

Implementing Welfare-to-Work in Detroit: The Importance of the Worksite

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Abstract

This paper presents findings from a study that explored the challenges faced by a network of public and private organizations in maintaining goal congruence while implementing a welfare-to-work initiative in Detroit Michigan. The organizations were able to achieve goal congruence ‘on paper’ but struggled to maintain this in practice. Job-placement quotas set by the public oversight agency were seen as overly ambitious by the private workforce development organizations that were contracted to deliver services to TANF recipients. This caused them to alter their usual service models and refer program participants for employment before they were ‘job-ready’. Companies that hired program participants varied in the extent to which they actively helped workers overcome barriers to employment. The combination of these two factors was seen as a key reason for workers’ relatively low job retention rates. The need to engage private companies as full partners in networks that deliver welfare to work services is discussed.

Implementing Welfare-to-Work in Detroit: The Importance of the Worksite

Introduction

This paper presents findings from a study that explored the challenges faced by a network of public and private organizations in maintaining goal congruence while implementing a welfare-to-work initiative for ‘hard-to-employ’ welfare recipients in Detroit.¹ After a brief overview of policy trends related to the devolution and privatization of welfare to work programs and the relevance of goal congruence to effective service delivery, a description of the research design is presented followed by a discussion of program outcomes and five lessons-learned. The conclusion highlights the need for businesses that hire welfare recipients to participate as partners in the service delivery networks.

Work First, Devolution, and Privatization

On August 22, 1996 President Bill Clinton fulfilled his campaign promise to ‘end welfare as we know it’ by signing the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The Act eliminated the 60-year-old Aid to Families with Dependent Children Federal (AFDC) entitlement program, and replaced it with a new block-granted program called Temporary Assistance to Needy Families (TANF). Under TANF, states have broader discretion in designing their welfare programs and in determining who is eligible for assistance; “states may use TANF funding in any manner reasonably calculated to accomplish the purposes of TANF” (H.R. 3743, Personal Responsibility and Work Opportunity Reconciliation Act, 1996).² However, the law is quite explicit in its emphasis on work; “moving people from welfare to work

¹ Hard-to-employ is used by the U. S. Department of Labor to describe TANF recipients who have two of three specified barriers to employment: (1) holds no HS diploma or GED and has low reading or math skills, (2) requires substance abuse treatment for employment, or (3) has a poor work history.

² For example, although states must have “objective criteria for delivery of benefits and determining eligibility” there is no federal eligibility standard that entitles families to assistance. The main federal requirement is that states use the funds to serve families with children but within that parameter states have broad discretion and can set different eligibility tests for different programs funded by the TANF block grant.

is now one of the primary goals of federal welfare policy” (HR 3743, PRWORA, 1996). States must explicitly outline how they will require a parent or caretaker receiving assistance to engage in work once she has received assistance for 24 months and must achieve considerably higher participation rates in work or work-related activities for recipients than they did under AFDC (US-DHHS, August 2000).³ PRWORA also established a 60-month maximum lifetime limit on a family’s eligibility for receiving federally funded TANF benefits, which can play a role in promoting work in that when a family receives support from TANF in one month, it is effectively losing the option of receiving TANF at some point in the future (Acs et al, 1998).⁴ Finally, the law applies penalties that can reduce a state’s block grant for not meeting work participant requirements and provides bonuses for high performance.

Not surprisingly, within just a few years of PRWORA’s passage, all states required welfare recipients to participate in some type of work activity. Most shifted to short-term, work-oriented systems commonly referred to as ‘work first’ (Pavetti, May 2000). While there is no single model of a work first program, the overriding philosophy is that any job is a good job and the best way to succeed in the labor market is to join it (Brown, March 1997). State TANF programs apply this philosophy by focusing their efforts on encouraging welfare recipients to engage in work as quickly as possible through participation in structured or semi-structured job

³ PRWORA provides for a reduction in the minimum work participation rate standards if the State’s average monthly assistance caseload decreased the previous year in comparison to its average monthly caseload in FY 1995. Thus states can reach their participation quotas by increasing the number of recipients engaged in work activities as well as reducing the total number of caseloads. Temporary Assistance for Needy Families Program U.S. Department of Health and Human Services. Administration for Children & Families Office of Planning, Research & Evaluation Washington, D.C. 20447 Information Memorandum No. TANF-ACF-IM-2000-4 Date: August 22, 2000.

⁴ States have the option of requiring work sooner than two years and imposing a shorter lifetime limit. They may also continue to provide cash assistance to recipients beyond five years through state general revenues. States are also permitted to exempt up to 20 % of their TANF caseloads from the lifetime limit on benefits. For families who worry about their future need for TANF benefits, time limits certainly add to the incentive to move from welfare to work. However, for families unconcerned about future TANF benefits, unaware of the time limits, or expecting an exemption from the time limits, the impact on work incentives may be minimal. Michigan does not impose a time limit.

search programs, work experience activities such as community service, and ultimately paid employment; education and training are not emphasized (Holcomb et al, Feb. 1998). Although there is variation among programs in terms of the specific services they offer and the extent to which participation is required, they all share a strong message that employment is both the goal and the expectation (Brown, 1997).

One consequence of this increasing emphasis on work has been the need for State and local welfare agencies to increase their capacity to deliver job placement services to TANF recipients. Many have turned to private nonprofit and for-profit organizations. Public TANF agency administrators are increasingly responsible for monitoring the work of their own agencies as well as the private organizations that actually provide the workforce development services (Pandey, S. & Collier-Tenison, S., 2001; Winston et al, 2002). Brodtkin et al (2002), point out that in the case of welfare reform there is a marked shift toward private provision. They contend that there is a growing need to measure not only the visible aspects of welfare reform, such as declining caseloads, but to examine how the relevant policies are being implemented and by whom. Meyers et al (2001) argue that the implications of these trends are poorly understood, but suggest that the boundaries of program authority have shifted both downward and outward making it more challenging for these networked-based service delivery systems to maintain goal congruence.

Goal Congruence: What It Is, Why It's Relevant

Goal congruence can be understood to be the extent of agreement between official policy goals and the operative goals of the organizations or networks charged with delivering that policy (Meyers et al, 2001). A lack of goal congruence among organizations within a service delivery network is a concern for at least two reasons. First, a fundamental goal of responsible

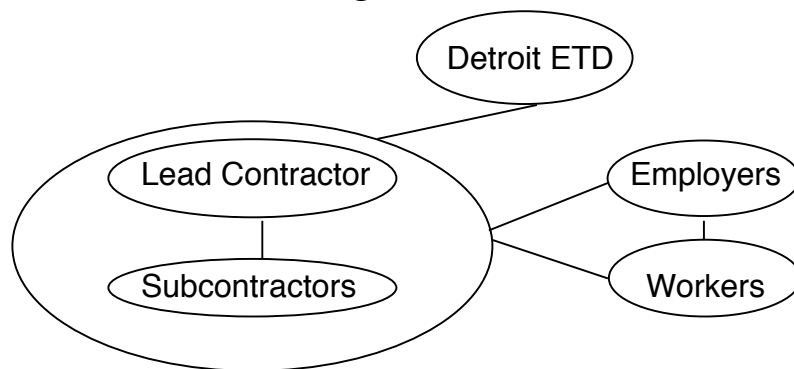
public management is that policy implementation should be guided as much as possible toward the achievement of the objectives articulated in legislation passed by elected officials. Thus, to the extent that goal congruence is not maintained, the formal goals of an initial piece of legislation are altered as they are carried out by the implementing organizations and the wishes of the public (as articulated by their elected representatives) are not being executed. A second reason for concern about goal incongruence is that recipients of the services can become caught in the middle of organizational conflicts regarding program goals and implementation strategies. Meyers et al, (2001) discuss several cases of interagency goal conflict that resulted in poor service delivery. In one example, a state welfare agency with an official goal of moving welfare recipients into the workforce divided the implementation between two separate organizations. One delivered work preparation training and the other provided job placement services. Workers in the first agency, who received credit based on the number of people participating in work preparation activities, were sometimes reluctant to refer clients for actual job placement if it meant lower participation numbers in their program. This in turn created a problem for the job placement agency, which had difficulty enrolling a sufficient number of clients to meet its own quota. This example demonstrates that a lack of goal congruence among provider organizations can result in the needs of clients being inadequately met.

Given the increasing trend toward implementing work first programs via devolved and privatized networks, and the apparent relationship between goal congruence and effective service delivery, it is essential that we understand the challenges faced by organizations involved in implementing these programs and identify mechanisms that can foster goal congruence. The Detroit Welfare-to-Work Public Service Employment (WtW - PSE) program was a particularly appropriate case for research on this issue.

The Program

On July 1, 1998 the City of Detroit Employment and Training Department (ETD) was awarded a \$4.9 million competitive Welfare-to-Work (WtW) grant from the United States Department of Labor (DOL) to operate a Public Service Employment (PSE) program for hard-to-employ TANF recipients. The core component of the program was subsidized employment, six-month transitional jobs where participants would work at public agencies, non-profit organizations, and private for-profit companies and receive customized on-the-job training and other support in transitioning from welfare to work.⁵ After the initial transition period, where workers' wages were paid with WtW funds, it was envisioned that most PSE-workers would be hired on as regular employees with the same employers. The ETD had overall responsibility for implementation but the program services were actually delivered by a collaborative of two non-profit and three for-profit workforce development organizations⁶. One agency served as the lead contractor and reported directly to the ETD while the four other agencies were hired as subcontractors reporting to the lead agency (Figure 1).

FIGURE 1: Detroit WtW-PSE Program Stakeholders



⁵ Although public agencies and non-profit organizations also employed PSE workers, about two-thirds were placed with for-profit businesses and it is this group that staff from the WDOs most often referenced in their comments about 'employers' and to which I devote the remainder of this paper.

⁶Recipients were initially screened by TANF caseworkers at public Family Independence Agency offices to determine whether they met the 'hard-to-employ' criteria and they were then referred to one of the five WtW-PSE agencies: Careerworks, Inc.; Diversified Education Services; Educational Data Systems, Inc.; Goodwill Industries of Greater Detroit; Ross Learning, Inc.

The agencies provided orientation and pre-employment services, which included the following: job readiness training, job search assistance, job development and placement and case management; and referral for support services such as transportation and childcare. The initial program design included specific outcome measures regarding the number of participants to be recruited and placed into unsubsidized jobs as well as wage targets for their first job and after one-year of working.

Research Design

As this research was exploratory in nature, the design included open-ended interviews with a total of twenty-seven individuals: three representatives from the ETD; sixteen staff members from the contracted workforce development organizations (WDO); six program participants, and two employers. Interviews, conducted between July and November 2002, were designed to solicit information regarding knowledge and interpretation of program goals, experiences in designing and implementing the program, or receiving services. Documents related to the development and design of the program including the original WtW statute; U. S. DOL guidelines on WtW; and the City of Detroit's grant proposal to the DOL were also reviewed. The transcribed interviews and documents were analyzed to identify recurrent themes regarding written regulations, organizational features, and programmatic practices related to goal congruence. Summary outcome data was also collected.⁷

Program Outcomes

⁷Although I received permission from the City of Detroit Employment and Training Department to analyze the raw outcome data, the lead contractor held actual possession of the data and denied my access. They provided me only with summary data. While beyond the scope of this paper, this issue does raise other concerns --for researchers in particular-- regarding privatization of welfare to work services.

Placement & Retention

The Detroit WtW-PSE program enrolled 1877 individuals, exceeding the goal of 1700 set by the ETD. However, only 835 participants had been or were working in unsubsidized jobs by the end of the program period, which failed to meet the ETD's target of 1200. Of those who obtained unsubsidized jobs, 387 (46%) stayed employed for at least 90 days and 220 (26%) worked for at least 180 days.⁸ The 90-day retention rate is similar to that for participants in traditional welfare to work programs in Detroit but the 180-day rate is lower (see Table 1).

Wages

The beginning average hourly wage earned by participants who worked was \$7.21, which was higher than the program goal of \$7.00 per hour. Wages increased by an average of \$0.11 per hour for workers who retained their jobs for at least 90 days and another \$.07 per hour if they remained employed for 180 days. Although data on annual wage increases were unavailable, doubling the 6-month increase of \$0.18 suggests that that a typical worker earned \$7.57 per hour if she kept her job for one year. This falls far short of the goal in the initial program design of \$11.00 per hour one year after placement.

Table 1: Detroit WtW-PSE Placement and Wage Outcomes

Measure	Goal	Actual
# of Participants	1,700	1,877
# Unsubsidized Placements	1200	835 (45%) ^a
Wage at Placement	\$7.00	\$7.21
Wage at 90 Day Retention	---	\$7.32
Wage at 180 Day Retention	---	\$7.39
Wage after One Year	\$11.00	\$7.57 ^b
Retained Job for 90 Days	---	387 (46%)
Retained Job for 180 Days	---	220 (26%)

Source: Data provided by Ross Learning, Inc. as of 1/16/2002.

^aCalculated over the total number of enrolled participants, 1877.

^bThis figure is based on an extrapolation of the average 6-month wage increase.

Goal Congruence – On Paper

This section reports on how consistent the initial program design was with the WtW statute. The purpose of the Welfare-to-Work program was fourfold:⁹

(A) Facilitate the placement of hard-to-employ welfare recipients into transitional employment opportunities which will lead to lasting unsubsidized employment and self-sufficiency;

(B) Provide a variety of activities, grounded in TANF's 'Work First' philosophy, to prepare individuals for, and to place them in, lasting unsubsidized employment;

(C) Provide for a variety of post-employment and job retention services which will assist hard-to-employ welfare recipients secure lasting unsubsidized employment;

(D) Provide targeted WtW funds to high poverty areas with large numbers of hard-to-employ welfare recipients.

An examination of the original proposal submitted by the City of Detroit Employment and Training Department demonstrates that each of these four goals were addressed in the program design.

(A) Placement into Transitional Employment Opportunities

The core component of the Detroit Welfare-to-Work program was Public Service Employment (PSE), six month subsidized transitional jobs where employers were to provide customized on-the-job training, mentoring and general support to help participants in transition from welfare to work. Wages were paid with WtW funds. After this transition period, it was envisioned that most PSE-workers would be hired on as regular employees by their respective employers.¹⁰

⁸ There was no explicit numerical goal for retention however; the overarching goal of the program was to help participants achieve 'lasting unsubsidized employment.' See following section for more details on this.

⁹ U. S. Department of Labor (November 1997). Welfare-to-Work Interim Final Regulations.

¹⁰ Although this was considered the ideal, other possible variations were considered equally viable such as transitioning to an unsubsidized position with a different employer.

(B) Variety of Activities, Grounded in TANF's "Work First" Philosophy

The list of pre-employment services that ETD planners expected the WDOs to provide included the following:

- Job Readiness/Search: four to six weeks of dynamic non-traditional, non-classroom workplace setting experiences in oral communication, understanding instructions, cooperation with supervisors and peers, punctuality, attendance, listening skills, teamwork, problem solving, goal setting, personal hygiene, proper appearance, interviewing skills, monthly expense budgeting, time management and other competencies valued by employers.
- Job Development/Placement: direct work with area employers to identify available jobs, explain the program, gain agreement to comply with program guidelines, and facilitate the placement of welfare recipients.
- Case Management: the development of 'Individual Service Strategies' by professional case managers and program participants in order to identify goals, plan employment steps, identify work barriers, and secure supportive services.

C. Variety of Post-Employment and Job Retention Services

During the transitional placement PSE workers were to receive ongoing case management from one of the five workforce development organizations to help them maintain their employment. The objective was to address remaining barriers to employment that arose and prepare for additional steps along their chosen career path, thereby contributing to long-term economic self-sufficiency. These post-placement services were also designed to provide ongoing monitoring of and assistance to both workers and employers in order to ensure a successful PSE experience.

D. Targeted High Poverty Areas with Large Numbers of Hard-to-Employ Welfare Recipients

The ETD's plan targeted the Detroit Empowerment Zone in which 47% of the residents were living below the poverty line (compared to 32% citywide) and where 38% were TANF recipients (compared to 25% in the entire city). For Detroit in general, 65% of all TANF recipients met the 'hard-to-employ' criterion of being on welfare for at least 36 out of the prior 60 months.

Summary

This analysis of the ETD's program design suggests that it was consistent with the goals of the federal WtW law and included specific components aimed at facilitating job placement and retention of program participants. That is, goal congruence was achieved, on paper.

Goal Congruence – In Practice

This section provides findings regarding five key lessons-learned regarding the network's capacity to maintain goal congruence in practice.

Lesson #1. The Lead Contractor-Subcontractor Arrangement Facilitated Collaboration

Generally, staff from the workforce development organizations shared a common working knowledge of program goals which was consistent with the DOL-WtW statute as well as the original ETD program design. The lead contractor was able to be a single point of contact with the public bureaucracy on behalf of all five WDOs and to facilitate information sharing and cooperation among the subcontractors.

Common Understanding of Program Goals

Everyone knew (the goals) exactly because we were sitting right next to each other in a monthly meeting, and it was all laid out where we need to be as a group, and where we needed to be as an individual agency. [Job Counselor]

Well I perceived the goal was to take people who have been traditionally considered hard to place in the private sector and give them a step up by starting with the subsidized employment and to encourage our employers not to think of this as short term but to try to pick someone and train someone and treat someone as if they will be with the company long term. I think we had some pretty good success with that.
[Assistant Director]

Representing WDO Interests Collectively

Sometimes (the lead contractor) ended up going back to the City because they had a significant responsibility to inform the City about this project and they had a louder voice because they were representing more mass. [Agency Director].

I think dealing with (the lead contractor) was effective because whatever concerns we had we would take it to (them) and they understood our concerns and other contractors' concerns. Then they would take that information back to the City and make some kind of recommendation or some changes that would affect all the contractors, all the people that were involved. [Program Director]

Interagency Cooperation and Sharing

I think (having the lead contractor-subcontractor arrangement) was positive because what it did was to cause five of the most significantly competitive firms in this business in Detroit to really come together as a team. But I think that was good. It was good for the clients and it was good for the City because we had to behave differently because we were part of a larger mass. There was a lot more sharing going on, like instead of us having a job fair for instance that was only open to our clients, it was open to everybody and other contractors did those same kinds of things. [Agency Director].

You know a lot of times when you have competitive bidding it's just that, competitive. As a collaborative, the goal is for everyone to reach their goals so (the lead contractor's) performance was based on how well we all did and everyone knew we were all part of the collaborative. Basically we shared ideas, we shared problems, we shared successes. I like the idea of coming together with other agencies in a group. [Agency Director]

Lesson #2: Inter-Organizational Trust Must be Cultivated.

Several staff members from the WDOs suggested that a key element to working collaboratively with other agencies (and particularly working as a subcontractor) was the development of strong working relationships however, given that these agencies were otherwise competitors, trust was not initially in abundance. By providing tangible benefits to subcontractors, such as helping the subcontractors address administrative issues and facilitating

communication among agencies via weekly meetings, the lead agency was able to promote trust among the agencies.

Demonstrate the Benefits of Belonging to the Collaborative.

Initially, I think there was some reluctance to share certain information on some of the subcontractors' parts, you know financial information, because we're competitive in aspects of the same funding agency.

I think there's been a level of trust built over the years. What we've been able to do is send people out to monitor and correct things before the City, State or the Feds come out and monitor. So I think that subcontractors have learned that there's a benefit to this alliance and that we're not a threat and we're not trying to get so big that we envelope everybody in all aspects of their programs. [Program Administrator]

I think because (the lead contractor) had the master contract they could bring on legal resources and that took some of the burden off of us and all of the oversight that they provided for the contract was a value because they would come in and do a review, and when all the audits are done then I think it will be better because it was much more 'in the family'. But it was healthy and we all needed it. They addressed things about the program, like the way the files were organized, and it helped that they played sort of a 'big brother' role. [Agency Director]

Keep Communication Flowing via Regular Meetings with all Agencies

One of the things that I think was very important, and maybe should be in a best practices type of situation, was weekly meetings with job development staff, to train (them) and share what we were doing with employers. I had a great relationship with a few companies, (company name) being one of them, which was a general labor company. Well, maybe another agency had a great relationship with a security firm. So what we'd do is say, 'Ok, this place will take ten people (but) we only have two that want to go here.' So it was competitors sharing ideas. [Program Director]

In the meetings (with the other subcontractors) there were particular agenda items that we discussed which were particular collaborative type items you know: 'What has been your experience? How many people have we enrolled? What are some ways to recruit employers?' That was a big concern; how do we sell the PSE program to employers? You know, so there were agenda items that kind of forced cooperation. It didn't just happen. [Agency Director]

Lesson #3. Ambitious Placement Targets Compromised Service Delivery.

While not disagreeing with the concept of firm performance measures, virtually all WDO staff suggested that pressure to hit placement targets altered their normal program operations and

resulted in less than optimal service delivery. They felt compelled to move people through job readiness training in an abbreviated fashion which sometimes led to participants taking jobs they were not well suited for or before they were ‘job-ready’.¹¹ WDO staff raised concerns that this could have negative impacts on PSE workers’ well-being as well as their agencies’ relationships with employers.

Accelerated Job Placement

In our normal program flow, people are with us in readiness training for four weeks. The job developers would meet with those people during the first week and try to help them understand that and look at what their aspirations are. They’ve got three weeks where we’re trying to develop some realistic opportunities for them so when people finish their readiness training there are opportunities to send them out on. Nobody said we want you to cut your four-week program to a week, but it was very clear that this was a Work First initiative. Our 4-week design is a work first design, a typical work first design. But this was WORK FIRST. [Agency Director]

You had to place a person regardless of whether it was a good match or not. Instead of finding a person, finding out what their needs, likes, dislikes are, what may work out for them and then going out and ‘developing’ that job, it wasn’t like that. [Job Counselor]

Affect on Workers and Employers

The program had I think a great concept to try to get people experience, try to get them on their feet. But at first it seemed to be like cattle, a herd being pushed into a spot. [Job Counselor]

A lot of (the participants) haven’t worked in years, and to take someone who maybe hasn’t worked in 20 years, and then they have children you know and they have other things that happen, they cannot deal with those things. They choose one or the other and it’s usually their family over their job. [Job Counselor]

If you don’t have the right match of person with the job, then you end up, the employer’s unhappy and that (participant) has had another negative experience. And we don’t want to be contributing another negative experience to your life because then it makes the next go-around just that much more difficult. [Program Administrator]

¹¹ By ‘job-ready’ I refer to participants having resolved any issues that would be considered barriers to employment. Personal issues such as lack of education, poor work skills, domestic violence, and health/mental health problems impede many welfare recipients from getting and keeping jobs. Structural issues such as lack of childcare, poor demand for low-skilled workers, discrimination, and poor mass transportation problems are also major obstacles. Transportation problems are particularly prevalent in Detroit where there is a substantial spatial mismatch between where jobs are located (in the suburbs) and where many welfare recipients live (in the central city).

Lesson #4. The Quality of PSE Placements Varied Greatly.

The initial program design called for employers to provide worksite support, such as on-the-job training and mentoring, and to hire PSE workers into regular positions after the transition period. However, companies varied in their willingness and capacity to do so.

Employers: ‘The Good, The Bad, and The Unfortunate’

Well, after my training they gave me a certificate and it was really great. I was like wow, because I had my sister there. I felt really good! I got a great job and I felt really good. I was looking for more stability in my life. I wanted a real good job so I could get stability in my life. Now since I’m here, I’ve felt more stable. No more job-hopping and family getting unbalanced, stuff like that. [Worker]

There were some employers that actually hired people in the end. But there were some that, you know 3 months into the placement, or a month before the PSE was going to be over or, you know 2 weeks after the PSE (subsidy) ended and they had to add them on to their own payroll, then those persons generally lost their job. And (the employer) would come up with this long list of reasons why this person was no longer qualified for this job and stuff they never mentioned during the 6 months of PSE. [Job Counselor]

Employers would hire based on knowing that they’d get a tax break, plus the wages, and once the tax break and the wages were gone then the employee was gone.” [Job Developer]

One of the really big subsidized employers had a really successful program for people coming in subsidized, but unfortunately they ran into some of the economic issues, especially after ‘nine-eleven’, and they were laying off their own people. [Assistant Director]

There are other issues too; there are just the economics about what’s going on in the economy. Some of those better jobs were in places that were hit hard by changes in the economy in the latter half of 2001, in some of the industrial areas. The automobile companies were suffering and places like that were affected by the economy. They started pulling back and that’s going to affect everyone. [Program Administrator]

Lesson #5: Identifying ‘Good’ Employers is an Uncertain Process.

WDO job developers had some ideas regarding the type of companies that were likely to provide supportive PSE placements but most expressed a desire to have been able to conduct more thorough screenings or to rely on employers with whom they had established relationships.

Pressure to meet placement quotas caused them to expand the pool of companies to which they referred participants and left them with little time to fully qualify these worksites. More often, WDOs relied on a trial and error, or 'testing' process, whereby some number of participants would be sent to a company and the job developers would monitor retention rates. They then used these results to decide whether to refer more workers to that employers.

Objective Criteria: New vs. Old, Private vs. Public

You want to stay away from new companies and you want to stay away from you know 'car washes' and jobs where there wasn't going to be a whole lot of training, you know, quality training. There's nothing wrong with a car wash, but is that a good PSE experience? No. So, companies that have been in business a long time and that have a labor force in place. You didn't want a company to start their business on PSE employees. So those were the kind of things we would look at. [Agency Director]

Private, private was better. Because the City of Detroit promised to hire I think it was like 60 PSEs per year and I think maybe four or five would get through the process. They would have them take the test but they would never get through to get a Detroit City job. [Job Developer]

Assessment of Employers' Willingness and Capacity to Provide Support

(You need to) better screen the employers to make sure they're not looking for free labor. Make sure there's training involved, so even if the employers do not keep the PSE worker, that worker will leave with skills to get another job. [Program Director]

We would work with the employer to do a skills analysis of what the new job that they're going to put the person into would be and the supervisor would identify which tasks the person would do. So we'd be able to show skill growth and that would be a credential that the person would take to the next job or within the company. [Agency Director]

If there was a like, a checklist of like 25 things and you had to put a target date for certain things and who's responsible for it and assign a mentor to this person to teach them the work culture. You know, monitor their punctuality and stuff like that and the employer would have to do what was on that sheet. And then they would know that these are the goals within this six months and that these are things that you [the employer] need to provide for this person. [Job Counselor/Job Developer]

Developing and Cultivating Employer Relations

We really try to use employers that we've had a long-term relationship with and had always been committed to hiring our customers regardless of whether they were getting subsidies or unsubsidized. Particularly, with a company we'd worked with we had communication with that company, personal communication. So if you've had a group of people who've communicated and if they had a problem with an employee who was late, then we work with (her) to get rid of that problem to make her a better employee. [Program Director]

I think the (low) take up rate for the people that went from the subsidized, hoping to get into the unsubsidized positions, largely was because you can get pretty far down in the food chain and somebody can make a decision to take a worker that doesn't cost the organization any money or any liability. But in order to get that person brought on into a (regular) position you have to go up a little bit higher. [Agency Director]

Ongoing Analysis of Retention Rates

We started filtering (employers) out because you learn pretty quick. You know, you look at their statistics and after 90 days you see the number of people that were let go then you can see if you've got a trend. It didn't happen a lot but we had a few employers that we decided that we didn't want to use again for that kind of reason. [Program Director]

What I would do is talk to (PSE workers) who worked there. I would ask them how things were going and they would let me know. For example at (company name), turnover was real high when we had PSEs with them. No one would even last six months [Job Counselor/Developer]

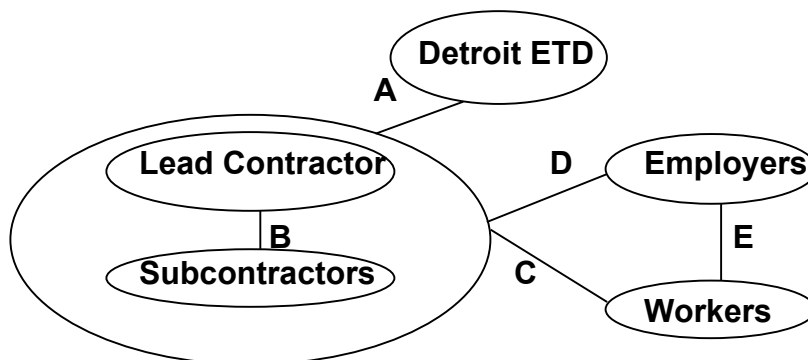
If you look at the record by employer, you know how many employees didn't transition (to an unsubsidized job) and it's likely that they'll do it again. You know the kiss of death for us is if we were getting a lot of PSEs and they weren't transitioning up and not getting anywhere, so we did have that lever (not referring any more employees). [Agency Director]

We'd look at the data and see certain employers with early termination dates, I can think of two off-hand, and actually we ended up going out and meeting with the companies to see what was going on. And one was a situation where the supervisor was just berating the people on the way in the door. The company wasn't necessarily a bad company, but the supervisor was certainly not doing anything to help them. [Job Developer]

Discussion of Findings

In reviewing the outcomes and lessons-learned in this report, two key themes emerge regarding implications for work first programs that are implemented via devolved and privatized service delivery networks: (1) in order to maintain goal congruence, and thereby maximize the chances of achieving program goals, trusting relationships which stress open communication and cooperation among all stakeholders (including employers and workers) must be established and cultivated, and (2) initial program designs and outcome targets, while necessarily accounting for official policy goals, should be developed with an understanding of the process by which organizations develop collaborative strategies to deliver services. In the case of the Detroit WtW-PSE program, pressure to achieve placement quotas resulted in WDOs distorting their program models and in a consequent breakdown of trust at many points ultimately impeding goal congruence. In analyzing the WtW-PSE program then, it is necessary to look not only at the individual stakeholders that make up the network, but also at the array of relationships that exist and the factors that impeded or promoted the development of trust (see Figure 2).

FIGURE 2: Detroit WtW - PSE Program: Relationships



A. ETD-Contractors

Through its contract award, the ETD conveyed its confidence in the lead contractor that it could adequately oversee the operations of this multi-million dollar program. Consequently, the lead contractor was obliged to ensure that it, and the collaborating subcontractors, would achieve program goals as demonstrated by meeting objective performance targets. However, this demand compelled the implementing agencies to distort their usual service models, which actually led to inadequate service delivery and a failure to meet the ETD's original program goals.

B. Lead Contractor-Subcontractors

Trust was needed by the lead contractor, as a virtual extension of the City, in believing that the subcontractors would implement the program as directed. For their part, subcontractors must have expected that there would be some benefit to their agency (and clients) by agreeing to work under the direction of the lead contractor, which was otherwise a competitor. Trust was also essential in helping subcontractors develop cooperative working relationships with each other. In providing oversight to the subcontracting agencies and pointing out ways to avoid audit problems, the lead contractor was able to demonstrate the value of their leadership. By convening meetings where all five implementing agencies shared information about job openings and best practices, the lead contractor promoted the development of trust among the agencies and further cooperation.

C. Workers-Contractors

Although their participation in the program was essentially mandatory due to TANF work requirements, participants are likely to be more enthusiastic if they can trust that participation in a workforce development program will truly facilitate long-term economic self-sufficiency.

Conducting thorough assessments of PSE workers' interests and aptitudes and placing them into appropriate jobs were two primary mechanisms available to WDO staff in helping WtW-PSE participants enter and stay in the workforce. Early placement targets caused agencies to accelerate the assessment process, which sometimes resulted in inappropriate job matches, and in such cases, the development of trust between the PSE workers and the agencies was compromised.

D. Contractors-Employers

Employers must have believed that there was something to gain by having PSE workers placed in their companies and agreeing to hire them after the transitional period. Specifically, they needed to trust that the WDOs would do an adequate job in referring workers that met their labor force needs. Again, appropriate matching was crucial in demonstrating the value of participating in the program to employers. To the extent that the WDOs helped workers resolve potential barriers to work before taking a job, employers were likely to have more trust in the value of participating in the program. Conversely, WDO staff needed to trust employers, that in accepting subsidized workers they would at minimum, abide by their commitments to provide supportive work environments and to at least seriously consider hiring them after the subsidy ended. When particular employers demonstrated their lack of willingness or capacity to retain workers, WDO staff wisely questioned the feasibility of referring more PSE workers to these companies and sometimes stopped doing so.

E. Employers-Workers

Finally, the relationship between employers and workers is ultimately the most vital for the success of workforce development programs. Employers who fulfilled their commitment to provide mentoring, training and opportunities for advancement allowed workers to make

progress toward economic self-sufficiency and thereby develop a belief that they could make successful transitions from welfare to work. Workers could engender trust on the part of employers by abiding by standards of dependability, reliability, and job performance. To the extent that workers and employers were mismatched, the development of mutual trust was likely hindered.

Summary

While it is necessary to establish clear and measurable outcomes in order for funding agencies such as the United States Department of Labor and the City of Detroit Employment and Training Department to evaluate their initiatives, it is also prudent to recognize that rigid adherence to rules and regulations can sometimes result in less than optimal service delivery and program outcomes. The findings in this paper suggest that the initial WtW-PSE program design developed by the ETD adhered to the WtW legislation and DOL implementation guidelines. This is not overly surprising given that the ETD's application was written to gain approval from the DOL. However, it is apparent that goal congruence in practice and actual service delivery were compromised because the WDOs altered their program models in order to reach what most staff considered over ambitious placement quotas imposed by the ETD. In particular, TANF recipients were moved through the job preparation process at an accelerated pace and sometimes placed into jobs that did not suit their aptitude or skills or before they had addressed barriers to employment. While some companies were committed to the ideal of helping workers achieve long-term economic self-sufficiency through work, others seemed to purposely discourage employment once the financial incentive to keeping a worker had ended. The WDOs were not able to reliably predetermine which employers would train, mentor and retain their workers. They preferred placing participants with companies they knew well, but the need to reach

placement quotas cause them to refer workers to employers with whom they had no pre-existing relationship. Their ‘testing’ method of placing workers and observing retention rates was ultimately an accurate but inefficient method for identifying ‘good’ employers because it relied on retroactive analysis.

Conclusion

The findings discussed in this paper were drawn from a study of one particular program in Detroit Michigan. However, the themes that emerged may apply more generally. As discussed earlier, the work first approach, has become the predominant philosophy that guides TANF programs across the United States and other nations have also move in this direction. This philosophy, which asserts that ANY job is a 'good' job and the best way to succeed in the labor market is to join it has led to a reduction in pre-employment education and training for welfare recipients. Thus, much of the work in helping welfare recipients identify and deal with employment barriers that used to be provided by workforce development organizations must now occur, if it is to happen at all, on the job. That is, employers that hire TANF recipients may often be functioning as de facto job readiness trainers. However, many may be unwilling or unable to meet this responsibility and since they are not typically subject to the monitoring and governance policies, such as regular audits and pay-for-performance contracting, as the WDOs organizations they cannot be obliged to do so.¹² Yet the findings in this paper and other research suggest that some employers voluntarily implement worksite support practices to help former TANF recipients overcome barriers to work (Konrad et al, 2003).¹³ We are therefore left with a few

¹² Nor should they necessarily be obliged to do so but the fact remains that if TANF recipients are taking jobs before resolving all or most their work barriers the role of employers in helping them do so must be considered.

¹³ These include practices in the following areas: employee orientation; feedback; training and development opportunities; mentoring; supervisor training and accountability; flexible work schedules; EAP; dependent care and work supports.

fundamental questions:

1. Under what conditions will employers that hire TANF recipients implement 'worksites support practices' to help them overcome barriers to employment?
2. What specific practices are most effective in helping TANF recipients overcome barriers to employment?
3. What methods can be used by workforce development organizations to identify employers who are willing and able to engage in such practices?
4. What policies or other mechanisms are likely to encourage employers to engage in such practices?

Answering these and related questions is an important task for researchers and practitioners interested in helping TANF recipients and other individuals with barriers to employment achieve economic self-sufficiency. Johnson and Corcoran (2003) contend, "analyses that inform and evaluate the likely effects of various post-employment services is an important topic for future research" (pg. 22). This paper argues that because of trends in work first, devolution and privatization, and the need for service delivery networks to maintain goal congruence, the role of employers must be a key component of such research and should go beyond current examinations of how objective job characteristics such as wages, benefits, and industrial sector are related to job retention and income (Johnson, R. and Corcoran, M., 2003; Lane, J. & Stevens, D., April, 2001). Studies that seek to understand the process by which employers can be engaged as full partners in the networks that deliver workforce development services by actively participating in efforts to help individuals with barriers to work must also receive our attention.

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