

**State of Michigan**  
**Department of Information Technology**  
**And**  
**Department of Labor and Economic Growth**  
**Michigan Talent Bank – Labor exchange system**  
**2005 NASCIO Awards Recognition**  
**Digital Government: Government to Citizen (G to C) nomination**



**Title of Nomination: Michigan Talent Bank, Labor Exchange Information System**

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**CATEGORY: Digital Government G to C**

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## **Executive Summary**

Michigan continues to use information technology as a key enabler of statewide strategic policy. Michigan is focused on job creation and economic development. Our recent unemployment rate has exceeded national levels. Thousands of qualified workers were having difficulty locating job opportunities. Parallel to this, thousands of job vacancies were going unfilled. This disconnect between labor supply and demand posed a unique challenge. In response, Michigan has developed a web based labor exchange system designed to reduce unemployment in Michigan, reduce recruitment costs for Michigan business, and encourage economic growth by connecting job seekers with job opportunities. The Michigan Talent Bank (MTB) is an internet-based self-service labor exchange system, containing a comprehensive database of jobs and resumes. MTB is available to be used by every employer and job seeker in Michigan. There is no fee to use this system. Job seekers can post resumes to the system or directly search job orders posted by employers; employers can post job orders as well as directly search resumes posted by job seekers. The system allows both job seekers and employers to create accounts (free of charge), login into their accounts, and update information as often as needed. The system has more features than nationally recognized job web sites, such as Monster.Com, and, is the largest state-specific self-service labor exchange system in the country. The flexible system design allows for easy and quick expansion. In March 2005, the Talent Bank was modified to allow companies to post internships available for Michigan's college and university students. In one month, over 40,000 internship searches were performed.

The Michigan Talent Bank is accessed through Michigan's Career Portal <http://www.michigan.gov/som/0,1607,7-192-29940---,00.html>. The Career portal is a single stop portal for career and educational information, and serves the dual role of supporting two of Michigan's high priority areas – economic development and education. These priority areas are cornerstones of the Governor's strategic cabinet action plan. The Career Portal averages over 300,000 monthly page views. With this amount of traffic, it is no surprise that the Michigan Talent Bank enjoys such wide use. Currently, there are 613,000 active resumes in the Michigan Talent Bank. Over 36,000 Michigan employers are actively registered to use the system. Employer use of the system is evidenced by the 41,000 available job openings posted to the site and an average of over 80,000 resume searches conducted each month. Job seekers conducted nearly 1 million job searches each month during the last 10 months of 2004. According to a survey conducted monthly, almost 50% of the companies that have registered to use the Talent Bank have hired an employee through this labor exchange system. This has been a key tool in moving Michigan's economy forward, and, in saving tax dollars. This self-service technology has allowed Michigan to re-direct over \$10 million in annual costs associated with face-to-face job intake services, to other, equally important economic development initiatives.

## **A. Description of Project**

The Michigan Talent Bank (MTB) was developed in the late 1990's as part of the Federal Wagner-Peyser Act mandating unemployment insurance claimants register to locate work in order to be eligible for unemployment benefits. The MTB system is considered critical because it is a necessary early step that allows claimants to begin searching for work as a condition to receive unemployment benefits. While the focus of the system was initially to satisfy Federal requirements, it has been leveraged and modified to meet the needs of all Michigan job seekers and employers. The system is now the dominant labor exchange tool used by Michigan businesses and jobseekers.

This internet-based self-service labor exchange system, contains a comprehensive database of jobs and resumes. MTB is available to be used by every employer and job seeker in Michigan. Job seekers can post resumes to the system and/or directly search job orders posted by employers; employers can post job orders as well as directly search resumes posted by job seekers. Currently, there are 613,000 active resumes in the Michigan Talent Bank. Over 36,000 Michigan employers are actively registered to use the system. Employer use of the system is evidenced by the 41,000 available job openings posted to the site and an average of over 80,000 resume searches conducted each month. Job seekers conducted nearly 1 million job searches each month during the last 10 months of 2004.

The system's flexible design has allowed rapid development of enhancements that are mapped to Michigan's strategic plans for economic development and growth. Two notable examples include:

- New Internship service – Michigan wishes to slow the 'brain drain' of young adults accepting jobs in other states. To encourage young adults to seek and retain employment in Michigan, the Michigan Talent Bank has been improved to provide internship opportunities within Michigan <http://www.michigan.gov/miintern/>. Several hundred internship programs are identified on the system, as well as information to help young job seekers. In one month, over 40,000 internship searches were performed. Over 400 Michigan-based businesses have posted their internship programs in this same time!
- Michigan Opportunity Partnership – This partnership, introduced in Governor Granholm's 2005 State of the State message, is aimed at placing 30,000 unemployed workers into job vacancies that exist throughout the state. Michigan employers have been asked to 'pledge' the number of positions they can fill in the next year. To support this effort, Michigan employers will use the MTB to identify eligible job seekers. The MTB will be used to track employer hiring targets with actual hiring actions.

The ability to quickly extend and enhance the flexibility of the MTB can be directly tied to flexible, state-of-the art technology that serves as the underlying system infrastructure.

The Michigan Talent Bank's robust design can handle thousands of job searches at a time, and, is built using open systems architecture. The Michigan Talent Bank is a distributed, dynamic, web-based application. The database tier consists of the Oracle 9i database management system. The middle tier is comprised of Oracle 9ias (Apache) web server(s) and J2EE-based Oracle Application server JVM processes. The customer (client tier) is web based, supporting all popular web browsers (IE 5.x and above, Firefox, Netscape etc.). The sophisticated job searches are enabled by Oracle's Text search engine while we use the spatial component of the database to do geographic-specific searches. Operating systems are Solaris 8 running on SUN Enterprise level server hardware.

## **B. Significance to Improvement of Government Operations**

### Self- service and cost savings:

The Michigan Talent Bank uses web based data collection tools that require certain information be entered – prior to moving onto the next step of a job posting. These tools include the automatic collection of customer demographics such as gender, race, date of birth and SSN. Prior to this, significant staff intervention was required to track down missing information for job seekers who enter their resumes into the system. Additionally, users are guided through resume creation with onscreen examples and explanations that help them create informative, professional looking resumes. Also, standard cover letters are provided that can be used as is or modified. Prior to this, significant staff time was devoted to face-to-face resume development and cover letter assistance with customers of Michigan's job placement agencies. The use of technology to help job seekers find jobs has allowed Michigan to reduce it's dependency on field staff providing job matching services to the public. Our estimated staff savings is approximately \$11 million, based on 150 fewer field staff providing job placement services.

### Data Sharing

Information in the Michigan Talent Bank is shared with other technology systems, to further expand the reach of technology in enabling our economic growth strategy. Specific labor 'supply' information is extracted from the Talent Bank, and shared with our Labor Market Information System (<http://www.michlmi.org/>). The labor market system identifies major Michigan labor markets, and, critical labor shortages. By cross matching labor supply from our talent bank, with areas of greatest need, we can direct job seekers to areas of the state in the greatest

need of labor supply This innovative use of technology has allowed Michigan to quickly respond to critical labor shortages, in support of our business community.

### Economic Growth Catalyst

The MTB has helped thousands of workers find jobs with Michigan companies over several years. This information is based on surveys and follow-up notification to all users of the system. Nearly 50% of employers surveyed indicated they used the Michigan Talent Bank to locate and hire employees. Each job pairing reduces unemployment insurance claims filed against Michigan business, and provides additional income for the Michigan economy, while adding tax revenue to local and State government. Prior to the adoption of the Michigan Talent Bank, only 12% of customers visiting a job placement office found work. This is demonstrated proof that technology can serve as an economic catalyst.

### Rapid deployment of low cost new tool sets

In 2005, an enhancement was added to the Michigan Talent Bank to allow students to review internship postings entered by employers on their web sites. Phase I of this project was completed in a very short period of time (6-8 weeks), demonstrating the extensibility of MTB for new features. The base system can be leveraged to reach new populations with very quick turn-around time. Other internship websites, offered in other states, took several months to develop, and cost in excess of \$100,000.

### **C. Benefits**

The MTB has a demonstrated benefit of showing how Government can assist in connecting Michigan's business with Michigan's labor force.

Recipients (tax payers and business) - The adoption rate of the MTB continues to grow. New registrations by employers have risen from an average of 1,000 per month to an average of 1,300 per month. Over 36,000 Michigan employers are registered on the system. Job seekers conduct over 1 million jobs searches per month! This impressive adoption rate can be tied to specific benefits the MTB offers to users, including:

- Convenience – The Michigan Talent Bank is a self-service system available 24 hours a day, 7 days a week, for use by all employers and job seekers in the state of Michigan. All that is required is a web browser. MTB is available at home, in libraries, and used by the local Michigan Works! Agencies throughout the state to assist jobseekers in their quest for a job.

- Improved Customer Service – The MTB is a dynamic system, with new functions added to meet the needs of our large user base. These continuous improvements include:
  - Combined previous Job Bank and Talent Bank environments
  - Single Employer Registration
  - Site Compliance for ADA
  - Spell Check
  - Cover Letters
  - Direct Email of resumes to Employers
  - Employer Saved Searches
  - Confidential Resume
  - Automatic email notification for validated employers
  - Oracle 9i / 9ias upgrade to increase system reliability
  - Functional Resumes
  - Shopping Carts
  - Employer - Resume Carts and Talent Scouts
  - Job Seeker - Job Order Carts and Job Scouts
  - City and zip-based proximity searches
  - More Links to Career Portal and Job Fairs

#### Customer satisfaction

On a monthly basis, a sample of current MTB jobseekers and employers are surveyed to determine their satisfaction levels. Questions regarding usage of the system and the effectiveness of results are asked. An example from the first quarter 2005-survey results is presented below:

- 95% of employers using the resume database said they would use MTB again
- 43% of the employers registered with the MTB hired job seekers found through the resume database
- 80% of the Job Seekers registered with the MTB said they would use MTB again

#### **D. Return on Investment**

##### Short Term Payback:

The self-service Michigan Talent Bank system has allowed a reduction in the number of staff involved in job matching without reducing service to job seekers and employers. Cost savings are realized annually from the reduced number of staff required to operate the state's job matching system. Annual costs to operate the Talent Bank system vary somewhat year to year based on

development and enhancement projects, but on average, the system costs approximately \$1.0 million a year to operate.

Prior to the implementation of the Michigan Talent Bank, job matching relied on the employee facilitated match between the job seeker and the employer. This system was constrained by limitations in available staff time and imperfect information received from the jobseeker and employer. The Talent Bank delivers increased benefit and utility to both jobseekers and employers by providing a job matching system which is available 24 hours a day and is only limited by the imagination of the jobseeker and employer. While this benefit may be difficult to quantify in terms of dollars, 54% of applicants enter employment under the MTB system. Under the old facilitated match system, only 12% of applicants entered employment.

<b>Parameter</b>	<b>Current</b>	<b>Savings</b>
Employee Costs associated with providing job matching service.	Approximately 150 fewer staff in the field providing job matching. Each field worker costs approximately \$75,000 yr in wages and benefits.	\$11.25 million per year in staff savings have resulted by offering on-line, self-service job matching.
Increased benefit/utility to client.	Prior to MTB, job matching relied on the employee facilitated match. This system was constrained by limitations in available staff time and imperfect information received from the jobseeker and employer.	No specific dollar amount. However, 54% of applicants find employment under the MTB system as opposed to 12% prior to MTB.

Long Term Payback:

Annual savings are expected to be \$10.25 million per year. This figure is derived from the estimated annual cost avoidance of staff of \$11.25 million, minus the estimated \$1.0 million cost per year to develop and operate the Michigan Talent Bank.