

LMI Customers and Their Needs: Customer-Oriented LMI Product Innovation

*Workforce Information Council
Customer Consultation Study Group
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Introduction (extract from the report)

Under Section 309 of the Workforce Information Act (WIA), Congress requires the states and the Bureau of Labor Statistics (BLS) to work together to enhance the provision of labor market information that meets the needs identified through customer consultations. The Workforce Information Council (WIC) chartered the Customer Consultation Study Group (CCSG) to assist the WIC and state workforce information departments in developing and implementing methods for obtaining feedback from customers regarding the relevance, adequacy, and usability of available labor market information and the methods of delivering that information.

To begin to develop information about how labor market information agencies can best meet their customers' needs, the CCSG Research and Communications subcommittee asked the LMI Training Institute to:

- Identify the breadth and diversity of types of customers of state labor market information agencies.
- Provide general observations regarding the nature of these customers' needs for services from state LMI agencies.
- Provide general observations regarding the extent to which customers believe that state LMI agencies are providing services that meet their needs.
- Recommend a framework for an approach by which state LMI agencies can regularly assess and respond to customer needs.

This report summarizes the key challenges facing state labor market information agencies and identifies the workforce information customer groups that use state LMI data. It also provides an assessment of state LMI customer needs, a summary of what states currently produce, how they disseminate what they produce, and how they solicit feedback. The report also offers implementation tips for state LMI agencies.

Synopsis of the Report

The report provides background information on efforts by the federal government to meet the rapidly changing needs of labor market participants due to structural changes in the U.S. economy after World War II, such as the addition of Section 15 of the Wagner-Peyser Act in 1998 requiring states to consult with key LMI customers regarding their needs, and the

Employment and Training Administration's State Workforce Information Grants (WIG) Program which requires states to incorporate key customer's needs into their efforts to enhance their LMI systems. It also acknowledges the advances in information technology that brought about new data sources such as the BLS Business Employment Dynamics (BED) program, the Census Bureau's Local Employment Dynamics (LED) Partnership and its products, the American Community Survey, O*NET, efforts to link UI records to statewide longitudinal data systems for education, and "real-time" LMI services available from the private sector.

The authors performed a review of Workforce Information Grant reports from 2009 and state LMI agency websites, supplemented by targeted interviews with state LMI directors and staff, to develop a cross-referenced catalogue of state LMI products and LMI customer types, related by the "uses" for which each customer type employs each LMI product. The customer types are grouped into three broad categories:

- 1) Labor Market Actors and Advisors
- 2) Policymakers and Planners
- 3) Value-Added Disseminators

The report also presents a list of state LMI agency products, categorized as 1) Career Products, 2) Economy Products, 3) Labor Market Products, 4) Career/Economy Products, and 5) Career/Economy/Labor Market Products, which are related to each of the customer types, and a list of LMI delivery mechanisms employed by state LMI agencies.

The authors also examined methods state agencies use to ascertain the needs of their customers and get feedback on their products. They found that most state LMI agencies conduct only limited market research on an ad hoc basis, and that they could improve their efforts by adopting a more systematic, strategic approach using cost-effective methods such as advanced web site analytics and a small number of targeted, facilitated focus groups for products with a more limited user base.

LMI Customers Identified by the Report

The report identifies three primary categories of state LMI agency customers, which they describe as follows:

Labor Market Actors and Advisers

- **Jobseekers and Students** include customers who seek a job, whether they are currently employed or not, as well as the children and young adults who will eventually become part of the workforce.
- **Businesses** include any individual or organization that requires labor to operate.
- **Education and Training Instructors and Counselors** include individuals or agencies that directly interact with learners through structured educational or skill-building opportunities.

Policymakers and Planners

- **Workforce Development** includes state and local workforce agencies, which are collaborations of employers, policymakers, and community organizations, that seek to connect companies in need of talent with qualified workers. Workforce development entities interact with both jobseekers and businesses.
- **Economic Development** includes government agencies and nonprofit organizations of varying structures that seek to promote business development opportunities and the implementation of policies that support the development of state and local economies.
- **Education** includes policymaking agents and program designers who influence the development of national, state, and local policies that drive education and training offerings and resource allocations. This group of education customers drives policy design and decision-making.
- **Researchers** include individuals engaged in research activities through academic institutions, think tanks, or other independent contracting entities.
- **Federal, State, and Local Governments** include all government agencies.
- **Internal Customers** include LMI analysts and other LMI leadership who seek to improve the development and functioning of the state and national LMI system.

Value-Added Disseminators

- **Media** includes any member of the accredited media and individuals independently reporting on facts and events through social media or other online dissemination tools. The media uses the data to tell stories.
- **Commercial Data Providers** include any third-party entity that repurposes LMI data and disseminates it to paying customers.