Lessons and Takeaways from Supporting Small Businesses To Improve Job Quality

Seven Tips for Workforce Organizations

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Background

For more than two decades, the Aspen Institute Economic Opportunities Program (EOP) has conducted research and evaluation on sector-based workforce programs — programs that focus on a particular industry sector and seek not only to offer training appropriate to industry need but also to break down systemic barriers to good jobs for excluded populations or to improve the quality of jobs in low-wage industries. In recent years, our workforce development partners have noted that it has become increasingly difficult to find family-sustaining jobs to refer clients into. In response, these partners see a growing demand for new employer engagement practices and new partnerships that can improve employer job quality, enabling workforce providers to achieve their primary mission of connecting people to good jobs.

As part of EOP's Reimagine Retail, a three-year project designed to test and learn about strategies to enhance job quality and improve mobility for workers in retail, Pacific Community Ventures (PCV) developed Good Jobs, Good Business, a toolkit to help small businesses improve job quality and boost their bottom line, and piloted job quality-focused business advising with six businesses in its loan portfolio. In 2020, with support from the National Fund for Workforce Solutions, workforce organizations in Baltimore, Maryland, and Des Moines, Iowa, piloted partnerships with business advisors, who used the toolkit to coach local retail and service-sector businesses to make job quality improvements. In 2021, EOP and PCV collaborated with the Colorado Department of Labor and Employment Northwest Workforce Area (CDLE) to launch a similar pilot partnership with the goals of deepening relationships between the workforce organization and small businesses, enhancing job quality for workers, and strengthening business resilience and performance. This publication discusses lessons learned from the four pilots; it sheds light on how workforce organizations can build relationships with small business leaders focused on improving job quality and includes tips on business prospecting, recruitment, and ongoing engagement.

Throughout this work, we have learned that there is no one-size-fits-all approach to developing relationships with employers. The “secret sauce” is asking lots of questions and tailoring engagement approaches to fit the local context, business leadership styles, and business needs. For organizations interested in partnering with employers, this guide contains tips and promising practices to bolster your engagement and help inform your partnerships in the service of improving job quality.
1. **Build a list of business prospects, starting with “first movers” and “warm handoffs.”**

An important first step to business engagement is to build a list of businesses in your community likely to be open to partnerships to improve job quality.

- When brainstorming a list of prospects, start with the businesses with which you already have relationships and see the potential for receptivity.

- Look for businesses that are “first movers” — that is, those that have taken notable steps to improving job quality for their workers. We have learned that the businesses most eager to partner on job quality work tend to be the ones who are already interested in supporting their workers — for example, mission-driven food stores that source local products and want to have equally sustainable employment practices, or restaurants that hire workers in the neighborhood and care about contributing to community well-being. Look too for those businesses with the capacity to do the work and willingness to commit to making job quality improvements. Other businesses may be more likely to join the bandwagon once you can share other local success stories.

- Consider leveraging partners within your network who can facilitate warm handoffs and introductions to businesses. Do you have relationships with chambers of commerce, industry associations, high road business networks, or affinity groups for business owners who are women or people of color? If so, perhaps your existing networks can make referrals to specific companies that may be interested and a good fit. Pitch these intermediaries, and ask for their help; cold calls are unlikely to yield a strong response.

- If initial attempts to garner interest haven’t been successful, larger blanket outreach efforts, such as hosting a public informational webinar or writing up a press release, could help you quickly reach a greater volume of potentially interested businesses. However, your capacity and target number of business partnerships should ultimately inform how extensively you broadcast opportunities.
2. Prepare for your first meeting.

Once you have identified a potential candidate for a partnership, it’s time to meet with your prospective partner.

- Before you meet with businesses, use “intelligent prospecting”:
  - Do your due diligence, and research the business. Look at the firm’s website, any media stories, and reviews on Yelp, Glassdoor, or Indeed. Check statewide job databases for frequent posters – a recurrent job posting could indicate a turnover problem. Talk to anyone you know who has worked at the business and draw upon any prior conversations you’ve had with the owner or workers you have referred there.
  - As you gather information about the business, keep in mind regional and industry trends, such as wages and cost of living in the area. Look through headlines in local news outlets or threads on social media, and utilize data available through state labor or workforce centers. Local chambers of commerce and municipal economic development organizations may be additional useful resources.
  - As you prepare, think about the tailored pitch you want to use for this particular business. Does it have a reputation as a good community partner that the pilot could help bolster? Does it have negative Glassdoor reviews that suggest high turnover, which the pilot could help address?
  - Lead with questions that can help you learn what will resonate with the business, and then tailor your approach. EOP has developed a Question Bank that you may find helpful to review as you prepare for your recruitment meeting.

From the Initial Email to the First Meeting: Business Engagement Tips

While recruiting businesses for the Good Jobs, Good Business pilot, workforce partners have found it useful to use a three-step engagement process: an email, a phone call, and then an in-person meeting.

Bring materials to your initial meeting to increase credibility and support immediate action. In these pilots, materials that workforce partners found helpful to share first via email and then at the initial meeting included:

- One-page pilot description: This document provided a description of the pilot and the overall goals
- Goal-setting worksheet: This worksheet shows how small businesses will concretely document their goals and plan of action in partnership with their advisors.
- Employee survey: In the first meeting, sharing the survey may be a helpful teaser about the kind of supports the business will receive through the pilot.
3. Frame the business value of job quality improvements.

A growing number of stakeholders across the workforce development community are using job quality to refer to a specific set of employment improvements; however, this term may not be familiar to or resonate with every business owner. “We’ve found owners of small businesses have a lot of pride in their business and can be a bit defensive when you talk about improving the quality of jobs,” one workforce organization shared. It can be helpful to explain to employers that jobs don’t fall on a “good jobs/bad jobs” binary; rather, they fall somewhere along a continuum – and every employer can take steps to improve talent recruitment and retention. Based on what you learn from your preparation, think about how to frame your partnership goals in ways that will allow the employer to see the value of this effort.

- Use positive, asset-based framing to help engage business owners. Many small business owners want to do right by their workers and contribute to the community. Assume good intentions and look for ways to build on existing strengths. One partner’s recruitment strategy focused on the idea that “we all know there’s something that could be done to make jobs better.” Some partners have found that terms such as employee investment, climate and culture, and thriving workforce resonated better with business owners in initial conversations. Contextualize observations within general trends you are seeing across business communities, be mindful about sensitivities, and adapt your language as needed.

- Discuss job quality improvements in terms of how they could help boost businesses’ bottom lines. Connect businesses’ top concerns to potential solutions, by demonstrating, for example, how increasing productivity and job satisfaction can save businesses thousands of dollars a year by reducing turnover.

- It may be helpful to state up front that job quality isn’t only about pay. Many small businesses – especially those in the retail and service sector – operate with low margins. Business owners may not feel they are in a position to raise wages; however, there are many simple, cost-effective ways these firms can upgrade jobs for their workers and strengthen business performance – from formalizing job descriptions to strengthening training and employee engagement. These can raise productivity and open the door to conversations about pay increases over time.

- Keep in mind that not all business owners are the same. Some respond to the moral case around job stability; others may focus on how talent attraction and retention can strengthen the bottom line. Unless you have a clear picture of a business owner’s interest in the pilot, you may want to link job quality to business benefits (e.g., retention, engagement, recruitment) as well as community impact. Throughout the pandemic, business owners have been particularly interested in how job quality efforts can help them to attract and retain workers.
4. Share the many ways that businesses can engage with the workforce system.

Many small business owners are not familiar with the public workforce system and how they can tap into it to recruit, hire, and train talent. Workforce organizations bring important skills, experiences, expertise, and perspectives to partnerships with businesses, which could benefit both employers and their workers. As one workforce professional shared: “I always lead [with who we are and what we do] as a workforce intermediary, because that helps [business owners] understand that I'm working with both the employer and the employee to benefit both parties.” Make business owners aware of the value that workforce organizations hold.

- One business owner noted that workforce professionals aren’t just experts in training – they are also specialists in the experience and perspectives of the workforce. They know what workers need to support retention: “I love the approach of workforce development that is focused on keeping workers happy and in their jobs.”

- One workforce provider brought value to small businesses by sharing local labor market information to help the business understand how its wages compared with those of competitors: “Last night I was online, looking at wages…here in [our state] and our [local] areas. Being able to give [business owners] the data that they don’t know where to find is going to help [with recruitment].”

- Across pilots, businesses noted that local workforce organizations made them aware of valuable community resources and organizations that enabled them to better support their workers.

One important role that workforce organizations can play in job quality efforts with small businesses is administering worker surveys and/or focus groups. During recent pilots, business owners have expressed that they greatly value having a third party administer and analyze worker surveys: “She helped facilitate an employee engagement survey that was amazing.” The survey helps to pinpoint the business’ strengths and growth areas related to talent management (and can be used to identify the right focus for the pilot). As one partner explained, sharing the survey “gets [businesses] engaged and excited about areas that they can grow… If they’re not ready to delve into those questions, they’re not ready for this program yet.”
5. Explain the benefits of business advising for small businesses.

Many human resource and independent business consulting services offer coaching and feedback on an array of aspects of business operations; however, smaller businesses — especially those with leaner management structures and limited human resources capacity — can reap specific rewards by engaging in a business advising relationship with a local workforce organization. Workforce organizations know the local context as well as the regional connections and resources available to address businesses’ needs and concerns. For small businesses looking to build trust with local thought partners, workforce organizations can provide meaningful, practical support and guidance for implementing job quality changes.

- Businesses in previous pilots have shared what drew them to engage with workforce organizations and advisors. Here are the kinds of support they were looking for in an advising relationship:
  - “Mentors, and information and guidance on how best to be managers.”
  - Thought partners providing structured support for long-term planning toward business objectives (owners note that it can be hard to find time to do this work without help).
  - Support with documenting basic operations and standard operating procedures (i.e., recruitment and hiring practices).
  - Support with accessing resources during the COVID-19 shutdown.

- Businesses in previous pilots have shared what they ultimately valued in the advisory relationship, at the conclusion of the pilot:
  - Advisors sharing resources and connections (e.g., to workforce partners or employee support resources): “She came up with a lot of resources and things for us to look at. She helped us reach out to people and connected us to people.”
  - The experience of receiving tailored, one-on-one support from an outside advisor; one participant noted that “to have an external perspective was really helpful.”
  - Having a thought partner “to bounce ideas off to get a second opinion has been very beneficial.”
6. Ensure businesses are a good fit.

Keep in mind that you are not only recruiting the businesses but also ensuring that they’re a good fit for the work. As you’re weighing whether a business is a good fit, you must be sure that the business owner or decision maker is bought-in. As one partner explained: “If [the owner] can’t get to that next point where you can have a phone conversation about it, then how are they ever going to work the program and delve into it?” Factors you may want to consider as you assess fit include:

- Prior baseline understanding of job quality
- Openness to receiving feedback from employees
- Current operational capacity
- Willingness to commit to doing the work

- Communicate up front what the work will look like and what you are hoping to achieve with the business, so that everyone is on the same page in terms of expectations. As one partner explained, “[We told the businesses] ‘This is a time commitment, but here’s what it looks like and what we’re hoping to achieve.’ To me, that felt like we were being transparent. Everybody knew what this was going to take and how long this was going to go for.”

- It is important to be transparent about commitment from the beginning to avoid potential misperceptions and both parties investing too much time in a project that may not ultimately move forward.

Making Job Quality Improvements: Small Steps to Big Changes

One of the foremost aspects of job quality that employers consider is wages. For business owners who don’t feel they can increase wages, pay and compensation can feel like a roadblock to committing to job quality changes. But there are many meaningful improvements business owners can make in the immediate and short term that set them up to make bigger job quality changes in the long run.

During the pandemic, some of our business-owner-partners initially joined the Good Jobs, Good Business pilot to focus on “strategic growth to engage and retain our team” and to address such concerns as supporting employees in this time of great stress. However, we saw businesses that began by focusing on low-cost, light-lift interventions — like increased training — become able to tackle larger goals such as strengthening wages and benefits over time. Read more about business owners’ experiences in past pilots here.
7. Establish expectations around roles and follow-up communication.

Despite best intentions and interests, the realities of running a small business can quickly take precedence for business owners. Building into your timeline follow-up with partners can help keep your partnership on track.

- Be mindful of challenges such as seasonality of staffing, pandemic-related matters, and general business operations, which small businesses in particular have to contend with. Across pilots, workforce organizations indicate initial interest but then a necessity for follow-up: “Employers have shown engagement around the process on the calls and site visits, but then following up and completing action items have created delays and lag time.”

- Have open discussions with your partner about scheduling. Try to get a sense up front of when businesses may be busiest, and work around that schedule. For example, a hotel may be busier during the summer holidays but have more time to dedicate to the project with the arrival of fall. A regular check-in call – even for just 20 to 30 minutes once a month – could help keep communication ongoing and build motivation and accountability into the process.

- Consider financial or other incentives, which can help motivate business partners to meet deadlines and advance job quality work when they are juggling multiple priorities.

- Be transparent about how long the process will take, and establish expectations surrounding involvement for all parties – for example, “It’s going to be a six-month process; I’m going to be here to walk you through it and utilize the resources that are available through PCV and the research, to help answer questions in the different areas that you go into.”

- During recruitment, consider leveraging the reputation of local sponsors (e.g., United Way) and national partners (e.g., The Aspen Institute and PCV) to give the pilot credibility, demonstrate its value, and explain the positive press coverage that may come from participation (e.g., being featured in webinars, articles, and case studies).

- Establish a structure for the partnership and communication, and tailor it to the business’ preference if possible (e.g., set up a standing monthly check-in with accompanying paper documentation). As early as possible, ensure that the appropriate point people are designated to manage follow-up communications and track processes.
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