



business value

advancement



employees



in business terms

# Business Value Assessment for **Workforce Development Organizations**

HANDBOOK

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Workforce Development Organizations**

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# OVERVIEW

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## Background

Today's workforce programs recognize that they have two essential client groups—the *workers* that they connect to jobs and advancement pathways and the *businesses* that employ these workers. Many workforce practitioners can track and demonstrate the value of their services to workers. Programs measure such results as the percentage of workers placed in jobs, workers' wages at placement, short-term employment retention, and wage gains and promotions over time. These indicators measure outcomes that are important to the mission of a workforce program.

However, workers do not succeed when businesses do not succeed. Furthermore, businesses are at a competitive disadvantage if their workers are not capable. It is therefore key to understand how well workforce services meet business needs. Yet, typical workforce programs' ability to track and demonstrate the value of their services to business, in business terms, is very limited. In an attempt to fill this gap, the Aspen Institute's Workforce Strategies Initiative, in collaboration with an experienced group of workforce development professionals and their business clients (referred to as the Learning Group), has developed what we hope is a practical approach for programs to begin measuring and learning about the ways in which they provide value to their other important client—business.

## Scope of the Business Value Assessment Framework

This Handbook provides guidelines, tips and tools for your workforce development program to conduct a basic type of evaluation, which we call a **business value assessment**. A business value assessment has the following essential characteristics:

- It is designed to evaluate one discretely-defined workforce development program, process or set of services.
- The expected results of the workforce development event are evaluated in terms of business value.
- Your business client plays a critical role in designing and implementing the assessment.
- The focus is on using one or more assessment methods that balance practicality, feasibility and relevance with the need for an appropriate level of evaluation rigor.

This Handbook provides general guidance in conducting an assessment and specific guidance in using the tools developed by the Learning Group. The Handbook is organized as follows:

- **Part 1 – Planning Your Business Value Assessment** outlines key questions to consider in planning an assessment and includes a planning worksheet. Working through this section

should help you determine whether you would like to use the Excel Tool, a questionnaire approach, or some combination of assessment methods. It will also help you think critically about which assessment opportunities are more or less feasible. This section contains a planning worksheet that summarizes the key issues to consider.

- **Part 2 – Using the Excel Tool** provides an introduction to the Excel Tool and a more thorough discussion of what can be measured with the Tool. **The Excel Tool is an automated Excel file template** for gathering workforce and business data and presenting employee performance and monetary results for a selected set of business value criterion. There are item-by-item instructions for using the Excel Tool and suggestions for how the Tool can be used and customized for a variety of contexts.
- **Part 3 – Using Questionnaires** provides an outline of basic questionnaire methods and some specific examples for evaluating employee performance and the business results of your workforce programs and services. This section contains a planning worksheet to help you think through the Questionnaire design and management process.

## Why Conduct a Business Value Assessment?

The Excel Tool and questionnaire guide in this toolkit provide templates that your workforce-business partnership may customize as the basis for some or all of your specific business value assessment. The business value assessment framework and toolkit can be used for a number of purposes, such as:

1. **Develop or reinforce workforce-business partnerships.** A fundamental premise of the business value assessment framework is that your workforce program uses a partnership approach in designing and offering workforce development services for targeted businesses. We intend the guidelines and tips in this Handbook to be useful in building and reinforcing these types of workforce-business partnerships by guiding your workforce program to ask about and understand your business clients' interests and values. The Excel Tool and the questionnaire examples can be copied or shared with business clients, so that your workforce program can tangibly demonstrate the types of information and results that can be pursued.
2. **Marketing.** With the approval of “champion” business partners, your workforce program can use workforce results measured in their contexts to demonstrate your business value to other potential business partners or for other promotional purposes.
3. **Program development.** Your workforce program can gather information about the performance of your program participants. This information can be used at one or several points in time to monitor program performance and to modify the workforce program to meet the needs of both program clients and business employers.
4. **Staff development.** In order to educate frontline workforce staff on how the program client and business-employer needs intersect, your staff can participate in gathering information about the performance of program participants relative to: the costs of your program services, your business clients' expected employee performance, and the costs of your business clients' alternative sources for workforce services.

5. **Program design.** Designing an assessment involves typical program design activities such as defining expected results, strategies, and methods to achieve these results and what successful results will look like. Using the guidelines in the Handbook and its accompanying tools to design an assessment augments a sound program design framework.
6. **Establishing a basis for charging fees.** Determining the value that your business clients derive from your workforce services can be an important element of designing and implementing fees for services and diversifying the financing of your programs.

Notwithstanding the variety of potential uses for this toolkit's components, every assessment should be designed and conducted with at least one specific purpose in mind. Identifying the primary and secondary purposes for conducting your business value assessment is a critical first step in your assessment planning.

## Who Should Participate in a Business Value Assessment?

This business value assessment framework is designed for workforce practitioners and their business clients who want to assess the value of workforce development in business terms. This manual is written primarily for the workforce practitioner, on the assumption that this person will initiate and manage the assessment process.

**Workforce practitioners** are the professionals who provide workforce training and career advancement services to job seekers and employed workers. Workforce practitioners may hold a range of positions, such as program directors, policy directors, client services staff, business services representatives, instructors, curriculum developers, evaluation staff, or resource development staff, among others.

Workforce practitioners may represent community-based (non-profit) organizations, community colleges, vocational or technical schools, staffing agencies, public workforce system staff, Workforce Investment Board directors, or labor unions, among others.

**Business clients** are local companies or organizations, which employ the job seekers or workers you serve. Business clients may be business executives, human resources professionals, training managers, operations managers, or quality assurance managers, among others.

Business clients' fundamental relationship to you, the workforce practitioner, is as employers of job seekers or workers. Therefore, they represent any company, firm or institution that provides jobs for the local labor market.

Business clients play a key role in the assessment process, described more fully in the sections that follow. Workforce organizations with weak connections to their local employers may find that these relationships need to be strengthened before an assessment can take place.

## Limitations

**This framework may not serve all industries equally well.** The ideas, guidelines and tools in this toolkit arise from the experience of organizations working in the healthcare and manufacturing sectors. We hope that their experience can be applied to other industries, however, and that the tips



and information here can guide knowledgeable workforce leaders in industries other than healthcare and manufacturing in conducting a business value assessment relevant for their situation.

**This Handbook is not designed to train you in evaluation methodology.** Rather, we present robust, common-sense assessment guidelines for a specific topic – how to assess the business value of workforce services. We believe that knowledgeable results-oriented workforce practitioners will be able to understand and implement a solid, basic business value assessment to fit their specific situation using these generic guidelines. **Furthermore, the toolkit is not designed to be an exhaustive or academic evaluation resource.** This is a practical guide to designing assessments. We do not present in-depth explanations of complex topics or methods that are intended to produce an exhaustive or rigorous product.

## You Can Help Improve and Expand This Toolkit

To supplement this toolkit, we have developed an On-line Resource Center. This area of our Web page ([www.aspenwsi.org/BVAresources](http://www.aspenwsi.org/BVAresources)) will be home to case examples of organizations that have conducted Business Value Assessments, sample questionnaires, and additional tips and guidance on different questionnaire approaches, new ideas about how to modify or adapt the tools to specific situations, and other information to support organizations conducting Business Value Assessments. You can help us build this resource by sharing your experience with us. Please send information about Business Value Assessments you conduct, including items such as what specific items you tried to measure, what you were able to learn, and any “lessons learned” or tips you might share with others trying to conduct a similar assessment.

In addition, we intend to continue to gather feedback over the coming year about the toolkit, and develop a revised version based on continued input. Please also share any feedback you may have about this Handbook and the Excel Tool and how we can improve them. Contact us with questions and suggestions using our on-line feedback form at [www.aspenwsi.org/BVEmail.asp](http://www.aspenwsi.org/BVEmail.asp)

Thank you!