

EXECUTIVE SUMMARY

This report contains the strategic vision for the U.S. Department of Labor (DOL) / Employment and Training Administration's (ETA) research efforts over the next five years.¹ This report—referred to as the Research Plan throughout the text—identifies the potential pilot, demonstration, research, and evaluation projects, including multistate and multiservice projects, that will help guide the DOL in expanding skills and opportunities for U.S. employers and workers as it implements the Workforce Investment Act of 1998 and related ETA programs.²

A number of national commentators and observers have noted the importance of the Workforce Investment Act (WIA) of 1998, the nation's most comprehensive effort at streamlining and transforming public job training and education programs and agencies into a system that meets the skill needs of today's economy. WIA replaces the Job Training Partnership Act (JTPA) and amends the Wagner-Peyser Act, and must be implemented by states no later than July 1, 2000. WIA seeks to create a new, comprehensive workforce investment system designed to meet the needs of both employers and job seekers.

WIA contains a number of significant changes, including a substantial devolution of control to the state and local governments, new governance structures including state and local Workforce Investment Boards, universal access and streamlined services through One-Stop Centers, and customer choice through Individual Training Accounts. WIA also emphasizes increased accountability and continuous improvement of the workforce investment system through performance management requirements.

WIA requires that the Secretary of Labor prepare a five-year plan for research, pilot, and demonstration initiatives every two years for the ETA. This first Research Plan covers the period from 2000 to 2005. The Research Plan provides DOL with an opportunity to develop a strategic vision for research efforts based upon extensive comment from analysts and practitioners around the U.S., a review of recent research efforts,

¹ ETA conducts pilots, demonstrations, research, and evaluations with the "research" objective(s) of: testing new approaches; describing the most successful and best practices to improve existing programs and create new programs; and filling in the gaps in knowledge on employment and training issues. As a result, throughout the text of this Research Plan, the term "research" is widely used to refer to all pilots, demonstrations, research, and evaluations, including those with multistate and multiservice characteristics.

² Through ETA's annual research procurement planning process, which is the Workforce Development Investment Plan (WDIP), projects with multistate and/or multiservice characteristics are conducted and funded as either a pilot, demonstration, research, or evaluation project. As a result, "multiservice projects" and "multistate projects" are not specifically mentioned but are implied throughout this plan as being carried out as either a pilot, demonstration, research, or evaluation project through the WDIP.

an identification of areas where future research may be needed, and a review of research methodologies.³

Based on this analysis and input from an Expert Panel, this Research Plan identifies nine high priority topic areas to guide DOL over the next five years. These include:

1. Understanding the role of intermediaries in the labor market;
2. Identifying effective training strategies;
3. Developing appropriate assessment tools;
4. Evaluating and improving job retention programs and services;
5. Developing strategies to promote career advancement;
6. Identifying effective support services;
7. Understanding the impact of self-directed employment services;
8. Improving interventions to assist the hardest-to-serve, including welfare recipients and the homeless;
9. Developing the potential of telecommuting.

HOW THE RESEARCH PLAN WAS DEVELOPED

The Research Plan was developed through a well-defined process based on a Delphi method that relied on the collective wisdom, experience and judgment of a group of experts to guide the development of the Plan and the identification of high priority research topics. This process used an Expert Panel consisting of eleven well-respected, well-informed practitioners, researchers and other stakeholders in employment and training. Each member of the Expert Panel had an extensive role in providing input throughout the development of the Plan. The Expert Panel's input was based on the member's expertise in the employment and training field, a review of past research in employment and training and of methodological issues and substantial input from stakeholders.

The Research Plan reflects many comments from stakeholders in employment and training research, research and policy offices within DOL, ETA program offices, and research offices of other Federal agencies. To solicit individual comments, the Research Plan was posted and promoted on the web site of the John J. Heldrich Center for Workforce Development at Rutgers University, where comments and suggestions for future research were collected. A variety of means, including a request for input in the Federal Register, a Training and Employment Information Notice (TEIN) and a mailing to over 1,000 individuals, were used to notify and seek comment from stakeholders in employment and training programs of the development of the Plan.

³ The Research Plan provides a strategic vision for efforts concerning areas related *only* to pilots, demonstrations, research, and evaluation studies (including those with multiservice and multistate characteristics); the Research Plan does not reflect other areas of workforce development that ETA funds, such as technical assistance, staff training, and capacity-building. The five-year focus of the Research Plan is intended to support and complement ETA's annual WDIP process for identifying potential pilot, demonstration, research, and evaluation projects for the forthcoming program years.

On July 27, 1999, DOL and the Heldrich Center for Workforce Development at Rutgers University convened a National Workforce Development Research Symposium in Washington, DC. This one-day symposium brought together over 120 individuals who offered their opinions on high priority areas for future research in employment and training.

SCOPE OF THE RESEARCH PLAN

While WIA requires that the plan cover employment and training efforts relating to pilots and demonstrations, multi-service, research, and multi-state projects, DOL has also decided to include evaluations in the plan to provide the most complete picture of possible research-related topics.⁴

The Research Plan carefully balances the following types of research:

1. Evaluations of existing programs that assess which programs are working and, in combination with performance standards, ensure accountability; and
2. Applied research (a demonstration and its evaluation), including labor market research, that endeavor to test new approaches and describe the most successful and best practices, with the aim of providing guidance to policymakers and practitioners.

The Research Plan covers both areas, but will emphasize research and demonstration projects that provide the opportunity to test new approaches and describe the most successful and best practices to improve existing programs and create new programs.

⁴ Additionally, Section 172 of the WIA requires the continuing evaluation of programs and activities, including the programs and activities carried out under Section 171, for the purpose of improving the management and effectiveness of programs and activities. This section requires that evaluations utilize appropriate methodology and research designs, including the use of control groups chosen by scientific random assignment methodologies. The Research Plan addresses this issue in Section V: Review of Alternative Methodologies for Employment and Training Research.

HOW THE PLAN IDENTIFIED HIGH PRIORITY RESEARCH PROJECTS

The Research Plan identifies nine high priority research topics that will help DOL and ETA better understand the labor market. The analysis focused particularly on the effectiveness and efficiency of programs and services designed to assist individuals who lack employment and employers who need to hire employees. These high priority research topics were identified by the Expert Panel based on input from stakeholders and analysis and research summarized in the Research Plan.

The analysis and research performed by the Research Plan team included a review of:

- z Significant studies that address key labor market issues, such as the skill requirements of employers and the changing structure of work.
- z Recent policy changes that will have an effect on employment and training interventions and, as a result, on those subject areas and topics where future research is needed.
- z Recent research, evaluation, pilot, and demonstration initiatives to understand the effectiveness of employment and training interventions designed to assist employers and job seekers, including existing programs, pilots, and demonstrations.
- z Alternative methodologies used in employment and training research, to provide guidance to the DOL on the appropriateness of various research methodologies.

In determining the high priority topics, Expert Panel members voted from a list of topics. These results were discussed, consensus was reached, and panel members ultimately identified nine subject areas for where they believed DOL should focus on over the next five years. In addition, five general recommendations were also identified during the development of the Research Plan.

The Expert Panel selected the high priority research topics according to their potential to:

- z Provide usable information that is not currently available;
- z Assist DOL in the implementation of WIA and/or other authorized programs of ETA;
- z Improve existing DOL and ETA programs or provide guidance for designing new interventions to assist jobseekers and employers.

HIGH PRIORITY RESEARCH TOPICS

1. Understanding the Role of Intermediaries in the Labor Market

Organizations outside of the public employment and training system play a significant role in bringing together individuals who lack employment and employers who need to hire employees. These intermediaries can take many forms and range from non-profit community-based organizations to for-profit temporary service companies.

Research funded by the Department of Health and Human Services has focused on the role intermediaries in Welfare-to-Work programs. The Research Plan finds that the role all of these organizations play in the labor market must be understood more thoroughly to allow for the development and refinement of government interventions to assist individuals become employed. In addition, the public employment and training service should be able to adapt effective practices from these intermediaries in order to strengthen existing programs and/or services or identify new ones.

The Research Plan identifies a number of key issues that DOL should pursue in future research, including:

- ⌈ What role do intermediaries, including but not limited to temporary agencies and community-based organizations, play in the labor market?
- ⌈ What is the role of intermediaries in supplying employment and training services?
- ⌈ Do intermediary agencies, including but not limited to community-based organizations and temporary agencies, offer new approaches and techniques that can be adapted by the public-sector employment and training community?
- ⌈ What are the implications of the labor market role of intermediaries for public employment and training programs?

2. Identifying Effective Training Strategies

The Research Plan finds that DOL must identify the training strategies that are most effective at giving individuals the skills they need to become employed. These strategies must take into account the way in which adults, including those with limited formal education and work experience, learn new skills. They also must take into account the historic changes taking place in the labor market, as technology and computer skills become a threshold requirement for most well-paying jobs.

New Technology

Training strategies and service delivery should reflect the rise of new technologies. The Internet makes distance learning possible and a number of internet-based virtual universities have already been established. The role of the Internet in promoting and providing job-related education and training is certain to skyrocket in the years ahead.

Linking Training to the Needs of Employers

According to past research, training is most effective when it is closely linked to the needs of employers. The Research Plan finds that sectoral training strategies—which bring employers with similar skill needs together with training providers—have shown potential in assisting individuals to obtain the skills they need to become employed. However, the Plan recommends additional research to fully understand the potential of these and other strategies that strive to link the needs of employers with training curricula.

Training for Employed Individuals

Today's economy requires that employers and workers adapt to constant change. To meet these demands, all individuals must continuously work to upgrade their skills. Corporations, nonprofits, and training institutions need to apply new emphasis to assisting employed individuals upgrade their skills, through on-site or off-site training. The Plan recommends that DOL address these critical research questions surrounding training for workers and the unemployed:

- ┆ What is the most effective way to teach workforce readiness skills to adults, including those that have limited formal education and work experience?
- ┆ In what ways can new technologies improve skills training?
- ┆ How can training curricula incorporate the skills most needed by employers? Are sectoral training strategies effective at increasing the long-term employment and earnings of individuals?
- ┆ How can training services be designed to assist employed individuals to obtain new skills?

3. Developing Appropriate Assessment Tools

Providers of employment and training services use assessment tools to help develop a service strategy for participants. Employers use assessment tools to identify the skill levels and proficiencies of potential employees and to identify the training needs of current employees.

The Research Plan finds that the assessment tools used by employers must be identified and understood to better inform the use of these tools by providers of employment and training services. In addition, the Research Plan finds that existing assessment tools used by providers of employment and training services should be reviewed to identify those tools that are most effective at assessing the skills levels of individuals.

A number of questions remain unanswered, including:

- z What types of assessment tools are used by employers to determine the skill levels and proficiencies of potential employees?
- z Which tools are most effective at assessing the skill levels of youth and the hardest to serve population?
- z How can assessment tools be used at One-Stop Career Centers to ensure that individuals receive the most appropriate services?

4. Evaluating and Improving Job Retention Programs and Services

Both WIA and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 promote rapid entry into employment. Under WIA, only individuals who are unable to obtain employment through core or intensive services may be eligible for job training. With the passage of PRWORA, time-limited benefits and significant work requirements replaced cash benefit entitlements. As a result of these policy changes, individuals with few skills or work experience are being placed into entry-level jobs. Despite the strong economy and the substantial decline in welfare rolls, the extent to which low-skill workers and former welfare recipients are able to retain jobs and advance in them remains to be seen.

Past evaluations of employment and training programs have demonstrated that many individuals, including disadvantaged adults, dislocated workers, and youth, who successfully obtain employment often face additional barriers to remaining employed. In the past, employment and training services focused primarily on assisting unemployed individuals to find jobs. Increasingly, however, employment and training interventions are emphasizing strategies that will assist individuals to remain employed. Yet, research on the effectiveness of existing retention strategies is limited and needs to be expanded.

The Research Plan identifies a number of areas for expanding research into new and improved strategies for retention:

- ı Which post-employment services are most effective in helping individuals, including youth, dislocated workers, disabled individuals and disadvantaged adults, to remain employed?
- ı How can the Work Opportunity Tax Credit and the Welfare to Work Tax Credit be used in conjunction with other services to assist individuals to remain employed?
- ı What are the impacts of financial incentives, such as reemployment bonuses, wage supplements, and retention bonuses, on job retention?

5. Developing Strategies to Promote Career Advancement

Many disadvantaged and low-skill individuals working in entry-level jobs find it hard to acquire the skills they need to obtain promotions and wage increases. Increasingly, private and nonprofit employers are developing strategies to assist these individuals acquire the skills they need to move ahead. While some strategies provide a range of skill training to employed workers, others create career ladders inside companies targeted to the skills that allow and encourage workers to advance in their careers within an organization.

While obtaining new skills and absorbing organizational lessons and culture are always critical to individual job mobility, the changing nature of today's economy requires a commitment to lifelong learning and career advancement from every worker, and to every worker. The career strategies that were once important to the ambitious and upwardly mobile need to be built into training services for the workforce at large.

A number of important areas need further research:

- ⌞ Which post-employment services are most effective in assisting individuals to advance in their careers?
- ⌞ How can sectoral training strategies be used to create career ladders for welfare recipients and other disadvantaged individuals?
- ⌞ How can transitional employment be used in conjunction with other services to assist welfare recipients to obtain higher wages and permanent employment?

6. Identifying Effective Support Services

Some individuals need additional support services to overcome barriers to employment. These services include childcare, transportation, and housing assistance. While the size and scope of the federal government's role in providing a safety net to low-income Americans is still a matter of policy debate, public programs and services should be as effective and useful as possible in moving individuals into the labor market. Working mothers, whether single or married, often have difficulty finding accessible, affordable and quality care for their children. In addition, transportation can be a barrier to finding and retaining employment for individuals who do not own a car or have access to public transportation. The Research Plan finds that significant research is needed on the provision of effective support services in a "work first" system:

- z What is the impact of the availability of and access to childcare services on the employment decisions of individuals with young children?
- z Which methods of allocating childcare subsidies (tax credits, vouchers, cash assistance, and contracts between public entities and third-party vendors) improve access to childcare?
- z What transportation strategies are most effective in assisting individuals who lack reliable and affordable transportation to find and retain employment?

7. Understanding the Impact of Self-Directed Employment Services

WIA emphasizes self-directed job search and career management. Through the One-Stop system, which includes local One-Stop Centers, satellite centers and various electronic linkages, all individuals have access to core services such as labor market information and job listings. Because access to staff-assisted, intensive services (e.g., group and individual counseling) is limited to harder-to-employ jobseekers, the role of "self-serve" resources has become more important. These core services are increasingly offered through Internet-based or computer-based systems (e.g. America's Job Bank, America's Talent Bank, and the O*NET system). Even those individuals eligible for Individual Training Accounts (ITAs) will select a training provider from a list of eligible providers that will be displayed through a self-guided consumer report card system.

This new emphasis on self-directed Internet and interactive information tools raises important implications for both job seekers and employers. Yet, little is known about how such innovations will impact labor exchanges. A host of critical questions remain, according to the Research Plan:

- z How can new technologies increase access to employment and training services for jobseekers and employers?
- z What are the demographic characteristics of individuals and employers that use America's Job Bank?
- z To what extent do individuals obtain employment as a result of using America's Job Bank and America's Talent Bank?
- z Do America's Job Bank and America's Talent Bank complement or substitute for local labor exchange services? If they serve as substitutes, are they more effective at assisting individuals to obtain employment than services delivered exclusively at the local level?

8. Improving Interventions to Assist the Hardest to Serve, including Welfare Recipients and the Homeless

The number of individuals who are receiving welfare benefits and other employment and training services has decreased in the past five years due to a healthy economy and new policies. Those individuals who continue to be in need of services often face multiple barriers to employment. These individuals often lack the education and skills demanded in the job market and have limited work experience and familiarity with the soft skills needed for successful job performance. In addition, many of these individuals need support services, including child care, transportation aid, substance abuse treatment, and transitional housing. Finally, some of these individuals have other barriers to employment including mental illness, domestic violence, substance abuse, physical disability, and homelessness.

The Plan identifies a number of directions for further research in designing these strategies. They include:

- To what extent does the workforce investment system have the capacity to provide services appropriate for the hardest to serve?
- What are the most effective strategies for combating such barriers to employment as mental illness, domestic violence, substance abuse, physical disability, and homelessness?

9. Developing the Potential of Telecommuting

New technologies including the personal computer, the fax machine, and the Internet, have made it possible for some employees to perform their jobs at home or off-site. While less than 10% of American workers telecommute at least occasionally, it has become an attractive option to many employees who are looking for new ways to balance work and family.

Although telecommuting is most available as a work option for workers in higher income brackets, it may be an effective strategy to assist lower-income individuals to obtain and retain employment. Some policymakers and scholars have suggested telecommuting as a possible strategy for assisting residents of communities with limited job opportunities to have access to jobs located outside their neighborhoods. In addition, telecommuting may also allow some disabled individuals the flexibility they need to become and remain employed. Despite the promise of telecommuting and new technologies for reducing sprawl, addressing work and family issues, and helping employers and workers find each other, many questions remain. The important areas for DOL research include:

- z Does telecommuting have the potential to assist disabled individuals to obtain and retain employment?
- z Can telecommunication centers connect low-income urban job seekers who lack local employment opportunities to suburban jobs?
- z To what extent can telecommuting address the location barriers of rural job seekers?
- z Does telecommuting improve worker productivity?
- z Does telecommuting enhance workers' abilities to balance work and family?

10. General Recommendations

In addition to the nine subject areas summarized above, the Expert Panel identified five general recommendations for where they believed DOL/ETA should focus on over the next five years. These recommendations are listed below:

a. Dissemination of Research Findings

In order to fully assist DOL in the implementation of WIA and other programs of ETA, research findings must be effectively disseminated to practitioners at all levels of the workforce development system. DOL should build on existing efforts to ensure that timely and usable research findings are made available to a wide audience.

b. Research Collaboration between DOL/ETA and Other Federal Departments

DOL currently collaborates with other federal departments on research in the areas of employment and training. These efforts should be expanded to allow for the efficient use of resources.

Collaborative research efforts should be pursued with the U.S. Department of Health and Human Services, the Department of Education, the National Science Foundation, the U.S. Department of Housing and Urban Development, and the U.S. Department of Transportation on issues of mutual concern. For example, DOL should work closely with the Department of Health and Human Services on research efforts related to interventions to assist the hardest to serve, including welfare recipients and the homeless with multiple barriers to employment.

c. Creation of a Clearinghouse for Labor Market Data

DOL should work with other relevant departments to create a central clearinghouse for datasets on labor markets and employment and training interventions. This clearinghouse should be accessible through the Internet.

d. Ph.D. Dissertation Program for Employment and Training Research

DOL/ETA Office of Policy and Research should fund Ph.D. dissertations in the field of employment and training. Past funding of this program increased the amount of research being conducted in the field and helped to build a group of scholars with career-long commitments to the field.

e. Increased emphasis on comparative international research, particularly on programs in other industrialized nations most comparable to the U.S.

Many industrialized countries around the world face many of the same employment and training challenges as the United States. As a result, comparative international research can be helpful to DOL in the identification of new strategies for employment and training interventions.