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The Employment Retention and Advancement Project

Findings for the Cleveland Achieve Model: Implementation and Early Impacts of an Employer- Based Approach to Encourage Employment Retention Among Low-Wage Workers

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This report presents interim results for the Cleveland site in the national Employment Retention and Advancement (ERA) project. Conceived and funded by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS), the ERA project is testing a range of innovative programs across the country that aim to promote steady work and career advancement for current and former welfare recipients and other low-wage workers. MDRC, a nonprofit, nonpartisan research organization, is conducting the ERA project under contract to ACF and is producing a similar interim report for each site in the project.¹

The Cleveland ERA program, called “Achieve,” is unique among the ERA programs in that it provided services to employees at the workplace. It is being evaluated using a design in which employers, rather than individuals, were randomly assigned to either a program or a control group. Run by the organization Towards Employment, Achieve targeted long-term nursing care facilities and provided services designed to help increase retention among their low-wage workers.

Origins and Goals of the Cleveland ERA Program

The idea of providing retention and advancement services to low-wage workers is not new. The Post-Employment Services Demonstration (PESD) was an early attempt to do this, and the ERA programs have tried to do this by building on the lessons from the PESD. A common finding from all these programs is that engaging clients in services is a constant challenge. For many workers, family and work responsibilities leave little time to engage in other activities.

¹For further information on the ERA project, see www.mdrc.org.

The key idea behind Cleveland's employer-based model was to take the program to the workers, making it easier and more convenient for them to take advantage of services.

The Achieve program consisted of three components: (1) Office Hours, during which Achieve staff were available to provide on-site case management services to entry-level employees, meeting individually with them to discuss and devise strategies to resolve a wide array of issues, ranging from workplace and housing problems to transportation and child care; (2) weekly Lunch and Learn information and life skills sessions, covering a variety of topics, such as time and stress management, goal-setting, budgeting, and credit repair; and (3) Supervisory Trainings, targeted to the supervisors of entry-level employees and designed to help them enhance their current supervisory skills and achieve improved relationships with entry-level staff.

Although the supervisory trainings sought to address broader factors that contribute to worker turnover, on the whole, the program did not seek to fundamentally change employers' work environments, workplace rules and practices, or general ethos. Notably, in nursing homes, difficult work environments have been found to contribute to high staff turnover rates, as discussed in the report.

Towards Employment, a social services organization providing employment services to individuals in the Cleveland area, developed the Achieve program in 2000, with the belief that the employer should be a partner in the provision of retention services to low-wage workers. The employer would benefit from the program if there were a reduction in turnover among entry-level employees, a reduction in costs associated with turnover, and a potential improvement in worker productivity. The worker would also benefit — by staying on the job longer, he or she might be better positioned for advancement at that employer or elsewhere. In this type of model, however, a tension exists between serving the employer's versus the worker's interests, because, in some cases, the best move for a given worker may be to change employers.²

The Cleveland ERA Evaluation

The Cleveland ERA evaluation relied on the random assignment of employers, rather than individuals. Between early 2002 and mid 2004, 44 employers were recruited into the study. Half were assigned, at random, to the program group, eligible to receive Achieve services, and half were assigned to a control group. The Achieve model called for firm-level, rather than individual-level, random assignment, primarily because services delivered to some employees

²Achieve services did not continue if a worker left his or her original employer and moved to another employer.

might “spill over” to affect other employees with whom they work. In this case, comparing two groups of employees within the same firm would not measure the true effects of services.³

Within the 44 study firms, a total of 697 low-wage employees agreed to participate in the study. Although Achieve services were available to all workers at the firm, these study participants received top priority. MDRC is tracking outcomes for the study firms and participants using firm-provided information on employee retention, employment data from the Ohio unemployment insurance (UI) program, and a survey given to the study participants one year after study entry.

The Achieve Target Population

Because of traditionally high turnover rates in the long-term nursing care industry, Towards Employment targeted employers in that sector (although two manufacturing firms were brought in toward the end of intake). The study firms are generally small to medium in size, with over 40 percent having 150 to 200 employees. Most firms have fairly high turnover among their entry-level employees, with nearly a third having a turnover rate of 50 percent or higher.⁴ Within these firms, the study targeted recently hired, low-wage workers, since retention problems tend to be greatest during the first few months on the job.

By targeting employers rather than individuals, the Cleveland ERA evaluation includes a significant number of low-wage workers with little or no recent connection to public assistance. This contrasts with most other ERA sites, which focused on current or former welfare recipients. In addition, sample members in Cleveland are somewhat older and more educated than those in the other ERA sites, and a fair number of them do not have children. Finally, although Achieve recruited among all low-wage workers in the firms — including food preparation and housekeeping staff, for example — the majority of study participants were nurses’ aides, an occupation characterized as physically and emotionally demanding, with low pay and little autonomy. Turnover in nursing homes is highest for this group.

Key Findings on Program Implementation

- **Recruiting employers was a major challenge.**

³The process of estimating program impacts is similar for the random assignment of groups and the random assignment of individuals, although, for a given number of individuals, the statistical power of group-level analysis is generally lower.

⁴“Turnover” is defined as the number of worker resignations and terminations in a given period divided by the total workforce.

To bring in 44 employers for the research study, Achieve staff had to contact over 300 firms over the 2002 to 2004 intake period. Most often, the reason that a firm did not participate was that it did not have the minimum number of recently hired, entry-level employees needed for the study. Although this eligibility criterion was imposed by the study, in practice it is more efficient to locate services at a firm that have a critical mass of individuals to serve. A few firms did not want to participate given the parameters of the research study — they were afraid of being assigned to the control group, with no services, and yet still be required to provide follow-up information on their employees. Finally, a few employers did not believe that turnover was a problem for them or felt that replacing lost workers was not costly.

- **The Achieve program was generally well implemented, although it was difficult to integrate it into the workplace environment. Service integration improved considerably for firms entering the study in 2004.**

Achieve staff successfully implemented the program model (each of the three components) in the 22 program group firms and were able to make adjustments over time as they learned more about integrating services into the nursing home environment. In particular, Achieve staff spent more time in the recruitment phase in 2004 meeting with employers and gauging their interest in and commitment to the program. Potential firms also had to demonstrate commitment from administrators and upper-level staff and a willingness to meet regularly with the Achieve managers. Some of the challenges in integrating the model might be found for any employer (such as problems in arranging adequate and consistent meeting spaces for group activities), while other challenges are likely specific to nursing homes (such as the difficulty of providing services in an industry that has round-the-clock shifts and requires staff to be on call for patient care at all times).

- **A high fraction of employees in the Achieve group firms had some contact with the program, although sustained engagement was difficult to attain. Workers at the Achieve group firms were more likely than those at the control group firms to receive job retention services.**

About three-quarters of the employees in the Achieve group firms had some contact with the program; over half attended at least one Office Hours session, and over half attended at least one Lunch and Learn group session. Although some workers participated in services very intensively — as measured by the number of sessions attended — a fair number participated only minimally. For example, about a quarter of the workers who attended an Office Hours session attended only once. Attendance at the Lunch and Learn sessions was more frequent. Given that services were provided on-site, early expectations were that almost all those who signed up for the study would participate in services and that they would do so consistently. Thus, participation as a whole was less intensive than hoped for. One reason for this was a

combination of job demands and understaffing at some firms, meaning that some workers could not leave the floor of the nursing home to attend sessions. Another reason was high turnover: 40 percent of employees had left the firm within six months. Another reason is that some of the recently hired, low-wage workers who signed up for the study turned out to have limited interest in or need for the offered services. Nonetheless, data from the ERA 12-Month Survey indicate that employees in the Achieve group firms were much more likely than employees in control group firms to have received retention services, particularly help dealing with problems on the job.

- **A fair number of employees who were not in the research sample also participated in services.**

After the first six months of operation, Achieve services were opened up to all employees at the firms, although employees in the research sample (recently hired, low-wage workers who had agreed to participate in the study) were given top priority. Across all firms, 19 percent of the nonresearch sample employees participated in at least one Achieve activity, with the Lunch the Learn sessions being the most common. In absolute terms, four times as many nonresearch sample members as research sample members participated in an Achieve activity. Thus, Achieve staff worked with a range of employees throughout the firms.

Key Findings on Program Impacts

- **Achieve had little effect overall on low-wage employee's retention at their original firms, aside from a small increase in the short term. Although the results are less certain, there is evidence to suggest that the program increased retention for some subgroups of employees.**

Table ES.1 presents Achieve's effects on retention, using data from two independent sources: data forms filled out by study employers and data from the ERA 12-Month Survey given to study participants. Differences between the ERA and control groups that are marked with asterisks are statistically significant, meaning that they are very likely due to the program. When interpreting the effects, it is important to remember that, with a sample of 44 firms, the evaluation will be able to detect only fairly large impacts. In other words, small differences that might be statistically significant in a larger sample are unlikely to be significant here.

Achieve had little effect on most measures of retention, but it did lead to a small increase in the numbers of days worked during the first three months following random assignment. By one year out, retention rates as reported on the survey were similar for both groups. Data from UI records (not shown) tell a similar story. Achieve did lead to larger and more consistent effects on retention for two subgroups of employees with relatively high rates of turnover — those

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Table ES.1

Impacts on Retention

Cleveland

Outcome	Achieve Group	Control Group	Difference (Impact)	P-Value
<u>From employer-provided reports</u>				
Percentage still employed at study firm				
After 30 days	92.5	88.8	3.8	0.126
After 90 days	78.5	73.6	4.9	0.184
After 180 days	65.0	60.2	4.8	0.299
Total days worked				
Through Day 30	28.9	28.1	0.8 *	0.093
Through Day 90	80.1	76.7	3.5 *	0.080
Through Day 180	143.5	138.2	5.3	0.289
Sample size = 697	381	316		
<u>From ERA 12-Month Survey</u>				
Employed at study firm in Month 12	44.8	40.2	4.7	0.321
Sample size = 485	260	225		

SOURCES: MDRC calculations using firm-reported employment verification forms and the ERA 12-Month Survey.

NOTES: Estimates are regression-adjusted using sample members' characteristics, and they account for within-firm clustering. Statistical significance levels are indicated as follows: *** = 1 percent; ** = 5 percent; * = 10 percent.

The days shown in this table refer to elapsed calendar days, not workdays.

earning very low wages and younger employees — as well as for the subgroup of firms with relatively high turnover rates. Finally, Table ES.1 illustrates the substantial mobility among the study employees. By six months out, for example, only about 60 percent of participating employees starting out in the control group firms were still at these firms. After a year, according to the survey data, less than half of the workers were still at the study firms.

- **Achieve had no effect on firmwide turnover rates.**

Since Achieve services were available to all employees at the firm, effects on retention were estimated not just for the research sample but for all individuals working at the firm at the time that the firm entered the study. These data indicate no effects on firmwide retention in the short or long term, as indicated by UI records.

- **Achieve had no effect on workers' employment and earnings, more generally.**

Even though Achieve did not help research sample employees stay at their original firms longer, it was hypothesized that the program might affect their earning and employment outside these firms. Learning to deal with problems on the job, for example, is a skill that follows a worker to other employers. However, an analysis of UI and survey data for the first follow-up year indicates no effects on employment, earnings, or job type.

Policy Implications

Although the Achieve model is not the first program to deliver retention services at the workplace, it is certainly one of the first to be rigorously evaluated. The findings show that it is possible, although challenging, to recruit employers for this type of program and to deliver services at the work site. However, this particular mix of services did not significantly increase retention for the majority of workers, with the exception of some effects for selected subgroups. Although service use was less intensive than hoped, the results suggest that the lack of effects is not due to a low intensity of service receipt. Instead, the results suggest a reconsideration of both the type of services provided and whether to offer services at a level broader than the individual employer.

Recruiting employers is a challenge. Providing employer-based services makes sense only for firms with a sufficient number of low-wage workers, which narrows the potential field of eligible employers and narrows the reach of this type of program into the pool of low-wage workers. In 2006, for example, more than a third of low-wage workers were employed by firms with 25 or fewer employees.⁵ In addition, although many firms might sign up for retention services, advancement services would be a tougher sell. Employers with no internal career ladders have little incentive to offer advancement services to their employees, since the employers will likely not reap any of the benefits.

Even with services located at the employer, sustained engagement of workers is hard to achieve. Although many of the problems that Achieve faced in engaging workers in services were specific to the nursing home industry, some were not. Even in an environment that has less demand for patient and floor coverage than in nursing homes, for example, workers may not have the time to leave their work to attend activities. In this case, negotiating up-front for paid time off for participating workers is important. In addition, as found here, even when services

⁵P. Osterman, "Improving Job Quality: Policies Aimed at the Demand Side of the Low Wage Labor Market," in T. Bartik and S. Houseman (eds.), *A Future of Good Jobs: America's Challenge in the Global Economy* (Kalamazoo, MI: Upjohn Institute, 2008).

can be accessed conveniently, some low-wage workers will not be interested in services, while others will leave the job before getting any sustained service “dosage.”

Changes in the broader work environment may be needed. Workers leave jobs for a variety of reasons: some because of instability in their lives and others because of difficult work environments. In an industry such as long-term care, where high turnover is systemic, workplace factors are likely to be the most important. The Achieve model was designed not to change the broader work environment (such as pay rates, career ladders, and staffing levels) but, instead, to deal with individual-level factors that affect retention. In a high-turnover environment, an individual counseling approach may be effective for employees whose retention problems stem from personal circumstances, but it will have limited effects for the broader group of low-wage workers.⁶ One suggestion is to expand the services provided in order to begin affecting the broader work environment, which has been found to have important effects on worker retention.⁷ Supervisory trainings, for example, could be expanded to serve additional employees and cover additional topics. Helping firms to develop career ladders and to organize better teamwork among employees might also go a long way toward improving working conditions.⁸

A sector-based approach might provide a better platform for the delivery of these expanded services. Another option is to take the delivery platform for these services one level “up,” providing services to groups of employers, either within or across industries.⁹ Although this approach might not include the convenience of offering services at the workplace, if a more central location proved more feasible, it offers several potential advantages. First, to the extent that individual counseling services are provided, the program could follow workers if they leave their original employer — an important feature in high-turnover industries. Second, this approach helps to avoid the tension inherent in the employer-based model of serving the needs of either the employer or the employee. The program could coach some employees to change jobs, if advantageous, while filling these open slots with other clients. In this case, offering advancement services would also be an easier “sell” for participating employers. Finally, serving groups of employers avoids the potential problem of scale, allowing the program to work with firms that may have only a handful of low-wage workers.

⁶In fact, many argue that the Post-Employment Services Demonstration failed to have effects because it offered case management to all clients, many of whom did not need it.

⁷J. Banaszak-Holl and M. A. Hines, “Factors Associated with Nursing Home Staff Turnover,” *Gerontologist* 36 (4) (1996). Also see, for example, the work of the Paraprofessional Healthcare Institute, described in M. Conway, A. Blair, S. Dawson, and L. Dworak-Muñoz, *Sectoral Strategies for Low-Income Workers: Lessons from the Field* (Washington, DC: Aspen Institute, 2007), p. 24.

⁸R. I. Stone, S. C. Reinhard, B. Bowers, D. Zimmerman, C. D. Phillips, C. Hawes, J. A. Fielding, and N. Jacobson, *Evaluation of the Wellspring Model for Improving Nursing Home Quality* (New York: Commonwealth Fund, 2002).

⁹Although Towards Employment primarily served employers in the same industry (long-term care), Achieve was not viewed or implemented as a sector-based model. For examples of sector-based strategies, see the Aspen Institute’s Workforce Strategies Initiative.

The Achieve Program Today

The Achieve model has evolved considerably since the time period in which its operations were evaluated as part of the ERA study. Notably, many of the key model changes — which came about through Achieve staff’s experiences in the ERA study and continued interactions with employers — align with the suggested policy implications mentioned above. For example, Achieve now has a greater focus on organizational change and management practices, and it works with employers who are specifically interested in fostering such change. In line with this, offered services now include creating internal career ladders, developing and offering training for employees interested in applying for these newly created positions, and conducting staff-supervisor mediation within specific departments. Implementing such a model has required Achieve staff to view employers more as “customers,” to ensure employer “buy-in,” and to tie performance benchmarks to employer-identified goals.¹⁰ In addition, as an example of a sector-based approach, Towards Employment recently launched a career ladder initiative and is working with individuals from preemployment through advancement — involving a collaborative of four employers, three educational institutions, and one other community-based organization.

¹⁰Reflecting these model changes, as well as increased experience and efficiency, the cost for the full set of currently offered Achieve services is estimated by Towards Employment staff to be about one-third the cost of serving employers in the research study.