

***Instituto del Progreso Latino and the City of Chicago
ManufacturingWorks
Chicago, Illinois***

Organizational Background

ManufacturingWorks, also known as the Chicago Workforce Center for Manufacturing, is a centralized service center for employers created in 2005 in response to growing concern over the insufficient numbers of skilled workers to meet the needs of the Chicago manufacturing industry. The center is managed by the Instituto del Progreso Latino (Instituto) in collaboration with the Mayor’s Office of Workforce Development (MOWD) and a coalition of other organizations specializing in workforce development and manufacturing services. ManufacturingWorks provides employers with access to skilled employees, opportunities for incumbent worker training, and “lean manufacturing” services to enhance overall competitiveness. It is linked to the city’s network of one-stop workforce centers, community colleges and community-based organizations (CBOs) providing manufacturing training.

Distinguishing features

- Represents integration of sector approach into Chicago’s public workforce system
- Workforce center oriented towards employer customers
- Involves a wide range of local partners in the formation of a unified workforce strategy
- Encourages job quality
- Seeks to improve the quality of workforce training system-wide

Industry

- Manufacturing

The impetus for ManufacturingWorks arose out of the recommendations of the Chicago Workforce Board’s Sector Committee, which were subsequently supported by the Chicago Manufacturing Renaissance Council – a partnership among business, labor, governmental and community leaders. The council’s stated goals center around improving the competitiveness and performance of Chicago’s manufacturing companies; attracting and growing “high road” companies; increasing compensation for employees and providing good jobs for residents; and increasing revenues and lowering costs to government.

ManufacturingWorks is one of the nation’s first publicly-funded sectoral workforce centers designed to align public services with labor market demand within a single industry sector.

Strategy and Services

ManufacturingWorks (MW) serves as the hub of a demand-driven workforce development system for Chicago’s manufacturing sector. Seeking to become the preferred provider of workforce services to the industry, ManufacturingWorks’ primary roles are to develop and manage relationships with manufacturing employers and to shepherd the public system in its ability to respond to critical industry needs. The spokes which extend out from this hub are the one-stop career centers, CBOs, educational providers and industrial retention centers with which MW interfaces to provide workforce and economic development services to jobseekers and employers. Ultimately, this approach seeks to provide employment and advancement opportunities for

disadvantaged jobseekers and low-wage workers through a “pull” approach that starts with understanding and serving the real human resources needs of employers, and then draws workers into jobs, training and other services according to those business needs.

ManufacturingWorks is staffed by business specialists and account executives who serve as the primary point of contact with the industry. They conduct marketing and outreach to the industry; assist employers to assess their human resources needs; receive job orders and pre-screen job applicants; and refer employers to sources of assistance for incumbent worker training and other issues related to competitiveness. To assist employers with their hiring needs, job orders are distributed by MW to the network of 32 one-stop career centers and affiliate service providers throughout the city and are entered into the state’s jobs database. One-stops then screen potential candidates and send resumes back to the center. ManufacturingWorks staff conducts further assessments of select candidates, and, when appropriate, invites applicants to come in for preliminary interviews with the center’s staff. All individuals who drop in or are referred to MW are assessed for Workforce Investment Act (WIA) eligibility, if they are not already registered. Once they are registered they can receive “supportive services,” such as transportation assistance; help with purchasing any needed work boots, tools, etc.; short-term assistance with child care; etc. Also, if they are interested in enhancing their skills through education and training, their case manager can request an “Individual Training Account” voucher to cover the costs of tuition and books.

MW coordinates closely with the state employment system as well. Individuals with the requisite skills are notified of job openings after MW staff places job orders in the Illinois Skills Match. MW staff rotates among several offices on a weekly basis to interview applicants prescreened and referred by the employment service staff. For major recruiting projects, MW can host mini-job fairs or provide a place for companies to conduct their own interviews; and in the case of a plant closing or major layoff, MW provides employer-specific transition services to groups of employees. MW is located at the Westside Technical Institute of Daley College, part of the City of Chicago’s community college system.

Other Important Activities Related to the Industry

In addition to addressing the industry’s needs for new employees, ManufacturingWorks also provides a range of other services to enhance the competitiveness of the industry, including: assistance in developing and/or accessing customized training for incumbent workers; lean manufacturing simulations; and special workshops for business on issues related to the labor market, tax credits and incentives, management issues, etc.

MW offers intensive human resources assessments to employers. Based on the findings of these assessments, MW may recommend that an employer initiate a customized training program at its facility, or send incumbent workers to off-site training. Where customized training is appropriate, MW will assist the employer in developing a training plan.

MW does not provide training directly; rather, it interacts with 12 local training organizations, including community colleges and CBOs (such as the Jane Addams

Resource Center and Instituto del Progreso Latino's own Manufacturing and Computer Technology Bridge Program). Applying the language of business and industry to the training sector, MW aims to identify and refer employers to training providers that are characterized as "high performance" (quality) and "Just-In-Time" (flexible and responsive). Currently, MW provides employers who need incumbent-worker training with the names of all eligible manufacturing training providers on the city's list of approved providers, and leaves it to the employer to choose the organization with which it will work. To further strengthen the center's role, the steering committee that guides MW has asked that the center develop capacity to play a quality control function with regard to training providers and programs by rating their management, content and instructional staff, and conducting follow-up to assess training outcomes, especially for incumbent workers.

Advocacy/Industry-Related Policy Change

Core to the mission of ManufacturingWorks is the retention and growth of a "high road" manufacturing sector that is profitable and economically sustainable, and continues to provide family-sustaining jobs for Chicago residents. With this goal in mind, MW has adopted a three-tiered service strategy that attempts to direct resources toward employers that provide better jobs. This approach classifies employers as "high," "medium," or "low" tier and attempts to align resources accordingly.

For the MW partners, "low tier" manufacturers are those that hinge their core business strategy on low-cost labor. In the opinion of industrial retention experts at the Chicago-based Center for Labor and Community Research, these types of businesses are generally not viable in the United States and eventually lose out to competitors in lower-wage countries. Conversely, "high road" manufacturers that provide high value-added products and services and rely on innovation and quality as key business strategies have demonstrated the ability to thrive in the global marketplace. MW partners believe that these are the companies that build excellence at every level of their workforce by investing in the ongoing education and training of their employees.

MW sends placements to "better" businesses and is more responsive to their requests for incumbent worker training or other training and recruitment assistance. At the same time, MW continues to engage with "lower tier" businesses to better understand barriers that may prevent them from improving job quality and to consider strategies for overcoming those barriers. These businesses may benefit from other business assistance such as, human resources consulting and Lean Manufacturing workshops, among other services.

Tom DuBois of Instituto del Progreso Latino explains: "We don't want MW to be just a job placement provider, because there is a difference between jobs and careers with pathways." MW tells manufacturers that if they are moving toward the "high road," the center can be supportive. The City of Chicago has been a strong supporter of the policy of targeting services to employers that provide better job quality. According to the Mayor's Office for Workforce Development, "The menu of services helps companies to grow into the 'high road.' If we help them, some of the middle players can grow into the 'high road.'"

This strategy has had some initial success. Instituto reports that, during its first year of operation, MW used its leverage to recommend that two companies offer improved employee health care benefits in exchange for assistance in filling job openings. Other companies have been encouraged to increase worker pay to meet prevailing wages. Furthermore, some employers and community/labor groups view MW as a sort of “kitchen table” where both sides can discuss quality and competitive issues related to manufacturing occupations. Through the steering committee, MW personnel have worked with employers to define job profiles and categories and assign average wage rates to them. These will serve as a guide for account executives to understand the skills and certification levels required for particular job categories and to determine if the wage rates offered fall within acceptable ranges.

MW is part of a larger initiative led by the Chicago Manufacturing Renaissance Council to support the Chicago manufacturing sector. The Center for Labor and Community Research provides staff to the council. The council’s larger role is to “develop and advocate for policy and programs to enable Chicago to lead the ‘race to the top’ in global High Road/High Performance manufacturing and become the world leader in modern manufacturing.” Among the council’s list of members are: the chairman of the board of the Illinois Manufacturers’ Association, the commissioner of the Mayor’s Office of Workforce Development, the secretary-treasurer of the Chicago Federation of Labor, and the commissioner of the Chicago Department of Planning and Development. The policy and advocacy priorities of the council include: improving the image and public understanding of modern manufacturing; reforming the education and workforce development system; improving government programs to provide direct assistance to manufacturing companies and employees; developing and advocating for local, state, and national policy that will support these initiatives; and attracting “High Road/High Performance” companies to Chicago. Leaders of the MW credit the council and its leaders with the creation of the center. Establishment of MW is seen as the first major milestone toward accomplishment of the council’s broader objectives.

Critical Partners

The strength of MW lies in the range of partners it brings together and coordinates from the public and private sectors, as well as the workforce and economic development worlds. The collaborators include: the City of Chicago, organized labor, manufacturing trade associations, four Local Industrial Retention Initiatives, 32 workforce service providers (one-stops and affiliates), 12 training organizations (community colleges and CBOs), and 20 employer members of the steering committee.

Many of the partners are proud to claim responsibility for the establishment of the center, indicating broad buy-in and support. Bill McMahan at the Mayor’s Office for Workforce Development commented: “The strength of this project is in the number of partners involved even before we got involved. Business and labor showed up and said they were willing to work together – this is when we knew we had to support this.” Given the long history of disconnected neighborhood-based organizations approaching the manufacturing industry’s needs in a piecemeal fashion, local government stakeholders report that the level of cooperation among partners in this effort is significant.

The Instituto del Progreso Latino serves as the fiscal agent and lead managing and operational organization for ManufacturingWorks. Instituto chairs the steering committee and the human resources development committee of MW.

Instituto was established in 1975 to meet the educational, employment and family support needs of Latino immigrants in Chicago's Pilsen neighborhood. Today, the organization, which is contracted by the Chicago Workforce Investment Board to operate three one-stop type career centers, plays a citywide leadership role with regard to workforce development and immigrant rights.

MW builds on Instituto's experience operating sectoral initiatives in manufacturing and health care, such as Instituto's Manufacturing and Computer Technology Bridge Program. This program, which includes a new Fast Track Computerized Numerical Control course, is designed to provide un- and underemployed low-wage manufacturing workers with the technical and foundational skills needed to advance to better paying entry-level skilled manufacturing jobs and community college certificate programs in manufacturing technology.¹ Instituto was selected to operate MW after demonstrating success in placing workers into jobs at Ford Motor Company's top-tier parts suppliers at the new Chicago Manufacturing Campus. With a special competency for serving immigrant workers, Instituto builds contextualized Vocational English as a Second Language training into many of its programs and links participants to a range of additional supportive services.

To fulfill its primary function of relating to manufacturing employers, MW integrates the economic development expertise of the network of Local Industrial Retention Initiative organizations (LIRIs) into the MW operational team. The LIRIs were designed by the City of Chicago's Department of Planning and Development to focus on industrial retention and development in specific industrial corridors in the city. Four of the 17 LIRI organizations operate under contract with the MW to refer and recruit employers to the center for services. They are: Greater Northwest Chicago Development Corporation, Greater Southwest DC, Jane Addams Resource Corporation, and the Alliance for Illinois Manufacturing. MW also interacts with businesses through partnerships with the Chicago Manufacturing Center, the Alliance of Illinois Manufacturers, and the Chicago Federation of Labor to serve manufacturing employers. The Chicago Manufacturing Center is the local Manufacturing Extension Partnership operator established by the National Institute of Standards and Technology to support high-performance manufacturing, and provides lean manufacturing simulation sessions to MW customers, often leading to full implementation projects. The Alliance of Illinois Manufacturers is a group of organizations committed to retaining manufacturing in northeast Illinois and can assist companies to access a large range of other city and state programs. The Chicago Federation of Labor is the central labor body for more than 300 Chicago area unions and, in this capacity, has relationships with the unionized sector of the Chicago manufacturing industry. Educational Data Systems, Inc. is another key partner, providing skills-gap analyses to employers identified by the business outreach partners that can be used for job descriptions, hiring purposes, and to form the curriculum for on-the-job training in

¹ More information on this and other bridge programs can be found in "Bridges to Careers for Low Skilled Adults: A Program Development Guide," Women Employed with Chicago Jobs Council and UIC Great Cities Institute, 2005.

which up to 50 percent of the wages of new hires (who are WIA registrants) can be reimbursed. The involvement of the Local Industrial Retention Initiatives, Chicago Manufacturing Center, Alliance of Illinois Manufacturers, and the Chicago Federation of Labor in MW operations is a significant step toward greater integration of the local workforce and economic development systems. Stakeholders in both the Mayor’s Office of Workforce Development and the Department of Planning and Development report that, prior to the implementation of the manufacturing initiative, the two departments worked together in a limited way on a select number of projects, such as Tax Increment Financing.

ManufacturingWorks: Roles of Core Partners²

| RESOURCES | WIA Service Providers (32 one-stops and programs) | Instituto | Chicago Federation of Labor/ Worker Assistance Center | LIRIs (4) | Chicago Manufacturing Center (CMC) | Educational Data Systems, Inc. (EDSI) | Center for Labor and Community Resources (CLCR) | Alliance for Ill. Manufacturing |
|---------------------------------------|--|------------------|--|------------------|---|--|--|--|
| Fiscal Agent | | X | | | | | | |
| Project Team Staff and subcontractors | | X | X | X | X | X | X | X |
| Refer and/or recruit companies | | X | X | X | X | X | | X |
| Refer and/or recruit job-seekers | X | X | X | | | | | |
| Intake job-seekers (register in WIA) | X | X | X | | | | | |
| Place job-seekers into jobs | | X | X | | | | | |
| Refer to training | | X | | | | | | |
| Baseline assessment | | | | | | | | X |

² Chart adapted from MW Steering Committee meeting materials, May 17, 2006

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|---|--|---|---|---|---|---|---|---|
| Profile assessment | | X | | | | | | |
| Skill assessment | | | | | | X | | |
| Consult (diversity, training, assessment) | | X | X | X | X | X | X | X |
| Operate Renaissance Council | | | | | | | X | |
| Chair Steering Committee | | X | | | | | | |
| Chair Human Resource Development Committee (training) | | X | | | | | | |

In addition to the core partners listed above, MW works with a range of educational and training partners to which it refers individuals and employers for services. These include the Jane Addams Resource Corporation (JARC), Westside Technical Institute at Daley College, the Humboldt Park Vocational Education Center at Wilbur Wright College, Truman College, the Tooling and Manufacturing Association, O.A.I., Inc., and others.

The manner in which “credit” for success is attributed is an important element of the center’s design. Many of the players involved have been long-time competitors. Aware of this dilemma, the city set up MW to encourage collaboration by allowing the workforce partners (one-stops and affiliates) to continue to claim full credit for individual outcomes related to job placement through the center. The center itself is judged by performance measures related to employer outreach and fulfillment of employer needs. Initially, some of the other one-stop career centers perceived MW as a competitor, so Instituto was invited to speak at workforce contractor meetings to explain the role of MW to the whole system, and how it is meant to benefit everyone and provide regular updates. Staff at the Mayor’s Office for Workforce Development reports that, as the center comes up to full operating speed, other components of the workforce systems are beginning to understand that MW’s structure encourages collaboration by serving both the supply and demand sides of the system.

Relationship with Business

Twenty local manufacturers participate on the steering committee of MW. At steering committee meetings, employers provide opportunities for continuous improvement, providing information about industry needs and feedback on the center’s strategy and operations. Input from employers also comes indirectly through their interaction with the center’s partners.

Staff at Instituto notes that employers were very cynical when the steering committee of MW was first formed. They had seen other initiatives come and go and were not confident that this would be markedly different. However, notes Instituto, after a few meetings, employers became highly engaged and are now putting pressure on MW staff to do even more. “MW has raised the level of expectations – now it’s under pressure to deliver in order to maintain employer satisfaction,” says Juan Salgado, executive director of Instituto del Progreso Latino.

Outcomes

MW’s success is measured by service to business (demand goals) – not by the number of WIA customers placed. In this way, MW does not operate like a typical one-stop; since resources are targeted toward the industry as a whole and do not necessarily follow the individual. The agency that refers a jobseeker to MW gets the credit for the placement that results from the collaboration.

Financing

During its first year of operation, the budget for MW was slightly in excess of \$1.2 million. The primary funding sources were: WIA (\$900,000); TIFWorks and Critical Skills Shortages Initiative funds (\$200,000); and general purpose city funds (\$120,000). It is expected that, in the future, this will be augmented by MW’s potential to garner private-sector (employer) funds.

The city’s decision to dedicate significant sums of WIA funds is bold and experimental. To allocate these funds to MW, the city was forced to close one of its career centers. Notably, this comes at a time when the pot of WIA monies is shrinking and one-stop career centers are bracing for further cuts as federal allocations decrease. Initially, these factors created some concerns regarding the center’s ability to continue to meet WIA performance measures. Recognizing this risk, stakeholders nonetheless made the strategic decision to focus on getting business to the table, even if this new program focus might result in an initial decline in the city’s WIA performance indicators. Referring to these risks, staff from the mayor’s office state, “We have to do this. If we don’t intercede in the manufacturing industry, we will lose it. These are good value-added jobs.” The hope was that any dip in performance would be temporary and that long-term benefits would outweigh short term costs. In fact, the Chicago Mayor’s Office of Workforce Development has managed the City’s workforce system such that performance measures have not decreased since implementing the business-oriented workforce centers. The city’s WIA incentive dollars actually increased during the period of the launching of MW. Moreover, it is expected that in the future, operating monies will be augmented by MW’s potential to leverage other grants and private sector (employer) funds.