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# A Strategic Approach to Improving Workplace Performance at the West Philadelphia Skills Initiative

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Term Project Research Paper – HCD 770  
A Strategic Approach to Improving Workplace Performance  
at the West Philadelphia Skills Initiative

Sheila Ireland

LaSalle University

December 2014

**Commented [SS1]:** Sheila, Excellent paper/project. For this paper and the course, you earned an **A**

In this this paper, you present a very cogent problem analysis and the development of a practical and well-balanced approach to making significant changes. Your approach is grounded on a theoretical framework that fits perfectly. You do a superb job of integrating the concepts from the framework into a disciplined implementation approach. Great job!

I am forwarding your paper to Lynnette Clement so that she may share it with the Associate Provost as an example of a quality independent study effort. Congratulations! Stu

Stu

P.S. Instead of highlighting your paper, I created "Comments" as I read the paper to capture key ideas. These served as summary juncture points that I reviewed after I finished the paper.

### Overview

As we discussed in our telephone conference the focus of this project has shifted from my initial proposal. In this paper I will focus on the talent management issues in my own department rather than the ones in the larger organization. Specifically, I used the framework proposed in *Beyond HR* to help my department:

Commented [SS2]: Thank you for specifying.

1. Identify our strategic pivot points
2. Identify the organization and talent pivot points that matter most
3. Develop the program policies and investments that will make those pivot points happen.

As I have the authority to do so within my own department my role has accordingly changed from Influencer of Action to Change Agent. I have used a combination of library research and action research for this project.

### Introduction

I am the Director of the West Philadelphia Skills Initiative (WPSI) which is the workforce development arm of my parent organization. University City District (UCD). UCD is a \$9M+ nonprofit 501(c)3 special services district that operates in University City. University City is 2.4 square mile portion of West Philadelphia defined as roughly running from 30<sup>th</sup> Street to 50<sup>th</sup> Street and from Haverford Avenue to Woodland Avenue. In 2009 a new Executive Director joined UCD. He sought to broaden UCD's mission of economic development by including a workforce development program, the West Philadelphia Skills Initiative. In 2010 I was hired as WPSI's first Director.

Commented [SS3]: Director, WPSI part of UCD

My initial proposal for this research paper focused on how to effectively identify and invest in pivotal talent in our larger organization – University City District. My attempts to delve into the problem were met with resistance by my Executive Director. While we are a relatively small organization there is considerable turmoil and the politics inherent in the

organization are treacherous. Consequently, because this course is only one semester long, which limited the time I had to effect any meaningful change, the focus of this paper has narrowed to my department. As the Director of the Skills Initiative I have the autonomy to create structures, policies, and systems that will support a new approach to talent management within my department. Obviously I am constrained by the policies of the large organization within which I work, but there is considerable flexibility in most key areas including compensation and professional development opportunities. University City District works hard to distinguish itself as a nonprofit that rewards performance, creativity and innovation and that framework definitely gives me the opportunity to put my research into practice.

In this paper I will discuss my efforts to understand how the HC BRidge framework developed by Boudreau and Ramstad can be applied to talent opportunities within the Skills Initiative so that we can improve our effectiveness. Throughout this endeavor I posed four guiding questions: 1. Do we know where our pivotal talent is? 2. Are we investing differentially in our most pivotal talent? 3. Where does our business strategy require that our talent be better than our competitors? 4. Lastly, do we have the programs, policies, and investments in place to make these pivot points **effective**?

The research I have utilized to build my approach has been far ranging and has informed my understanding of the organization that I work for, the field I work in and the outcomes I seek to achieve in my work. Writing this paper has helped identify a very effective process to gain an understanding of how to utilize talent to build the most effective workforce development organization in the nation.

**Commented [SS4]:** Four questions:  
1. Know where pivotal talent located?  
2. Investing differently in pivotal talent?  
3. Have strategy to leverage?  
4. Have programs, policies & investments to make PVT effective?

### Organizational History

University City District (UCD) was founded, as are many significant and cathartic changes are in response to a crisis. By 1994 the crime rate in West Philadelphia had grown by 10 percent in 10 years. Three of the area's elementary schools ranked at the bottom performance level in state-administered reading and math tests. As conditions worsened in the surrounding neighborhood, members of the University of Pennsylvania's administration, faculty, and student body became increasingly aware of the threat that this situation posed to the University's future viability.

By 1996 the crime wave in West Philadelphia crested to unprecedented proportions culminating in the murder of a Penn graduate student. The student, Vladimir Sled, was robbed and killed in front of his wife. A month later a gang of West Philadelphia teenagers, accosted another Penn student, beating and kicking him in front of his apartment at 47<sup>th</sup> and Pine Street and ultimately robbing him of \$5.

Then President of University of Pennsylvania Judith Rodin knew that the time for urgent action had arrived, and she set a new course of proactive community engagement for the university, known as the West Philadelphia Initiatives. The goal of these initiatives were to build capacity back into a severely distressed inner-city neighborhood—educational capacity, retail capacity, quality-of-life capacity, and especially economic capacity—guided by the belief that a university could be the driving force for this type of change (Rodin, p. 10).

In 1997 University City District was one of the four major organizations that were created by the West Philadelphia Initiatives. The others were UC Brite, UC Green and Penn's Division of Public Safety. UCD was created by a coalition of eleven key institutions in University City. Its goal was to improve the University City section of West Philadelphia by

servicing as an independent, nonprofit management entity for a 2.2 square mile special services district encompassing several West Philadelphia neighborhoods that included 47,000 residents, 60,000 employees, and 40,000 students (Kromer & Kerman, p. 22). At UCD's inception Penn saw its role as one of providing enhanced maintenance and safety services, delivered in coordination with ongoing city services similar to the role provided to downtown Philadelphia by the Center City District.

Over the past seventeen years UCD's mission, scope and the services offered to the University City community have expanded while at the same remaining fundamentally true to its founding mission. Today, however, UCD is a much larger organization. Its 25 member board of directors is comprised of the executive leadership of every major employer in University City in addition to local businesses and community members. We care take approximately 2.4 square miles of University City and parts of Mantua. The work of the organization is done by a staff of 18 employees directly employed by UCD and approximately 85 subcontractors primarily employed in our customer facing operations. Our work is roughly divided into four areas: 1. public safety and space maintenance, 2. marketing and communications, 3. place-making (or planning and economic development) and 4. workforce development. While our core services in some ways have remained the same over our seventeen years, operationally the most significant change that UCD has made was its expansion into workforce development with the creation of WPSI.

In 2009 Matt Bergheiser, joined UCD as its new Executive Director. Returning to Philadelphia after managing an organization in Trenton that had some experience with workforce development, Bergheiser convinced our board of directors that continuing to promote economic

development and opportunity in University City without a strategy to address workforce development was a hollow vision. He felt UCD could leverage the might of its board to create job opportunities for West Philadelphians. In 2010, the board agreed and I was hired in June as the Director of WPSI. Over the last 4 years UCD has experience rapid growth moving from a \$4.2M organization to \$9.2M. All of that growth can be attributed, in my opinion, to Bergheiser's leadership. Twenty percent of that growth can be directly attributed to the rapid expansion of the West Philadelphia Skills Initiative.

In many ways West Philadelphia echoes the challenges of many large urban cities, with persistent high crime and poverty rates; public high schools that consistently perform in the bottom 10% of schools in the state, and census tracts where the unemployment rate tops 50%. It is clear that the goals of Judith Rodin's West Philadelphia Initiatives have yet to be fully realized. Yet in many ways the story of West Philadelphia is a tale of two cities. University City has more than 70,000 jobs within its small footprint, with University of Pennsylvania leading the charge as the largest private employer in Philadelphia and the second largest employer in the state (Walmart is the first). University City currently has over \$3 billion dollars in new construction completed or slated for completion from 2012 until 2018. One billion dollars are spent annually in R&D expenditures and we are a food mecca with 20% growth in full service restaurant growth. In stark contrast the unemployment rate in West Philadelphia approaches 20%, 82% do not have college degrees, 49% of household incomes are below \$25,000 annually and 21% do not have high school diplomas.

Within this context the Skills Initiative was born. Its mission is to connect West Philadelphians seeking job opportunities with University City's major employers who are

seeking talent in an effort to build both local workforce capacity and the realization of the full economic potential of our participants. In four years we have grown from a one person shop to a full time staff of 4 full time employees in two locations and a rotation of 2-9 part time staff, contractors or unpaid interns. As WPSI approaches a \$1M annual operating budget, we are starting to experience every growth pain that an organization can experience and we were desperately in need of new and more sophisticated approaches to how we conduct business. Obviously, identifying pivotal talent that can help us thrive, not just survive is critical to this point in our growth.

#### Organizational Structure and Functions

University City District is separated into four units: Clean and Safe, Marketing, Planning and Economic Development and the West Philadelphia Skills Initiative. These four departments are overseen by our Executive Director who has an Administrative staff that includes our Development Director and our Finance Director.

**Commented [SS5]:** UCD – Four Depts. that report to ED (total staff of 6). Sheila is Dept. Director

All of the 6 Directors at UCD report directly to our Executive Director. All departments share in the cost of the physical administrative overhead of the organization (i.e., the cost of the building lease, copier service, leased vehicles, etc.) All IT and data functions reside in Planning and Economic Development merely because they are assigned duties to an employee that is housed there. Human resources is a hit or miss affair assigned to a clerk who does accounts payable.

Over the last four years the Skills Initiative has grown in a haphazard fashion that has been entirely dictated by shifting needs and not by strategy of any sort. I served as the Director and was the sole employee for almost two years. Initially I was able to manage all aspects of the business with the help of subcontractors. Unfortunately as we grew this became unmanageable

and more importantly I felt our Skills Initiative brand was being diluted by this band of subcontractors with their various approaches and shifting loyalties to UCD.

In 2012 I brought on my first employee a former seasonal worker who impressed me with her ability to run our Summer Jobs Program. She became WPSI's first Program Manager. Her responsibilities were simple, unchain me from my administrative responsibilities so that I could continue to work on growing the business. Six months later we were awarded a grant that enabled us to open a training center in a different location from our headquarters building. Initially a contractor was hired to run the Center but once again branding and effectiveness issues raised their ugly head and about nine months later we elected to hire an employee to run that location. This training center is called "The Center for Economic Advancement" and is run by a Center Manager who reports to me. His mandate is to run what we refer to as our "faster, quicker, cheaper" model of workforce development. Six months after this employee was hired we also brought on as a permanent full time hire a temp staff employee who was serving as our Program Coordinator. She reports directly to the Center Manager. In each of these hiring situations I wrote a job description that outlined all of the duties that I could not effectively manage anymore and passed them on to a subordinate employee. All of the other roles in our organization are filled by contract trainers, seasonal employees and unpaid college interns. Today the Skills Initiative has grown so fast that the original job descriptions of Skills Initiative employees (including my own) are nonsensical at best.

#### The HC BRidge Framework – A Model for Understanding Talent Decisions

Talent management can have a huge impact on an organization's bottom line. In *The New Human Capital Strategy* author Bradley Hall says that every 1 percent increase in productivity improves profits by 10 percent (p. 21). Today a model to understand how to

effectively manage talent using the same decision science modalities that departments such as Finance and Operations have been using for years is needed. Boudreau and Ramstad have developed such a model which they call the HC Bridge. This model has a talent decision framework that is based on three anchors – impact, effectiveness and efficiency. “Efficiency captures how investments affect programs and practices. Effectiveness captures how programs and practices affect talent and organization pools. Impact captures how talent and organization pools affect sustainable strategic success (p.48).

**Commented [SS6]:** HC Bridge Model – 3 anchors: impact, effectiveness and efficiency. These anchors linked by 7 defining elements (below) useful in leveraging talent.

Boudreau and Ramstad believe that these three anchor points can be linked by seven defining elements:

1. Sustainable strategic success – How do we intend to compete and defend?
2. Resources and processes – What must we build, execute and protect?
3. Organization and talent – What roles and structures must we improve?
4. Interactions and actions – How do individuals need to behave and cooperate?
5. Culture and capacity – What characteristics must employees have collectively and individually?
6. Policies and practices – What programs and activities must we implement?
7. Investments – What resources must we acquire, and how should we allocate them?

I believe the HC BRidge framework uncovers opportunities for significant advantages when leveraging talent. Leveraging this advantage requires alignment, execution and agility. According to the Boudreau and Ramstad, “when it comes to talent and organization resources, alignment requires understanding where differences in the quality or quantity of talent and organization have the greatest strategic effect, execution requires knowing what decisions are most pivotal to enhancing those vital talent and organization elements and agility requires having

a consistent logic that spans many situations and identifies where change must occur” (p. 50). In order to apply this framework to WPSI we began exploring our current culture and capacity.

### Key Values and Differentiators

A key anchor of the HC Bridge is impact. Boudreau and Ramstad tell us that impact identifies the relationship between improvements in organization and talent performance and sustainable strategic success (p. 50). The first linking element – Sustainable strategic success asks the key question, “How do we intend to compete and defend?” This requires an organization to define the specific strategic context, the organization’s intended position within that context, key competitive differentiators and where the organization will be positioned on them, how it will grow, and how it will be unique and defensible enough to sustain that position (Boudreau and Ramstad, p. 50).

To define these issues for the West Philadelphia Skills Initiative I engaged my Executive Director, my Director of Development and my Program Manager in a series of four planning meetings and I also engaged my entire staff in a strategic planning process that is still on-going. I am pleased to outline in this paper just how productive, clarifying and energizing those sessions were.

In my first planning meeting with staff we convened to answer some core questions about strategic positioning, primarily what is our key differentiator and what is our unique value proposition. An initial session focused on what were our core values and what we thought were our key differentiators yielded the graphic shown below:



Figure 1

The yellow boxes are the values that serve as the foundation and dictate the direction of the Skills Initiative: integrity, fun and exposure.

Integrity was identified as our core value. My work with the Skills Initiative is the first time in my career that I have worked in the non-profit social services field. Early on my Director warned me that I might have to get used to the level of professionalism in this arena. Initially I was confused by his comment but decided to let the evidence speak for itself. Two years later I understood exactly what he meant. Unfortunately the standards for accountability, accuracy, service delivery and quality leave much to be desired in the vast majority of nonprofits I have worked with. In four years the Skills Initiative has been able to garner national level recognition for our work and I believe it is based on this core value. If we say we are going to deliver something we deliver it, top notch, on time and under budget. Our clients are Philadelphia's and the nation's premier employers on one hand and unemployed West Philadelphians, some of who are counted as the "hardest to serve" on the other hand. We take great pride in the fact that we treat each of them with equal respect, time and attention.

**Commented [SS7]:** Fig 1 = Core values (yellow) and key differentiators (blue). Combine into Value Proposition = Work...that promotes joy.

Our second value is Fun. Our bailiwick is behavioral change. It can be difficult and emotionally draining work both for our participants and for us. However, we know that people learn best when positive emotions are in play. We leverage experiential training exercises and an intentionally light touch to get in close and handle some of the thornier issues that our participants have.

Our third value is Exposure. Our program incorporates a multi-cultural voice and stance intentionally. Our participants are drawn from a fairly homogenous community that oftentimes lacks the practical exposure to other races and beliefs. Over the four weeks of a typical program we expose our participants to a rainbow of speakers and trainers that are representative of the world of work you could expect with employment in a major institution. Our curriculum covers everything from ethnic identity to socio-economic class to understanding your locus of control so that participants can better understand themselves and their relationship to the world around them. Much of our philosophy is built on the work of Dr. Ruby Payne, who talks about the poor's inability to formulate alternative options for their behaviors (Payne, p. 108). Our intention is to help them build a broader vision of what is possible for them.

These three core values – Integrity, Fun and Exposure – inform how we do the work of the Skills Initiative. Our key differentiators are depicted in the blue squares in Figure 1. In a series of two strategic meetings with staff we were able to identify three keys - context, character and currency. When people ask me why are we different and how we are able to accomplish what we have done, these three concepts summarize it nicely.

Context refers to the deep work we do understanding our employer partner's workplace and the key skills required to be successful in the position that we are targeting for our program. Currency illustrates our drive to stay on the cutting edge of both the skills required to effectively

compete for work in today's labor market and to be leaders in the field of workforce development. Character encompasses a number of things. It speaks to helping participants identify the characteristics (i.e., the strengths and talents that make them unique) they possess that are marketable to employers and it is reinforced in our programming by requiring participant's to display the characteristics that employers are looking for (e.g., reliability, dependability, team player) within our program, with the necessary support to make that transition. We also display our character by providing total support to people who can demonstrate the ability to meet the standard (or progress towards it) and releasing from the program those who do not.

The three core values and the three key differentiators come together in our value proposition which is Work. More specifically "Work that Promotes Joy". We believe that work is core to the human existence and that people at their core want to make a contribution that they can be proud of. This spark oftentimes gets lost in the realities of day to day life. But work that is truly engaging and fulfilling can hardly be characterized as "work" at all. This is the future vision that we hold up as the mission of graduates – to find work that is fulfilling and to make a contribution to society.

#### Do We Know Where Our Pivotal Talent Is?

As we continued our planning process the next issue was discovering where our pivotal talent was. We began by identifying the pivot point in our program where process improvements would make the biggest difference. The most glaring disconnect that I have noticed in the workforce development field is the lack of attention to the key tenets of effective classroom instruction, facilitation and evaluation. Because the Skills Initiative has paid close attention to delivering top notch training, up to this point, we had been almost solely focused on the quality

of our training materials and facilitators. Over the past four years we've honed an elegant design but a continual key constraint in the program is the amount of time we can spend with participants. Programs can run in length from 4 weeks to 26 weeks, depending upon the mix of soft and hard skills training. The majority of our programs are only four weeks or about 120 hours of program time. We have managed to cram in 32 topics in the four weeks, because of course the more we taught them the better the results our participants would have – right? Well yes, up to a point.

Boudreau and Ramstad discuss the difference between important talent and pivotal talent in “Beyond HR” by illustrating the difference between Disney characters and Disney sweepers in achieving their mission of being the happiest place on earth. While characters are important at Disney the sweepers have the pivotal role of providing on-site, hands on customer interface which is key to creating the Disney experience. As we explored what roles were pivotal in our program it became clear that because we had focused so much of our energy on creating a stellar curriculum that the yield curve on trainers and curriculum development was one with rapidly diminishing returns. Feedback from participants and employers was already telling us that the curriculum was outstanding, but participant's in particular described it as overwhelming or as one participant characterized it as like “drinking from a fire hose”! Would continuing to invest in curriculum design truly give us the results that we were looking for? Would we still be building strategic advantage by focusing here? Unlike Disney were we focusing on characters while not understanding the role of sweepers?

On the other side of the house, as we grew as an organization, our Program Coordinator who is in charge of logistics, has by necessity farmed out more and more of our administrative processes to sub-contractors. Initially the Program Coordinator served as the point of interface

**Commented [SS8]:** Difference between important talent and PIVOTAL talent

for candidates vying for seats in the program. She has often complained that our decision to subcontract some of our phone and screening services has created more distance between her and potential participants in the screening and assessment process than she would like. However, we can get up to 1600 calls into the Center in the space of three weeks and there was no physical way to handle the volume of calls. The other key issue was remaining accessible. For example, while an answering service helped us handle the volume of calls, they were unable to answer questions that were not scripted, sell the program to potential candidates, or probe callers for information that would have advanced their candidacy. It is critical for our program's success that we generate enough interest in the program to attract the right candidates.

At the same time we know that an important value that we bring to our employer partners is our connection to the West Philadelphia community and the quality of candidates that we can offer. We are seen as a trusted partner and can recruit effectively for positions that the institutions have trouble filling because we are known and trusted in the West Philadelphia community. Our ability to offer quality candidates is based on a multiple step recruitment, selection and assessment process wherein the staff gets multiple looks at potential candidates before a final selection is made.

I believe, at the end of the day in any endeavor the way you begin is the way you end. By trading off some of the upfront hands on interface with potential candidates we lost critical information that negatively impacted our candidate selection process. As we looked at each of the remaining pivot points - effectiveness, interactions and actions, it slowly became clear – trainers are important but the coordinators role in our recruitment process was pivotal to our program.

**Commented [SS9]:** Core tenet – “the way you begin is the way you end.” Finding: trainers are important, but coordinator role in recruitment was pivotal. Realization caused major shift in way coordinator position was developing.

This realization caused a seismic shift in the way the Program Coordinator position was developing. As we grew, this role shifted from a customer facing accessible role to one heavily involved in keeping our 5 database and/or software systems running. During one of our planning sessions as a team we sat down and brainstormed how we could free up the space and time in this pivotal role to move our Program Coordinator role back to candidate interface. We are still working out the details. In the interim we got additional part time support from our parent organization for the administrative work that was not customer facing and hired an IT sub-contractor to do the remaining work. As we moved forward in the strategic planning process this role was further defined, which I will discuss later in the next section.

#### Linking Structure and Strategy

The key question to ask at this juncture according to Boudreau and Ramstad is “What structures and roles must we improve? Three fundamental questions hone in on the specifics:

1. Where will we most need to make organization boundaries more effective?
2. How will management systems need to align?
3. Where would more and/or better people have the greatest effect?

“Pivot points at the organization level involve formal and informal relationships inside and outside the organization, such a formal organization structures, reporting relationships, hierarchy and management systems as well as informal social networks and communications” (Boudreau and Ramstad, p. 99). According to Boudreau and Ramstad, many organizational structures are not directly linked back to the fundamental theory of the organization that drives the portfolio (p. 99). I found this was also true for the Skills Initiative.

**Commented [SS10]:** Structure & Strategy - Many organizational structures are not directly linked back to the fundamental theory of the organization that drives the portfolio.

At the beginning of this research the organizational structure of the Skills Initiative had grown in a haphazard way. New hires were brought on to alleviate specific pressure points that WPSI was feeling at the time. By September 2014 our organizational structure looked like the figure shown here.

In practice this structure was as dysfunctional as it looks. For example, although the Program Manager appears to be in a lower tier she was second in command and handled the direction of WPSI when I was out of the office. The Center

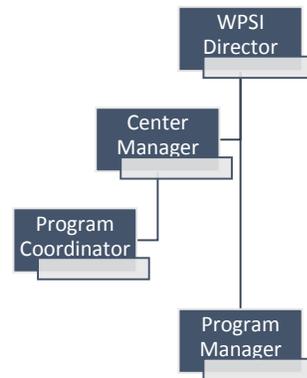


Figure 2

Manager although more highly compensated than the Program Manager reported directly to me and reported to the Program Manager when I was out of the office. The Program Coordinator worked primarily for the Center Manager but was called on to do projects for both myself and the Program Manager. As a result of this ad hoc approach, tensions were at an all-time high as my staff tried to figure out exactly what their roles were with me, each other and in service delivery for the program. Oftentimes we would find ourselves duplicating work or more egregiously dropping the ball, because there was confusion over who was responsible for what. Clearly this was something we needed to straighten out.

In “7 Steps Before Strategy”, Pfau and Cundiff tell us that (HR) people need to be able to understand how their individual contributions have a measurable effect on their company’s ability to meet business goals (p. 23). Developing “line of sight” became a priority for my organization during the strategic reorganization process so that we could determine our human capital requirements in a strategic and forward thinking way.

According to Boudreau and Ramstad the key to developing an effective organizational strategy is to consider how does the organizational design support the delivery of our unique value proposition? (p. 100). So in early October my staff and I engaged in a vision exercise around what the organizational structure of the Skills Initiative should look like. Because there was some friction and turf wars already in play I asked my staff to envision where we wanted the organization to be in 2020 as opposed to focusing on our current situation. I then supplied them with a simple outline of the typical roles that you would expect in a training organization, along with descriptions of the responsibilities. I also asked them to be aspirational, essentially eschewing the structure of the parent organizations as our model. Unfortunately UCD operates within a legacy driven structure that has a strange set of silos. I wanted us to concentrate on what WPSI would look like as a standalone entity. These meetings are still ongoing as we are still hashing out the detailed responsibilities of each role, but right now “WPSI 2020” has evolved to look like Figure 3 below:

**Commented [SS11]:** Conducted visioning exercise around best organizational structure for the Skills Initiative.

**Commented [SS12]:** “WPSI 2020” has evolved to look like Figure 3. Envisioned roles have changed dramatically.

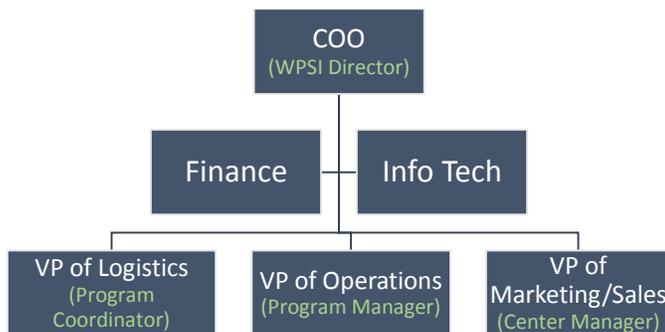


Figure 3

*In the figure above the new roles are shown in white and the former roles are shown in green.*

As you can see the roles have changed dramatically. However as providence would have it my three staff member’s strengths and temperaments fit nicely into the assigned roles. As we

continue to work on the structural design we are addressing two central issues: 1 – how to allocate the work (differentiation) and 2 – how to coordinate efforts across these roles. According to Bolman and Deal in *Reframing Organizations*, “...it is important to settle issues concerning who does what, when the “what” gets done and how individual efforts mesh to ensure harmony. Every organization will find an arrangement of roles and synchronization that works – or suffer the fallout” (p. 49).

Bolman and Deal laid out a myriad of options for structure but the WPSI team decided to organize functionally as it made the most sense for the field that we are in. As for coordination we are at present too small an organization to coordinate vertically (i.e., centralized authority, rules and policies, and planning and control systems). Instead we chose to use lateral integration, which focuses more on meetings, coordinating roles and networks.

There have been interesting changes that have resulted from this change in structure. According to Bolman and Deal “We often assume that people prefer structures with more choices and latitude, but this is not always the case. In their book they tell the story of a study by Moeller that explored the effect of structure on teacher morale in two school systems. One was loosely structured and encouraged wide participation and the other had centralized authority with a clear chain of command. Teachers preferred the clarity of expectations, roles and lines of authority (Bolman & Deal, p.48). I found a similar tendency in Skills Initiative staff. **Once we began to even initially better define the roles, expectations and lines of authority much of the tension amongst the staff ceased overnight.** All of them expressed pleasure and relief collectively and individually to me about the change in structure.

**Commented [SS13]:** Once we began to even initially better define the roles, expectations and lines of authority much of the tension amongst the staff ceased overnight.

### Competing on Talent

Another crucial strategy we looked at in trying to understand our impact pivot point was how to build a unique competitive position that would be difficult to duplicate. We needed to understand where our business strategy required that our talent be better than our rivals.

**Commented [SS14]:** Building a unique competitive position that would be difficult to duplicate.

According to Boudreau and Ramstad to compete based on talent we could develop one of two primary strategies: one – build a strategy on resources that are valuable, rare and hard to imitate or substitute or two – build your strategy on networks of business processes that are difficult to duplicate on the whole (p. 86). At the Skills Initiative we have the advantage of having both.

In Philadelphia there are a lot of local nonprofit organizations in the workforce development field and larger national organizations such as Year Up and McKinsey's Generations are looking to enter the market. Increasingly the competition for the philanthropic dollars that support the operation continues to stiffen. Within this given framework the Skills Initiative has created a fairly unique strategy. When it is all said and done most workforce development entities cannot claim that they are effectively putting people to work. For example, in a report of the state of workforce development in Philadelphia, Pew Charitable Trust took the public workforce system to task as it typically only finds jobs for 25% of the people they service (Pew, p. 2). WPSI is able to place more than 88% of our four week program graduates. This difference is supported by one key advantage – geography. As I mentioned earlier UCD was founded by former University of Pennsylvania president Judith Rodin and still today University of Penn is the largest contributor to UCD. University of Pennsylvania and Penn Medicine command over 35,000 jobs making them the second largest employer in the state (the first is Walmart). Collectively, our board of directors command 70,000+ jobs making University City a jobs powerhouse. By taking a jobs first approach WPSI leverages the might of these institutions

by negotiating to fill job vacancies at these employers with our candidates and then recruiting, assessing, selecting and training our candidates for success in a specific position. Our ability to access the decision makers at these large institutions is the “hard to imitate” strategy that other workforce entities lack.

**Commented [SS15]:** Our ability to access the decision makers at these large institutions is the “hard to imitate” strategy.

Interestingly when we formulated this strategy early in the start of the program, we were simply trying to ensure that our employers didn’t get cold feet half-way through the program and pull out of their commitment before the training program had concluded. Today it is the linchpin of our strategy for all of the employers, institutional and non-institutional, that we contract with.

Secondly, we built this jobs first strategy on a network of business processes that are difficult to duplicate on the whole. As I mentioned previously our curriculum is cutting edge and we spend enormous time and energy on understanding the type of employee who would best fit our employer’s position and then building corresponding functionality in our systems to find the right candidate for the job. Each process in the system outlined in the diagram found below is tailored for each employer’s specific program.

**Commented [SS16]:** We built this jobs first strategy on a network of business processes that are difficult to duplicate. (See process flow diagram). Always considering: 1. Needs of employer; and 2. Needs of participant.

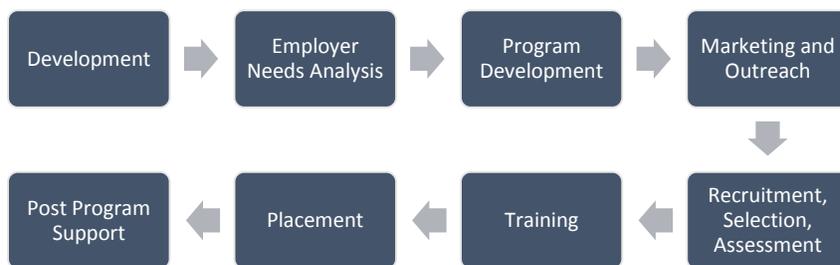


Figure 4

Underpinning each of these processes is a primary focus on the needs of the employer partner and a secondary focus on the needs of the participant. For example, when WPSI engages in business development even though we are a nonprofit we operate from a posture of adding

value to an employer’s human capital pool. We are not making a “charity” ask. We approach potential employer partners with a professional pitch and data that demonstrates how working with us will improve their bottom line. Our needs analysis is focused on impacting positions in their organizations where high need, turnover or customer contact are the drivers. The employer’s needs drive our program development, who we market to, who we select, what we train, who gets hired and what type of on-going support we offer. By building the program on this significant shift in perspective away from the “train and pray” model, (in which getting a job is merely a wish) we are able to build effective buy-in both from our participants and our employer partners.

Although I believe these key drivers are WPSI’s un-duplicate-able strategic advantage, there have been challengers to our livelihood. Similar to the example set by Boeing in the text, *Beyond HR*, WPSI has the issue of coordinating the efforts of training suppliers while protecting our strategic advantage from the potential transfer of market power from WPSI to our suppliers. Early in WPSI’s infancy we had to protect our business with an employer from a sub-contractor who tried to leap frog over us to our employer partners.

Subsequently we have lessened our reliance on training sub-contractors by building a core set of programs that are unique to our brand and are delivered strictly by in-house staff. Only peripheral training and support services are now offered by sub-contractors. Instead subcontractors now handle much of the administrative burden (telephone answering, data entry, administering assessments). The chart below illustrates this shift.

**Commented [SS17]:** To retain our unique position: We have lessened our reliance on training sub-contractors by building a core set of programs that are unique to our brand and are delivered strictly by in-house staff

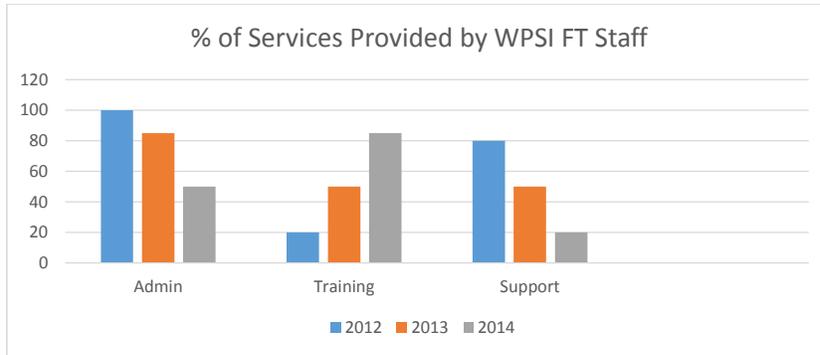


Figure 5

From a cost perspective the shift has also been advantageous as in-house staff can conduct trainings at a far lower cost per hour than contract trainers, while the cost of administrative support services is low relative to the cost of full time benefitted in-house staff positions.

Another huge gain we have made is based on the **Disney model of coordinating strategic resources across internal and external boundaries**. For example, the core programs in our job hunting program are: How to Job Hunt, Modern Resume Writing and The Employment Edge. We have created, continually refined and taught these programs to hundreds of participant's over the past two years. At the same time we were looking for a meaningful way to connect to potential participants in the West Philadelphia community. As such we have begun a partnership with the Free Library of Philadelphia, where we share a condensed version of these workshops with the West Philadelphia community, free of charge.

**Commented [SS18]:** Use Disney model of coordinating strategic resources across internal and external boundaries.

#### Developing Policies and Investments that Make Pivot Points Happen

Perhaps the most fascinating part of this research project has been **learning to apply the mathematical concept of “necessary and sufficient conditions” to talent management**. According to Boudreau and Ramstad, “a set of necessary and sufficient (N&S) conditions comprises both

**Commented [SS19]:** We're learning to apply the mathematical concept of “necessary and sufficient conditions” to talent management. See Talent Management Process in Fig 6.

Examination of the five pivot points in our process has entirely shifted the way we think about our talent acquisition processes.

the necessary requirements for an outcome and all sufficient conditions to satisfy an outcome. (p. 143). For example, in engineering the only necessary condition for an object to fly is the net lift must exceed the weight. Boudreau and Ramstad applied this concept to talent acquisition that provided critical insight into ways to improve WPSI’s talent acquisition process.

Below in Figure 6 is a diagram of the Skills Initiative’s talent management process.

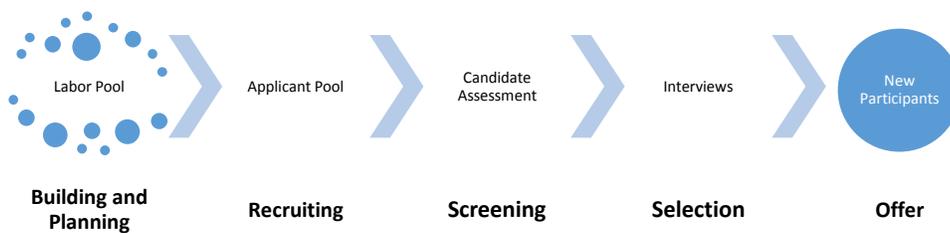


Figure 6

At each of the five pivot points in the process the number of candidates is whittled down to the final 15 candidates that typically comprise a cohort. According to Boudreau and Ramstad the N&S conditions for the staffing supply chain are quality and quantity of talent that is optimal at each stage.

**Building and Planning.** The first pivot point is Building and Planning. As I mentioned earlier WPSI has partnered with various community organizations to bring our take on workforce development to a broader base than just our program participants. These efforts also enable us to continue to broaden the applicant pool that the Skills Initiative can reach.

**Recruiting.** WPSI’s recruitment efforts to date have concentrated on quantity. Our rationale was that if we could get enough people to apply then we could find enough candidates to get the right people. At present we have screened up to 500+ applicants to fill the 15 seats in a single one of our programs. However Boudreau and Ramstad offer a different idea. According to them

recruiting should strive for optimal quantity and quality rather than the largest number of applicants or the highest qualifications. Larger is not better if the applicants don't accept our offers or the screening costs become reasonably high. "The key is to optimize the higher quantity against the organization's ability to use that higher quantity, based on its own unique requirements and integrated with its other programs" (Boudreau and Ramstad, p. 147).

WPSI uses a combination of recruitment advertising, online job postings and public information sessions to entice candidates to apply. As a first step to assessing our recruitment strategy WPSI has added a "How did you hear about us?" question to the job application and our structured interview process to build an understanding of what sources are supplying us with the most effective candidates.

**Screening.** With regards to screening, Boudreau and Ramstad make a significant point that directly impacts WPSI's screening process. They say that optimal screening must "balance the benefits of quick hires and low cost against the long-term costs of making a poor hiring decision through too-low standards or missing diamonds in the rough with standards that are too high" (Boudreau and Ramstad, p. 147). Typically the Skills Initiative admits less than 5% of the applicants that apply. That would theoretically make our program harder to get into than Harvard. It has long worried me that we are letting "diamonds in the rough" go because they can't manage our application process. For example, one step in our program with Children's Hospital of Philadelphia required that applicants take an on-line customer service assessment. The dropout rate at this point in the process was unusually high probably due to the harsh reality of the digital divide. We went back to the drawing board and after looking at the data found that we could not correlate a high customer service assessment score with a successful graduate. Clearly the assessment was not an N&S condition.

**Selection.** According to Boudreau and Ramstad, the solution to creating a selection process that finds the best candidate is to directly correlate the candidate selection technique with performance. High validity is a “necessary condition only if there are enough applicants and if the applicant pool varies enough in quality to make it important to find the good ones” (Boudreau and Ramstad, p. 148). In our case this meant - Did our multiple hurdle process really result in getting us the ideal candidate? Interestingly our placement rates are very high (more than 88%) for our program graduates, so in that respect our selection criteria is valid. Of concern to us is the program completion rate. Currently only about 80% of participants who start the program finish it. Currently we are collecting data to determine if this constitutes an N&S condition for graduation from the program.

**Offer.** The yield rate for offers made to candidates within the Skills Initiative hovers at around 90%, however that number has been steadily dropping. Boudreau and Ramstad posit that a more complete perspective would be to “examine whether the highest-quality applicants accept or reject offers and whether the organization is forced to make offers to candidates who are marginally qualified because of severe shortages” (p. 148). We have increasingly seen our best candidates be hired away by other organizations. In context this could make absolute sense as we are a training organization paying a wage stipend, not an employer offering a full time paid position. It could also validate our selection process as succeeding in finding candidates that employers want to hire!

This examination of the five pivot points in our process has entirely shifted the way we think about our talent acquisition processes. Our Center Manager and Program Coordinator are examining each point in the process to determine where other improvements can be made.

**Commented [SS20]:** Our Center Manager and Program Coordinator are examining each point in the process to determine where other improvements can be made.

### Investing to Optimize Our Talent Portfolio

According to Boudreau and Ramstad when considering investments in the talent the driving question is – Where will specific improvements in resource investments enhance the portfolio of policies and practices? The culture of my parent organization, University City District dictates that no discussion about how to strategically invest in talent could be had just at the unit level with my staff. This conversation had to be between myself and our Executive Director. Unexpectedly this issue came to a head when our lease for our training center came up for renewal. At about the same time a prime location near our headquarters building became available.

The Skills Initiative uses an ad hoc combination of training spaces to deliver its programming. Sometimes we rent space at our universities, sometimes we use our headquarters conference room, sometimes we rent space at hotels and most of the time we conduct training at a cramped location at our Center. In the past, additional resources and always been channeled to staffing costs or programming, but would this be the best use of our next investment? Boudreau and Ramstad refer to opportunity cost as the “iceberg below the surface” (p. 175). When we reflected on what we had to give up as a result of the decision to keep rental costs low it became clear that our next investment had to be in upgrading our space. Space was the single largest constraint to both growing the program in scope and building a brand that reflected our expertise.

In my conversation with my Executive Director I moved the conversation away from the typical debate about expenditures and presented the opportunity cost of continuing to be housed where we were, I was able to get a commitment to finding new space within the next six months that would be more suitable to our present needs and that could expand to fit our projected needs in the next 3 years. My budget for the lease was also doubled.

### Conclusion

I can sincerely say that this project has been the single best outcome that I have had during my time in the Human Capital Development program. As a result of the assigned text and the additional research I have completed I have been able to truly redefine the way the Skills Initiative does business in so many ways. From service delivery to my staff's satisfaction with their work it has been a huge success. Our work is not done yet, but we are definitely on the right path.

**Commented [SS21]:** I can sincerely say that this project has been the **single best outcome that I have had during my time in the Human Capital Development program**

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