CHANGING SYSTEMS IS LIKE MOVING A MOUNTAIN

…And Other Insights from Successful Workforce Leaders

By Scott Hebert for
The Annie E. Casey Foundation

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A Letter from the Annie E. Casey Foundation

Many foundation initiatives are defined by their leadership–whether it's leadership that is built upon or leadership that is nurtured and expanded. The Jobs Initiative (JI) of the Annie E. Casey Foundation was no exception. This eight-year, $30 million investment in connecting low-income young adults to regional economies and jobs identified promising leaders to work with at the outset, engaged with many others over its duration, and helped build a new generation of leadership in the workforce and education fields.

Leaders in the JI were called upon to replicate and design new kinds of jobs projects that bridged the needs of businesses, workers, and communities. These projects stretched the aspirations and practices of nonprofits and public sector institutions, as well as employers, to include a focus on long-term job retention and career advancement. In this regard, the JI leaders helped build a new set of workforce partnerships and intermediaries.

But there was an even larger goal motivating the JI: to change the systems that prevented effective workforce projects from reaching more individuals and communities. Changing one system is challenge enough. The workforce world, however, relies on many systems related to such things as adult education, worker training, and support services, as well as the largest system of all, the private marketplace that operates at a regional rather than jurisdictional level. With no road map to follow, the JI leaders had to discover how to navigate and unite this fragmented landscape, if only for a specific project or individual reform. The 13 leaders who share their experience and insight in this report are a remarkable group that we, as a foundation, have been fortunate to work with for more than a decade. We deeply admire and appreciate their commitment and achievements.

The JI also was fortunate to have extraordinary leadership on the front lines of service provision, in businesses willing to do things differently, in unions that were committed to community betterment, and with public officials who used their bully pulpits to say there was a better way of doing things. Most importantly, the thousands of job seekers and workers who participated in the JI demonstrated hope and resilience in their journeys to achieve better futures for their children and families.

I'd like to say that we in the foundation world have a strong grasp of how best to support leaders in their important work of changing systems. Unfortunately, we do not. The good news is that I believe this report offers important insights into how we might do a better job in the future supporting leaders as they take on the tough jobs of making public, private, and nonprofit resources and institutions function more effectively.

Finally, I want to thank Scott Hebert for conducting this research and producing such an informative report. Scott worked with the JI from the outset as its evaluator and is a leader in his own right. I also appreciate the insight and co-investment from my Casey colleague Tom Kelly and the work of Ed Hatcher and Tom Waldron to make the voice, stories, and lessons in this report as clear as possible.

Robert Giloth

Vice President, Center for Family Economic Success
Annie E. Casey Foundation

Introduction

The philanthropic community can benefit from more analysis and discussion of the traits, talents, and tactics that make for good leadership. In particular, we have a relatively sparse literature when it comes to analyzing leadership lessons in the area of "system change."[1] In the workforce development field, the "system" is the combination of rules, behaviors, and investments by public and private institutions that affect how regional labor markets operate.[2] We care about system change because, while innovative employment projects are important, we simply cannot address the needs of thousands of workers and businesses without changing the rules of the game.

This report responds to the need for more information on the important work of leaders in changing *systems* by offering insights and observations from more than a dozen leaders who have worked on system change in the workforce development field. Many of these individuals have pursued system change in other fields as well, and their experiences are applicable to other policy arenas.

A discussion about leadership and workforce system change is extremely timely.

The U.S. economy and the nation's workforce are being roiled by a dramatically changing world. Throughout the economy, we see new and rapidly evolving industries. Employers are taking new approaches to structuring and conducting work, with increased reliance on technology and expectations that workers will be computer-literate.

Coming out of the recession in 2010 and beyond, many employers may make do with fewer employees. At the same time the labor pool is changing, as the skilled workers of the baby boomer generation approach or reach retirement age. The workers replacing them will need even higher skill levels to meet the requirements of employers. This emerging workforce is more culturally diverse than the one it is replacing, which creates additional challenges for employers and workplaces.

The American economy demands a workforce that has the education and training to compete worldwide. But the reality is that our educational system is failing to meet that need, as documented by declining high school graduation rates and the poor reading and math skills that many graduates obtain. Individuals lacking these basic skills will have difficulty securing entry-level jobs in the current economy, much less advancing into positions that offer family-sustaining wages and benefits.

The employment and economic prospects of many of these disadvantaged individuals are tied to a broadly defined workforce development system that amounts to a "second chance." This system includes an array of investments and activities that help individuals get jobs, build careers, and achieve post-secondary credentials they need to succeed in the 21st-century economy. The workforce development system plays an essential role for both disadvantaged individuals looking for a better life and employers seeking skilled labor to succeed in the increasingly competitive global economy.

But the distressing fact is that, in many localities, the workforce development system is ill-equipped to respond to this challenge. In fact, in many regions of the country the term "workforce development system" itself may be a misnomer, because the system does not

Learning from 13 Leaders with Experience in System Change

This report focuses on 13 leaders who came from varied backgrounds and institutional settings when they first became involved with the Jobs Initiative—including positions in business, the public sector, with national policy advocacy centers, community development venture capital funds, and/or nonprofit organizations.

The 13 leaders are listed here, along with their current positions:

> **Brenda Palms Barber,** Executive Director, North Lawndale Employment Network Inc. (Chicago)

> **John Colborn,** Director, Office of Program Management, Ford Foundation (New York City)

> **Michael Cowan,** Assistant to the President of Loyola College, New Orleans; Executive Director of Common Good (a network of community organizations)

> **Fred Dedrick,** Executive Director, National Fund for Workforce Solutions

> **Laura Dresser,** Associate Director, Center on Wisconsin Strategy

> **Carol Hedges,** Senior Fiscal Analyst, Colorado Fiscal Policy Institute

> **Anne Keeney,** Executive Director, Seattle Jobs Initiative Inc.

> **Jeremy Nowak,** President and CEO, The Reinvestment Fund Inc. (Philadelphia)

> **Joel Rogers,** Professor of Law, Political Science, Public Affairs, and Sociology at the University of Wisconsin at Madison; Director of the Center on Wisconsin Strategy; Vice Chair of the Wisconsin Council on Workforce Investment

> **Jerry Rubin,** President and CEO, Jewish Vocational Services of Greater Boston Inc.

> **Mary Jean Ryan,** Executive Director, Community Center for Education Results (Seattle); Chair of the Washington State Board of Education

> **Carolyn Seward,** Chief Operating Officer of Better Family Life Inc; Executive Director, the Metropolitan Training and Education Center—St. Louis

> **Rhonda Simmons,** Director of Workforce Development, City and County of San Francisco

Individually and collectively, these practitioners have achieved some significant accomplishments in system change. In some cases, they accomplished these changes while functioning in public roles as "champions." Most often, though, they were engaged in promoting system change in less publicly prominent roles.

The 13 leaders have effectively articulated and promoted a system-change agenda, and they have implemented at least some aspects of those agendas. Their experiences are varied, and their insights can be helpful in informing and guiding the efforts of others.

This report is built on their reflections on the system-change process that were gathered through interviews conducted in 2009.

function as an integrated, comprehensive whole. Instead, it is made up of disparate parts that operate without coordination. In some cases, workforce development programs provide only job-search services such as resume-writing rather than much-needed skills training. In other cases, remedial education and literacy services are not linked to vocational training, creating additional barriers to preparing individuals for the workplace, or workforce providers fail to collaborate with employers to craft their training to meet real-world needs.

Across the field, there is consensus on the pressing need to improve workforce development services not just change in discrete programs, but also across the array of services and resources that contribute to the quality of the workforce and the opportunities available to job seekers. The irony is that in the workforce development field, we have a much better sense than we did a decade ago about what works based on empirical evidence from a variety of workforce initiatives. We understand the practices and services that best help disadvantaged individuals secure good jobs and move into careers while also meeting the need of employers. Unfortunately, this hard-won knowledge has been applied only to small-scale needs. We still have difficulty expanding these best practices to benefit significant numbers of people.[3]

System-change initiatives are efforts to improve a broad array of activities and institutions. It may not be possible to have all workforce development-related entities in a region function together as a single, fully integrated system. But improving how separate parts of the system complement one another is possible. This can happen by improving coordination between components of the system and filling gaps in services and supports in a comprehensive way.

Bringing change to a system—or perhaps parts of that system—will not happen by accident. Vested interests and institutional inertia will tend to resist change; systemic change requires effective leaders who promote innovation and transformation.

The demand for change may flow from general public dissatisfaction, pressure from powerful constituencies, or shifts in economic conditions. Leaders must be able to channel disaffection with the status quo into specific proposals for change. The leaders advocate for, influence, and sustain the change process. They bring stakeholders together, identify strategies, promote a common vision, and encourage collaboration.

The leaders can operate within institutions, using their authority to establish protocols or allocate resources to promote change. Or they may operate as outsiders, launching demonstration efforts, publicizing critiques of existing practices, or mobilizing supporters. They may have highly visible roles, serving as the public face of a change initiative. Or they may primarily work behind the scenes conducting research, connecting parties, and brokering agreements.

All of the 13 individuals profiled here (see page 7) had some involvement with the Annie E. Casey Foundation's Jobs Initiative, a six-city workforce development initiative that operated from 1995 to 2005.[4] Many have continued their workforce development policy and system-change efforts following the end of the Jobs Initiative.[5]

Several of them led groundbreaking work in designing and testing models for strategies focused on high-growth employment sectors, which are recognized as key best practice approaches to workforce development and are being replicated around the country. Two of these leaders were engaged in the creation of a statewide system of workforce intermediaries in Pennsylvania.[6] And several played catalytic roles in improving the capacity of community colleges to respond to the needs of disadvantaged job seekers, efforts that have had a substantial impact in several states.

As previously noted, many of the leaders we focus on have pursued system change in other fields, including affordable housing, community development, economic development, environmental policy, municipal reform, and education. Although the focus here is on the Jobs Initiative and other efforts to change workforce development systems, the leaders' insights are relevant to other fields as well.

What follows is a set of reflections on the system-change process, based on observations and insights shared by the 13 leaders. We look at how these individuals became involved in system-change efforts, examine the traits and talents they relied on, consider some of the key challenges they have encountered, and discuss what keeps them motivated. Finally, we discuss the strategies they have used to overcome these challenges and to build momentum for change, and we conclude with an overview of how philanthropic organizations can encourage and nurture future system-change leaders.

It is our hope that the reflections of these individuals will provide new insights to the nature of leadership in system change, not only as it pertains to the workforce field, but also to other philanthropic and social efforts. These insights can help guide the work of other leaders, particularly as they work to change and improve the systems that we depend on for so many important social policy initiatives.

Effective Leaders Who Act as Change Agents Possess an Exceptional Combination of Attributes and Skills

Bureaucratic systems tend to resist change. It requires the leadership of champions and other change agents to foster innovation in systems, to take new innovations to scale, and to sustain the changes over time. What attributes and skills are necessary for someone to be effective in these leadership roles? How do people become leaders of system change and acquire the necessary skills? The experiences of the 13 individuals provide valuable insights into these questions.

The leaders came from a variety of institutional settings, geographic regions, and political environments. Collectively, they also have focused on a wide range of substantive areas.[7]

However, the 13 individuals also have a number of things in common. They all share a powerful commitment to social justice. They are all driven to make changes on a larger scale. Many of them pursued smaller-scale efforts at some point in their careers, but either became frustrated with the limited impact of those efforts or saw the potential to take the lessons from the initiatives to a greater scale. This vision of creating a more just society and the prospect of improving the lives of many people serve as their principal motivations for becoming agents of system change.

A review of their experiences also suggests that these system-change leaders are both determined and disciplined. Although they have ambitious system-change goals, they recognize that their objectives will not be accomplished quickly or easily. Some characterize themselves as hardheaded, and many indicate that they have achieved their accomplishments in no small part through their strength of will and sheer perseverance. They also have the courage and resilience to bear the criticism voiced by those opposed to the changes they espouse.

The leaders say they are able to adapt to changing circumstances by being nimble. And they believe that change agents must be patient, given the long and unpredictable timeframes involved in system change and the reversals that are inevitable. Otherwise burnout is likely.

Some people who work for system change are born with such personal attributes or develop them with experience. But are there also professional skills that can help someone foster system change?

In reviewing their system-change experiences, the 13 leaders noted the broad range of roles that they have been called upon to play: conveners, facilitators, strategists, motivators, and enforcers. Commenting on the skills necessary for these roles, Jerry Rubin observed:

> People doing the work [of change agent] have to be very skilled because it is hard work, although they need to be skilled in many different ways. [As a change

Key Skill Sets for System-Change Leadership

- A capacity for reflective learning: Reflective learning is an important, stimulating part of the system-change process. It involves regularly looking at one's experiences and drawing out lessons to guide future actions. It also entails being comfortable with a trial-and-error discovery process.

- An ability to translate from the particular to the general: Thinking strategically and translating a ground-level problem into a policy agenda or a recommendation for a system solution is required.

- The ability to reach out to and bring together disparate parties and mediate among them: The effectiveness of a system-change campaign often depends on the ability of the leaders to bring varied constituencies together and forge agreement on a common agenda.

- The ability to talk to a range of audiences: Leaders should be able to frame issues and propose solutions to resonate with a range of distinct audiences.

- Listening and knowing what to listen for: Being able to listen well is critical. This includes the ability to work collaboratively and seek input and accept advice from all parties. The leaders stressed that their ability to listen effectively and to incorporate the perspectives of others in framing the system-change agenda was an essential element in building trust with prospective partners.

- Power analysis skills: This involves understanding the strengths, potential weaknesses, and motivations of those in power, and being able to recognize opportunities for alliances.

- A talent for seeing the "big picture": It is important to be able to see how the various parts of a system connect and interact, even if the system has not been formally defined or is comprised of varied elements.

- An aptitude for innovation: Leaders acting as change agents should be able to identify new or unconventional solutions to problems that have not been responsive to traditional approaches.

agent,] one is dealing with lots of parties with different interests, and when [addressing issues of] giving up money or power, it gets dicey. One needs to be both a group psychologist and a good analyst… [to identify] the right conditions and good ideas.

Those skills include being able to identify strategic points of intervention in a system, communicate effectively to a wide range of stakeholders, and bring diverse people together and find common ground. Change agents also need to convert their experience on the ground into an appropriate policy or system-change agenda. Many of the most effective system change leaders functioned as practitioners at some point during their careers. In part because of this grounded experience, such change agents are able to

frame policies or system changes that meet the real needs of people and those working in the trenches.[8]

However, the ability to frame a broader change agenda and the capacity to effectively pursue it are acquired skills. They set effective leaders apart from other dedicated practitioners who are unable to make the translation from the micro (a project or program orientation) to the macro (a system change). [The text box on the next page lists the full set of skills that the profiled leaders identified as most critical for the work of system-change leaders.]

The profiled leaders tried to articulate why there are not more people with the necessary skills to effect system change. One suggested that it is partly because "our culture generally does not support or reward people who are system reformers." Consequently, traditional educational institutions do not focus on these skills as part of a formal course of study.

The question emerges: how did the profiled leaders develop their skills? In most cases, through on-the-job experiences in a variety of settings.

Indeed, many of the 13 individuals had some similar work experiences. Eight worked as community organizers. Whether or not they received formal training, the organizing experiences gave them an opportunity to develop and hone skills that would later prove valuable in pursuing system-change initiatives. The organizing work helped them to listen to and communicate with different audiences more effectively, and showed them how to conduct "power analyses" and frame strategies for building coalitions.

The experience the profiled leaders had on the ground not only helped them identify systemic problems, but it also gave their proposals for change more legitimacy. For example, Rhonda Simmons' first-hand experience in social services prior to becoming director of the Seattle Jobs Initiative (SJI) helped her immensely in identifying ways to provide wraparound supports to improve participants' success in completing training programs. In turn, the improved training graduation rates gave Rhonda and SJI more credibility in advocating for other improvements to the workforce development service delivery system in Seattle.

Over the course of their careers, nearly all of the profiled leaders had experience working with multiple sectors: public, private, nonprofit, or philanthropic. This provided them with valuable experience in framing issues to resonate with different constituencies and crafting policy or system-change agendas that would appeal to the broadest audience.

The leaders' prior experience in the private sector was particularly important to their Jobs Initiative efforts. Before their involvement with the Jobs Initiative, seven either held positions in business or worked closely with employers as part of their jobs with nonprofit or governmental organizations.[9] This experience helped shape the improvements which the leaders sought in the delivery of workforce development services.

For example, prior to the Jobs Initiative, Joel Rogers and the Wisconsin Regional Training Partnership worked with businesses to establish joint management-labor collabora-

tions. These efforts created a basic template for the sectoral approaches subsequently adopted by the Milwaukee Jobs Initiative and since replicated around the country. And in St. Louis, Carolyn Seward's extensive background in business before her work at the MET Center gave her both focus and credibility in pushing for changes in the center's programs to make them more responsive to the real needs of employers.

The reality facing system-change leaders is that their arguments for change, no matter how compelling or logical, may fall on deaf ears.

Laura Dresser reflected on the frustrations of having to repeatedly make the case for change: "Sometimes I feel that I will be going to my grave saying the same things as I have for the past 13 years [i.e., advocating for the same system changes]."

There can be a number of reasons why local stakeholders may not be responsive (at least initially) to the leaders' proposals for system change. In some cases, they may not recognize the severity of the problem that the leaders want to address. In discussing efforts to improve the regional workforce development system, Mary Jean Ryan explained:

> In Seattle (with the Seattle Jobs Initiative), we've had an Achilles heel, because while we've had some political support [for system change], the need for the workforce development system to work has not been a necessity for the economy [to function well]. We've always had a diverse economy, with a lot of talent coming into the region all the time. Therefore, we haven't needed the system to work in a deep way; businesses could [manage to survive] on the talent moving to the region. It's only in the last couple of years that we have been seeing signs of skills shortages. And now the employers are beginning to come around to see the handwriting on the wall.

Seattle's experience is not unique. Rhonda Simmons has had a similar experience in San Francisco, which is reported to have the best-educated workforce in the country. As a result of this relative surplus of talent, it has been very challenging in San Francisco to generate a sense of urgency about dealing with the portion of the adult workforce that lacks a high school degree, an estimated 17 percent. Consequently, the attention of city and county government to workforce development issues has vacillated during the period since Simmons was hired to restructure the city's workforce development system. With the recent economic downturn, however, the mayor and other officials are again focusing on the problem.

Another issue arises if each group of local stakeholders defines the nature of the problem and the possible responses in a different manner, making it difficult to forge consensus. In the absence of such consensus, it is much less likely that a change initiative will achieve adequate support.

In other cases, the apparent solution may seem (or is portrayed by entrenched interests) to be so radical that key parties shy away. And even if the proposed solution is not perceived as particularly radical, there still may be an underlying fear of change or uncertainty that will hamper efforts to adopt new approaches. According to Joel Rogers, "People don't necessarily resist change. But they are tired [of unsuccessful reforms], and, if uncertain about what the change will do, they will be unlikely to support it." Accordingly, it is important to be very deliberate both in framing issues and solutions, and in demonstrating that the proposed solutions are feasible.

Of course, turf issues often get in the way of concerted action. These issues can involve competing jurisdictions or bureaucratic rivalries. Localities and states frequently are at

odds with each other, each trying to set the public agenda and command the limelight. Such obstacles require the system-change leader to engage in a delicate balancing act that allows each party to claim a share of the credit for the policy change or system improvement.

Getting agencies to work together more effectively required the leaders to understand each organization's culture and be able to identify possible "win-win" strategies for competing agencies. For agencies easily distracted over turf, Laura Dresser also found it was important to pay attention to keeping small problems and jealousies from escalating into time-consuming "crises".

Leaders Serving as Change Agents May Lack the Influence or Leverage to Overcome Resistance

This is particularly difficult when the new approach being espoused represents a fundamental institutional change. Mary Jean Ryan observed:

> There is tremendous inertia in big systems about the way things have [always] been done. As a famous management guru once said, the bureaucracies will change only when it is too terrifying to [continue] the status quo.

Joel Rogers noted that it is hard to move bureaucrats into new ways of operation without committed political leadership willing to hold agency leaders accountable and, if necessary, use political capital in the process. That task can vary, depending on the culture within the government.

One pitfall is that some organizations or agencies will always equate any systemic problem with a need for more money (to do more of the same things they've always been doing). Jeremy Nowak noted, "[S]ometimes you can wear them down or finesse them… but sometimes one just needs to go someplace else." Overall, on responding to entities focused exclusively on getting more money, he concluded the best policy often was to:

> Ignore those people, because you're not going to change their minds. The Reinvestment Fund [a community development venture capital fund that Nowak directs] has not been good in partnerships with those types of entities. Instead, we choose to engage in partnerships with those that have a self-interest in what [we are] trying to accomplish.

Change May Not End Up Serving Those Most in Need or May Fail to Address Fundamental Disparities or Inefficiencies

When a system-change effort gains momentum, additional stakeholders often move to become involved. These new partners, in reshaping an initiative to respond to their par-

ticular interests, can shift the reforms away from their initial focus and intended beneficiaries. Whether these shifts are deliberate or not, they may end up reducing the benefits that the original targeted population would get from the change effort. Ironically, sometimes these shifts are a result of the apparent "successes" of the new approaches. Stakeholders will seek to have the new practices applied to a wider area, which can often have the unintended consequence of diluting the resources being directed to the original target population.

In attempting to build a broad base of support for an initiative, the leaders observed that there also may be a tendency to steer away from more controversial issues. This, though, can force the process to focus on noncontroversial options that favor the status quo. It also minimizes the likelihood that an initiative will directly address fundamental inequities or inefficiencies.

This pattern often arises around the issue of race. Because of the highly charged and potentially divisive nature of this issue, system-change initiatives may try to avoid directly confronting questions relating to race and equity. A workforce development initiative, for example, can take a more predictable path by focusing on improving the system's capacity to deliver services to incumbent workers. This approach will find favor with employers, who generally are most interested in upgrading the skills of their incumbent workers. But it also accepts the current composition of the incumbent workforce as a given. In doing so, it sidesteps the question of whether the makeup of the incumbent workforce reflects equitable access to employment or instead an underlying pattern of unequal opportunity.

According to the leaders, it is possible for a workforce initiative to initially concentrate on incumbents. Then, once stronger relationships are built with employers, the focus can shift to opening opportunities for new groups of job seekers. However, an initiative needs to be deliberate and determined in pursuing this tactical approach. Otherwise, institutional inertia will undercut any attempt at movement toward a fundamental change.

The Infrastructure Can't Handle System Change Even if the Change is Embraced by Those at the Top

Convincing those in authority to embrace system change often is half the battle. It is also critical to ensure that protocols are in place to implement the new measures in a timely, effective manner.

The problem is that agencies often lack the necessary capacity. Jeremy Nowak explained:

> A big public sector problem, even with great policy ideas, is that there still is the question "but who can implement anything, who can organize that?" The public sector may value ideas, but it hasn't valued (or invested in) the nitty-gritty of implementation, i.e., the management capacity of its agencies [to any substantial degree].

That means leaders must focus on building capacity and commitment throughout the implementing agencies. Or, if such capacity and commitment cannot be established, they should focus on finding alternative means for delivering services.

Agencies may sometimes be obstructionist. But often they may simply lack the skills or the ability to think creatively. In such cases, implementing agencies may accept outside technical assistance and capacity-building help. But building the capacity of these agencies—all the way down to the front-line workers—can be time-consuming and costly. Sometimes, it may make sense to find alternative delivery mechanisms.

For Jeremy Nowak, a logical choice is to look at outsourcing some functions, taking advantage of what the private sector can do best while preserving the oversight roles for which the public sector is best suited. In discussing an initiative in which The Reinvestment Fund (TRF) supported the establishment of supermarkets in inner-city neighborhoods, Nowak explained:

We didn't want the state to run the initiative. We felt TRF had the right combination of public purpose and private sector efficiency and could be held accountable on both of those attributes. As the government reform language of the 1980s noted, it is often better for government to steer rather than attempt to both steer and row.

This [separation of roles] was seen in TRF's charter schools and in its supermarket initiative. With the supermarkets, the public sector's roles were land assembling and public safety, while TRF directed the money in a flexible way and assembled private financing. This allowed the projects to proceed efficiently and at the lowest possible costs, which ultimately allowed the supermarkets to sell their commodities in the inner city at similar prices as in their suburban locations.

Sustaining Change Requires Continuing Vigilance

One of the most frustrating aspects of system change is that, after years of work, a turnover in political administrations or the financial pressures of a sudden downturn in the economy can cause the reform to be abandoned, seemingly overnight. Even if a system change has produced positive benefits, it still can be at risk if a new administration wants to establish its own priorities and is looking for something to cut to free up money for its new initiatives.

Even without a sudden reversal, there can be attempts by those who had benefitted from the previous status quo to gradually undermine the impact of the system change. Accordingly, the leaders stress that it is important to maintain champions who fully support and "own" the system changes and will oppose any efforts to undo them.

Although system change can occasionally come with the stroke of a pen, in general it involves a slow, incremental process often punctuated by periodic reversals. Perseverance over time is critical. Anne Keeney noted:

> Time. It takes a lot of time, with endless "next steps" and decisions…and one needs to stay on top of the issues and pay attention to each step or the people who you are trying to move will not do much [to advance your agenda].

Fred Dedrick provided a concrete example. Dedrick has been actively involved from its inception in Pennsylvania's efforts to restructure its workforce development system to one based on a statewide network of regional industry partnerships. Pennsylvania has made great progress, but it took almost 24 months from the beginning stages of the initiative for the state to secure funding to make the initial investments in the partnerships. And while Pennsylvania now has about 75 partnerships in place, it has taken more than six years of continuous effort.

Mary Jean Ryan offered a compelling description of some of the complexities involved in transforming a workforce development system to better serve disadvantaged job seekers:

> It's a hard thing to do to help people who are low-income with many barriers, and to help them go from that state to being successful in a job which they can maintain and where they can advance. And if it were easy, we wouldn't need all these interventions!…Think of the continuum of all the things that are needed to help a person: from recruitment to initial job readiness, to helping them successfully navigate skills-building opportunities, and then help to get a job and stay in the job, and at the same time to be working with employers on career ladders and working with human service agencies [on supportive services]. By biting off a focus on [career and economic] advancement for people, we need all these interventions to work to get to the positive outcomes we desire. There are lots of moving parts and room for error to occur. And if one part fails, like the community colleges don't provide the training in the right form, or the economy falls apart, or the person's wife loses her job, or you lose the human services supports, the system doesn't fully work for the individual.

If system change takes so long and entails so many challenges, then why do the leaders persist? What is it that keeps them motivated to continue plugging away at the process, day after day?

John Colborn offered some insight:

> As frustrating as system change often seems, even more frustrating is working with micro-level, direct services efforts. If one's desire is to achieve sustained social change at scale, it is only possible to achieve this through system reform. System change represents the best opportunity to get you to your goal.

System Change Can Be Elusive But Even Partial Victories Can Generate Substantial Benefits

Experience has shown that transforming a system generally requires many rounds of changes over time. Indeed, none of the profiled leaders would claim that the systems they have been addressing (including Pennsylvania's workforce development system) have been completely transformed. Their visions for system transformation remain works in progress.

Nonetheless, even partial transformations have resulted in better services and outcomes for substantial numbers of individuals. Mary Jean Ryan reflected on this:

> It's much harder to say we've completely "climbed the mountain," [in terms of transforming the Seattle workforce development system] though the system now has a much greater appreciation of the importance of livable wage jobs and the disconnect that exists between the jobs available [to low-skilled workers] and what it takes to live in Seattle.

> However, there have been close to 6,000 persons assisted through the Seattle Jobs Initiative [over more than the past 10 years]. So there's been some tremendous successes for individuals, and a considerable number of individuals and families have been greatly aided.

These partial victories reinforce the need for a longer-term commitment. As Fred Dedrick framed it:

> [T]he fact that we are beginning to affect tens of thousands of working people who need to get their skills upgraded is tremendous. We believe in and have good data to support the fact that our sectoral approach works for both sides; it leads to more individuals getting credentials and more competitive businesses and employers. And when we hear positive feedback from workers and employers, it motivates [us] to know that this is where one can make a difference.

Similarly, Michael Cowan noted, "When one has a sense of making a difference, you don't mind the long time frame [required by system change]."

Several leaders noted that change agents go through a "maturing" process, or as Anne Keeney put it, "realizing it is about incremental steps and the fact that the world is not going to change overnight, but still [understanding that] incremental steps can be big." On a related point, Jerry Rubin cautioned about the importance of change agents maintaining a realistic perspective to avoid being overwhelmed by temporary setbacks:

> In the course of my career, I've experienced enough reversals to know that one has to moderate one's expectations [about impact and sustainability] in the short run…you have to take the long view.

Networks and Peers Can Provide Critical Support

When dealing with setbacks and the frustrations of the system-change process, the 13 leaders found it was important to be able to consult with peers who were struggling with similar issues. As Laura Dresser described it:

> There's something about feeling part of a [larger] community that's trying to make a difference, having the bigger conversation. It makes it easier to keep at it, and be inspired…by [the feeling of] being part of a world where that type of change can happen. [In that regard] the Jobs Initiative was great because it gave a [cross-site] community of people to help reinforce our separate work.

Her comments reflect a consensus about the value of support networks to counter feelings of isolation, to provide a sense of a shared mission, and to identify successful strategies. And while the leaders particularly appreciated being part of national movements, they also greatly valued their local networks and the caliber, diversity, and commitment of the people they worked with locally. These relationships enrich the leaders' daily efforts and strengthen their own commitment. The mix of people in these local and national networks also exposes the leaders to new information, ideas, and resources. This exchange promotes both the broader replication of emerging best practices and standards, and additional innovation.

The leaders have acquired a wealth of knowledge about system-change strategies during their campaigns, some of which were successful, some not.

The leaders largely agreed that it's critical to find that sweet spot when powerful ideas and promising conditions collide. Powerful ideas are needed to frame a common definition of the problem to be addressed and to suggest a solution that captures attention. In this regard, John Colborn described a common challenge in workforce development:

> It's been hard to advocate [for attention to this issue] because most people have jobs and it's seen as a personal responsibility to find a job. Also, it's been hard to frame because the discussion has focused so long on the story of low-income persons [a framing that often doesn't resonate with the public or elected officials]. We've needed to change the nature of the discussion…to change the discourse and to connect more broadly.

Colborn noted how the economic downturn has created an opportunity in this regard to reframe the issue as a critical part of the overall effort to help our nation's economy to rebound.

Carol Hedges also commented on the importance of powerful ideas:

> All progress [in system change] results from good ideas…although it may take a long time for people to recognize those ideas. But if repeated enough, it will eventually translate into action…at the point where there is "proper alignment of the stars." One needs to be positioned for that moment.

Public Will Can Help Drive System Change

Among the leaders, it's a widely held view that both public and political will are essential for any substantial policy or system change.[10] And political will tends to follow public sentiment when it comes to the demanding work of overhauling a system.

If public will is a precondition for system change, how can one build such support? In some cases, public will is influenced by chance or external factors outside the control of local leaders. For example, the devastation of Hurricane Katrina not only roiled the environmental landscape in New Orleans, but also dramatically changed the political landscape and the public's demands for a different way of dealing with the city's challenges. According to Michael Cowan:

> Katrina disorganized the city and created opportunity…The political status quo got disorganized, which created an opening. Citizen activism grew; more people saw that they needed to get levee boards and government "right"…In the vacuum created by Katrina, there have been many more citizens coming together who are more willing to work together [for system and governmental change].

Similarly, as noted above, the downturn in the economy may be helping to create a broader public consensus on the importance of addressing our nation's workforce development infrastructure.

Although external factors were critical, the leaders saw they could help shape the public discussion and build support for a change agenda. For example, Brenda Palms Barber addressed the public's pre-conceptions about returning prisoners when trying to promote more effective policies and services for them. Barber and others stressed the fact that three-quarters of the re-entry population had been incarcerated for nonviolent crimes. With this framing of the issue, "people are more comfortable with giving these individuals a second chance and not demonizing them." In its appeals to policy makers and the general public, her group also emphasized the overall cost savings to the public from more enlightened reentry policies.

Be Patient, Prepared, and Ready to Leap When Conditions are Right

System change comes on an unpredictable schedule. As Jerry Rubin stated, "One can keep banging away and nothing happens, but then conditions change and things happen quickly, and you've got to be ready." Accordingly, it is critical to be ready. Carol Hedges noted:

> System change has to be intentional to the extent that every big system change requires a political engagement at some level. Systems are constantly reinforced by political decisions, so the process cannot be accidental. We have to intentionally say we are going to do things differently. The moment when we reach the point [when the relevant officials are willing to consider the change] may be serendipitous. But we need to be intentional to get to this point, and it won't happen without this [home]work.

The work of Fred Dedrick and Jeremy Nowak in Pennsylvania offers a good example of how to balance intentionality and opportunism. They had done considerable research at The Reinvestment Fund (TRF) on the $1.2 billion in funding overseen by the state relative to literacy, adult basic education, and workforce development programs. The TRF research documented that the various funding sources were not well coordinated and were not meeting the real needs of employers. The research report made a compelling case that the state's workforce development system needed to be restructured.

This 2002 report was released in the middle of a gubernatorial race. According to Dedrick, the race "opened the door about hearing the message about human capital development, and all the candidates jumped on that." When Ed Rendell, the eventual winner of the governor's race, took office, he invited Dedrick and some of his colleagues to consult on developing the plans for overhauling the state's workforce development system. The new governor hired Sandi Vito to be the deputy secretary of the state's Depart-

ment of Labor and Industry and appointed Dedrick executive director of the Pennsylvania Workforce Investment Board. Together, Vito and Dedrick worked to oversee the restructuring of the state's workforce development system.[11] As part of the initial rollout of the restructuring, the governor held a summit on manufacturing in Pennsylvania. The Department of Labor and Industry used this occasion to invest $5 million in manufacturing partnerships as the first round of the state's new industry partnerships, investments that grew over time.

As suggested by the above, the system change agents in Pennsylvania had done their research and framed their case for change. In fact, the TRF report was planned and undertaken in 2001 specifically in order to be ready for the gubernatorial race. But they also took advantage of opportunities that presented themselves along the way to further their influence and to implement their change agenda.

Use Results and Data to Advance Change

The leaders frequently used smaller-scale, demonstration projects to illustrate a new model or approach. They were careful to document the results of the pilot projects and to disseminate these results broadly to build awareness. This helped create a more conducive environment for taking the promising, empirically tested practices to a wider scale.

For example, the Jobs Initiative was designed to have an interim phase for prototyping promising new practices known as "jobs projects." The Jobs Initiative sites specifically used their "jobs projects" to refine and test new approaches to make sure they were effective before proposing their broader implementation. Such empirical proof was especially necessary because many of the Jobs Initiative leaders were "outsiders" to the workforce development system.

Jeremy Nowak observed:

> System change only happens when people not only recognize a problem, but also think that [the system] can get better. Otherwise, they will just seek a way to get out or away from the system…. [In response] one needs to create enough high quality examples that create a new sense for people about what is possible…Don't underestimate the importance of the symbolic [value of successful demonstration efforts]—it gets people to ask, "Why can't everything work that way"—and promotes the broader conversation.

Disseminating the results of pilot projects was only one way the system-change leaders used data effectively. They also published information on community conditions and unmet service needs, performance assessments of existing programs, and analyses of the comparative effectiveness of alternative service strategies.

Brenda Palms Barber used compelling data to convince elected officials at the city, state, and congressional levels to adopt more enlightened reentry policies. According to Barber:

> A key factor [in getting the support of the political leadership] was quantifying the problem…showing that 57 percent of adults in North Lawndale have some criminal background. This fact really explained a lot, why unemployment is so high and why businesses are not coming to the neighborhood.

Indeed, the dissemination of information on reentry patterns and community impact helped to convince Congressman Danny Davis of Illinois to introduce the federal Second Chance Act legislation. This legislation, passed by Congress and signed into law in 2007, provides expanded services to offenders and their families to help them reenter society.

The use of data also played a central role in Carolyn Seward's efforts to transform two key institutions in St. Louis, Better Family Life Inc. (BFL) and the Metropolitan Education & Training (MET) Center. BFL hired Seward to improve its operational effectiveness. As one of her responsibilities, she led the effort to strengthen WorkLink, a fledging job-readiness program started by BFL. According to Seward, "From Day One, I made the [data] infrastructure and the performance goals clear to [WorkLink] staff." Although BFL was a relative newcomer to the St. Louis workforce development field at the time, under Seward's direction WorkLink was able to achieve impressive performance improvements. WorkLink's experience became a model for BFL in implementing performance-based accountability. These results convinced local funders and the leadership of the St. Louis Jobs Initiative to approach BFL to move WorkLink to the MET Center and to have Seward become its director. In this new position, Seward applied her approach of using data to promote greater coordination and accountability among the center's programs and partners. She described the process of working with the various partners located at the center:

> [We've invested] a lot of effort into sharing and reaching a consensus with the various program personnel on the center's goals, and how we will measure and display performance outcomes. Organizations [and their programs] want to make sure they are put forward in a good light. One needs to build trust with staff while working to improve performance, but one cannot be afraid of conflict and defer taking action [when required].

As the performance of the center's programs improved, Seward used the data to publicize these successes. This has both reinforced the partners' cooperation and attracted additional funding to continue the transformation process. During Seward's tenure as director, the center has evolved from a facility housing a collection of uncoordinated programs into an integrated workforce development One-Stop. While the MET Center is a single facility, it serves as a model for workforce development service delivery across a multi-state region.

Recognize the Importance of Political Leadership

It's impossible to overstate the value of supportive political leadership. The preponderance of the 13 individuals' successful change efforts have been associated with a friendly political administration and/or "insider" allies.

Political leadership support is essential because the policy, tone, and priorities of public systems are set at the top. Political appointees not only oversee public systems, but they also set regulations and policies for many private and nonprofit institutions. The wrong political leadership can block anything. As Carol Hedges noted:

> It is easier to stop system change than to accomplish it. Politicians can stop things very well. Little things may slip through the cracks, but big policy [or system] changes generally mean somebody loses, or there are changes in the power structure. This is why [politicians] are very sensitive to who gains and who loses [in considering policy or system changes].

It is useful to identify people in political office that think it is in their interest to do things differently, often because they are part of a new administration or they are facing a crisis. A sense of urgency and necessity can help persuade political leaders to support change, or, as Mary Jean Ryan characterized it, a widely held sense that "we need this to work."

For example, in New Orleans Michael Cowan was appointed to the mayor's committee on effective city government. This committee was formed following Katrina to find systematic solutions to deal with government waste, fraud, and abuse, and to help restore the confidence of businesses, private investors, and the general public about the city's future. Among other things, the committee recommended the creation of an independent municipal inspector general to address inefficiency, a recommendation that some political leaders strongly opposed. However, the recommendation was adopted by reform candidates for city council and when elected, they passed the ordinance creating the Inspector General's office.

Even when a policy or system change is clearly needed, the political establishment may be slow to come around to embracing the proposed solution, because of what it implies about upsetting the status quo. In this situation, those seeking system changes must be persistent in arguing the case and providing strong evidence. Eventually, political leaders may come around on the issue, but perhaps only by taking some of the proposed changes and calling them their own.

Find Good Partners

Even if there is not a pressing necessity for change, it may be possible to gain the support of political leadership by bringing together a broad coalition to push for new policies or system improvements.[12] Carol Hedges observed:

> If one puts together a parade, it's easy to find a grand marshal. One just needs to get more and more and more people involved, and eventually somebody in a powerful position will be willing to be the grand marshal.

Sometimes the support of a broad coalition of partners can convince the previously non-supportive political leadership to embrace an initiative. The ability to influence the stance

of the political leadership, however, is likely to depend on the issue involved. For example, John Colborn noted:

> Workforce development is a very centrist issue and lends itself to a diverse stakeholder group. It's easy for both Democrats and Republicans to see what they want to see in it. As a result, it's often not polarizing.

At the same time, it is not always essential to get the political leadership to explicitly endorse a system or policy change. Sometimes it's sufficient to simply get them to agree not to oppose it. This may be the goal when the political administration is opposed to a change that has the support of powerful partners or an ally that the administration does not want to offend, such as the business community.

But what happens if one is unable to gain at least the tacit support of the current political leadership? Does that mean that all efforts to pursue the system change are futile?

Some of the leaders argued that even if the political leadership is not supportive, it still may be possible to pursue the change by finding "moles" inside the system who will become secret allies. Without such allies, there may not be any other option than to remain patient and prepare for the day when more favorable conditions exist.

Engage the Private Sector

Engaging the business community was an essential part of the leaders' system-change strategies for several reasons. The leaders recognized that the system can only work if it meets the needs of employers. Therefore, they emphasized employers' views of their labor requirements and on how the existing workforce development practices were meeting those needs.

The leaders also recognized that the support of the business community could be a powerful lever in influencing the political leadership. As Fred Dedrick noted:

> We learned that the best way to affect policy was the involvement of the private sector. And emphasizing that the [current] system was not being driven by the real needs of employers …resulted in an atmosphere that was ready for change.

The level of employer engagement and the importance of their voice will vary depending on the system or policies being addressed. However, the leaders argue there can be value in reaching out to the business community even if the policy issues being raised are not as central as workforce development is to the self-interest of employers. Employers can bring a new perspective on the nature of a problem and an alternative framing of possible solutions. The latter can be useful when public officials are experiencing difficulties thinking about fresh ways to tackle a problem plaguing a public system.

Engaging employers in system change can also lead to having influence in the broad private marketplace.

For example, in the workforce development field the vast majority of resources for training are provided by the private sector,[13] and employers draw their workers from a wide range of sources. At best, job seekers referred through publicly financed workforce programs represent a small percentage of the candidates that employers consider hiring. Therefore, if change initiatives concentrate solely on the *public* components of the workforce development system, they are dramatically limiting their potential influence on workforce policy and practice. To benefit the greatest number of job seekers and workers, change agents must consult with employers to determine how they can jointly design strategies that meet the needs of the employers, their workers, and their sectors. Such efforts may use public money as initial seed funding, but they must eventually harness private-sector resources to extend the reach of improved workforce practices far beyond publicly funded training programs.

The work of Joel Rogers and the Milwaukee Regional Training Partnership (WRTP) in establishing an array of management-labor partnerships across industry sectors and his efforts with the Center on Wisconsin Strategy (COWS) on projects such as the Advanced Manufacturing Project are examples of collaborations with employers that are aimed at influencing the broader private marketplace.

If employer engagement is so critical, what lessons did the leaders learn about effective approaches to gain the involvement and support of the business community? That is, what techniques did they use to get employers to allow them into their firms, or to be willing to invest their time and resources in shaping workforce policy through a collaborative process? More importantly, how did the leaders persuade employers to consider nontraditional labor sources for hiring? Or to be willing to expand their investment in advancement, including activities to improve the skills of their entry-level workers?

Build Trust with Employers

The leaders profiled here devoted considerable time and effort to establishing a strong relationship with employers, often drawing on their previous experiences in the private sector. They also demonstrated their genuine interest in the employers' success and made sure that employers' perspectives helped frame the main elements of a change agenda.

As Joel Rogers observed, a key to getting employers engaged was showing that the public workforce and higher education systems were able to handle a bigger caseload and provide better services, demonstrating that the change agents could promote added value and reduced waste. Accordingly, the leaders initiated efforts to improve the effectiveness of public workforce programs and community colleges, and they focused on meeting the needs of market sectors and employers. In some cases, that meant shifting the focus of local Temporary Assistance for Needy Families (TANF) systems from a concentration on "work first" to more substantive skills training. The leaders also worked with community colleges to ensure that the colleges' training programs were more aligned with

the real requirements of employers and were more accessible for disadvantaged individuals. And the change agents worked to integrate more effective soft-skills curricula into training programs and to expand wraparound supportive services to improve retention, improvements that Keeney said had a lot of meaning to employers.

A key goal was finding common ground between employers and organized labor and then endeavoring to bring the parties together to work collaboratively. Although employers often were resistant to sitting down with organized labor, over time many came to recognize the value of management-labor partnerships as a mechanism to boost productivity in their firms.

In their workforce development efforts, the leaders communicated a clear, consistent message about the importance of "industry leadership, higher skills, and better jobs." This was a message that appealed to the interests of both employers and workers, and it represented the embodiment of a dual-customer approach. This message also permitted the leaders, as they developed stronger relationships with employers and other stakeholders, to strengthen the emphasis on investing in advancement of both entry-level and incumbent workers.

Employers began to appreciate the value of the system-change leaders as brokers who could bring together divergent parties and interests, and help frame win-win situations. For example, the leaders encouraged stronger relationships between employers and community-based organizations that could provide supportive services for the businesses' workers. This in turn fostered conversations with the employers about being more flexible in their hiring criteria (and providing more opportunities for nontraditional job candidates) because there would be more services to help new hires succeed in the workplace.

Many employers were willing to be part of employer-specific projects (such as ones that provided customized training and services to their employees). And the change agents found that by taking an incremental, systematic approach to expanding the number of firms participating in these projects, it was possible to have an impact on a sector.

However, getting the employers involved in broader policy or system-change activities continued to be challenging. Few employers were willing to agree to take a public position on a policy that set them apart from their business peers. The Philadelphia statewide workforce initiative was successful in getting a large number of businesses to publicly urge the state legislature to maintain funding for the industry partnerships that had been established. But that level of business activism in the policy activities of the change agents was rare.

Because they are used to quicker decision making and implementation, business representatives can become impatient with the time required to reach consensus and achieve progress in initiatives guided by a multifaceted coalition. To respond to these concerns, the leaders sought to limit the time demands placed on their employer allies and in some cases established "tables" for employer input separate from the other stakeholders. They also focused on the achievement of interim accomplishments that conveyed a sense of tangible progress to employers.

Recognize the Different Roles of Outsiders and Insiders

Most of the profiled leaders took on several roles and positions of influence in promoting change in the workforce development system (see table).

When they first became involved with the Jobs Initiative in their respective cities, all but one of the change agents were essentially "outsiders" in relation to the local workforce development establishment. This was a deliberate decision by the Annie E. Casey Foundation as it selected the local lead organizations for the Jobs Initiative sites. The designers of the Jobs Initiative were skeptical of the ability of the established workforce development bureaucracy to adopt new practices (and change itself) and wanted to examine the potential of outside organizations to frame innovative approaches and promote changes in the system. The foundation hoped that these outside organizations would be more open-minded in analyzing the shortcomings of the system and in proposing new strategies.

As outsiders, the leaders were able to avoid—at least initially—being mired in the existing system's inertia. But in proposing new approaches, they also had the challenge of achieving some credibility with the relevant policy makers and stakeholders. John Colborn observed, "I didn't fully appreciate the outsider role until we encountered push-back from the established players in the system, who had a reluctance to work with the new kids on the block."

INFLUENCE ROLES AND POSITIONS ASSUMED BY THE SYSTEM-CHANGE LEADERS
(IN THEIR EFFORTS TO PROMOTE WORKFORCE DEVELOPMENT SYSTEM CHANGE)

Outsider ←							→ Insider	
Conducted research and issued reports as an advocacy organization	Mobilized external constituencies to urge for policy and/or system changes	Ran demonstration projects that served as models about "what can be done"	Invited to advise as recognized expert	Controlled funding (private, philanthropic, and/or public) and had ability to contract for specific services (as a way to promote new practices)	Became a service provider for the workforce development establishment	Framed policy or system restructuring recommendations as appointed member of commission	As public official, defined performance measures, set standards and reporting requirement, and issued public reports on results	As public official, set other relevant policy (re: employer and labor engagement, etc.)
Numbers of the change agents assuming each role/position								
6*	12	12	6	9	5	4**	3	5*

*An additional change agent assumed this role relative to system-change work outside the field of workforce development.
**Three additional change agents assumed this role relative to their system-change work outside the field of workforce development.

The system-change leaders sought to establish legitimacy in a number of ways. As mentioned, that included disseminating critiques of existing service strategies, mobilizing the support of influential stakeholders, drawing upon their credibility as having been "on the ground" practitioners, and conducting demonstration projects. The demonstrations in particular showed that the change leaders were willing to take some risks by adopting the behaviors they wanted the system to embrace. For example, in discussing The Reinvestment Fund (which, in addition to workforce development, is involved in affordable housing, community development, and charter schools), Jeremy Nowak explained:

> The Reinvestment Fund has its roots in transactions [i.e., individual development deals], but through these transactions learns about what things work (or don't work) in the system, relative to access to capital, promoting entrepreneurship, fostering wealth creation, etc.

> TRF uses the understanding gained from particular transactions…[and the] dynamic flow from work at the ground level to suggest changes in systems in the public sector and the private sector. TRF manages $600 million and has been involved in $3 billion of development deals. Through this we have learned how to constructively manage relationships between the public, private, and civic sectors in ways that result in very tangible outcomes. This is how we learn to build scale, from the integrity of particular projects and the problem solving inherent in getting projects done.

> There is significant value in TRF's role in managing an active portfolio of projects. By taking risks and being involved in the complex issues of making something work, we have a lot of policy and systems credibility. When we talk about child care subsidies with the head of the state's department of welfare, we do so as [an entity] that has financed thousands of child care slots.

There are Limits to What One Can Do as an Outsider

Most of the profiled leaders conceded that the original designers of the Jobs Initiative were correct in assuming that fundamental changes to systems generally start with pressures from outside the systems. The leaders also had some success in promoting system change as outsiders. As an example, Jeremy Nowak pointed to TRF's experience in supporting the establishment of 53 charter schools:

> The charter schools have been a fascinating example of the change that can be fostered outside of a system [when the system is resistant to reinventing itself] and simply replicates its old DNA. The charters reflect an example of creating sufficient organizational space to do something different, which has a subversive effect that the system is forced to respond to… and the system's options are to block, to isolate, or to incorporate [the new model].

However, many of the change agents concluded that there are limits on what one can do from a position outside the system. For example, it is unlikely that an outsider can create

change within the Workforce Investment Act or community college systems without cooperation from within those systems. This was often true even in the face of compelling evidence from demonstration projects or national studies. Laura Dresser observed, "When you are an outsider, you are always pushing uphill…even though it's not exactly Sisyphean because you don't always return to the bottom of the hill."

Over time, many of the leaders responded to the limits experienced as outsiders by seeking to become insiders. For example, many leaders found that, as they had some success in their change initiatives (particularly if those efforts gained statewide or national recognition), they would be invited by public officials to serve as technical advisors or appointed to task forces. In these advisory positions, they were in a stronger position to shape formal recommendations and the policy options offered to officials. In this way they became more like insiders in influencing the system-change process.

In Chicago, in recognition of her efforts in advocating for the reentry population, Brenda Palms Barber was appointed to both a mayoral and a gubernatorial commission focusing on this issue. As part of the mayoral commission, Barber helped develop a comprehensive policy document focusing on the creation of social enterprises and transitional jobs to help reintegrate ex-offenders into the community. In Wisconsin, Joel Rogers and Laura Dresser have been invited to serve as technical advisors and been named as members of various task forces. As a representative of the Center on Wisconsin Strategy (COWS), for example, Dresser was invited to become a member of the Dane County advisory council focusing on building the county's economic future.[14]

As the director of COWS, Joel Rogers oversees a number of multi-city and multi-state projects housed at the center, including the Mayors' Innovation Project, the Great Lakes Strategy Initiative, and the Center for State Innovation. Through these projects, Rogers has frequent contact with an array of municipal, county, and state officials. Because the projects are seen as aiding these units of government, Rogers's role in directing these projects has lent him a quasi-official status, although technically he remains an "outsider" relative to the public workforce development and economic development systems.

At Jobs for the Future (JFF), a nonprofit research, consulting, and advocacy organization, Jerry Rubin provided technical assistance to the Jobs Initiative sites and later worked with other workforce development efforts. In 2006, Rubin became president and CEO of Jewish Vocational Services of Greater Boston. Rubin's role shifted from that of an "outside" advocate to one of an "inside" workforce development service provider. He was also appointed to the Massachusetts Workforce Investment Board, where he has been chairman of the task force on English as a Second Language (ESL) and GED services. In 2008, this task force produced a report for the governor recommending a transformation of the state's Adult Basic Education and ESL systems to create an improved path for students to post-secondary education.

The leaders recognized that the role of insider also comes with its own potential limitations. For example, countervailing political pressures may induce a public administration to adopt a more cautious, risk-adverse approach to addressing a problem than an outsider would propose. This can discourage innovation or major change. Insiders often are

required to make do with the existing administrative infrastructure and management team in implementing any system change. If these staff members are set in their ways or lack the necessary vision, commitment, or skills, implementation of the desired change will be a difficult, drawn-out process.

Moreover, being part of a public administration, even as a senior official, does not ensure the ability to influence system change, as Mary Jean Ryan discovered during her tenure as director of Seattle's Office of Economic Development. In this capacity, she controlled the philanthropic funding for the Seattle Jobs Initiative,[15] as well as some local discretionary funding for emergency supportive services for job seekers. Other entities, however, had the oversight authority for the bulk of the public funding for workforce development and human services. With the resources under her control, Ryan was able to direct the design and implementation of pilot efforts to demonstrate the efficacy of improved workforce development practices (including the integration of wraparound supportive services). Getting system-wide changes in the workforce development and human services delivery systems, however, required the collaboration of her counterparts in the other entities. Unfortunately, Ryan was only partially successful in securing such cooperation.[16]

Focus on Building Infrastructure for the Long Haul

Changes to a system run the risk of being undone as a result of turnover in leadership or other changing circumstances. Accordingly, the leaders have given considerable thought to the question of how to protect system change from being rolled back or neutralized. Special legislation or formal memoranda of agreement were among the most common approaches they recommended.

Sometimes these efforts focus on creating permanent institutional structures responsible for implementing the changes, in the belief that the bureaucracies established in these institutions will become natural advocates for maintaining the system change over time. In Pennsylvania, for example, the state administration is hoping to get legislation passed that would mandate the continued development and maintenance of the state's industry partnerships. Also, an executive order was used to create the Pennsylvania Center for Health Careers, and now the administration is looking to institutionalize that statewide partnership through legislation as well.

In other cases, the public acts as change agents. In New Orleans, a coalition of citizen groups was successful in getting an amendment to the city charter passed that gives an annual funding stream for the independent Inspector General's office that cannot be removed or lowered. The coalition also used the city's charter amendment process to institutionalize an independent police monitor.

John Colborn pointed to his experience while working on affordable housing issues in Burlington, Vermont, to illustrate another approach to institutionalizing system change. According to Colborn, the city's mayor at the time embedded his affordable housing initia-

tive in many parts of city government: "He weaved affordable housing throughout all the [municipal] policy apparatus–zoning, property taxes, interest on trust accounts, etc.–so there would not be just one item in the budget that could be cut [to undo the initiative]." This multifaceted strategy made the housing initiative more resilient over time.

Sustaining public and political will and a positive regard for the enacted changes is central to preserving system change in the long run. According to Joel Rogers, "Broad functionality and agreement among the elites about the usefulness of the changes that have been made" can help to ensure the sustainability of the reforms through changes in administrations. Maintaining a broad constituency also helped to foster a continuing commitment to a particular system change. For example, Fred Dedrick described efforts in Pennsylvania to create a wide base of support for the state's sectoral strategy:

> We have put a lot of effort into bipartisan work with the legislature. We have made it clear there is no ideological bias [in hopes that] the legislature will respect the reforms even when the administration changes. It's possible that a new administration will abandon some things, but we have a lot of community, employer, and legislative support.

In addition to having a broad base of support, the leaders discussed the need to create a cadre of champions to continue to nurture and guide the change efforts. Michael Cowan spoke about the cadre of leaders spearheading the reform activities in New Orleans and their strategy to recruit additional supporters and change agents:

> [The overall reform effort] is driven by 25 to 30 leaders from civil society, the business community, and reform-minded government officials. The effort is not being carried by a small number of individuals, although there are six to eight key leaders within the circle who are most influential. But these leaders are bringing new talent in; they are constantly reaching out to others and providing guidance on how to get involved.

Turnover among the set of individuals serving as champions or leaders in an initiative is inevitable. Nonetheless, the individuals highlighted in this report felt that some of the causes of turnover–such as burnout or frustration by the slow pace of system change–could be eased through support networks among peers or by sharing the work that is the most draining, such as being the spokesperson who deals with any public criticism.

More broadly, it is critical to plan for periodic changes in initiative leadership. One strategy is to make sure that the support of the key partners does not depend on a single champion within each institution. Instead, the system initiative should seek to nurture multiple champions at each partner institution and to groom individuals to take over the roles of others when they move on.

It was also important to recognize that partners might change over time as conditions and priorities of the individual organizations shift. Ideally, a core group of partners will continue working together on the initiative despite the departure of some of its members. But the initiative also needs to be constantly on the lookout for new partners, both to replace those that leave and to broaden its base of support and influence.

Conclusions and Next Steps

The leaders featured here have provided a rich array of insights into system change. It is difficult to summarize the breadth of hard-earned lessons, but a few key ones do emerge:

- System change often results when a compelling idea emerges at the right time. Leaders can bring strategic partners together to articulate a compelling idea, laying the foundation for change and ensuring that the parties are ready to act when the conditions are right. Leaders also can create momentum by making the case that simply continuing business as usual is no longer an acceptable option. This helps build public and political will needed to overcome inertia and resistance.

- Effective system-change leaders are relatively rare, require a diverse range of skills, and must be prepared to play many roles.

- To be effective, leaders promoting system change need both political coverage and support, as well as the space to be innovative and entrepreneurial. When they act as outsiders, the leaders have more freedom but generally less influence. As insiders, however, the reverse may be true.

- Experimenting with new practices and policies can yield important innovations and new insights about improving a system's results. Even without new efforts, however, we already know a lot about what works through previous demonstrations. What is needed are better mechanisms to disseminate information about these documented and emerging practices, so communities can replicate successful models.

- Employer leadership is a key to long-term reform of the workforce development system (as well as many other systems). To gain the cooperation of employers, leaders promoting system change must become more attentive to the needs and dynamics of the private marketplace.

- Those engaged in the system-change process must be prepared for the long haul. However, interim progress can still generate substantial benefits for many individuals.

- Building the capacity to maintain accurate data is difficult, but critical to system-change efforts.

- It is essential to keep the change effort's larger goals in mind when making strategic decisions, even if it means following a more challenging path. Without this discipline, a change initiative is unlikely to succeed in achieving a fundamental impact.

- Transforming a system requires a strong infrastructure to implement and sustain the changes in public agencies, community-based organizations, and for-profit partners.

Encouraging New System-Change Leadership

Effective system-change leaders are people with vision, persistence, and a broad, uncommon combination of skills. But such leaders do not spring forth fully formed and capable of influencing systems. The sets of skills that allow them to be effective are honed

over many years. Those learning to promote system change often learn by working on change efforts initiated by others. Typically they will serve an informal apprenticeship under those with more experience.

Our review suggests that some change initiatives attract an experienced leader to take the helm in their early stages. Others operate, at least at first, with less experienced leadership, with the initiative itself serving as a laboratory for those leaders. In this formative process, funders can play a valuable role facilitating the development and maturation of people assuming system-change leadership roles.

Specifically, the profiled leaders recommended that funders take the following actions:[17]

- **Acknowledge that the role of system-change leadership needs to be a funding priority,** despite the fact that much of the activity in which such leaders engage does not involve the direct services that funders have traditionally preferred to fund. In particular, funders need to find ways to support the convening, assessment and planning, brokering, and advocacy functions of system-change leaders through flexible funding.

- **Create training programs and academies for the development of system-change leaders.** Future leaders need to acquire substantive, strategic understanding of the systems they will be addressing. They also need to develop the change management skills required to improve a system.[18] Accordingly, funders need to invest in curricula, and training, and also to support the institutionalization of mechanisms that will make such instruction widely available.

- **Expose leaders to information on best practices and high quality technical assistance.** Funders can provide information on emerging trends and best practices from around the country. In the Jobs Initiative, for example, the technical assistance on best practices from the national funder gave the leaders serving as change agents at the various sites a clearer sense of the type of system changes that it was important to pursue. As Fred Dedrick noted, "It was very important [in making the case about how to restructure the Pennsylvania workforce development system] to be able to say that there is documented evidence [from the national research] that these sectoral approaches work."

In addition to the direct guidance provided by foundation staff, the national foundations put the leaders in touch with other experts who could offer additional information and advice. Michael Cowan reported:

[The New Orleans workforce development effort] got tremendous help from both [the national foundation staff] and the other experts brought in…It was top-notch technical assistance. The expertise was critical, in terms of "Here's how other communities have addressed [workforce] intermediary alignment and formation" through the establishment of funder collaboratives, etc.…We benefitted from the experts' wealth of knowledge of best practices and what is "state of the art."

Several leaders also commented on the value of the foundation staff in challenging the change agents and the local initiatives to clarify their visions, and to think more strategically about their approaches and how to achieve the best results.

- **Connect leaders who are promoting system change with mentors and support networks.** The leaders also talked about the value of the funders' support in connecting them to similar initiatives. This provided the change agents with opportunities to see what their counterparts were doing and what strategies seemed to work across multiple settings. In many respects, seeing that a peer was able to successfully implement a particular strategy was much more reassuring to the leaders than even rigorous research findings.

- **Build the credibility of the leaders' efforts by lending the prestige associated with the funder's endorsement.** Receiving the support of national funders, particularly prestigious foundations, provided enormous benefits to leaders trying to gain credibility for local system change. Laura Dresser expressed one aspect of this:

  > The role of [national foundations like] the Annie E. Casey Foundation or the Joyce Foundation (the latter provided $1 million in funding to a community college system that has hundreds of millions of dollars in resources) has always amazed me…[in] how such [foundation] funding is viewed as exciting and compelling and gets local people to talk. The local legitimacy and attention generated is always out of scale with the resources provided [by the foundations].

Although the financial support received from the national foundations was sometimes modest, the fact that the foundations were investing in particular strategies gave enhanced credibility to those efforts.[19] The leaders also found that it was especially useful when a national foundation provided public support for the local initiative. Such endorsements often convinced local officials to view the change agents' efforts more seriously and altered the nature of the local discourse.[20]

National funders can also highlight the practices of local leaders that reflect significant innovations or emerging best practices, and support their replication in other communities.

- **Foster the career progression of system-change leaders through supporting their promotion to a position of greater responsibility and influence.** Since the Jobs Initiative, many of the 13 leaders have risen to more influential positions, thanks in part to their successes with the Jobs Initiative (and, in some cases, by direct endorsement of their candidacies by the Jobs Initiative funders). These individuals have responded to the confidence that their supporters have shown in them by using their new positions to undertake even more ambitious system-change efforts.

- **Build staff "bench strength" within organizations leading change initiatives.** This is essential to ensure that a system-change initiative can continue even if an effective change agent or champion leaves the organization.

Framework for Thinking About System Change

What do we mean by "system"?

For this paper, "system" refers to a set of government agencies, nonprofit organizations, and for-profit institutions working under a legal, regulatory, and policy framework to meet the needs of targeted populations and other constituencies.[1] These entities reflect an interacting and interdependent group of components that, when functioning best, form a complex whole.

The figure below depicts the components of an idealized regional workforce development system: public policy-making entities; employers; basic education providers; vocational training providers; and supportive service providers.

Public
Policy-making
Entities

Employers

Vocational Training
Providers
(Including Postsecondary
Institutions)

Basic Education
Providers

(Including Adult Basic
Education and English
for Speakers of Other
Languages)

Supportive
Service
Providers

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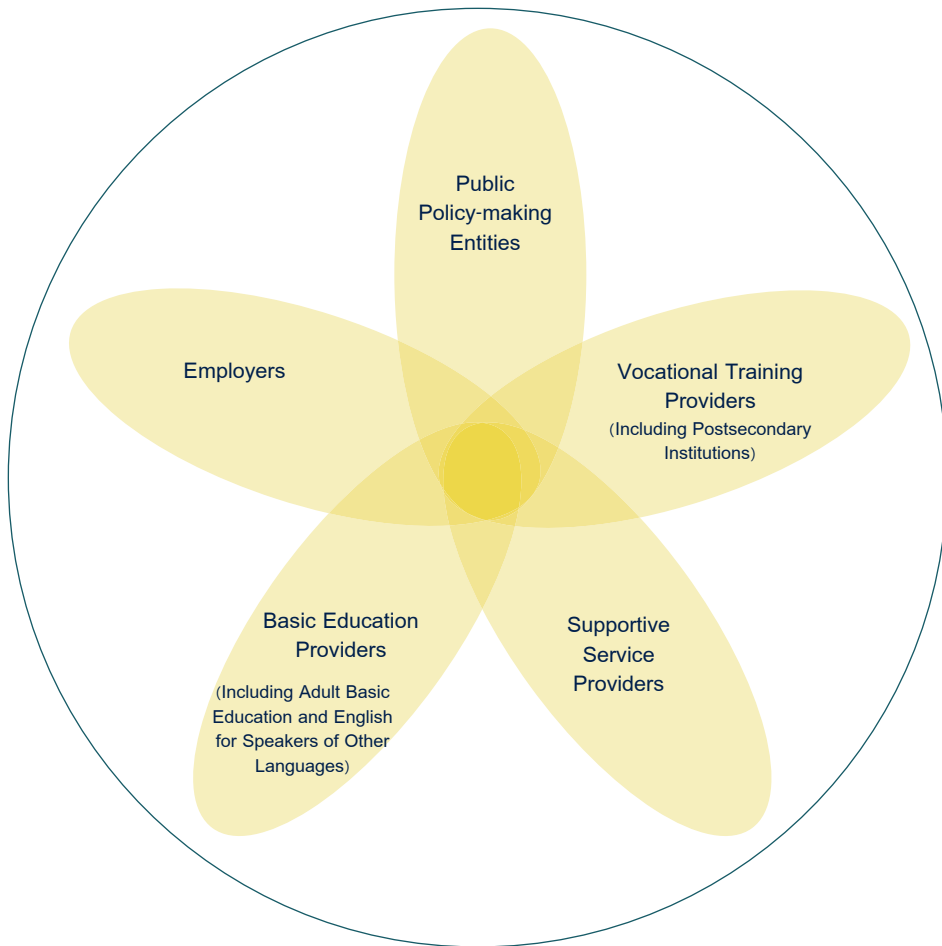
[1] The definition of "system change" used in this paper and the description of some of the key features of systems are derived from material contained in the following sources: Coffman, J., *A Framework for Evaluating Systems Initiatives*, The Build Initiative, August 2007; "What is systems thinking?" www.thesystemsthinker.com/systemsthinkinglearn.html (version downloaded June 28, 2007); and Cohen, S., *Lessons Learned About System Reform*, the Annie E. Casey Foundation, June 2007. Any refinements to the concepts from those documents that are presented in this paper, however, are solely the responsibility of the author.

Each of these components may be viewed as a subsystem, or a system within a system, with its own set of interacting programs or activities, sources of funding, and policies. Each of the components, and the workforce development system overall, also interact with or are part of larger systems. For instance, the supportive services component is part of the larger human services system, and the vocational training component is part of the larger higher education system. And certainly the workforce development system interacts with and is influenced by a range of other systems, including public education and economic development.

For the workforce development system to be effective, all of its components must work well individually and with each other. But many of the entities within the various subsystems may not view themselves as being part of the workforce development system, or may define the system itself in an overly narrow fashion. For example, a community college may only see itself as part of the higher education system and not as a piece of the workforce development system. As a result, the components of the workforce development system frequently function in a disjointed manner, reducing the system's coherence and overall effectiveness.

Moreover, workforce development services too often are delivered in a way that focuses on the requirements of either job seekers or employers, but not both. Achieving a balance in meeting the interests of both groups—reflecting a true "dual-customer" orientation—is essential. But responding to the needs of both groups by refining policies and practices is a complicated undertaking and a delicate balancing act.

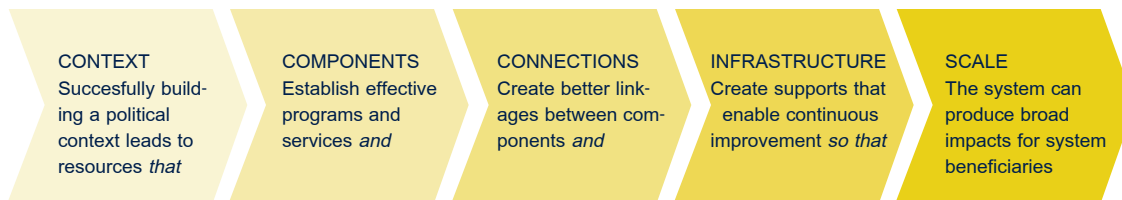## Some frameworks for understanding the system-change process

System-change initiatives seek to achieve improvements across a broad array of activities and/or entities. The system-change experience may vary when one looks across different systems and initiatives. However, Julia Coffman of the Build Initiative has suggested a common framework for thinking about the system-change process.[2] In her view, a system-change initiative will focus on one or more of the following five areas:

- Context—Improving the political environment that sustains the system so it produces the policy and funding changes needed to create and sustain the desired system characteristics;

- Components—Establishing high-performance programs and services within the system that produce concrete results for system beneficiaries;

- Connections—Creating strong and effective links across system components that further improve results for system beneficiaries;

- Infrastructure—Developing the supports that systems need to function effectively and to ensure that the practices are maintained over time; and

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[2] *A Framework for Evaluating Systems Initiatives,* 5-6.

- Scale—Ensuring a comprehensive system is available to as many people as possible so it produces broad and inclusive results for system beneficiaries.

Coffman also has posited a logic model about how these areas can work together to produce broad, systems-level impact, as shown below:

CONTEXT Succesfully building a political context leads to resources *that*	COMPONENTS Establish effective programs and services *and*	CONNECTIONS Create better linkages between components *and*	INFRASTRUCTURE Create supports that enable continuous improvement *so that*	SCALE The system can produce broad impacts for system beneficiaries

She has noted that while the above figure implies a linear sequence, system-change initiatives may focus on multiple areas simultaneously. And some of the selected areas are likely to receive more attention than others, depending on where the system's needs are greatest and the opportunities that are available.[3] Regardless of the particular areas receiving attention, the ultimate goal of these system-change efforts is to achieve a larger, sustainable scale.

Leaders acting as champions of system change can influence context by promoting broad public or political recognition of a system's needs and a shared vision of what an improved system might look like. At a strategic level, champions also are critical in promoting connections by taking advantage of relationships and linking system components. They also are instrumental in mobilizing the resources that allow sufficient infrastructure to ensure the change effort achieves scale.

Change agents serving in less public roles can influence all facets of the system-change process. However, they may be particularly influential relative to components in uncovering specific gaps in services or capacity and in identifying best practices to be implemented. They also can help improve coordination and accountability mechanisms to enhance ongoing connections among components and the capacity of the infrastructure to support implementation of the change.

Another framework that is useful when thinking about the system-change process is ADKAR, a tool developed by Prosci Research and Jeffrey M. Hiatt. ADKAR stands for:

- Awareness—of why change is needed
- Desire—to support and participate in the change
- Knowledge—of how to change

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[3] Ibid, 6. The particular components, connections, and infrastructure that serve as the focus of an initiative's efforts—and how one approaches those elements—depends on the type of system that one is seeking to improve. For example, the Annie E. Casey Foundation has identified the key elements that it sees as essential for building workforce development systems that increase employment and earnings opportunities for low-skilled, low-income adults. Appendix B presents a summary of those elements.

- **A**bility–to implement new skills and behavior

- **R**einforcement–to maintain the change

With the ADKAR framework, the roles of leaders can be analyzed from the perspective of how their activities influence each of these key levers of system change (e.g., how champions foster awareness of the need for change, or how the change agents promote knowledge and ability to implement the change).

Key Elements of an Effective Regional Workforce Development System

The key elements, identified through 10 years of workforce development investments and demonstration efforts, research, and evaluation, are:

- **A data-driven strategy:** Use of data is critical: (a) as a tool to improve workforce policy; (b) to permit development of workforce strategies that reflect employer needs, regional economic opportunities, and skill levels of job seekers and workers; and (c) to support continuous program improvement and results.

- **A focus on career advancement:** Two types of career advancement strategies help workers earn family-sustaining wages: (a) pre-employment preparation, including education and skills training, of unemployed job seekers; and (b) upgrade training and career management for incumbent workers trying to move up career ladders.

- **Workforce intermediaries:** In order to better meet the needs of employers and low-skilled workers, entrepreneurial partnerships integrate funding streams, bring together employers and key service deliverers, and advocate for policy changes.

- **A link with economic development:** Workforce development and economic development efforts are linked to create better outcomes for communities, employers, and workers. Job-ready workers are essential to employers growing their businesses and local governments carrying out major public works projects.

- **Industry and job opportunities:** Low-skilled job seekers and workers need connections to good-paying, high-demand occupations with clear career paths. These connections can be provided through partnerships with businesses and industry sectors that foster employer-driven job readiness and skill training, and career training and support services.

- **Neighborhood connections:** Formal and informal neighborhood-based supports help families move toward economic success by: (a) creating a pipeline of job-ready candidates; (b) referring neighborhood residents to workforce and social services; and (c) providing post-placement and career advancement supports.

- **Career management services:** These services help low-wage workers on the journey toward family-sustaining jobs. These services include work supports, career planning, financial education, and asset-building.

- **Cultural competence:** An increasingly diverse workforce requires that cultural competence be an integral part of the public and private workforce systems. Cultural competence in workforce development means understanding and integrating the web of behaviors, attitudes, and policies that foster effective work in multicultural situations.

- **Attention to specific populations:** Workforce strategies must be adapted to serve different groups with distinct needs, such as adults returning from incarceration, people with disabilities, and refugees.

- **Civic will and capacity:** Key stakeholders such as public officials, philanthropies, businesses, community leaders, and organized labor need to demonstrate the commitment, influence, and leadership needed to mobilize better and more ambitious workforce results for low-skilled workers and job seekers.

- **Social investors:** Public and private funders should provide clear goals and outcome measurements and flexible, long-term funding partnerships to achieve better results for employers and job seekers.

See *Good Jobs and Careers: What Communities Need to Do to Train and Move Low-Income, Low-Skilled People into Good Jobs and Careers,* the Annie E. Casey Foundation, 2004.

What Public, Private, and Philanthropic Funders Can Do to Encourage and Support System-Change Leaders

The experiences of the profiled leaders, and their observations about their work, suggest a set of recommendations for funders interested in achieving broader impacts through system-change initiatives.

- **Funders need to acknowledge that system change is a long-term undertaking and make funding commitments that reflect this reality**. Although system change can benefit large numbers of individuals, it can be a long and unpredictable process. Although we have labeled the individuals featured in this report as "successful" change agents, few of the experiences presented here represent completed system transformations. Rather, most describe incremental improvements pointing toward a system overhaul. Funders should acknowledge that system-change initiatives will likely require a series of interim interventions by making these funding decisions:

  - *Make multi-year funding commitments to system-change initiatives* (ideally for at least three- to five-year terms). This will increase the ability of the system-change initiatives to attract and retain key staff and partners, and will allow the leaders to stay focused on advancing the change process.

  - *Show patience with their current investments in system-change activities*. System initiatives may require the implementation of many changes before better results are achieved. Funders need to show patience with this process while at the same time articulating and holding their grantees accountable for interim outcome measures that demonstrate reasonable progress.

  - *Create ongoing partnerships with other funders through funding collaboratives around system-change initiatives.* These collaboratives will leverage more funds for such initiatives and ensure that resources from different funders are better coordinated. Such collaboratives help encourage changes in the orientation and behaviors of the participating funders, promoting more shared ventures and longer-term commitments to addressing complex problems.

- **Funders should facilitate the current work of system-change leaders by providing flexible funding, highlighting the change agents' efforts, and creating support networks.** More specifically, funders should:

  - *Acknowledge that the leadership role needs to be a funding priority.* In particular, funders need to find ways to support the convening, strategic assessment and planning, brokering, and advocacy functions of leaders through flexible funding. In the workforce development field, for example, a useful step would be for funders to increase their operational funding to workforce intermediaries. These intermediaries frequently are led by effective change agents and, as entities that bring together diverse workforce stakeholders, are natural vehicles for promoting system change.

□ *Place emphasis on highlighting best practices.* Funders should not just focus on creating new models or generating new ideas. They also should commit to identifying effective practitioners and leaders, and work with these entities to increase the visibility of their efforts and take them to a larger scale. Although funder support of new demonstration projects is important, investments in replicating existing successful efforts may have the potential to achieve far greater scale and impact. Through disseminating information about these successful efforts, funders can spur system change not just by drawing attention to a problem, but also by showing that it's feasible to do better.

□ *Build the credibility of system-change efforts by lending the prestige associated with the funder's endorsement.* The support of national funders (both federal agencies and philanthropies) can be especially persuasive. This is particularly true if such endorsements connect the local work to a national movement or identify the work as cutting-edge. But the support of state or local funders also can be instrumental in establishing the credibility of change initiatives because these funders are likely to have stronger relationships with the local political leadership.

□ *Support the creation and expansion of peer networks* to allow leaders to share practical advice and lessons and provide support to each other.

- **Funders should invest in developing leaders and in the capacity and sustainability of institutions that promote change and hold systems accountable.** To increase the skills and influence of system-change leadership, and to build the infrastructure for change, funders should:

  □ *Find ways to mentor emerging leaders who show promise and support their career advancement.* Funders can do the latter, for example, by promoting the individuals' candidacy for positions of greater responsibility and influence.

  □ *Invest in creating "bench strength" and in succession planning in the organizations that are leading system-change initiatives,* so that turnover in the top leadership of those entities doesn't derail the change initiatives.

  □ *Support the establishment and operation of training programs and academies that will develop the next generation of system-change leaders.* Future change agents need to acquire substantive, strategic understanding of systems and their stakeholders. They also need to develop change-management skills. Accordingly, funders should invest in the creation of more effective curricula and other training methods and support projects to expand the availability of such instruction.

  □ *Invest in data gathering and analysis, and in the communications capacity* of entities that are attempting to shape policy and promote system change. As part of this, support efforts to develop better standardized results measures for assessing the performance of systems. Such measures can be used to determine cur-

rent and comparative performance, set targets for improvements, and hold the systems accountable.

- □ *Build the capacity of implementing agencies.* Funders also need to look at ways to increase the capacities of implementing agencies to enact and sustain the improved practices and policies that the change agents have espoused. Such efforts may represent an ambitious undertaking. However, unless front-line agency workers are given the skills, encouragement, and support to consistently and effectively implement the new practices, the system-change efforts will be for naught.

- **Funders should invest in more comprehensive evaluations of system initiatives and in improved methods for conducting such evaluations.** System-change initiatives are complex and dynamic. The evaluation of these efforts is far more challenging than conducting programmatic evaluations. Nonetheless, it is essential to have credible evidence identifying the results of a system initiative and the factors that have led to success (or failure), and to determine what lessons are valuable.

1 The philanthropic field certainly recognizes the importance of leaders in promoting change. And there is a substantial literature relative to leadership development. Leadership development literature devotes considerable attention to techniques for promoting individual, organizational, community, and even societal change. However, comparatively little attention in the literature is focused specifically on methods for nurturing leaders to pursue system change, or on the strategies that they can use in those efforts.

2 The word "system" can mean different things to different people. Appendix A contains a more detailed discussion of "system" as it is used in this paper, and an illustration of the various sets of entities that constitute and/or impact the "workforce development system." It also offers some analytic frameworks for understanding the system-change process and identifies various sources that influenced this paper's thinking regarding systems and the system-change process.

3 This pattern is not only true in the workforce development field, but also for many other social welfare areas, including education, health, housing, and others.

4 The Annie E. Casey Foundation's Jobs Initiative was a $30 million effort to identify more effective practices for meeting the needs of disadvantaged job seekers and for finding ways to convince the local workforce development systems to adopt these practices. The Jobs Initiative sites were located in Denver, Milwaukee, New Orleans, Philadelphia, St. Louis, and Seattle.

5 The 13 individuals profiled in this paper represent only a small subset of the leaders that contributed to the system-change work of the Jobs Initiative sites. The 13 individuals were selected to provide a range of experiences and perspectives. But each of the Jobs Initiative sites also had other leaders operating at many different levels: civic leaders and elected officials, investors, business representatives, educators, service providers, and program participants. They included individuals such as Mayor Norm Rice in Seattle, New Orleans Jobs Initiative Project Director Darryl Burrows, Erik Parker of the Wisconsin Regional Training Partnership, and St. Louis County Chief Executive Buzz Westfall, to name a few.

6 As stated in the preceding endnote, it is important to acknowledge that in all cases the leaders profiled in this paper were not acting alone in promoting their system-change agenda, but instead worked closely with many other local stakeholders. For example,

Fred Dedrick noted the other system reform champions in Pennsylvania whose contributions were vital in achieving the restructuring of the state's workforce development system. These champions included Sandi Vito (initially deputy secretary and then secretary of the state's Department of Labor and Industry), a core set of six local Workforce Investment Board (WIB) directors, more than eight members of the Pennsylvania WIB, and a variety of other advocates such as Steve Herzenberg of the Keystone Research Center.

7 In fact, prior to their involvement with the Jobs Initiative, most of the profiled individuals concentrated on fields other than workforce development, including affordable housing, community development, economic development, and environmental concerns. With the end of the Jobs Initiative, the majority have continued to work on system change in workforce development. However, four have shifted their principal focus to non-workforce development issues, including municipal reform, public education, state finance of services, and economic revitalization.

8 For example, Jerry Rubin observed:

> I feel strongly that making change at different levels of scale and power comes from the work that you do at different levels. My whole career has involved flipping back and forth between work that entails on-the-ground practice and policy based on that practice experience. It's intellectually and practically complementary. (And I like the nitty-gritty of implementing activities on the ground.)

9 Once they started working with the Jobs Initiative, of course, all 13 were involved with employer engagement to one degree or another.

10 At various points in this paper, we refer to both "policy" and "system" changes. Actually, a policy change is a mechanism to achieve a system change. However, because some of the entities highlighted focus on policy changes as their principal system-change strategy, we take a less precise approach and use the terms somewhat interchangeably.

11 Dedrick credits the wide latitude that Governor Rendell gave to Deputy Secretary Vito in designing and implementing the restructuring as a key factor in the initiative's success.

12 In emphasizing the value of securing the support of these other stakeholders, the leaders are talking about taking advantage of the persuasiveness of the larger political regime in a community. In his 1989

book on post-war politics in Atlanta, Clarence N. Stone brought attention to the concept of political regimes and their influence. He wrote that the term "political regime" refers to the informal arrangements that surround and complement the formal workings of governmental authority. It is manifested in a "governing coalition" that includes the business elite and the dominant political constituencies with voting powers. For groups outside the official political machinery, the support of key members of this coalition offers a gateway to political influence.

[13]   U.S. businesses spend an estimated $100 billion annually on employer training, compared with around $7 billion in public spending. However, a large percentage of the private training dollars are aimed at individuals who already possess substantial skill levels. Businesses frequently are reluctant to invest heavily in training their entry-level employees because of the level of turnover among those workers.

[14]   Ms. Dresser has also assisted a six-county workforce board in Wisconsin secure funding for a large incumbent-worker training program.

[15]   OED was selected by the Annie E. Casey Foundation to serve as the lead agency for the Seattle Jobs Initiative.

[16]   Since her involvement with the Jobs Initiative, Ms. Ryan has become the director of Seattle's Office of Program Management and (simultaneously) has been serving as the acting chair of the Washington State Board of Education. In the latter role, she has successfully helped shape improvements in the state's K-12 public education system, including changes in the high school graduation requirements. However, implementation of these changes depends on the state legislature's approving the necessary funding.

[17]   Appendix C presents a more comprehensive listing of the actions that funders can take to promote the development of system-change leaders and the capacity of their initiatives. That presentation includes a discussion of the importance of funders acknowledging that system change is inevitably a lengthy process requiring a longer-term commitment of flexible funding.

[18]   Cohen, S., Lessons Learned About System Reform, the Annie E. Casey Foundation, June 2007, 3.

[19]   In addition, the foundations' awards tended to be more flexible than the categorical funds available through conventional funding sources. This meant it was possible for the change agents and their partners to use the foundation funds for planning, capacity building, and other activities (sometimes even for advocacy) that were not permitted by the conventional funding sources. For example, the experience of the Jobs Initiative sites and other sectoral projects revealed that the role of workforce intermediaries—entities that bring together and broker among employers, labor groups, and training and service providers—was critical to helping regional workforce development systems become more effective. Until quite recently, though, none of the traditional workforce development funding streams was acknowledging the importance of these intermediaries, or investing in their development and maintenance. However, the flexible funding from the foundations allowed the Jobs Initiative sites to invest in building the intermediary capacity.

[20]   In the Jobs Initiative sites, the endorsements by the national foundations made it more difficult for the local workforce development establishment to dismiss out of hand the recommendations advocated by the profiled leaders and the groups with which they worked. It is also worth noting that, similar to the effect generated by national foundation endorsements, the adoption of the leaders' innovations by other communities and states also brought the efforts added credibility in their own regions. For example, the Wisconsin Regional Training Partnership had been doing groundbreaking work in sectoral initiatives and management-labor practices since the early 1990s. However, according to Joel Rogers, it was not until other states and the federal government expressed keen interest in these practices that Wisconsin officials began to seriouy consider adopting these approaches statewide.