

Learning at Work in a Work-Based Welfare System: Opportunities and Obstacles

Lessons from the School-to-Work Experience

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April 1997

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U.S. social policy has reached an historic juncture. With enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Congress and the President have agreed to end the 60-year-old entitlement of poor children to cash benefits. They have made state flexibility, time limits for benefits, and “aid in exchange for work” the centerpiece of national welfare policy. They have made good on the President’s 1992 campaign promise to “end welfare as we know it.”

This legislation reflects reform initiatives that have been in motion at the state and national levels for some time: work requirements for welfare recipients and time limits on benefits. The legislation makes work the core of welfare policy. It envisions the movement of unprecedented numbers of welfare recipients into unsubsidized employment.

Appropriately, the policy debate has focused on where the jobs will come from to absorb these new entrants into the labor market. Yet, all but absent from the welfare reform debate has been discussion of work experience itself—how to increase the likelihood that work experience and learning on the job might enable welfare recipients to climb out of dependence and poverty.

With well over a million low-skill individuals expected to enter the paid labor market in the coming years and more expected to take community service placements while receiving benefits, this question becomes critically important: How can work experience available to the welfare population be enhanced or supported so that work becomes not just a requirement, but also a learning experience, that can lead towards self-sufficiency?

Jobs for the Future comes to this challenge from our experience with programs linking school and work-based learning for young people. We have been struck by the powerful effects that well-designed workplace experiences, tied to supports and learning opportunities outside of work, can have on the attitudes, aspirations, and performance of young people. There is growing evidence from the school-to-work (or school-to-career) movement that work-based learning improves self-esteem, and teaches and reinforces basic and technical skills. It also provides a valuable opportunity to understand workplace culture and expectations, and to develop networks.

Jobs for the Future felt that lessons emerging from school-to-work about the characteristics of quality work-based learning programs might offer important insights to policymakers and practitioners grappling with the work component of welfare reform. With funding from the Joyce Foundation, we conducted an

initial assessment of the relevance of work-based learning approaches from school-to-work initiatives.

We conclude that three core elements of school-to-work initiatives—mentoring relationships at the workplace, contextual learning and instruction, and credentialing of skills learned at work—can be important components of efforts to help low-skill workers get and keep better jobs. For such efforts to diffuse broadly, work-based learning approaches must address the interests of “dual clients”—the individual participants *and* employers who provide work opportunities. Nevertheless, the extent to which work *alone* can be expected to raise skill levels and lead to advancement for welfare recipients should not be overestimated. Significant differences between welfare-to-work and school-to-work populations, institutions, and partnerships must be addressed. This will require creative practice at the local level. It will also require policy changes at the state and federal levels that create new incentives for employers and promote the development of an institutional infrastructure and supports that can make it easier to strengthen welfare recipients’ learning in community service placements and low-skill employment settings.

The Low-Skill Job Market: Employer Expectations/Welfare Recipients’ Readiness

The study began by assessing the evidence on skills employers value and expect from entry-level workers and how well welfare recipients meet these standards.

We identified two “tiers” of entry-level jobs. The less-common first-tier jobs require only the most basic work-related “soft skills,” such as work discipline and the ability to take direction from a supervisor. Without these skills and behaviors, it is difficult to get any job and almost impossible to keep one. Second-tier jobs require additional skills in literacy, technical areas, communication, and/or problem solving.

There is evidence that employers are steadily raising the “hurdle bar” into the low end of the labor market as the use of computers, team approaches to work organization, and customer service become increasingly important. We identified another set of skills and knowledge that employers are unlikely to seek, but which are becoming increasingly critical to

advancement in the labor market, even at the low end. These are analytical and “navigational” skills that help workers understand more about how to succeed and advance in a firm, industry, or occupation.

How is the welfare population likely to fare in this changing labor market? As a group, welfare recipients have serious skill deficiencies. Only about half have a high school diploma, and about 90 percent have no more education than that. Perhaps 10 percent of the welfare population is sufficiently experienced and skilled to advance quickly out of entry-level jobs. Of the rest, though these estimates are quite rough, as many as one-third lack sufficient work discipline and basic soft skills to get and keep a job long enough to build a credible work history. The other two-thirds are unlikely to advance without acquiring additional skills. Among all welfare recipients, an understanding of what it takes to hold a job and build a career is limited: according to one study, only 4 percent have four or more years of experience in the labor market; a third have never held a job for more than six months.

Employer Training Practices for Workers in Low-Skill Jobs

Our estimates illustrate the extent to which most welfare recipients will need significant assistance, support, and skill development if they are to enter and advance in the labor market. Many will need pre-employment training in basic soft skills to secure stable employment. Most will need to acquire additional academic, technical, and soft skills if they are to advance to jobs that pay a living wage.

Given those needs, what training do employers typically provide entry-level, low-skill workers? How willing are they to enhance the learning content of low-skill jobs? To understand more about these issues, Jobs for the Future conducted a telephone survey of 43 employers in two low-unemployment Midwestern cities, in industries with significant concentrations of entry-level, low-skill jobs. We probed training practices for such jobs, looking for evidence of structured learning at the workplace.

The employers surveyed felt strongly that they have no responsibility to people who lack the basic skills needed to hold a job. As a group, they provide little

support for individuals who cannot function effectively in a work environment. These employers provided limited training for new entry-level workers—primarily demonstrating job-specific tasks—but little explanation of what the worker is doing, or how that fits with other jobs in the firm or department.

At the same time, the employers surveyed were receptive to ideas about increasing the quality and effectiveness of learning at work—provided the effort would require only a minimal commitment from them in terms of time and money, and it could be seen as contributing to the bottom line. Moreover, certain instructional practices already in use in these workplaces could provide a “platform” for expanding work-based learning. These include the widespread use of what many employers call the “buddy system,” as well as approaches to imparting a broader knowledge of the business or industry.

In addition, many employers were receptive—at least in a phone interview—to the idea of helping welfare recipients entering the workforce overcome a weak work ethic, inadequate technical skills, and limited knowledge of what it takes to advance in the company. A significant minority of respondents feel it would be “easy” to convince their companies to provide some additional support to help welfare recipients succeed.

Work-Based Learning Strategies: Lessons From School-to-Work

School-to-work initiatives provide a lens through which to look at work-based learning—its strengths and limitations, as well as the challenges involved in its effective implementation for different populations. School-to-work efforts, which involve partnerships between employers, schools, and other community institutions, try to change both the pedagogy and the base of experience outside the classroom for participating students. Work experience is combined with classroom instruction that uses work as context and motivator to academic learning at high standards. Adult mentoring relationships are emphasized, as are long-term involvement with and supports for young people. The goal is to enable all students to make better choices and smoother transitions from high school to careers or to further education.

Jobs for the Future has identified four design elements that are essential to creating high-quality, effective work-based learning opportunities in school-to-work initiatives:

- Broad agreement on program goals and the roles of the various partners;
- Careful design of the structure and content of work-based learning experiences, including specifying learning goals and documenting on-the-job learning;
- Reinforcement of workplace learning outside the daily routines of work; and
- Adequate academic, social, and administrative supports for participating youth and institutional partners.

Most school-to-work models incorporate work experience and learning at work in the following three ways:

- **Mentoring relationships with caring and competent adults** who both provide emotional support and facilitate development are critically important to the success of less experienced youth and adults. Mentoring can increase the likelihood of keeping a job and navigating the workplace. It can be promoted by training supervisors or co-workers in mentoring skills. Another strategy is to instruct program participants in how to find their own mentors and benefit from the relationship.
- **Contextual learning and instruction** is a pedagogical approach that uses actual experiences and situations, at work or in other aspects of one’s life, as the context for instruction and the application of academic, social, and technical skills and knowledge. For many learners, abstract and passive classroom learning poses significant obstacles. “Learning through doing,” embedded in more active and experiential instructional strategies, is often more effective, since people are more likely to apply themselves and to persevere when the knowledge matters in ways they understand directly.
- **Credentialing of competencies and skills learned on the job**, many argue, would help employers and job seekers give each other clearer signals than the current reliance on high school diplomas allows. As they have improvised ways to credential workplace skills, a number of school-to-work and youth-employment programs have implemented

learning plans that specify what young people are expected to learn on the job—and how well they have performed in the workplace.

School-to-Work and Welfare-to-Work: Lessons and Challenges

Welfare-to-work is an umbrella term for a range of programs designed to help move welfare recipients into employment. The majority do not actually involve work experience, but focus on services that include: job search and job placement; adult basic education; job-specific training; education and training programs; and combinations of these services. Two approaches have been developed: a “work-first” or “quick attachment to the labor force” approach, which emphasizes job search and placement; and a “human capital” approach, which focuses on basic skill development and, to a lesser extent, job specific training.

Work experience has been central to certain welfare programs, usually called “workfare,” which require recipients to accept unpaid work experience in government or private non-profit agencies as a condition for public assistance. In general, these small, short-duration programs have paid little attention to issues of learning on the job, workplace pedagogy and supports, skill credentialing, or the integration of work and classroom instruction.

School-to-work and work experience programs for welfare recipients share some characteristics. Both look to the workplace to build confidence and competencies and to motivate behavior. Both demand new roles for professionals (teachers, counselors, caseworkers) who must now know more about, and work more directly with, employers and work settings. To be effective, both must address the needs of both participants and employers.

At the same time, there are important differences between school-to-work and most welfare work experience programs. School-to-work programs are explicitly designed to integrate learning and work. Most welfare work programs are about work and its intrinsic value, not work as a learning opportunity. Other critically important differences include the following:

1. Employer perceptions of young people in school-to-work programs differ greatly from their views on welfare recipients and low-skill employees.

2. The expectations held by the two target populations may be quite divergent, influencing the ability of new program opportunities to affect the self-confidence and motivation of participants.

3. School-to-work initiatives rely on schools for academic instruction and a safe place to reflect on lessons from the worksite. This institutional base is absent in current welfare programming.

Work-Based Learning for Welfare Recipients: Opportunities in Paid Employment

We have identified three skill-related challenges facing many welfare recipients that work-based learning approaches in paid employment or in community service placements could help address:

- Understanding the workplace and how to “navigate” it;
- Learning a range of skills and knowledge broader than what is needed to accomplish immediate job tasks; and
- Getting employers to recognize and accept credits for skills and knowledge mastered on the job.

The three work-based learning strategies identified in this study can help address those challenges: *mentoring* to impart a wider understanding of the workplace; *contextual learning* to help workers learn a range of skills; and *credentialing* to make it possible for workers to acquire marketable credit for skills learned on the job. Private sector employers we surveyed had the following reactions to these strategies:

Mentoring: While we did not find well-developed mentoring programs for low-skill workers among the employers we surveyed, there is fairly widespread use of the more limited “buddy system.” In addition, these employers recognize and have a positive association with the concept of mentoring. They perceive support from more experienced co-workers as an effective strategy for teaching skills that are essential to the firm’s productivity.

Contextual Learning: We found some indication that employers are beginning to express a need to provide more than job-specific knowledge to low-skill employees. If employers are to increase the use of contextual learning approaches to enhance the

skills and knowledge of low-wage employees, two challenges will have to be overcome. First, employers will require evidence that more attention to training and learning on the job can reduce turnover among entry-level workers, increase loyalty, or improve job performance. Furthermore, employers must have access to effective, easy-to-implement mechanisms for structuring contextual learning into existing orientation and training.

Credentialing: Learning plans could help welfare recipients entering the job market. They could be used to structure community service placements so that learning objectives are identified and progress is documented. Learning plans could also help welfare recipients who have “cycled” through a number of short-term jobs over the years to recognize that they have learned skills in their many jobs and to be able to demonstrate those skills to prospective employers.

Despite these advantages, very few of the employers we surveyed use learning plans or other internal skill-credentialing tools; few are interested in developing them. Yet, this general aversion should not obscure employers’ interest in receiving reliable credentials from job applicants about experience and skills. Third-party credentialing of work-related skills might benefit both low-skill workers and employers interested in hiring them.

Ultimately, given the nature of the U.S. education and employment systems, the credentials that matter to earnings and employment outcomes are postsecondary educational ones. Where possible, work-based learning efforts should be integrated with classroom-based programs providing high school diplomas, GEDs, and postsecondary degrees and certificates, so that participants can advance in both work and schooling as they desire.

An Opportunity: The Community Service Placement

In most states, a significant segment of the welfare population will be unable to secure paid work after collecting benefits for two years (the most common onset of the work requirement in state plans). These individuals will have to accept community service placements. While community service placement efforts in welfare programming have traditionally

focused on employment, not learning at work, they can be used as a particularly effective vehicle for work-based learning as defined in this report. Providers of unpaid work experience are more likely to be receptive to integrating work and learning than employers providing paid work.

A number of innovative unpaid work experience programs are indeed trying to use community placements as a context for learning at work and in related classroom instruction. These examples provide reason for optimism that community-based settings could be greatly strengthened as learning venues for welfare recipients. In these settings, well-designed work-based learning approaches could help non-job-ready individuals develop basic social and “soft skills,” as well as valuable career advancement skills. With appropriate tools, materials, and support, these programs could prepare recipients for the world of paid work and certify participants’ skills when key competencies have been achieved.

The community placement setting is not without its challenges as a learning environment. Participating organizations frequently lack the administrative structures, staff capacity, and sensitivity to learning methods that are important for providing effective work-based learning. Adding a training responsibility could overburden organizations already stretched quite thin. In addition, if the placements are not well-designed, they could simply be out-of-the-home destinations where recipients learn nothing and experience a further erosion in their self-image and motivation. And because these placements are typically unpaid, it can be hard to replicate the high stakes and pressures of an actual workplace.

Two Serious Gaps: Technical Assistance and Integration with the Education System

For organizations that provide community service placements and for wage-paying employers of low-skill workers in the private, public, and non-profit sectors, the challenges of developing quality learning opportunities at work for entry-level employees are daunting. Employers providing work experience will need help designing work activities, developing their staffs, and obtaining curricular materials and easy-to-implement learning tools. In particular, two gaps

must be filled to assist the efforts of welfare recipients to get jobs and advance in a career: technical assistance in the provision and support of learning at work; and better integration of work-based learning with the mainstream educational system.

Technical assistance: Few employers possess the expertise to develop and implement their own work-based learning programs, and few are likely to deliver certain types of learning to their low-skill employees, such as academic subjects and career-advancement skills. Work-based learning will spread more rapidly if third-party organizations provide employers and their workers with ideas, models, materials, and easy-to-use training tools—and support their use of those materials and tools.

Integration with the education system: Learning at work will need to be better integrated with educational institutions in which broader knowledge development and credentialing are possible. Ultimately, the key to effective learning programs is the partnership between employers and education providers—and a carefully designed division of labor regarding skills and lessons that can be learned on the job and those that must be learned off site.

In its determination to make work the centerpiece of welfare policy, the new welfare legislation creates disincentives to pre-employment education and training. Contrary to evidence that argues for creative strategies to integrate work- and classroom-based learning, welfare reform promotes the *substitution* of work experience for educational programming. The pendulum will have to swing back toward greater integration with the education system if welfare reform is going to help a large segment of the welfare population keep and advance in jobs. In the meantime, local programs will have to be creative in designing classroom learning components that build upon and can be scheduled around work.

Directions for Policy

Work experience alone will not “solve” welfare dependency. The most effective work-first strategies combine structured group job search with education, training, and work experience for those who have not found jobs, coupled with access to employment information and support services once they find

employment. In our view, public policymakers at the state and federal levels will have to consider more active policy interventions if they want work-based learning to diffuse more rapidly and effectively through welfare programs. A concerted effort to use work to improve the life prospects of welfare recipients cannot rest with initial placement into jobs, but most be bolstered by ongoing career advice, support services, and educational opportunity. Moreover, the market alone will not generate the opportunities and assistance for large numbers of employers to provide quality work-based learning for low-skill workers.

At first blush, it would seem that these proposals will be resisted because of cost considerations, since federal welfare expenditures are being reduced by tens of billions of dollars over the next five years. However, in the first few years of implementation of the new welfare bill, many of the nation’s largest states are receiving short-term windfalls in welfare dollars from the federal government due to reductions in caseloads that have occurred since the date used in the legislation to calculate state funding formulas. If there is any time to reallocate resources and experiment to enrich the learning component of welfare-to-work programs, that time is now.

Federal and state implementation of welfare reform that incorporates work-based learning as a strategy for moving welfare recipients into self-sufficiency will require the following:

- 1. Grants/support for third parties:** Employers—whether in the public or private sectors, whether they provide paid jobs or community service placements—are unlikely to be proactive in developing richer, more structured work-based learning programs. They will need help finding approaches, tools, and supports they can use easily. The infrastructure that can provide and maintain those supports needs to be built and sustained at the local level, but incentive grants and “venture capital” for development of tools, materials, staff development strategies, and other supports should be funded by states.
- 2. Laboratories and demonstration projects:** Developing effective work-based learning programs

for welfare recipients is still largely uncharted terrain. States and the federal government should support highly visible demonstration projects that encourage innovation and experimentation with different models of designing, delivering, and administering work-based learning for welfare recipients. These demonstrations should be carefully studied and evaluated.

3. Financial incentives for participating employers:

If, as a nation, we want employers to deepen their efforts to turn work experiences into learning experiences that make a difference in employment and earnings of disadvantaged individuals over time, financial incentives will be needed. The record of on-the-job training for welfare recipients has been mixed. While some small programs have had positive earnings and employment impacts, they have received little employer support and have only reached a small segment of the caseload. Wage subsidies for hiring low-skill workers in employment and training programs have historically been plagued by windfalls for employers, stigma for eligible individuals, and lack of employer enthusiasm. The most effective incentives might be those that reduce training costs or cut the costs of participation by funding intermediaries to simplify and reduce employer responsibilities.

4. Integration of the welfare, employment and training, and education systems: Ultimately, the welfare system must be more closely and

coherently linked to the education system that provides valued credentials. Policy should encourage and create incentives that increase vertical linkages among the education, training, and welfare systems. In this way, they can begin to converge into one coherent learning and workforce development system. This system should be based on the integration of work and learning and closer relations among employers, educational institutions, and public training systems. It should be built around clear ladders or maps connecting short-term job-training programs to longer term postsecondary educational credentials, as well as adequate social supports and guidance that can help less-prepared individuals overcome some of the obstacles keeping them from staying at work and engaging in learning long enough to benefit and to advance.

As federal and state governments try to make welfare a work-centered system, welfare policy will have to become more closely aligned and integrated with both workforce-development and education policies. Work-based learning may be a thread that can help bring these diverse systems closer together. But policymakers will have to want to design and implement ways to link these three systems. And they will have to be committed to building a system that rises to the standards of modernized employers and postsecondary educational institutions.