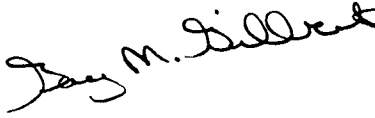


TRAINING AND EMPLOYMENT NOTICE	NO. 17-04
	DATE February 16, 2005

To: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS

From: Gay M. Gilbert 
Administrator
Office of Workforce Investment

Subject: National Mystery Shopping Project

1. **Purpose.** To inform the workforce investment system of a national Mystery Shopping project.
2. **Background.** The Employment and Training Administration (ETA) is charged with providing executive leadership for the nation's public workforce investment system, including the nationwide system of One-Stop Career Centers. To this end, ETA is launching a national Mystery Shopping effort to assist the system in becoming demand-driven. Mystery Shopping is a method of assessing service quality and consistency within industries or firms that relies on individuals posing as customers (or shoppers) to assess services and operations. While Mystery Shopping is a practice commonly used in the private sector, and more recently by public entities, this project seeks to go beyond looking solely at front-end service quality to providing an assessment of demand-driven attributes as reflected in day-to-day operations in the One-Stop Career Centers.

The project builds on lessons learned from a pilot program which took place in seven states in 2003. Through the pilot, ETA gathered information on the use of Mystery Shopping in workforce development, explored a variety of approaches to Mystery Shopping across different states and local areas, and identified options for expanding or improving its application in the One-Stop system.

The concept of a demand-driven system has been increasingly implemented by states and local workforce areas. In a demand-driven environment, the public workforce system must identify current job opportunities as well as where good jobs will be in the future by (1) identifying the workforce needs in high-growth, high-demand and economically critical industries and the necessary preparation required to succeed in those occupations and (2) understanding the workforce challenges that must be addressed to ensure a prepared and competitive workforce.

This requires all of the key players in the state and local system, including Governors and Local Elected Officials, State and Local Workforce Investment Boards (WIBs), State Workforce Agencies, and One-Stop Career Centers to:

- Have a firm grasp of their state and local economies,
- Strategically invest and leverage their resources,
- Build partnerships between industry leaders and educational institutions that develop solutions to workforce challenges, and
- Allocate training dollars to provide the skills and competencies necessary to support industry now and in the future.

The workforce investment system is a critical hub that links employers, economic development organizations, public agencies, and the education community to build and deliver innovative answers to workforce challenges.

The elements of a demand-driven workforce investment system have been shared through public forums and demonstration projects; additional information may be found on ETA's Web site.

3. **Objectives.** The national Mystery Shopping project will assess where the system stands in becoming demand-driven, and provide a third party objective view so that One-Stop Career Centers can receive unbiased information about the Center's progress in becoming demand-driven. ETA has contracted with KRA Corporation to help design and execute this project. A total of 130 One-Stop Career Centers from across the country have been selected for the shops through a random sampling research methodology. Shoppers will be "uninformed"; meaning, unfamiliar with the workforce investment system. Shoppers pose as customers, unknown to the One-Stop Career Center that they visit, and report their experiences based upon a common set of criteria directly related to the elements of a demand-driven system. Shoppers will represent the job-seeker and employer perspectives, and will visit One-Stop Career Centers in person, over the phone, and via internet services. Two rounds of Mystery Shops will take place at each of the selected One-Stop Career Centers to evaluate progress over time. The first round will take place by the end of PY 2004, and the second round will begin in the first quarter of PY 2005, allowing time between shops for sharing results.

States, Local Workforce Investment Boards, and One-Stop Career Centers will receive confidential individual feedback reports between shops, in order to incorporate results into daily operations and to allow for continuous improvement. Data analysis will determine what, if any, changes occurred over the life of the project. While site-specific data will be confidential, top-level national results will be publicly available after the completion of data analysis.

4. **Action Requested.** States are requested to review and share this Training and Employment Notice with Local Workforce Investment Boards and the One-Stop Career Centers, and other state and local workforce partners, as appropriate.

5. **Inquiries.** States seeking to obtain more information about this program may contact Christine Kulick at kulick.christine@dol.gov.