Involving Employers in Welfare-to-Work Efforts.

The success of work-centered welfare programs depends on clients connecting to the workforce and sustaining employment. Engaging employers in welfare and workforce development policies and programs is critical to achieving positive labor market outcomes for clients. Employer involvement in welfare-to-work activities can benefit public agencies, service providers, clients, and employers alike. The following are among the steps that public agencies can take to create a more businesslike and business-ready environment: (1) provide employers with a single point of contact; (2) create a more accountable service system; (3) modify policies to maximize flexibility in service delivery; (4) invest in staff training to support a culture of employment; and (5) decentralize program activities so that more services can be delivered in the workplace. The following are among the ways agencies and providers can address employers' needs: (1) expand the pool of qualified entry-level job applicants through pre-employment job readiness programs and training; (2) reduce labor costs through financial incentives; (3) improve workers' reliability with work supports and income enhancements; and (4) help fund and coordinate customized training. Research has identified useful lessons on working with employers and designing welfare-to-work programs to meet labor market needs. (Nine resource contacts and 14 references.) (MN)
Involving Employers in Welfare-to-Work Efforts

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By Nanette Relave

Background

To succeed in helping individuals make the transition from welfare to work, public agencies and service providers cannot overlook the demand side of the labor market—employers. Welfare reform and the Workforce Investment Act are unfolding during a time when there is a strong demand for qualified entry-level workers across multiple sectors. This demand remains high even as the economy cools somewhat. Employers are more willing to expand their hiring practices and have a greater interest in programs and services that address workforce issues and needs. Welfare-to-work programs could help employers recruit and retain new labor market entrants, but these programs have often tended to focus on providing services to welfare clients without also engaging and serving employers. Developing a greater focus on employers can help agencies better serve the supply and demand sides of the labor market, and this focus will serve agencies well as labor market conditions change.

This Issue Note provides guidance on understanding employers' needs and on developing a service approach that is more responsive to the demand side of the labor market. This information is designed to help welfare and workforce development agencies, service providers, training organizations, and welfare-to-work grantees in their welfare-to-work activities. Employers can participate in welfare-to-work efforts in several ways, and employer involvement can be a win-win situation for clients, employers, and agencies. For more information, see the Welfare Information Network (WIN) web page on Employer Involvement at http://www.welfareinfo.org/employinvolve.htm.

Policy and Program Issues

Should agencies try to accommodate and build partnerships with employers? The success of work-centered welfare programs depends on clients connecting to the workforce and sustaining employment. Engaging employers in welfare and workforce development policies and programs is critical to achieve positive labor market outcomes for clients. Employer involvement in welfare-to-work activities can benefit public agencies, service providers, clients, and employers.

Working with employers can give agencies up-to-date labor market information that is vital for preparing clients for local employment opportunities and for conducting effective job matching. Employers can also bring a business perspective, private-sector connections, financial and in-kind resources, and other assets. Employer involvement can lend credibility to welfare-to-work efforts in the business community. Employment and training providers can use employers' input to make programs more responsive to the needs of clients and businesses. Welfare and workforce development agencies are focusing their attention on job retention and advancement, concerns that play out in the workplace. Partnering with employers provides opportunities to reach clients in the workplace and to develop work-based strategies. These partnerships also provide opportunities to educate employers on the challenges facing low-wage workers and to encourage their participation in welfare-to-work efforts.

The continuing demand for qualified entry-level workers makes this an opportune time for welfare
and workforce development agencies to engage employers in their reform efforts. However, to do so, agencies need to understand and respond to employers' needs.

What are employers looking for in welfare-to-work programs? To engage employers in welfare-to-work efforts, public agencies and service providers need to understand employers' workforce development needs and provide services and programs that address those needs. Becoming knowledgeable about the local labor market is part of this process. Sources of information on local workforce needs and opportunities include business associations, workforce investment boards, and academic institutions. By developing relationships with employers, agencies can learn about local employment conditions. For more information on accessing local labor market information, see Brown, Buck, and Skinner, Business Partnerships: How to Involve Employers in Welfare Reform (New York, N.Y.: Manpower Demonstration Research Corporation, June 1998), at http://www.mdrc.org/Reports/business.htm.

The literature on employer involvement in welfare reform, particularly studies that have surveyed employers, provides valuable information on employers' needs and perspectives. Clearly, employers are motivated by business needs and objectives. In the current labor market, recruiting and retaining qualified workers are high priorities. Employers look to a variety of sources for work-ready job candidates and to help improve job retention, and they are willing to consider service providers and public agencies as potential sources. Employers consistently indicate that providing qualified, reliable entry-level workers is more important than offering public subsidies. Although employers are concerned about costly job turnover and barriers to sustaining employment, they may not want to assume a social service role. Therefore, businesses are willing to look to public agencies and service providers to assist with employment barriers and workplace adjustment in particular. Employers may not view their welfare hires differently from their other workers, so they may want assistance with their entire entry-level workforce.

What organizational changes can help agencies facilitate employer involvement? Businesses look for services that are cost-effective, responsive, and reliable, qualities they may not associate with the public and nonprofit sectors. Agencies can make several organizational changes to facilitate employer involvement in welfare-to-work efforts.

Welfare reform and the Workforce Investment Act (WIA) have led some agencies to undertake organizational culture change in order to create a more employment-centered service environment. Modifying the organizational culture can address negative perceptions of publicly-funded systems that employers may hold. To create a more business-like and business-ready environment, agencies may want to consider:

- providing employers with a single point of contact;
- improving interagency coordination, especially between welfare and workforce development agencies;
- creating a more accountable system with service goals, outcomes that are valuable to employers, and established performance measures;
- modifying policies to maximize flexibility in service delivery;
- investing in staff training to support a culture of employment;
- minimizing administrative burdens and paperwork for employers; and
- decentralizing program activities so that more services can be delivered in the workplace.

Public agencies can use financing, policy levers, and performance measures to help service providers implement similar organizational changes. For more information on this topic, see Liebowitz, Seltzer, and Kazis, Building Organizational and System Capacity: How Government Can

Welfare and workforce development systems have tended to focus employment services on disadvantaged individuals—a supply-side approach. To be responsive to employers, agencies also need to focus on the demand side of the labor market. This calls for a dual-customer approach and programs and services that address the workforce development needs of clients and employers. Tracking the ongoing labor market needs of local employers can inform agencies on what workforce and support services are valuable to employers. A good way to incorporate a demand-side approach into programs is to use employers to help develop welfare-to-work and workforce policies and programs, and recruit them to participate in governance activities.

Under welfare reform and WIA, many programs and services have been shaped by the work-first approach that emphasizes rapid job placement. Yet research on employers suggests a need to review the work-first model (Roberts and Padden, 1998). Employers do not want to be a testing ground for inexperienced workers and indicate a preference for motivated job candidates with at least basic workplace skills. To help ensure that they can deliver qualified job candidates, agencies should consider investing in pre- and post-employment services and offer job-readiness, short-term training, transitional work experience, and education opportunities. The research on welfare-to-work indicates that a flexible, combined approach is more effective than a set, single-strategy approach.

Many employers remain poorly informed about welfare-to-work efforts in their communities. Developing and implementing a marketing strategy may not be typical activities for agencies, but these activities can help reach employers and open up opportunities for clients. The heart of any marketing strategy lies in emphasizing bottom-line benefits, such as cost savings, value-added services, and a qualified workforce. Agencies should not rely exclusively on marketing materials. They should reach out to employers directly by, for example, visiting worksites, inviting employers to the agency, making presentations at meetings of employer associations, and developing hands-on relationships with employers.

What programmatic activities can address employers’ needs? Implementing a dual-customer approach may not require completely new programs and services. With more work-centered welfare and workforce development systems, many agencies and providers already deliver or fund services that can address employers’ needs for cost-effective training, recruitment, and retention assistance. The key is to ensure that these services respond to real labor market needs and to effectively communicate how these services address employers’ bottom-line concerns. Employment, training, and support services can benefit clients and reduce the risks and costs that employers may associate with involvement in welfare-to-work programs. Agencies and providers can address employers’ needs by:

- expanding the pool of qualified entry-level job applicants through pre-employment job-readiness programs, soft-skills training, work experience programs, and short-term training;
- providing greater access to job candidates through recruitment relationships, job fairs, on-site interviewing, and job screening services;
- reducing labor costs through financial incentives, such as tax credits, wage subsidies, and trial employment;
- improving workers’ reliability with work supports and income enhancements, such as child care subsidies, transportation assistance, transitional Medicaid and food stamps, and emergency funds;
- improving workplace adjustment and job retention with work supports and post-employment services such as ongoing case management and crisis resolution assistance; and
• enhancing skill levels and productivity, as well as strengthening opportunities for advancement, by helping to fund and coordinate customized training, on-the-job training programs, and post-employment education and training opportunities.

Agencies and providers may also want to help employers develop work-based services. These services could include training for supervisors of entry-level workers, mentoring and job coaching, employee assistance programs, and work-based learning programs. Agencies should maximize the flexibility of their funding streams to assist new and incumbent low-wage workers, and their employers, broadly.

What roles can employers play in welfare-to-work policies and programs? Recruiting and hiring clients are not the only roles for employers in welfare-to-work efforts. Although some employers see their role as offering a job and salary, other employers, for business and civic reasons, are willing to participate in welfare-to-work and workforce development efforts in different ways.

Employers can play a meaningful role in planning and implementing welfare-to-work policies and programs, bringing a needed business perspective to the welfare reform process. Policy-makers and program administrators can create opportunities for employers to have input into policy and program development by inviting business participation in surveys, conferences, working committees, and advisory boards. Providers of employment and training services can consult with businesses on the design of programs and curricula to ensure a good match with labor market needs. Some training programs have recruited staff from the private sector to bring industry experience to these programs. Employers can also participate in governance, bringing business practices and experience to activities such as strategic planning, systems reforms, and program evaluation. For example, WIA institutionalizes business involvement in governance through workforce investment boards. By participating in planning, implementation, and governance activities, businesses become stakeholders in the success of welfare-to-work and workforce development efforts.

Employers can also take a hands-on approach by creating employer-directed welfare-to-work programs. One of the best known employer-led initiatives is Marriott's Pathways to Independence program. Employer-led initiatives can include activities from recruitment to job advancement, and they may involve service delivery partnerships with intermediaries, public agencies, and service providers.

Yet employers do not need to create new programs to play a valuable role in facilitating the transition from welfare to work. Employer practices such as providing benefits to entry-level workers, creating a supportive work environment, offering some flexibility in work schedules, helping connect workers to supports, and setting up a mentoring system help both welfare clients and entry-level workers generally to sustain employment. Public agencies and service providers can provide incentives for such practices and help businesses implement them.

Businesses can continue to be advocates and sponsors of welfare-to-work efforts at the community and national levels. In this role, employers can, for example, mentor other businesses on hiring and supporting welfare recipients, contribute in-kind resources to welfare-to-work efforts, and promote welfare-to-work activities among their colleagues, suppliers, and employer associations.

With whom can agencies partner to promote employer involvement and help meet employers’ needs? By partnering on welfare-to-work activities, public agencies, service and training providers, and employers can bring together the resources and opportunities to address the workforce needs of employers and welfare clients. Partnerships can perform several functions: facilitate recruitment, improve job retention, develop career ladders, broker services, and improve the delivery of employment and training services. Although public agencies and service providers have often worked together to deliver services, these organizations may have less experience in partnering with employers. For some practical guidance on forging partnerships and engaging employers, see Brown, Buck, and Skinner, Business Partnerships: How to Involve Employers in
Public agencies can also improve connections to the business community by developing partnerships with employer associations, such as chambers of commerce and trade associations; business-oriented intermediary organizations; and economic development agencies. All of these types of organizations have ties to the business community and are resources on labor market needs. Employer associations can promote welfare-to-work efforts, provide access to employers, and offer a business perspective. Some employer organizations are actively involved in designing and delivering training and workforce development services. Working with employer associations can be especially beneficial in providing access to small businesses that tend to offer many employment opportunities for entry-level workers. Business-oriented intermediaries can work with public agencies and service providers to develop and deliver demand-led services to employers. Working with economic development entities can help to link employment and training programs with the workforce development and skill needs of employers seeking to develop or grow their operations.

Research Findings

The research on welfare-to-work has tended to focus on the supply side rather than the demand side of the labor market. However, survey research on employers and welfare reform provides valuable information on employers’ attitudes about welfare recipients, their hiring practices, and their involvement in welfare-to-work efforts. Recent survey reports include Holzer and Stoll, Employers and Welfare Recipients: The Effects of Welfare Reform in the Workplace (San Francisco, Calif.: Public Policy Institute of California, 2001), at http://www.ppic.org/publications/PPIC143/index.html; and Owen et al., Whose Job Is It? Employers’ Views on Welfare Reform (Saint St. Paul, Minn.: Wilder Research Center, June 2000), at http://www.jcpr.org/wp/WPprofile.cfm?ID=192. For a survey of small businesses, see Levin-Waldman, "Small Business and Welfare Reform," Public Policy Brief Highlights, no. 51A (March 1999), Jerome Levy Economics Institute, Annandale-on-Hudson, N.Y., at http://www.levy.org/docs/hffi/51a.html. These surveys suggest the value of engaging employers in welfare-to-work efforts and the importance of investing in clients before and after employment.

Welfare-to-work surveys conducted by The Welfare to Work Partnership, with the help of Wirthlin Worldwide, are available on The Partnership’s web site at http://www.welfaretowork.org/wwtwpapps/WTWPHOME.nsf under "Research and Statistics." In addition to presenting employers’ practices and needs, these surveys highlight the benefits of employer involvement in welfare-to-work activities. This information is valuable for marketing efforts.

Case studies of demand-led welfare and workforce development initiatives provide useful lessons on working with employers and designing programs to meet labor market needs. For more information, see Bliss, San Francisco Works: Toward an Employer-Led Approach to Welfare Reform and Workforce Development (New York, N.Y.: Manpower Demonstration Research Corporation, March 2000), at http://www.mdrc.org/Reports2000/SFWorks3.0.pdf. Also see other publications from the Connections to Work project, which are available from the Manpower Demonstration Research Corporation at http://www.mdrc.org/. Case studies and research on sectoral workforce development initiatives are available from the National Network of Sector Practitioners at http://www.nedlc.org/nnsp/index.html.

Innovative Practices

Minnesota counties, which administer the state’s Temporary Assistance for Needy Families (TANF) program, involve employers in welfare-to-work efforts. These activities, which vary by local area, include using financial incentives, such as tax credits and subsidized employment; providing post-employment support to employers; and supporting clients’ job retention with
transitional support services, job coaching, and other work-based services. Some local areas include employers on boards or committees, giving agencies an opportunity to learn about current and future labor market needs. Case managers use labor market information to develop individual employment plans and ensure that training opportunities relate to actual workforce needs. Through activities such as employer surveys, working partnerships with specific industries, and involvement with chambers of commerce and other industry groups, some local agencies and providers have access to local labor market information that can inform their welfare-to-work efforts. Agencies can also access labor market information through the state economic security department's website. For more information about local activities, contact Gus Avenido, Minnesota Department of Human Services, Families with Children Division, 651/296-1884.

National Grid USA, a Massachusetts-based network of electric utilities, has a successful welfare-to-work program that is grounded in social responsibility and the desire to gain well-trained, motivated employees. The company relies on partnerships with social service organizations to find, train, and support work-ready welfare recipients. Customized training covers soft and hard skills, and participants learn how to access child care subsidies and the Earned Income Tax Credit. After completing the training curriculum, which averages 12 to 16 weeks, graduates begin a two-month internship at National Grid USA. Interns can apply for positions at the company or are referred to other local employers. National Grid USA, working with social service organizations, has learned to anticipate and address problems that lead to staff turnover. For example, employees are connected with local agencies that offer child care and after-school programs, or provide government subsidies for child care. The company also helps its welfare-to-work employees build careers. New workers are encouraged to take advantage of the on-site courses offered to National Grid USA staff, and the company covers 90 percent of tuition and book costs for certificate programs and college-level studies. For more information, contact Bill Endicott, National Grid USA, 508/389-2600.

Texas has taken many steps to engage employers in welfare-to-work efforts. Employers are involved in governance activities through their participation on local workforce development boards. The local boards develop strategic and operational plans for their area, and they oversee and evaluate employment and training programs, including TANF and Welfare-to-Work employment and training programs. Local boards contract with providers for service delivery in their area. Most service delivery providers have established some type of "employer service unit" for their area. Unit staff members market workforce programs and services to employers, solicit job openings, and may engage in job development. The employer service unit facilitates the establishment of one-on-one relationships with employers that lead to a better understanding of employer needs and a greater responsiveness to employer customers.

In addition, the commissioner representing employers for the Texas Workforce Commission—the state workforce development agency—regularly conducts Texas Business Council seminars throughout the state. These seminars help to inform employers about the roles and responsibilities of local workforce development boards and about the programs and services available to businesses through the local boards and their service providers. For more information, contact Debbie Carlson, Texas Workforce Commission, at 512/463-2675.

The Welfare to Work Partnership is a national nonprofit organization that the business community created to encourage companies to hire and retain individuals who are making the transition from welfare to work. The Partnership has built a network of employers committed to hiring and retaining people on public assistance or other unemployed and low-income workers. It provides information, technical assistance, and support for businesses of all sizes.

The Welfare to Work Partnership launched the BizLink Network in five cities—Chicago, Los Angeles, Miami, New Orleans, and New York—to help businesses meet their hiring needs through welfare-to-work initiatives and to better support new workers. The network is an innovative solution to help businesses and service provider organizations connect and work together to place and retain job-ready welfare-to-work participants. It helps increase job retention for new workers by identifying solutions for child care, transportation, and other issues; providing mentors for new workers; and establishing links among programs that provide critical supports. The Partnership
works with Women in Community Service (WICS) and the National Center on Addiction and Substance Abuse at Columbia University (CASA) on the BizLink Network. WICS provides mentoring specialists at each site, and CASA helps develop materials for employers on job retention among people with substance abuse problems. For more information on the BizLink Network and the activities of The Partnership, contact Rob Keast, The Welfare to Work Partnership, 202/955-3005; or visit http://www.welfaretowork.org/wtwpapps/WTWPHOME.nsf.

The Center for Workforce Preparation of the U.S. Chamber of Commerce launched the Workforce Learning Academies Demonstration Project to help facilitate effective market-driven workforce systems in local communities. This project, which expands on work done by the Orlando Regional Chamber of Commerce, seeks to educate businesses on the hiring, retention, and advancement of entry-level and disadvantaged workers—from welfare recipients to immigrants to older workers—and to engage businesses as stakeholders in improving the workforce development system. The project is being implemented in six sites and has three main components: research on local businesses and workforce development issues, daylong workforce academies, and roundtables.

Chambers of commerce that are participating in the demonstration prepare and convene workforce academies that are customized to each community based on research and outreach activities that identify local workforce development needs and practices. The chambers of commerce invite business leaders to attend workforce academies. During the daylong academies, participants and experts discuss challenges and conditions in workforce development; local businesses present best practices in employment and workforce development; business leaders take part in a family budgeting exercise to experience some of the challenges facing low-wage families; and community providers discuss their resources and programs. The academies will be followed by roundtables that will address workforce development issues and develop recommendations for change in the local workforce development system. The second phase of the Workforce Learning Academies project will seek to educate and influence state-level workforce development policies and programs in four new sites. The Center for Workforce Preparation provides support, training, and program materials to chambers of commerce to convene and implement the academies and roundtables. For more information, contact Scott Cheney, Center for Workforce Preparation, U.S. Chamber of Commerce, 202/887-3441; or visit http://www.uschamber.com/CWP/Projects/default.htm.

For More Information...

Resource Contacts

The Annie E. Casey Foundation, Jobs Initiative Program, 410/547-6600 or http://www.aecf.org/jobsinitiative/.

The Ford Foundation, Corporate Involvement Initiative, 212/573-5000 or http://www.fordfound.org/.


Jobs for the Future, 617/728-4446 or http://www.jff.org/.


National Association of Workforce Boards, 202/289-2950 or http://www.nawb.org/default.asp.


Publications


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**NEW WIN PAGES**

WIN convenes several networks, including the Devolution Tracking Network, the Network of National Community Based Organizations, and the Network of Technical Assistance Providers. Summaries of network meetings are now available online, and cover a range of welfare reform and workforce development topics. Visit http://www.welfareinfo.org/networksummaries.htm.
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