objectives. Linking with intermediaries that have community-based networks can increase the likelihood of successful collaborations between FBCOs and other workforce development organizations and businesses as well. Below is a case study of an intermediary called Workforce Organization for Regional Collaboration (WORC) that has worked successfully with FBCOs and businesses.

## **Workforce Organization for Regional Collaboration (WORC): Connecting Commerce and Community**

**WORC** is a member organization that is comprised of roughly 100 fee-paying non-profits, including FBCOs, in the Washington, D.C. area. WORC represents a number of businesses that are looking to fill positions through non-profit members, including FBCOs. Currently, WORC has a contract to work with 14 small FBCOs in northern Virginia. These organizations have limited capacity to partner with businesses because most have only a couple of staff, but “tons” of volunteers. According to Colleen Doyle of WORC, the value of FBCOs is that they have access to “dozens” of hard-to-reach populations that businesses seek to draw from to fill entry-level positions, including low-income individuals, the unemployed, the homeless, and ex-offender populations.

As an intermediary organization, WORC connects businesses with non-profits, including FBCOs, by building strong partnerships between them. What makes WORC particularly successful is that it has strong connections to both businesses and FBCOs. WORC supports small FBCOs because, as Colleen Doyle said, FBCOs require extensive support to develop successful business partnerships. She explains,

*It's hard for FBCOs to initiate partnerships with employers because they don't know what employers are looking for. We educate the non-profit and faith-based community about what employers are looking for before they approach employers. There is a lot of trepidation among non-profits to approach employers because they may have had a bad experience. Sometimes non-profits refer a client to an employer and if a candidate doesn't match, that forever taints the relationship with the employer, and undermines their credibility, and an employer won't go back to that non-profit for candidates.*

As part of her role, Ms. Doyle works for FBCOs to connect them to businesses that are seeking to fill positions. She does this by creating opportunities for FBCOs and businesses to get to know one another through the following techniques:

- Hold business appreciation events, such as breakfasts, luncheons, etc.
- Engage businesses and FBCOs in “speed networking” to facilitate introductions.
- Identify FBCOs that are “ready” to partner with businesses based on their organizational capacity, resources, and staffing structure.
- Develop a strong sales pitch that highlights the benefits of FBCOs and their work with the community, businesses, and jobseekers.

An essential step to her work is to formally introduce FBCOs to businesses. This requires extensive “pre-work” to make sure that FBCOs are ready to partner with a particular business. She explains,

*If an FBCO is able to recognize when a client is ready for work and that client is appropriate for the employer, then I would say [to the employer] you need to work with this FBCO. You can really trust them. It takes time to develop a program and build trust of employers. That is why we are there to make it happen.*

In the end, when FBCOs know how to sell themselves to businesses, Ms. Doyle then considers her work successful.

As indicated above, FBCOs can benefit from the wide range of support that intermediaries provide to businesses and other service providers, such as technical assistance and training as well as exposure to strategies to enhance performance, design career ladders, leverage additional funding, and network with other community partners. At the same time, intermediaries can benefit from their FBCO partnerships because FBCOs provide access to a diverse labor pool and can provide job retention supports, such as childcare and transportation.

## **Conclusion**

Findings from this literature review offer a glimpse at the variety of organizational structures and functions that characterize workforce intermediaries. Workforce intermediaries are diverse organizations that broker partnerships, integrate a variety of resources, and develop policies to strengthen the workforce system. In their role as “brokers,” “connectors,” and “conveners,” workforce intermediaries are furthering the career advancement of low-income workers and connecting businesses to a steady stream of qualified workers. As shown throughout this report, using workforce intermediaries can be a successful strategy to expand the labor force in ways that can increase the productivity of businesses.